

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, April 4, 2006 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

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

Members Absent: Member Berglund

Staff Present: Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Jude LaCasse, Assistant to the County Administrator; Ms. Lucretia Wherry, Human Resources Assistant

Department Heads/
Elected Officials

Present: Mr. Phil Dick, Director, Building & Zoning; Mr. Don Lee, Director, Nursing Home; Mr. Robert Keller, Health Department Administrator; Ms. Jackie Dozier, County Auditor; Mr. Lee Newcom, County Recorder; Ms. Becky McNeil, County Treasurer

Others Present: Ms. Julie Osborn, Chief Deputy Auditor; Ms. Chris Colaw, Accounting Specialist; Ms. Laura Dick, Director, SHOW BUS; Mr. Marty Vanags, Director, Economic Development Council (EDC); Mr. Rob Fazzini, Busey Bank, Mr. Douglas Roesch, Busey Bank, Mr. Matthew Potts, General Partner, Brewpub Holdings, LLLP (d/b/a GridIron Brew Works)

Chairman Sorensen called the meeting to order at 4:06 p.m.

Chairman Sorensen presented the minutes from the March 7, 2006 Finance Committee Meeting and the February 21, 2006 Stand-up 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 State Fiscal Year 2007 Section 5311 Non-Metro Public Transportation Operating Assistance Grant Application. In addition, Mr. Dick submitted a request for approval of a Purchase of Service Agreement between McLean County and Meadows Mennonite Retirement Community d/b/a SHOW BUS. Mr. Dick noted that these are applications that have been approved in the past.

Motion by Owens/Selzer to Recommend Approval of the State Fiscal Year 2007 Section 5311 Non-Metro Public Transportation Operating Assistance Grant Application, and to Recommend Approval of the Purchase of Service Agreement between McLean County and Meadows Mennonite Retirement Community d/b/a SHOW BUS.

Mr. Selzer asked if this is the only SHOW Bus Grant with which McLean County is involved. Mr. Dick replied that it is the only one at this time.

Motion carried.

Chairman Sorensen asked if there were any other questions. There were none.

Mr. Don Lee, Director, Nursing Home, reviewed the Nursing Home monthly reports. He stated that the Operational Report shows a deficit in February. Mr. Lee stated that this is due to the year-end adjustments that are made at the beginning of the year and it should turn around in the next couple of months.

Mr. Lee pointed out that there was a mass exodus from the Medicare section at the end of 2005. The overall census has recovered and there are currently a total of 144 residents.

Chairman Sorensen thanked Mr. Lee for his report.

Mr. Bob Keller, Health Department Administrator, presented a request for approval of an Ordinance amending the 2006 Combined Appropriation and Budget Ordinance for Fund 0107. Mr. Keller explained that these are Bioterrorism supplemental funds, which are funds that the State of Illinois did not expend from its federal CDC grant and were redistributed to local Health Department programs.

Mr. Keller reported that the majority of the funds will be used to bolster the department's capacity to equip personnel and facilities for mass dispensing antibiotics or vaccines under the Strategic National Stockpile. The deficit in equipment and supplies was identified as part of the critique of the February 18th dispensing site exercise.

Mr. Keller advised that this is a one-time grant to the Health Department of approximately \$50,000.00.

Motion by Nuckolls/Selzer to Recommend Approval of an Ordinance Amending the 2006 Combined Appropriation and Budget Ordinance for Health Department Fund 0107. Motion carried.

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

Ms. Jackie Dozier, County Auditor, presented a request for approval of a McLean County Official/Employee Cardholder Agreement. Ms. Dozier explained that this is an Agreement to be signed by all Elected Officials and Department Heads indicating that they agree to comply with specific terms and conditions regarding the use of the credit cards that were issued to them for County use. Ms. Dozier stated that this Agreement was the result of a request made by the Committee at a previous meeting. The Agreement has been reviewed and approved by Mr. Eric Ruud, First Assistant Civil State's Attorney.

Motion by Owens/Moss to Recommend Approval of a McLean County Official/Employee Cardholder Agreement.
Motion carried.

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

Mr. Lee Newcom, County Recorder, presented the Monthly Financial Reports for February 2006. Mr. Lee stated that there is nothing out of the ordinary in the report and everything balances.

Mr. Selzer asked if the increase in the funds placed in the Revenue Stamp Fund has eliminated the necessity to drive to Springfield as often as previously. Mr. Newcom replied that it has been slightly better during the winter months, but he expects that the increase in business during the summer will necessitate more trips to Springfield. Chairman Sorensen encouraged Mr. Newcom to keep a close eye on the amount of trips to Springfield and make adjustments when necessary.

Mr. Newcom reported that the Senate passed the Bill requiring the Department of Revenue to provide the funds to the Revenue Stamp Fund electronically. Currently, it has been held up, but he is hopeful it will pass.

Mr. Newcom indicated that he recently attended the Property Record Industry Association (PRIA) and National Clerk Recorder Convention in Washington, D.C. He noted that there are great things happening regarding the many electronic methods for recording, such as E-recording and E-notarization. Mr. Newcom stated he is working with his vendor, COTT, who reported that the E-recording will be installed this month.

Mr. Newcom advised that they will be instituting key verifying, which will eliminate the problem of errors in recording. He indicated he will come to the Committee next month to report on this project.

Mr. Newcom stated that he is working with PRIA on the Fiddler Systems for the Property Record Education Partnership for the State of Illinois. He indicated that title companies, banks and recorders will meet to cultivate a good working relationship that is beneficial for all.

Mr. Newcom reported that, once the E-recording is thoroughly up and running, it will be very beneficial to the Recorder's Office in processing documents and should speed up the flow of documents in the office. He is hopeful that next year a Recording Act can be introduced in the State Legislature. If successful, it will greatly increase the ability of Recorders in this State to do recordings on a standardized basis, per PRIA's national standards.

Mr. Newcom noted that the Recorder's Office has put dual monitors on most of the computers in the Office so that the employees can do documents and indexing fields at the same time.

Chairman Sorensen asked if there were any questions or comments. Hearing none, he thanked Mr. Newcom.

Ms. Becky McNeil, County Treasurer, presented a request for approval of an Appropriation Transfer Ordinance amending the McLean County Fiscal Year 2006 Combined Annual Appropriation and Budget Ordinance. She indicated that this is a transfer of \$2,500.00 from the General Fund Unencumbered Fund Balance to the Payroll Fund Checking Account Balance to establish a working cash balance.

Motion by Nuckolls/Owens to Recommend Approval
of an Appropriation Transfer Ordinance Amending the
McLean County Fiscal Year 2006 Combined Annual
Appropriation and Budget Ordinance.
Motion carried.

Ms. McNeal presented the County Treasurer's Monthly Financial Reports for the period ending March 31, 2006.

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month of March. She pointed out that, at 25% of the year, the numbers are at budget and all are up over last year. Other March statistics include:

- Retailers Occupation Tax Revenue Year to Date is \$1,608,483.95, which is 14.58% over last year and 29.90% of budget
- State Income Tax Revenue is \$396,351.72, which is 7.03% over last year and 29.89% of budget.
- Personal Property Replacement Tax Revenue is \$272,576.78, which is slightly down over last year at 0.77% and 22.18% of budget.

Ms. McNeil presented the Treasurer's General Pooled Investment Account. She indicated that some CD's matured this month. She pointed out that rates are currently changing and the Money Markets are doing very well, almost as high as the CD rates. Ms. McNeil stated that a few of the CD's were renewed, including Anchor State Bank, which was at 2.5% last year, was renewed at 4.2%; Illini Bank, which was 2.5% last year, was renewed at 4.8% and Busey Bank, Bloomington, which was 3.5% last year, was renewed at 4.1%. Ms. McNeil reported that the Money Markets jumped 1/10th of a point from last month, noting that the Illinois Funds went from 4.3% last month to 4.4% this month. She advised that she is very pleased with the current rates.

Ms. McNeil reported that the CDAP Fund has a current balance of \$851,000.00. However, this figure does not include the payout for the CDAP loan approved on March 21, 2006.

Ms. McNeil reviewed the Statement of Revenues, Expenditures and Fund Balance for March 31, 2006. Ms. McNeil reported that the total Revenue so far for this year is at \$4,768,932.65, which is 16.71% of budget; Expenditures are \$6,500,911.65, which is 22.78% of budget; and the Fund Balance as of March 31, 2006 is \$7,025,775.05, which is down \$1.7 million since the beginning of the year, which is expected as this is the time where the revenue growth is very slow. However, the figures are significantly up compared to last year when the fund balance was \$3.8 million.

Mr. Nuckolls asked when will the Property Tax bills go out. Ms. McNeil replied that she expects the Tax bills will be ready to mail between the first and second week of May. She noted that the due dates must be set for 30 days after the bills have been sent out.

Ms. McNeil presented the CDAP Revolving Loan Fund Quarterly Report. She noted that there are currently two loans that are active, Victory Enterprises and the Debbie Thomas Learning Center. Ms. McNeil pointed out that both loans are at a 7% interest rate. She noted that the total amount in the Revolving Loan Fund is \$851,185.68, which are funds that are available to be loaned out, with the exception of the Loan approved last month.

Ms. McNeil stated that the Learning Center Loan is current, but the Victory Enterprises Loan is behind. She noted it is not dramatically behind.

Ms. McNeil presented the Employee Benefit Fund Quarterly Report. She informed the Committee that the report was just recently put together this afternoon and the numbers do not match. Ms. McNeil noted that the Balance Sheet figure is correct, but she believes there is an entry that needs to be made with the audit that has caused an error on the figure in the Revenue and Expenditures report.

Mr. Selzer requested that a study be conducted to determine if it would be possible to allow the use of debit and credit cards to pay all County fees in terms of the cost to the County versus the convenience for the constituents of McLean County. Ms. McNeil replied that County Governments are not allowed to charge a merchant's fee. The County would have to absorb the fee. She warned that, by absorbing the fee, the County would expend a great deal of money. Mr. Selzer emphasized that debit cards, particularly, have become the preferred method of payment today and customer convenience should be an important aspect for County business. He urged the Committee to investigate a way to allow customers to use debit and credit cards to pay all County fees.

There was a discussion among the Committee members and Ms. McNeil regarding the possibility of allowing debit and credit card use to pay County fees, including speeding tickets and Property Tax bills. Mr. Selzer suggested that the banks could waive or reduce the fee to government entities. Chairman Sorensen stated that the credit card companies charge the fees, not the financial institutions.

Mr. Selzer asked if someone would follow up and investigate this project. Ms. McNeil replied that she would research the issue.

Finance Committee
April 4, 2006
Page Seven

Chairman Sorensen called for a motion to accept and place the Treasurer's Reports on file.

Motion by Selzer/Moss to accept and place on file the Month-End Financial Reports from the County Treasurer's Office for the month ending March 31, 2006, as submitted.
Motion carried.

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

Mr. John Zeunik, County Administrator, presented a request for approval of a CDAP Revolving Loan Application for GridIron Brew Works, LLC. He reported that the applicant, Mr. Matthew C. Potts, General Partner, Brewpub Holdings, LL) (d.b.a. GridIron Brew Works) has asked the County for \$225,000.00 from the CDAP Revolving Loan fund for the creation of a Brewpub and Restaurant in Normal at the Shoppes at College Hills complex. Mr. Zeunik introduced the applicant, Mr. Matthew C. Potts, as well as Mr. Vanags, EDC, Mr. Doug Roesch, Busey Bank and Mr. Rob Fazzini, Busey Bank. Mr. Zeunik reviewed the Term Sheet, noting that First State Bank has reviewed the application.

Mr. Marty Vanags, EDC, pointed out an error on page 80 of his Transmittal Letter. The second line in the first paragraph should say ""creating one full-time equivalent job for every \$15,000 being loaned..." rather than "15 full-time equivalent jobs..." Mr. Vanags asked Mr. Potts to make a presentation.

Mr. Potts reported that he is the owner of GridIron Brew Works, which is a proposed micro-brewery and restaurant to be located at the Shoppes at College Hills, located north of the Hampton Inn currently under construction. He stated that the Bloomington-Normal demographics are perfect for this type of restaurant. Mr. Potts indicated that the facility is 7,400 square feet and will seat 221 people. The architect of the project is Francois Associates of Bloomington and it will be built by Core Construction. He indicated that the Hampton Inn will have about 132 rooms and no food service. Mr. Potts hopes to get a reciprocal agreement with the Hotel to do their food service for them.

Mr. Potts informed the Committee that the Town of Normal approved the Beer Pub Liquor License and the Normal Development Committee is enthusiastic about the project.

Mr. Potts reported that he anticipates employing approximately 30 full-time equivalent people, but the loan request is based on 15 full-time equivalent employees. He stated that the project is locally-based and the public financing will allow them to secure a lower interest rate in order to compete with chain restaurants. Mr. Potts indicated that his goal is to have this be the home base for more GridIron Brew Works restaurants within the Midwest.

Mr. Fazzini commented that Mr. Potts is a practicing attorney in the Bloomington-Normal area, as is his wife who is an attorney at Country Companies. Mr. Fazzini pointed out that the Hampton Inn could house as many as 100 people on average who would likely take advantage of the close proximity of the GridIron Brew Works Restaurant. He indicated that the private equity investment that Mr. Potts intends to procure is a big factor in Busey Bank considering providing a loan.

Mr. Owens congratulated Mr. Potts on the business plan, which he felt was complete and concise. He expressed his support of the project.

Mr. Selzer also expressed his support and indicated that he felt the location will be very conducive to business. He asked how well Mr. Potts thought it would be received by the investment community. Mr. Potts replied that the project will not go forward without the investors. He reviewed some of the methods they will use to interest possible investors, including offering reciprocal business (i.e. using local vendors). They are planning on having an investor gathering in May. Mr. Selzer suggested that Mr. Potts make an effort to get local investors.

Chairman Sorensen referred to the application, noting that Mr. Potts' personal equity is his guaranty of the loans from the SBA and Busey Bank, but there is no reference to a personal guaranty on the CDAP Loan. Mr. Potts indicated that he assumed it would be the same.

Chairman Sorensen recommended that the proposed CDAP Loan be predicated upon the following:

- GridIron Brew Works to get the private equity from outside investors.
- Personal guaranty by the owner of the amount to be borrowed from the CDAP Revolving Loan Fund.
- The CDAP Loan closing will occur in conjunction with the conventional financing provided by the bank and the SBA, and will not occur until at least 90% of the subscriptions have been sold.

Finance Committee

April 4, 2006

Page Nine

Motion by Owens/Selzer to Recommend Approval of the CDAP Revolving Loan Application for the proposed GridIron Brew Works as amended to include the owner's acquisition of the private equity from outside investors, the personal guaranty by the owner of the amount to be borrowed from the CDAP Revolving Loan Fund and the condition that the CDAP Loan closing will occur in conjunction with the Conventional Financing provided by the Bank and the SBA, and will not occur until at least 90% of the Subscriptions have been sold.

Chairman Sorensen thanked the applicant and Mr. Vanags for the quality of the packet.

Motion carried.

Mr. Selzer encouraged Mr. Potts to present his project to all of the service clubs in town.

Mr. Zeunik announced that this item will go before the County Board on Tuesday, April 18 at 9:00 a.m.

Mr. Zeunik reviewed the report on the Assist First-Time Homebuyer Down Payment Assistance Program. He indicated that, during the past seven months, the program has helped 89 families purchase homes in the County totaling more than \$9.8 million. In the previous year, the program helped 107 families purchase homes in McLean County totaling more than \$11.2 million. Mr. Zeunik stated that the average loan size has increased by more than \$5,000.00 from 2004 to 2005.

Chairman Sorensen presented the March 31, 2006 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a prepaid total of \$1,049,277.61 and a Fund Total that is the same. The Nursing Home Fund is \$394,932.04 with the prepaid total the same.

Finance Committee
April 4, 2006
Page Ten

Finance Committee
April 4, 2006
Page Eleven

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

There being nothing further to come before the Committee at this time,
Chairman Sorensen adjourned the meeting at 5:16 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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