

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, February 6, 2007 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Sorensen; Members Nuckolls, Owens, Selzer, Butler and Moss

Members Absent: None

Other Members Present: None

Staff Present: Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Jude LaCasse, Recording Secretary, County Administrator's Office

Department Heads/
Elected Officials
Present:

Mr. Phil Dick, Director, Building and Zoning; Chief Deputy Rusty Thomas, Sheriff's Department; Mr. Bob Keller, Director, Health Department; Mr. Lee Newcom, County Recorder; Mr. Mr. Don Lee, Director, Nursing Home; Ms. Becky McNeil, Country Treasurer; Ms. Jennifer Ho, Risk Manager; Ms. Maria Pascua, Chief Deputy Clerk, County Clerk's Office; Ms. Jackie Dozier, County Auditor

Others Present: Ms. Julie Osborn, Chief Deputy Auditor, County Auditor's Office; Mr. Mike Behary, Building and Zoning; Ms Jan Morris, Health Promotion Program Manager, Health Department; Mr. Wally McCollogh, Acordia/IRM; Mr. Robert Neiryneck, Attorney, Costigan and Wollrab; Ms. Laura Dick, Executive Director, SHOWBUS; Ms. Sally Scornavacco, Tax Administrator, County Clerk's Office

Chairman Sorensen called the meeting to order at 4:10 p.m.

Chairman Sorensen presented the minutes from the January 2, 2007 Finance Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Mr. Phil Dick, Director, Building and Zoning, presented a request for approval of an amendment to an Intergovernmental Agreement to Provide for Public Transportation in Ford, Iroquois, Livingston and McLean Counties. Mr. Dick stated that this request is in response to recent changes in the Downstate Public Transportation Act (Public Act 94-0070) that will allow SHOWBUS the opportunity to obtain additional funding through the Downstate Operating Assistance Program (DOAP). He indicated that these funds could help meet the Federal funding match requirement. Mr. Dick advised that an addendum to the current Intergovernmental Agreement with Ford, Iroquois and Livingston Counties will need to be approved in order to make an application for these funds. He noted that the Intergovernmental Agreement allows McLean County to obtain federal funds for rural public transportation in all four Counties.

Mr. Moss asked if McLean County was the lead County in all of the SHOWBUS issues. Mr. Dick replied that it is the lead County.

Motion by Moss/Nuckolls to Recommend Approval of
an Amendment to an Intergovernmental Agreement to
Provide for Public Transportation in Ford, Iroquois,
Livingston and McLean Counties.
Motion carried.

Chairman Sorensen asked if there were any further questions. Hearing none, he thanked Mr. Dick.

Chairman Sorensen presented a request for approval of a Resolution amending the Funded Full-Time Equivalent Positions Resolution for 2007. He stated that the Sheriff's Department has operated at and maintained a staffing level of six (6.00) Deputy Patrol Officer positions in the Court Security Division for the past four years. Further, the FY'2007 budget for the Court Security Fund 0141 has sufficient funds to pay the costs of six (6.00) Deputy Patrol Officer positions.

Mr. Zeunik advised that the Full-Time Equivalent Positions Resolution, which was adopted on November 21, 2006 and which became effective on January 1, 2007, inadvertently listed five (5.0) Deputy Patrol Officer positions. This request is simply to correct the Funded Full-Time Equivalent Positions (FTE) Resolution to reflect the six (6.00) Deputy Patrol Officer positions.

Motion by Selzer/Owens to Recommend Approval of
a Resolution Amending the Funded Full-Time
Equivalent Positions Resolution for 2007.
Motion carried.

Mr. Bob Keller, Director, Health Department introduced Ms. Jan Morris, Health Promotion Program Manager. He noted that Ms. Morris is the architect of the Employee Wellness Program. Mr. Keller commented that there are two purposes he would like to cover today, namely to highlight the overall Program and to announce the pilot project through Health Alliance. He explained that the proposal for 2007 ties the program to a pilot program initiated by the County's health insurance carrier, Health Alliance. The design of the program is a result of several meetings among representatives from Health Alliance, Benefit Planning Associates, the County Administrator's Office and the McLean County Health Department. Mr. Keller expressed his appreciation to Mr. Lindberg and Ms. Wherry in the County Administrator's Office for their assistance with this project.

Mr. Keller asked Ms. Morris to review the 2006 County Wellness Program Report.

Ms. Morris announced that the Wellness Program was submitted to NACo and, subsequently, received a 2006 NACo Annual Achievement Award.

Ms. Morris reported that the Health Promotion and Assessment section of the Health Department is proposing to continue the McLean County Employee Wellness Program for the tenth year. She stated that an on-going employee wellness program will increase health awareness, increase productivity, improve the overall health of the work force and demonstrate the County's commitment to employee wellbeing. Ms. Morris noted that research shows that having a healthier workforce reduces the increase in rising healthcare costs. She indicated that the recommended plan would include biometric screenings, health risk assessment (HRA), wellness fair, and numerous wellness activities.

Ms. Morris reiterated that McLean County will participate in the Health Alliance (HAMP) pilot program, *Better Health by Choice*. This program will provide online counseling for all employees as well as telephonic counseling for employees covered by Health Alliance Medical Plans (HAMP) and demonstrating at risk behaviors or screening results.

Ms. Morris advised that the recommended intervention strategies for the entire workplace population includes coronary and cancer risk reduction, weight management, cholesterol management, fitness and better nutrition. She reported that several potentially serious health problems were detected in past screening. Ms. Morris stated that the total cost to the County's Employee Benefit Fund in 2006 was approximately \$20,000.00.

Ms. Morris pointed out that, left undetected, heart disease, stroke or cancer could cost the County considerably more in treatment costs. Ms. Morris stated that the goal for the 2007 wellness program, "Good Health is Always in Season" is to involve more than 450 employees in screenings, health risk assessment and other wellness activities.

Ms. Morris pointed out the following participation statistics for 2006:

- 202 persons screened,
- 197 participated in wellness assessment,
- 231 attended health fair,
- 928 participants in other wellness activities,
- 377 unduplicated participation.

Comparison of screening numbers for all employees screened in last four years:

- Cholesterol greater than 240 dropped from 23% in 2003 to 9% in 2006,
- Elevated blood pressure dropped from 29% in 2005 to 18% in 2006,
- Excess weight dropped from 85% in 2003 to 43.2% in 2006,
- The Corporate Group lost over 800 pounds with the Weight Watchers Program from June 2005 to June 2006,
- High risk for Coronary Heart Disease decreased from 43.2% in 2005 to 39.1% in 2006,
- Overall cancer risk decreased from 87% in 2003 to 78% in 2006,
- Tobacco use dropped from 21% in 2003 to 17% in 2006,
- Consumption of less than 5 fruits and vegetables per day dropped from 74% in 2005 to 66% in 2006.

Ms. Morris indicated that the program, *Better Health by Choice*, will be available to employees and spouses of persons enrolled in the County Health Alliance Plan. Additionally, it will be open to employees not covered by Health Alliance. She stated that the program is tied into the rebate. Families receive a \$1,000.00 rebate if they participate in the health risk assessment. If they do not participate in the Health Risk Assessment, it will be a \$500.00 rebate. For individuals, it is a \$500.00 rebate, but if they do not participate it is \$250.00. Employees can participate in the on-line counseling between February 1st and February 23rd to receive the rebates. Counseling will continue to be available after that time, but not the rebates.

Ms. Morris informed the Committee that, as of yesterday, 132 people logged into the program and 122 submitted their information.

Ms. Morris stated that activities are planned including wellness programs that are noted on the Health Risk Assessment. There are four areas that are specifically targeted, namely stress management, nutrition, quitting smoking and weight control.

Ms. Morris advised that there will be bigger incentives offered to employees who participate in the program, including drawings for airline tickets, trips, etc. Each time an employee is involved in a wellness activity they can add their name into the drawing. She stated that there is currently a team challenge going on that includes 36 teams.

Ms. Morris advised the Committee that the Screenings are set up for April and the Health Fair is in May.

Ms. Morris presented the Health Department's request for an increase from \$20,000.00 to \$29,605.00 to continue the Wellness activities. She noted that Health Alliance will contribute \$2,000.00 to the program. Ms. Morris added that Health Alliance also pays for the screenings.

Mr. Keller reported that funding for this comes from the unencumbered fund balance for the Employee Benefit Fund.

Motion by Owens/Nuckolls to Recommend Approval of
the Proposed 2007 Employee Wellness Budget.
Motion carried.

Chairman Sorensen cautioned Mr. Keller about including the report "Screenings by Department" as it is easy to figure out who some of the employees are when you look at some of the smaller departments. Mr. Keller agreed and indicated he would not include that report in the future.

Chairman Sorensen asked if there were any further questions. Hearing none, he thanked Mr. Keller and Ms. Morris.

Mr. Lee Newcom, County Recorder presented a request for approval of a contract for Professional Services with MAXIMUS, Inc. He explained that this is for a productivity study in the Recorder's Office to determine where to find increased efficiencies or better methods of management, to improve work product and to develop a multi-year plan to meet the future needs of the office. Mr. Newcom advised that funds for this project are already appropriated in this year's budget.

Mr. Newcom stated that work in the Recorder's Office has been backed up since instituting the key-verifying procedure in the office. He noted that key-verifying is an essential step that should be done in the office to determine if the information being inputted each day is accurate. Mr. Newcom added that before key-verifying was instituted there was a very high error rate in the office. He stated that it is important for these records to be accurate for future searches. Mr. Newcom advised that the Recorder's Office is now a little more than a month late in getting documents out of the office.

Mr. Newcom indicated that he believes it is time to have a management study of the office to review how things are done, to evaluate the employees to see that everything is being done in the most efficient manner, and to offer guidance and direction to ensure that they are at the maximum efficiency in the office.

Mr. Newcom stated that the Administrator's Office assisted him in evaluating three different companies and MAXIMUS, Inc. was chosen. He noted that one of the companies did not understand County government, and the second firm had no experience with County Recorder offices. Mr. Newcom indicated that MAXIMUS, inc. has studied several County Recorder offices and recently completed an extensive study of the Sangamon County Recorder's Office, which processes the same number of documents as the McLean County Recorder's Office. He noted that Sangamon County does with 21 employees what he does with five employees.

Mr. Newcom advised that he expects the study to be completed within the next 90 days. Chairman Sorensen stated that the work chart included in the Packet says 12 weeks for a total of 124 hours. He questioned the need to spread 124 hours over a 12-week period. Mr. Newcom replied that the time horizon is to be able to complete the statistical studies that are being collected. He noted that he has a statistician from ISU who is pro bono helping him design a statistical study on accuracy rates over five years to show how changes made have increased accuracy. When this study is done, MAXIMUS will begin their review. Mr. Newcom added that MAXIMUS will not be in the office for three months.

Chairman Sorensen asked how much does an average employee cost the County. Mr. Newcom responded that it is probably in the high twenties. Chairman Sorensen wanted to make sure that money is not being spent on MAXIMUS if the right answer is another employee.

Mr. Selzer asked how many employees are in the Recorder's Office. Mr. Newcom replied that there are four full-time staff members, the Chief Deputy Recorder and one part-time person on a temporary basis working 30 hours per week.

Mr. Selzer asked how many documents are left to be recorded. Mr. Newcom replied that the office is fairly current in recording documents on a daily basis. He added that the problem is in the key-verifying. Mr. Newcom noted that they are currently about 30 days behind in completing the key-verifying. The documents are being recorded within two to three days, but getting them produced and out the door is taking over a month.

Mr. Selzer suggested that Mr. Newcom could conduct an in-house study of the office and present the results to the Committee. Chairman Sorensen expressed concern that this is simply an exercise in looking for an independent, third-party that we are paying \$21,000.00, to come in and repeat the same things Mr. Newcom has been saying over the past couple of years, namely the need for an additional employee.

There was some discussion about the comparison between Sangamon County and McLean County. Mr. Owens asked what is Sangamon County's delay time in document recording. Mr. Newcom replied that he did not know. He advised that documents should be turned around in three or four days, not 30 days.

Mr. Selzer asked what is key-verifying. Mr. Newcom responded that documents come in from title companies, mortgage bankers, and individuals every day. He indicated that before he became the Recorder, the documents sat on the counter until an employee was free to take a stack and process everything, including entering all of the fields of information, the financial information, and payment information. Mr. Newcom added that they were not producing receipts for documents, which led to a lot of financial problems. He stated that when he took office, he changed the system so that the documents were recorded in the order they were received. Mr. Newcom indicated that the software company taught them the proper system to run the office in terms of the document flow. They now have the following system:

- There is a fee entry desk where the first employee takes the document and enters the basic information, records it, stamps the document and it is placed on the internet, but the detailed information is not entered;
- The document then goes to imaging so that there is an image with the recorded document on the internet;
- The document goes back for indexing, which is where the all of the detailed information is entered.

Mr. Newcom stated that the problem with the system is that if there are entry errors that are not caught, it goes into the records. If the document is improperly entered, it is virtually lost in cyberspace.

Mr. Newcom explained that key-verifying is the system that is in every Recorder's office. This is a system where there is another desk where the data is re-entered again that was entered in indexing. That employee enters it without knowing what the first person entered. If there is a discrepancy between the two, the employee has to verify the information. The system also imposes a system of entry which has never been in place in the office in the past. It basically makes the abbreviations used in every entry consistent.

Mr. Newcom advised that the statistical study should show that the Recorder's Office has improved the accuracy to near perfection.

Mr. Nuckolls asked how far behind the Recorder's Office was before Mr. Newcom took office. Mr. Newcom replied that it is impossible to compare because the office was previously not managed.

Mr. Newcom expressed concern with office morale. He pointed out the long hours he and his Chief Deputy put in just assisting with document entries.

Mr. Newcom asked that the Committee approve his request for an outside consultant because he would like a third-party to evaluate the needs and efficiency of the Recorder's Office.

Mr. Selzer pointed out that, while the reports received in the Committee packet are required and detailed, he would like to see a report showing the number of documents received, the number of key-entered, number that went to imaging, number that are waiting for indexing. He noted that if the Recorder's Office was 30 days behind six months ago and still behind 30 days, it appears that we are not losing ground, but need to catch up on that 30 days to get into a consistent schedule. Mr. Selzer stated that, in theory, if the office is behind in staffing, the wait should be growing every month, i.e. 30 day wait, 35, day wait, etc. Mr. Newcom replied that, if you changed nothing in the office, this would be a reasonable measure. He explained that they were about 45 days behind three weeks ago and when they get that far behind, he and Mr. Everhart make up the difference by working longer hours.

Mr. Newcom stated that he has very dedicated employees. He indicated that there is a great deal of pressure on the employees when they see the work is not getting done, which causes a morale problem.

Chairman Sorensen advised that he works as a management consultant and he sees this study as a way to confirm Mr. Newcom's assessment of the needs of the Recorder's Office.

Mr. Selzer recommended that someone from the Administrator's Office spend some time in the Recorder's Office as an independent verification of the needs of that office. Chairman Sorensen added that basic process mapping is not a difficult task and can be done by any ISU business student who is working towards an MBA degree.

Chairman Sorensen is concerned with the figure of \$170.00 per hour for the study. He indicated he would like to see a split rate schedule on which parts of the analysis the associates will be conducting versus what part of the work will be handled by the senior consultants. He expressed additional concern that it is a lot of money for the amount of new information that may be determined from the study.

Mr. Selzer reiterated his concern, in general, with departmental reports that do not offer a concise description of the volume of work conducted in an office. He asked Mr. Newcom to provide a list of the volume of work received for recording. Mr. Newcom replied that those would be difficult and time-consuming reports to produce. Mr. Selzer stated that he would like to see something as simple as "197 documents were received today." He indicated that the Recorder's Office should be able to produce that information with a simple counting of documents. Mr. Newcom replied that he can tell you how many documents a day that they process. Mr. Selzer then asked for a work volume of the number of documents each employee produces. Mr. Newcom responded that he can also generate that figure.

Mr. Newcom stated that the Recorder's Office is not difficult to break down. He noted that recording the fields of information is a fairly easy to define function. Mr. Newcom indicated that their document volume is at the high side of what should be expected from an Office.

Mr. Newcom asked that the Committee pay attention to the needs of the Recorder's Office, which he feels it has not done in the past. He asked that the Committee meet him half way in understanding their needs. Mr. Newcom stated that having a third-party come in to conduct a study will give the Committee an objective opinion on the Recorder's office needs and expectations.

Mr. Selzer referred to a report from the County Clerk's Office that provided the Committee with the following information:

- 752 Birth Certificates were done in April,
- In May, 906 Birth Certificates were processed;
- In June, 840 certificates,
- In July 937 certificates, etc.

Mr. Selzer commented that no one on the Committee has any idea how many documents are received in the Recorder's Office in one day. Mr. Newcom replied that the number of documents received is not an accurate measure of the office due to the size of the documents. One document may have 100 pages, mortgage releases may have only one page, deeds are almost always two pages, one mortgage can be four pages long or as many as 22-25 pages long. Mr. Newcom informed the Committee that telling them the number of documents would be extremely time-consuming. Mr. Selzer responded that he wants to know what is the work load. He suggested that if one document is 100 pages and all the information needs to be recorded, that would count as 100 pages. Mr. Newcom stated that it does not work that way. Mr. Selzer reiterated that there must be some way to measure the volume of work. Mr. Newcom replied that the way to measure the volume is by the number of documents processed. However, it is not data that he can produce because of the varying size of the documents.

Mr. Selzer indicated that if the Recorder's Office does not have a handle on the volume of work that comes into the office in a day, it is difficult for the Committee to determine the need for a consultant. Mr. Newcom replied that he needs a third-party to come in to evaluate the office. He added that he needs to be able to evaluate the job the employees are doing in a way that is rational and measurable. Mr. Newcom stated that he can evaluate the number of documents they record and how many steps there are in the process, as each document has the same steps. He noted that one legal description can be two lines long or three pages long, and commercial deals can be as many as 50 legal descriptions. Therefore, Mr. Newcom stated he cannot give the Committee a specific number to measure. He indicated that you must measure it by the number of documents done and the number of steps to processing the document that is fair and accepted in every Recorder's Office. Mr. Selzer replied that if that is how he measures the office, then that is the information he would like to see. He also noted that this is information the consultant will need.

Mr. Nuckolls asked if it would be helpful to postpone a decision on the consultant until such time that Mr. Newcom provides the information Mr. Selzer requested. Mr. Newcom replied that he is unable to provide that information. He said he can give the Committee the number of documents per month, but he cannot give detailed reports on which documents are on which desks.

Chairman Sorensen stated that he understands what Mr. Selzer is requesting. He reviewed "consulting school 101" noting that this methodology is basic principles in manufacturing. Chairman Sorensen noted that one of the fundamental inputs is the need to know what the demand is for the work. He indicated that in the Recorder's Office it would be the number of documents coming over the counter times the number of pages times the complexity, etc. Chairman Sorensen suggested that Mr. Newcom figure out that information because that is how you measure the demand for work. He stated that if Mr. Newcom can quantify the need for more employees, it can't just be based on the observation that "everyone looks busy."

Mr. Newcom disagreed that the purpose of the consultant is to come in to confirm that he needs two more employees. He indicated that this firm knows the process and what production should be expected in an office, and they can review the Office to determine if it is being run efficiently. Mr. Newcom informed the Committee that what he wants from the consultant is answers to the following questions:

1. Is the office being run efficiently?
2. If it isn't, what needs to be done to accomplish the job?

Mr. Newcom reiterated that he wants an independent judgment. He noted that he has not been successful in communicating the operations and needs of the office with the Finance Committee. Mr. Newcom added that, if he needs a third party to get the Committee's attention, he is willing to hire a consultant.

Mr. Newcom stated that he is willing to work with the Committee, but he asked that the Committee not ask him impossible questions and demands, where nothing gets done. Chairman Sorensen replied that asking how much work is done in the Recorder's Office doesn't sound like an impossible demand.

Mr. Owens asked if Mr. Newcom asked for any staff increases during the last budget cycle. Mr. Newcom replied that he did not, but he had discussed, with the Administrator's Office, the fact that his office is understaffed. He added that, at that time, he had made the change to a double entry process and he wanted to wait to see how that worked out. Mr. Newcom advised that the budget cycle is approaching and he wanted to get this proposal in now and have the study completed before the budget process.

Mr. Owens expressed his understanding that Mr. Newcom is well aware of what is needed in his office. He advised that if Mr. Newcom needs additional staff, he should document that need for further discussion of a potential new employee.

Chairman Sorensen recommended that Mr. Newcom provide the following information:

- Clear definition on the consulting firm's project team – who their people are and what qualifies them to conduct this study;
- Would like to see the division of labor in their work product and have a clear understanding of the bill rates for the different types of people;
- Would like to see the County Administrator's Office integrated into this in a partnership role as the client to make sure that all questions are covered

Mr. Selzer asked how it is possible to compare McLean County to Sangamon County if there is no clear delineation of the amount of work done in the office. He noted that Mr. Newcom was elected to be the Recorder and as such he is on the National Recorder Circuit, the State Recorder's Circuit and attends numerous meetings. Mr. Selzer concluded that if Mr. Newcom cannot figure out what is the volume of work in his office, it doesn't matter how much is spent on a consultant. Mr. Newcom responded that he can quantify exactly what is going on in his office, but when you have a process that involves documents of varying lengths and detail, it is very difficult to get the minutia of detail for which he is asking.

After additional discussion, the Finance Committee deferred action on Mr. Newcom's request for a consultant at this time.

Mr. Newcom presented his Monthly Financial Reports for December, 2006.

Chairman Sorensen asked if there were any questions or comments. There were none.

Chairman Sorensen presented the McLean County's Tentative Multiplier Report as submitted by Mr. Robert Kahman, Supervisor of Assessments. He asked if there were any questions. There were none.

Mr. Don Lee, Director, Nursing Home, presented his December Monthly Report, noting that there was nothing unusual to report. He indicated that there will be some year-end adjustments made, but nothing significant.

Chairman Sorensen asked if there were any questions. Hearing none, he thanked Mr. Lee.

Ms. Becky McNeil, County Treasurer, presented the County Treasurer's Monthly Financial Reports for the period ending January 31, 2007.

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending January 31, 2007. Ms. McNeil pointed out the following statistics:

- Retailers Occupation Tax Revenue Year to Date is \$448,035.39 which is 11% down from last year and 7.45% of budget.
- State Income Tax Revenue is \$136,190.24, which is 0.69% over last year and 8.45% of budget.
- Personal Property Replacement Tax Revenue is \$182,300.41, which is 1.80% down from last year and 13.07% of budget.

Ms. McNeil reminded the Committee that this is very early in the year to determine the trend.

Ms. McNeil presented the Treasurer's General Pooled Investment Account. She noted that this report encompasses all money that is held in the name of McLean County Treasurer and the various funds in which those moneys are kept. Ms. McNeil reported that there was no CD activity or additional investment activity in the month of January. She indicated that this is because, between now and May, the County will be depending heavily on the available cash to meet its needs.

Ms. McNeil reported that the total amount invested for of all funds is \$31,899,830.85.

Ms. McNeil reviewed the Statement of Revenues, Expenditures and Fund Balance for the General Fund as of January 31, 2007. She stated that, because it is so early in the year, it is difficult to see much happening. Ms. McNeil pointed that that the month of January is skewed because funds are being accrued for both 2006 and 2007.

Ms. McNeil reported that the total Revenue as of January 31, 2007 is \$860,888.42, which is 2.86% of budget total. Expenditures are \$2,404,948.15, which is 7.99% of budget; and the Fund Balance as of January 31, 2007 is \$8,379,433.20. Ms. McNeil recognized that the revenue is much below the expenses at this time. However, she noted that there are significant amounts of revenue that have not yet been accrued.

Motion by Owens/Butler to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending January 31, 2007, as submitted.
Motion carried.

Chairman Sorensen asked if there were any questions. Hearing none, he thanked Ms. McNeil.

Ms. Jennifer Ho, Risk Management, presented her request for approval of Renewal of Brokerage Service Contract with Acordia/IRM. She stated that the Agreement provides for the placement of the County's insurance programs on a fee-based basis instead of commissions. The extension provides for compensation of \$30,000.00 in fees. Ms. Ho advised that, because the Healthcap insurance program is based on commissions only and cannot be underwritten net of commissions, the corresponding commissions for this line of coverage is netted out of the \$30,000.00 fees for 2007, resulting in a net payable of \$25,393.00 from \$28,116.00 for 2006.

Mr. Owens asked if there was an increase over the last contract renewal. Ms. Ho responded that there has not been a change over the past few years.

Motion by Selzer/Nuckolls to Recommend Approval of Renewal of Brokerage Service Contract with Acordia/IRM.
Motion carried.

Ms. Ho introduced Mr. Wally McColloch of Acordia/IRM. She then presented a request for approval of Renewal of the proposed Risk Management Insurance Program for 2007. Ms. Ho noted that the proposed program is 2.84% or \$14,975.00 less in premiums over FY'2006 and \$57,971.00 less than the anticipated amounts budgeted for FY'2007, given an increase in the County's exposures. She stated that, in FY'2007, the County had an increase of 4.47% in the County's operating budget, an increase in payroll and adjusted the insured property values for the County upwards to reflect inflation.

Ms. Ho advised that the above figures represent an adjustment to the figures listed in the Committee Packet.

Ms. Ho highlighted the following:

- Excess workers compensation insurance – the County's self-insured retention (SIR) with the incumbent carrier, Safety National Casualty Corp., was increased by \$50,000.00 to \$400,000.00 from an SIR of \$350,000.00 in FY'2006.
- Property insurance – insured values were increased to reflect inflation. The ETSB/MetCom building, which reverted back to the County's ownership, is also included. Chubb Insurance Company continues to offer broader coverages than its competition.
- Excess liability insurance program – the State's Self-insured RRG program was selected over another competing program, ICRMT for higher limits of \$15 million per occurrence over the \$10 million limits offered by ICRMT.
- Nursing Home Liability Insurance – Healthcap remains the best fit.
- Theft/Bond Insurance remains unchanged.
- Claims Administration remains with CCMSI, with the assumption of a new 3-year contract in 2007.
- Legal representation – rates for attorneys increased from \$100.00 to \$175.00 for principals and \$90.00 to \$135.00 for associates.

Mr. McCollogh informed the Committee that they looked at a program that could combine the County's liability and the Nursing Home Program together. He noted that there could have been some minor savings, but it would have been necessary to go to a different form, which limited reporting abilities. Additionally, it limited the amount of coverage per occurrence.

Mr. McCollogh reviewed the Chubb Insurance. He stated that this will be their third year with the County. He noted that Chubb has been able to decrease the County's rate this year, so the premiums stayed reasonably flat. Mr. McCollogh announced that Chubb Insurance is one of only five A++ carriers in the country.

Mr. McCollogh reported that they approached the insurance carriers in July of last year and asked them to guarantee that they would not have any more than a 5% increase in their rate costs. All carriers agreed to this request.

Ms. Ho reminded the Committee that the figures in the Committee packet were amended in her verbal report. She noted that she will correct the pages for the Board Packet.

Motion by Selzer/Owens to Recommend Approval of
the Proposed Risk Management Insurance Program for
Fiscal Year 2007 as amended.
Motion carried.

Mr. McCollogh informed the Committee that Acordia is a national brokerage that is owned by the parent company, Wells Fargo, and, effective Monday, February 5th, Acordia's name was changed Wells Fargo Insurance Services, Inc. He asked if it is necessary to change the service agreement to reflect the new name. Chairman Sorensen replied that it will not be necessary to change until next year.

Chairman Sorensen asked if there were any questions. Hearing none, he thanked Ms. Ho and Mr. McCollogh.

Chairman Sorensen asked if there were any questions on Ms. Ho's monthly report. There were none. Ms. Ho advised that the actuarial study will be presented next month.

Ms. Maria Pascua, Chief Deputy Clerk, County Clerk's Office, presented a request for approval to clarify the apparent conflict between the County Board's Resolution Adopting the Budget Policy Resolution and the County Board Personnel Policy and Ordinance regarding Exempt Employees. Ms. Pascua explained that several years ago, the County Clerk's Office began using exempt County employees to help out at election time. At that time, the State's Attorney indicated that, as long as the Department heads were in agreement and they didn't interfere with their normal duties, it was acceptable. Since that time, it was discovered that the Budget Policy has language that contradicts the Personnel Policy, which states that exempt employees cannot be paid to help them. Ms. Pascua requested that the language could be altered to allow exempt employees to be paid for work they do in the Clerk's Office.

Mr. Selzer asked if the exempt employees were based on their current rate of exempt pay or based on the job they were performing for the Clerk's Office. Ms. Pascua replied that they were paid based on the job they were performing for the Clerk's Office.

Chairman Sorensen expressed concern that, since it is still the same employer, it would not be allowed. Mr. Zeunik explained that this is where the conflict comes in between what is in the Budget Policy and what is in the Personnel Policy. The Personnel Ordinance, which the Finance Committee recommended and approved, prohibits an exempt employee from working within another unit of County government except when the following conditions apply:

- Performance of the extra duties are completely voluntary;
- Performance of the extra duties are occasional and sporadic, and on a part-time basis, and;

- Performance of the extra duties are in a different capacity from any capacity in which the employee is regularly employed.

Mr. Zeunik stressed that because the duties are not fulfilling duties and responsibilities which are a part of the exempt employee's fulltime position, and which sets their hourly rate, the employee can work and be paid at a different rate.

Mr. Selzer concluded that, if someone from the Recorder's Office, who is an exempt employee, voluntarily went to work part-time for the County Clerk's Office, it would be acceptable. However, an exempt employee in the County Clerk's Office who is working overtime for that office cannot be paid overtime. Mr. Zeunik replied that he is correct.

Mr. Zeunik advised that the Budget Policy will need to be revised to reflect that the policy stands as it is except for the provisions under Section 10.82 of the County's Personnel Ordinance Policy.

Motion by Selzer/Nuckolls to Recommend Approval of
a Resolution of the McLean County Board Amending
the Resolution Establishing the Budget Policy for Fiscal
Year 2007.

Motion carried.

Ms. Pascua presented the 2006 Monthly Activity Report. She also expressed Ms. Milton apologies for her absence as she was unable to attend.

Chairman Sorensen asked if there were any questions. Hearing none, he thanked Ms. Pascua.

Ms. Jackie Dozier, County Auditor, and Ms. Julie Osborn, Chief Deputy Auditor, County Auditor's Office, presented a request for approval of an Ordinance of the McLean County Board Amending the 2007 Combined Annual Budget and Appropriation Ordinance to Re-appropriate the Unliquidated Encumbrances of the Prior Fiscal Year 2006 Budget. Chairman Sorensen explained that these are committed dollars from the 2006 budget for purchase orders that have not yet been paid. Ms. Osborn advised that this is a housekeeping matter. She also noted that the amount is higher this year due to the IJIS project, as well as the large salt purchase order for the Highway Department.

Motion by Owens/Selzer to Recommend Approval of an Ordinance of the McLean County Board Amending the 2007 Combined Annual Budget and Appropriation Ordinance to Re-appropriate the Unliquidated Encumbrances of the Prior Fiscal Year 2006 Budget.
Motion carried.

Ms. Dozier reviewed an audit of cell phone usage for several County departments. She noted that this audit was conducted to ensure that policy 10.84-3 of the McLean County Personnel Policy was being followed. Ms. Dozier stated that the audit consisted of review of the monthly cell phone charge to the account, examination of monthly cell phone usage bills and the Master List of the McLean County Cellular Telephone Listing on file in the Auditor's Office.

Chairman Sorensen asked if there were any questions. Hearing none, he thanked Ms. Dozier.

The Finance Committee went into a recess at 5:50 p.m.

The Finance Committee reconvened at 5:58 p.m.

Mr. John Zeunik, County Administrator, presented several items for action. The first three items are items presented to the Finance Committee every February and can be acted on together. Mr. Zeunik referred to the spreadsheet of Project Cash Flow Needs for Fiscal Year 2007. He pointed out that there are several County funds that are dependent upon Property Tax Revenues, revenues which are not received until late May or early June. As a result, it is necessary to transfer money so that these County Funds can continue to operate from January 1 through the end of May. Mr. Zeunik indicated that there are two Ordinances and one Resolution which authorizes the County Treasurer to move money between funds.

Mr. Zeunik stated that the first item is a request for approval of an Ordinance transferring Monies from the County General Fund 0001 to the F.I.C.A./Social Security Fund 0130 and the Tort Judgment Fund 0135, Fiscal Year 2007. The second is a request for approval of an Ordinance transferring Monies from the TB Care and Treatment Fund 0111 and the Health Department Fund 0112 to the Persons with Developmental Disabilities Fund 0110, Fiscal Year 2007. The final item is a request for approval of a Resolution transferring Monies from the Working Cash Fund 0002 to the I.M.R.F. Fund 0131, Fiscal Year 2007.

Motion by Selzer/Butler to Recommend Approval of an Ordinance Transferring Monies from the County General Fund 0001 to the F.I.C.A./Social Security Fund 0130 and the Tort Judgment Fund 0135, Fiscal Year 2007, an Ordinance Transferring Monies from the TB Care and Treatment Fund 0111 and the Health Department Fund 0112 to the Persons with Developmental Disabilities Fund 0110, Fiscal Year 2007 and a Resolution Transferring Monies from the Working Cash Fund 0002 to the I.M.R.F. Fund 0131, Fiscal Year 2007.
Motion carried.

Mr. Zeunik presented a request for approval of review of recommendations regarding changes to the County Credit Card Purchasing Use Agreement for office supplies and travel expense. He reminded the Committee that, at the January Finance Committee meeting, County Recorder Lee Newcom asked the Finance Committee to amend the County's Travel and Credit Card Use Policy to permit the purchase of hotel rooms using discount internet sites and to permit purchase of office supplies and commodities from discount internet sites.

Mr. Zeunik stated that, as part of the review, he asked a sample of County elected officials and appointed department heads whether they use the discount internet sites to purchase hotel rooms and office supplies. He reported that County offices and departments are currently purchasing office supplies and commodities from discount internet sites, such as Corporate Express, Office Depot, Quill and U.S. Communities (the NACo sponsored Government Purchasing Alliance). Mr. Zeunik indicated that Staples Office Supply would also like to offer their services.

Mr. Zeunik advised that he does not see any need for the Finance Committee to recommend an amendment to the current County policy regarding credit card purchases of office supplies and commodities.

Mr. Zeunik reviewed the County Travel and Credit Card Policy in terms of purchasing hotel rooms from discount internet sites. He noted that purchasing hotel rooms from discount internet sites presents several issues that should be addressed in any amendment to the current County policy. Mr. Zeunik stated that the survey sample of County elected officials and appointed department heads returned a split vote. Four County offices and departments do not use discount internet sites to reserve hotel rooms, and two County departments

expressed an interest in being able to use discount internet sites to serve or purchase hotel rooms.

Mr. Zeunik advised that, for the Committee's review, he attached copies of hotel reservation pages from the discount internet sites, the NACo Conference Hotel registration and one hotel internet site. He also included an EXCEL spreadsheet comparing the rates for a five-night stay in Washington, D.C. during the NACo Annual Legislative Conference, March 2-7, 2007. For comparison, Mr. Zeunik used the same hotels that are listed as official conference hotels on the NACo Legislative Conference Registration form. He pointed out that the NACo Conference Rate is lower than the rate available from all of the discount internet sites except for Hotwire.com. Mr. Zeunik state that if an employee stays at a remote hotel (e.g. in Alexandria, Virginia, etc.), the average nightly rate is less than the NACo Conference Rate. However, the trade-off is that you must consider the cost of traveling back and forth from the hotel to the conference site.

Mr. Zeunik evaluated the various internet sites, noting that some of them would not modify reservations or refund on cancellations, and some had a cancellation fee.

Mr. Zeunik recommended the following amendments to the current County Travel Policy and Credit Card Policy:

1. Restrict the use of discount hotel internet sites for booking reservations using the County credit card to those sites which permit reservation using to be cancelled or modified with advance notice. Currently, the following sites offer the most flexibility and the least risk to the County: Expedia.com, Hotels.com and Orbitz.com. Internet discount sites that offer no refund and no changes to the reservation should be blocked by the County's credit card provider.
2. If an employee wishes to make a reservation on an internet discount site that offers no refund and no changes to the reservation, then the employee must use the employee's personal credit card and assume full risk if the reservation needs to be cancelled or modified. The employee's lodging expenses are eligible for reimbursement pursuant to the County's Travel Expense Reimbursement Policy.

3. If an employee elects to use an approved discount hotel internet site to make a reservation using the County credit card and then fails to abide by the site's terms and conditions and, as a result, the County is liable for additional charges, the employee may be responsible for reimbursing the County the full amount of the additional charges. The employee will not be responsible for reimbursing the County if the employee is unable to attend the Conference due to illness, including illness in the employee's family, unexpected family or business emergency, and/or weather conditions that restrict travel.

Mr. Zeunik explained that these recommendations are an attempt to provide flexibility to the employees in terms of being able to use the internet to make hotel reservations. It also tries to align the use of those sites with the same types of penalties that apply when you use a hotel site to make reservations or even when you make advanced airline reservations. For instance, when you make an advanced airline reservation you may not be able to get a refund or if you need to change a flight, a penalty may be assessed. Mr. Zeunik stated that the concern of the Administrator's Office and the Auditor's Office is that employees recognize sites that absolutely prohibit any chance of a refund or a change of a reservation has the potential of placing the County at risk in terms of the funds that are expended as soon as the credit card is used.

Mr. Selzer expressed concern with making hotel reservations using internet sites that do not allow refunds. Chairman Sorensen added that it is incumbent on the traveler to not always assume you can get the best price in any one place.

Mr. Newcom stated that you can save far more money than has been discussed by using Priceline.com. He stated that when he goes to Washington, he stays in the area of the conference, at a very good hotel, for \$60.00-\$105.00 per night, while the conference rate is over \$200.00 per night. Mr. Newcom expressed his desire to buy his room via internet. He also asked that the Committee consider allowing the use of Priceline service.

Mr. Selzer asked if the County Auditor approves the policy. Ms. Dozier replied that she approves of the policy as set forth by the County Administrator's Office.

After a lengthy discussion, the Finance Committee concurred with the recommendation of the County Administrator's Office.

Motion by Owens/Selzer to Recommend Approval of Review of Recommendations Regarding Changes to the County Credit Card Purchasing Use Agreement for Office Supplies and Travel Expense as submitted by the County Administrator's Office.
Motion carried.

Mr. Zeunik announced that the McLean County Comprehensive Annual Financial Report for FY'2005 qualifies for a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the 21st consecutive year. Mr. Zeunik stated that the two people who deserve a lot of credit and commendation for this honor are Ms. Becky McNeil, County Treasurer and Ms. Jackie Dozer, County Auditor.

Chairman Sorensen expressed his appreciation that the County has once again received this award.

Chairman Sorensen presented the final December 31, 2006 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a prepaid total of \$427,784.49 and a Fund Total that is the same. The Nursing Home Fund is \$102,086.25 with the prepaid total the same.

Motion by Selzer/Butler to recommend approval of the
Finance Committee bills as of December 31, 2006.
Motion carried.

Chairman Sorensen presented the January 31, 2007 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Fund Total of \$668,315.24 with a Prepaid Total the same and the Nursing Home Fund Total is \$429,159.80 with a Prepaid Total the same.

Motion by Owens/Butler to recommend approval of the Finance Committee bills as of January 31, 2007.
Motion carried.

Chairman Sorensen called for a motion to go into Executive Session to discuss Collective Bargaining and Pending Litigation.

Motion by Butler/Owens to Recommend the Finance Committee go into Executive Session at 6:25 p.m. to discuss Pending Litigation with the Committee Members, the Administrator's Office Staff, Ms. Jennifer Ho and Outside Counsel.

Finance Committee
February 6, 2007
Page Twenty-five

Motion by Owens/Selzer to recommend the Finance Committee return to Open Session at 6:36 p.m.
Motion carried.

Chairman Sorensen stated it would be appropriate to make a recommendation for approval of the proposed Settlement of pending litigation.

Motion by Owens/Butler to recommend Approval of the proposed Settlement of Pending Litigation as recommended by the Risk Manager and outside Legal Counsel.
Motion carried.

Chairman Sorensen asked for a motion to return to Executive Session.

Motion by Owens/Selzer to recommend the Executive Session of the Finance Committee reconvene at 6:37 p.m. in Room 404 to discuss Collective Bargaining with the Committee Members, the Administrator's Office Staff and Chief Deputy Sheriff Thomas.
Motion carried.

Motion by Owens/Selzer to recommend the Finance Committee return to Open Session at 6:55 p.m.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 6:56 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary