

## Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, March 7, 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,

Members Absent: Members Berglund and Owens

Staff Present: Mr. Terry Lindberg, Assistant County Administrator; Ms. Jude LaCasse, Assistant to the County Administrator

Department Heads/  
Elected Officials  
Present:

Ms. Becky McNeil, County Treasurer; Mr. Don Lee, Director, Nursing Home; Mr. Robert Keller, Health Department Administrator; Mr. Don Everhart, Chief Deputy Recorder

Others Present: Mr. Marty Vanags, Director, Economic Development Council; Mr. Thomas C. Boitnott; Mr. T. J. Boitnott and Mr. Rodney Walker, Market President, US Bank

Chairman Sorensen called the meeting to order at 4:02 p.m.

Chairman Sorensen presented the minutes from the February 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.

Ms. Becky McNeil, County Treasurer, presented the County Treasurer's Monthly Financial Reports for the period ending February 28, 2006.

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month of February. She noted that this report reflects that, for January and February of this year, revenue on sales in local use is coming in at 13.85% above last year and 17.90% of budget. Other February statistics include:

- State Income Tax Revenue is 10.75% over last year and 22.78% of budget.
- Personal Property Replacement Tax Revenue is 15.85% over last year and 16.44% of budget.

Ms. McNeil presented the Treasurer's General Pooled Investment Account. She indicated that no CD's matured this month. She stated the largest increase in the Money Markets is with the Illinois Funds Money Market, which was up 4.3% compared to 4.1% and the Prime was up 4.42% compared to 4.22%. Ms. McNeil advised that these accounts are where the majority of the County investments are held. She stated that there is a combined balance of \$24,886,792.80 in all funds.

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance for February 28, 2006. She pointed out that we are 16% into the Fiscal Year, which is very early to try to predict how things are going. However, there is growth in the Retailer Occupation Tax and the State Income Tax. The interest so far this year is double over last year. Ms. McNeil reported that the County Clerk's Office received a grant for \$326,000.00 that was not present last year. The County percentage share of Circuit Clerk fees is \$25,000.00 over where it was in February, 2005. Ms. McNeil stated that the Revenue so far for this year is \$2.9 million and Expenditure are \$4.4 million, with a Fund Balance of \$7.2 million.

Ms. McNeil stated that the outside audit started this week in the Treasurer's Office and other County offices. She stated that the unofficial numbers from her office are completed. Ms. McNeil announced that there was some major growth in the Fund Balance last year, noting that the Fund Balance increased from December 31, 2004 to December 31, 2005 by \$2.8 million. The increase in the Personal Property Replacement Tax Income and Sales Tax had a huge impact in that increase. The revenue from Delinquent Taxes was \$100,000.00 over budget and the Interest on Investments was \$200,000.00 over budget. Ms. McNeil reported that the Circuit Clerk Fee was up significantly. She stated that the year ended with 110% for Revenue, 100.05% of budget on Expenses and with a balance of \$8,757,754.05 compared to \$5,953,450.40 last year.

Mr. Selzer asked for clarification on the term "flexible" in the Pooled Investment Report. Ms. McNeil explained that they are money markets where the money can be moved in and out of the accounts very quickly.

Mr. Selzer asked why some of the accounts have such low interest rates. Ms. McNeil responded that most of those accounts are major operating accounts and, since the funds are expended throughout the year, the interest is always lower.

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 February 28, 2006, as submitted.  
Motion carried.

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

Chairman Sorensen presented the General Report as provided by Mr. Robert Kahman, Supervisor of Assessments. He asked if anyone had any questions. There were none.

Mr. Don Lee, Director, Nursing Home, reviewed the Nursing Home monthly reports. He stated that the month of January was a strange month as a lot of the expenses were put back into the previous year, so the expenses for January are estimated. Mr. Lee reported that there was a deficit for the month of approximately \$4,500.00; however, the County Treasurer's Office accrued some interest income into last year and will be posting this year's interest to that account later on and it will eventually be a positive amount.

Mr. Lee reported that the census for January was 145 residents and the February census was 144 residents. Currently, the census is 144, which is a mix between Medicare, Private Pay and Public Aid.

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

Mr. Bob Keller, Health Department Administrator, presented two requests which can be acted upon together. The first is a request for approval of a Budget Amendment for Grant Fund 0106, Provision for Improved Parking Lot Monitoring for the 200 W. Front Street building. The second is a request for approval of a Resolution amending the Fiscal Year 2006 McLean County Full-Time Equivalent Position Resolution associated with an Ordinance to amend the Fiscal Year 2006 McLean County Combined Appropriation and Budget Ordinance for Fund 0106.

Mr. Keller explained that these items are necessary to accommodate the need for additional parking monitoring due to the anticipated increase in traffic flow around the Health Department prior to and during events at the Coliseum. At present, there is one part-time parking lot attendant. Mr. Keller stated that this position will need to become a full-time position. He indicated that, at this time, the financing will come from federal Grand Fund 0106.

Mr. Keller reported that, once an arrangement is made between the County and the Coliseum, some of the revenue from the Lease with the Coliseum will pay for the full-time employee.

Mr. Selzer asked if the Lease Agreement with the Coliseum has been finalized. Mr. Lindberg replied that it is still in negotiations.

Mr. Selzer suggested that signage be made for the various parking spaces to keep the traffic flowing, including spaces designated for 15-minute parking. Mr. Keller stated that the signage will be even more important after the lot is re-engineered, which will be a year from now.

Mr. Keller indicated that the parking lot was scheduled to be completed first, but later it was determined that the remodeling of the Law and Justice Center would be the first priority. Part of that decision was based on the heavy equipment that will be staged on the parking lot, as well as additional changes that may be done on the west side of the Law and Justice Center that may affect the final layout of the parking lot.

Mr. Keller stated that the Coliseum will use the spaces for premium parking for their patrons.

There was some discussion on ways to upgrade part of the parking lot during the remodeling process so that more spaces will be available. Mr. Keller stated that any parking lot changes should be discussed with the Property Committee.

Motion by Selzer/Nuckolls to recommend approval of a Budget Amendment for Grant Fund 0106, Provision for Improved Parking Lot Monitoring for the 200 W Front Street Building and to recommend approval of a Resolution Amending the Fiscal Year 2006 McLean County Full-Time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal Year 2006 McLean County Combined Appropriation and Budget Ordinance for Fund 0106.

Mr. Moss asked what are the duties of the half-time parking lot employee. Mr. Keller replied that the person patrols the lot and makes sure the people parking in the lot are there for a legitimate reason.

Motion carried.

Mr. Don Everhart, Chief Deputy Recorder, presented the Monthly Financial Reports for January 2006. Mr. Everhart stated that there is nothing out of the ordinary in the report and indicated that everything balances.

Mr. Selzer expressed his appreciation to Mr. Everhart for the report as presented.

Chairman Sorensen asked if there were any questions or comments on the Recorder's Monthly Report. Hearing none, he thanked Mr. Everhart.

Mr. Terry Lindberg, Assistant County Administrator, presented a request for approval of a CDAP Revolving Loan Application from Mr. Tom Boitnott for a grocery store. He introduced Mr. Marty Vanags, Economic Development Council, and the applicants, Mr. Thomas C. Boitnott, Mr. T. J. Boitnott. Also present was Mr. Rodney Walker, Market President for US Bank. Mr. Lindberg reminded the Committee that it has been several years since the Committee has made a CDAP Loan, with the last two being the Debra Thomas Learning Center and Victory Enterprises Dry Cleaning.

Mr. Vanags reviewed the application, noting that Mr. Boitnott has asked the County for \$150,000.00 from the Revolving Loan Fund for the creation of a grocery store on the west side of Bloomington. The grocery store would serve a neighborhood that is underserved in this sector. Mr. Vanags stated that the applicant meets the mission of the loan program, which is:

- To assist short term economic development by creating and retaining jobs;
- Encourage involvement of area financial institutions;
- Assist long term economic development by increasing the tax base and helping to expand the economy; and
- Insure financial security of the Fund through appropriate use.

Mr. Vanags stated that the applicant also meets the key criteria of the loan program in that he is creating ten full-time equivalent jobs for every \$15,000.00 being loaned or requested. Financial need is exhibited through the "fill the gap" criteria of the project as evidenced by a letter from the primary bank lender.

Mr. Boitnott indicated that he has seen a need for a grocery store in the neighborhood on the west side of Bloomington. He advised that the grocery store will focus on supplying quality meat and produce, friendly service, inexpensive groceries and a clean environment. Mr. Boitnott stated that the grocery store will not sell alcohol or cigarettes.

Mr. Selzer asked where is the location of the store. Mr. Boitnott replied that it is near the Secretary of State's Driver's License Bureau. Mr. Selzer stated that he is a big fan of using the funds in the CDAP loan. However, he asked what assurance Mr. Boitnott can give to the Committee that the project will be a success, particularly in light of the failure of the Tom's Parkway Store. Mr. Boitnott reviewed the history of the Parkway Store, noting the following:

- Lack of agreement between store partners;
- Store that size has a five year loss expectation;
- When Mr. Boitnott was running the store, it made about \$265,000.00 to \$268,000.00 per week;
- Last quarter Mr. Boitnott ran the store, there was a profit;
- The new Wal-Mart store was difficult competition.

There was a lengthy discussion on the interest rate for the loan. Mr. Vanags indicated that he quoted a 3% interest rate to the applicant, which is what was placed on the application form. He stated he felt that the interest on this type of loan should be a little under market so that the gap financing can take place.

Chairman Sorensen stated the County funds are currently making close to a 4.5% interest rate and indicated he felt the interest rate on the loan should be changed to a similar rate. Mr. Selzer recommended that it be approved as submitted.

Mr. Walker from US Bank expressed his support of the application and stated that he is comfortable that the business model will be very competitive. Chairman Sorensen asked if his bank is considering the \$327,000.00 loan. Mr. Walker replied that the bank is considering, but has not yet approved, a \$327,500.00 loan under the 504 SBA Program. The bank would make a direct loan in that amount and would have a first on the fixed assets. The SBA would then make a direct loan in a secondary position of \$225,250.00. Both loans are currently pending.

Mr. Selzer asked if the decision made by the Finance Committee would make an impact on the bank's loan. Mr. Walker replied that it will have a positive impact if the loan is approved today.

A lengthy discussion ensued regarding the 3% interest rate as listed in the loan application. Mr. Selzer stated that he could support the application as submitted. Chairman Sorensen expressed some concern with the financial numbers in the application. Mr. Boitnott explained that one part of the application indicated he would put up \$95,000.00, but the final figure that he will invest is \$127,500.00.

Mr. Moss asked what the interest rates were on previous CDAP Loans. Chairman Sorensen indicated that the last two loans were at 7%. Ms. McNeil offered to go to her office to get a copy of the spread sheet on the current revolving fund to distribute to the Committee.

Mr. Moss asked what the bank would charge in interest if someone were to request a small business loan. Mr. Walker replied that the prime rate would be used as the interest rate for an existing business with a strong track record. Smaller businesses with less equity would probably get an interest rate of one or two points above prime.

There was additional discussion on the 3% interest as listed on the application. Mr. Selzer suggested that the interest should not be a major factor in the decision to approve the application. Mr. Moss expressed his belief that the interest rate should not be so high as to make it difficult for new businesses to take advantage of the loan. Further, he suggested that this is the appropriate situation for using the money in the fund.

Mr. Vanags reminded the Committee that the money for the CDAP loans came from a State grant through the CDAP program, which originally came from the Federal Government, HUD Community Development Block Grant dollars that go to non-entitlement communities.

Chairman Sorensen stated that the Committee has a responsibility to review the applications and make informed decisions on the viability of the business. He indicated that the Finance Committee has never turned down an application once it gets to this point; however, he noted that some of the terms of the applications have been changed.

Motion by Moss/Selzer to Recommend Approval of the  
CDAP Revolving Loan Application for the proposed  
Grocery store as presented. Motion carried.

Mr. Lindberg stated that it is not necessary to go into Executive Session to discuss Collective Bargaining. He reported that he expects to come to the April Committee meeting, Executive Session, with a satisfactory agreement with the Fraternal Order of Police bargaining unit for the Correctional Officers, Control Operators and Cooks. Mr. Lindberg indicated that they are very close to the 2.5% as previously approved by the Committee. He indicated that the highest job class is 2.61%, but overall it is less than 2.5% on average.

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Chairman Sorensen presented the February 28, 2006 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a prepaid total of \$603,683.69 and a Fund Total that is the same. The Nursing Home Fund is \$483,210.93 with the prepaid total the same.



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Motion by Selzer/Nuckolls to recommend approval of  
the Finance Committee bills as of February 28, 2006.  
Motion carried.

There being nothing further to come before the Committee at this time,  
Chairman Sorensen adjourned the meeting at 5:08 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary

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