

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, January 2, 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, and Moss

Members Absent: Member Butler

Other Members Present: None

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

Department Heads/
Elected Officials

Present: Ms. Jackie Dozier, County Auditor; Mr. Bob Keller, Director, Health Department; Mr. Lee Newcom, County Recorder; Mr. Don Lee, Director, Nursing Home; Ms. Becky McNeil, Country Treasurer

Others Present: Ms. Carol Ash, Internal Auditor, County Auditor's Office; Ms. Megan Nelson, Deputy County Clerk, County Clerk's Office

Chairman Sorensen called the meeting to order at 4:09 p.m.

Chairman Sorensen presented the minutes from the December 5, 2006 Finance Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Ms. Carol Ash, Internal Auditor, County Auditor's Office, presented a Summary on the Law Library Fund Audit and the Safe Havens Grant Audit Report.

Chairman Sorensen asked if there were any questions regarding these reviews. Mr. Selzer asked that the reports reflect the fund balance of the audited funds, particularly the Law Library, which has a negative fund balance.

Chairman Sorensen recommended that, in the future, a current fund balance summary be included in the report.

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

Mr. Bob Keller, Director, Health Department reviewed the proposed language for signs under Section 39-5 of the McLean County Smoking Ordinance. He indicated that there was some question as to whether this signage would require an Ordinance Amendment. Mr. Keller advised that the signage language in the Ordinance was reviewed by Mr. Eric Ruud, First Civil Assistant State's Attorney, who determined that it is not necessary to amend the Ordinance.

Mr. Keller explained that the signage will provide some element of informed consent for individuals entering a smoking establishment. He noted that the signs would be similar to signs found in liquor stores that point out the risks of alcohol for pregnant women.

Mr. Nuckolls asked if the signage is a suggestion and not a recommendation. Mr. Keller replied that the signage he provided is the Health Department's recommendation to the Committee.

Mr. Nuckolls asked where the signage will be posted. Mr. Zeunik responded that the signs will be required to be posted on every public entrance to an establishment that allows smoking, i.e. Class D Liquor License holders.

Members of the Finance Committee supported the signage as submitted by the Health Department.

Chairman Sorensen recommended that the proposed signage be included in the County Board packet as an informational item. Mr. Keller indicated that as soon as the Board has reviewed the signage, he will proceed with distributing the signs to the smoking establishments for posting.

There was some discussion as to how to distribute the signs to businesses that do not fall under the exemption provision. Chairman Sorensen indicated that the County has the commercial addresses and recommended that a copy of the Ordinance and signage be sent to those addresses.

Mr. Keller advised that Arkansas is the latest state to establish a state-wide smoking ban, with certain exemptions for some establishments. He noted that Arkansas sent a packet to establishments containing the signs, rules, etc.

Chairman Sorensen suggested that a letter be sent to designated establishments, along with a response card that asks a business owner if they feel they fall under one of these exemptions and, if so, which one and how. Mr. Keller indicated that they can send out the signage to the Class D Liquor License establishments. Mr. Keller stated that he will distribute the signs following the County Board's endorsement of the signage.

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

Mr. Lee Newcom, County Recorder presented his Monthly Financial Reports for November, 2006. He announced that the Recorder's Office ended the year balanced to the penny.

Mr. Newcom asked the Finance Committee to consider modifying the Travel and Credit Card use policies. He distributed a memorandum explaining why he believes the policy should be modified. Mr. Newcom reported that, when he travels on County business, it is possible to save the County money by reserving hotel rooms through internet sites such as Hotels.com or Priceline. Further, he advocates purchasing office commodities through means other than traditional vendors, such as through the internet.

Mr. Newcom stated that, under the County Travel Policy and Credit Card Use Policy, the Auditor believes that internet reservations and purchases should not be allowed. Therefore, he is asking the Finance Committee to update the Travel Policy and Credit Card Use Policy to include these types of purchases.

Mr. Owens asked why the Auditor does not want to modify the policies. Mr. Newcom replied that the Auditor believes that purchasing hotels through internet discount vendors does not give the Auditor's Office the ability to verify that someone was in the room for that number of nights. He noted that the dates on the airline ticket would verify the length of his stay. Mr. Newcom indicated that, when you reserve a hotel room through Priceline, you cannot get an itemized hotel receipt and the reservation must be paid in advance. Mr. Selzer stated that he has received itemized receipts when he reserved hotel rooms through an internet vendor.

Mr. Newcom compared purchasing non-refundable hotel rooms with non-refundable airline flights, which is a common practice. He stated that he would be willing to refund the amount paid in advance by the County, should he not use a reserved, non-refundable hotel room.

Chairman Sorensen advised that this discussion has come up under “other business” and is not an action item. He noted that it will be necessary to have the assistance of the County Administrator’s Office, the Auditor’s Office and possibly the State’s Attorneys Office for interpretation of the current policies. Chairman Sorensen recommended that this discussion be moved to next month’s Finance Committee agenda under the Administrator’s Office.

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

Chairman Sorensen presented the Assessment Status Report as submitted by Mr. Robert Kahman, Supervisor of Assessments.

Mr. Don Lee, Director, Nursing Home, presented his November Monthly Report, noting that the census was 147 residents. He stated that the census continues to remain at 147 residents. Mr. Lee indicated that November was also a positive month financially and he expects the year will be positive as well.

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 December 31, 2006.

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending December 31, 2006. Ms. McNeil pointed out the following statistics:

- Retailers Occupation Tax Revenue Year to Date is \$5,860,170.91 which is 4.17% over last year and 108.92% of budget.
- State Income Tax Revenue is \$1,657,717.19, which is 9.46% over last year and 125.03% of budget.
- Personal Property Replacement Tax Revenue is \$1,481,942.58, which is 7.34% over last year and 120.56% of budget.

Ms. McNeil stated that the Property Tax Revenue, year-to-date, is at \$7,233,558.30, which is 100.20% of budget. She reported that the General Fund budget is \$7,219,191.00, noting that the difference between this figure and the Property Tax Revenue total is from interest earned from the County Collector and back taxes. Ms. McNeil advised that this was a very good year.

Mr. Nuckolls raised the question of how many citizens are paying their property tax at one time rather than two times per year. Ms. McNeil responded that a significant number of citizens pay their property taxes at one time. She noted that there are some citizens who are unhappy with the single tax bill and who would like a reminder. Ms. McNeil indicated that, in the future, they may look at sending a reminder to those people who did not pay their property tax at one time.

Ms. McNeil advised that the direct debit program has also increased and was made simpler by the single tax bill.

Mr. Selzer asked about the possibility of sending out a second notice via e-mail, noting that e-mail is often more reliable than the U.S. mail. She responded that she has not done that but she will consider e-mail as a possible method to remind citizens to pay their property tax. Ms. McNeil added that she would want a disclaimer on any e-mail reminder that, should they not receive the e-mail, it does not relieve them of their responsibility to pay their property taxes.

Ms. McNeil presented the Treasurer's General Pooled Investment Account, noting that it was difficult to get current interest rates due to the holiday break. She read an article to the Committee members from *Illinois Funds* that reported that the economy is slowing down and it is predicted that interest rates will decrease. Ms. McNeil advised that she is already seeing changes in interest rates. She pointed out that three CD's came due this month. The current rates received upon renewal were lower than the prior rates. For instance, a nine-month CD at Busey Bank was previously 5.30% and the current rate is 5.12%. Ms. McNeil noted that the Illinois Funds-Money Market went from 5.22% to 4.80%. She stated that it is normal for the rates to fluctuate some, but she expects that the rates will drop. Ms. McNeil indicated that some six-month CD's have a better interest rate than 12-month CD's.

Ms. McNeil reported that the total amount invested for of all funds is \$32,767,462.13.

Ms. McNeil reviewed the Statement of Revenues, Expenditures and Fund Balance for the General Fund as of December 31, 2006. She acknowledged that these numbers will change when transfers are made for management surcharges. Ms. McNeil reported that interest on investments in 2006 was extremely good. She pointed out that \$660,175.00 was budgeted for interest revenue and it came in at \$1,303,546.79. Ms. McNeil also pointed out several revenue items that came in higher than expected, including Bloomington Election Commission, which was budgeted at \$75,000.00 and came in at \$100,000.00.

Ms. McNeil reported that the total Revenue as of December 31, 2006 is \$29,298,811.88, which is 102.65% of budget total. Expenditures are \$28,560,810.51, which is 100.07% of budget; and the Fund Balance as of December 31, 2006 is \$9,443,706.61, which is up \$738,001.37 for the year.

Ms. McNeil reviewed the Employee Benefit Fund report, which she provides to the Committee quarterly. She noted that the Expenditures are at \$3,651,880.93 and the Revenues are at \$3,633,304.79. Ms. McNeil pointed out that there was a slight dip into the Fund Balance at the end of the year.

Ms. McNeil reviewed the CDAP Revolving Fund Semiannual Report, noting that this report is sent to the State of Illinois twice a year and is reviewed with the Finance Committee on a quarterly basis. She reported that, as of December 31, 2006, the three outstanding loans are current. Ms. McNeil noted that the two new loans approved by the Finance Committee have not closed as of this date. Therefore, the total amount in the Revolving Fund of \$743,213.06 does not reflect the loans approved for Coffee Hound and GridIron Brew Works.

Chairman Sorensen asked Mr. Vanags to give a brief report on the status of the Coffee Hound and GridIron Brew Works, Inc. when he addresses the Committee.

Chairman Sorensen called for a motion to accept and place on file the County Treasurer's Month-end Financial Reports and Quarterly Reports as presented.

Motion by Owens/Nuckolls to accept and place on file the Month-end Financial Reports and the Quarterly Report from the County Treasurer's Office for the month ending December 31, 2006, as submitted.
Motion carried.

Ms. McNeil advised that she did some research, as requested by the Committee, on credit unions. She explained that there are two Acts which govern how she deposits and invests funds. The first one is 30 ILCS 225 – Public Funds Deposit Act, which deals with deposits. Ms. McNeil read the important section of that Act, as follows “*Any treasurer or other custodian of public funds may deposit such funds in a savings and loan association, savings bank, or State or national bank in this State.*” Under the Public Funds Investment Act 30 ILCS 235, the sections highlighted by Ms. McNeil are: “*Investments may be made only in bands which are insured by the Federal Deposit Insurance Corporation. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation. Any Public agency may invest any public funds in*

dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investment may be made only in those credit unions the accounts of which are insured by applicable law.

Ms. McNeil reported that this means the County can invest in credit unions, but it should be done very conservatively. She indicated that she is investigating the possible rates from local credit unions on a \$250,000.00 CD, but she does not yet have the rates. Ms. McNeil stated that the credit union must also have the ability to collateralize these funds. If they cannot, they will not be considered.

Mr. Selzer asked what it means to be collateralized. Ms. McNeil responded that it means the funds will be secured.

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

Mr. John Zeunik, County Administrator, presented a request for approval of a CDAP Revolving Loan for Trace Design Studio, Inc. to expand an existing graphic design and marketing business at 114 North Street, Suite A, Normal, Illinois. Mr. Zeunik introduced Mr. Marty Vanags, Chief Executive Officer, EDC and the applicant, Mr. Bradley S. Barth, President of Trace Design Studio, Inc. Mr. Zeunik advised that the application is for a \$30,000.00 loan for five years, with an interest rate of 5.2%.

Chairman Sorensen recused himself as he is involved in a similar business. Vice Chairman Owens led the committee.

Mr. Vanags indicated that this is the first time he has come to the Committee since the new guidelines were passed. He expressed his hope that the material is complete and easy to understand.

Mr. Vanags explained that Mr. Barth is a graphic designer, working in design for the past 15 years in this community. Trace Design is a full service marketing company with emphasis on creativity and cutting-edge multi-media strategies. He noted that the Company has a solid base of business and a good reputation in the community. Mr. Vanags reported that the Company is expanding to a new location on North Street in Uptown Normal.

Mr. Vanags disclosed that Trace Design has done most of the work for EDC and Mr. Barth is an investor in EDC.

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Vice Chairman Owens commented that, after 9/11, Mr. Barth designed the "Our Heroes" poster that was posted in fire houses in New York City.

Vice Chairman Owens asked if there were any questions regarding the loan application. Hearing none, he asked for a motion to approve the application.

Motion by Selzer/Moss to Recommend Approval of a
CDAP Revolving Loan of \$30,000.00 for Trace
Design Studio in Normal, Illinois.
Motion carried.

Mr. Selzer expressed his appreciation for the new application format.

Mr. Vanags thanked the Finance Committee and the County, noting that EDC reached its funding campaign goal of almost \$3.2 million. He introduced Mr. Chad Carson, who is a new employee at EDC in charge of business assistance and retention expansion.

Mr. Vanags reported that he recently saw Mr. Fritzen, owner of the Coffee, Hound, who told him that the Coffee Hound loan will likely close its loan within the next 30 days. Mr. Vanags indicated that the GridIron Brew House has broken ground. He stated that he will find out the status of the loan closing.

Ms. Megan Nelson, Deputy County Clerk, County Clerk's Office, presented a request for approval of the Supplemental List of Judges of Election.

Motion by Owens/Nuckolls to Recommend Approval
of the Supplemental List of Judges of Election.
Motion carried.

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

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

Motion by Owens/Moss to Recommend the Finance
Committee go into Executive Session at 5:05 p.m. to
discuss Collective Bargaining with the Committee
Members, the Administrator's Office Staff and Chief
Deputy Sheriff Thomas.
Motion carried.

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Motion by Owens/Selzer to recommend the Finance
Committee return to Open Session at 5:27 p.m.
Motion carried.

Chairman Sorensen presented the December 31, 2006 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Fund Total of \$537,711.80 with a Prepaid Total the same and the Nursing Home Fund Total is \$364,167.08 with a Prepaid Total the same.

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

There being nothing further to come before the Committee at this time,
Chairman Sorensen adjourned the meeting at 5:28 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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