

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, November 2, 2004 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

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

Members Absent: Member Kalapp

Staff Present: Mr. John Zeunik, County Administrator, Mr. Terry Lindberg, Assistant County Administrator, Ms. Lucretia Wherry, Human Resources Assistant and 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. Bob Keller, Health Department Administrator; Ms. Jackie Dozier, County Auditor; Mr. Dave Goldberg, Director, Juvenile Detention Center; Ms. Jennifer Ho, Risk Management

Others Present: None

Chairman Sorensen called the meeting to order at 4:06 p.m. and noted that one member was absent.

Chairman Sorensen presented the minutes from the November 5, 2004 Finance Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Chairman Sorensen presented the Assessment Status Report as submitted by Robert Kahman, Supervisor of Assessments. He asked if there were any questions regarding the report. There were none.

Ms. Becky McNeil, County Treasurer, presented the County Treasurer's monthly financial reports. The first report she reviewed was the General Pooled Investment Account Report, noting that it does not reflect any new activity in the CD's. However, some money markets rates went up slightly, resulting in a small increase.

Ms. McNeil reviewed the Summary of Retailers' Occupation Tax-Sales Tax, State Income Tax, and Personal Property Replacement Tax Report. She indicated that the numbers are coming in at 84% of budget for the year, and the Sales Tax, Revenue Sales and Local Use Tax are at 85.65%, which is \$119,039 over last year at this time. The Income Tax is considerably ahead of budget at 94.52%, \$23,000 more than a year ago. Personal Property Replacement Tax is at 116%, or \$178,000 over October, 2003, and an \$80,000 payment is expected to come in, which will help the General Fund.

Mr. Selzer asked if the Treasurer's Office expected to receive the \$6.8 million budgeted in Property Taxes, as only \$6.5 million has been collected to date. Ms. McNeil replied that the Property Tax Sale is Friday, November 8, after which the final distribution will be made. Ms. McNeil advised that the County expects to collect more than 99% of budget. She noted that one of the largest income sources for the Treasurer's Office is the interest earned from unpaid Property Taxes. Ms. McNeil further stated that \$390,000 was budgeted, which is not expected until December.

Ms. McNeil presented the Statement of Revenue, Expenditures and Fund Balance Report. She reported that Revenue is at 82.03% of budget, at \$21.6 million. Expenses are at 76.31% of budget, which is \$20.1 million. She noted that the General Fund Unappropriated Fund Balance is \$6.4 million as of October 31, 2004.

Mr. Selzer asked if the Court Service Probation Officers' Salary Reimbursement of \$1.8 million will be received, as it is currently at \$900,000. Ms. McNeil indicated that it would not be received and, she noted, next year's Recommended Budget has been adjusted to more accurately reflect the reimbursement to be received from the State.

Motion by Selzer/Nuckolls to accept and place on file the month-end financial reports from the Treasurer's Office for the month ending on October 31, 2004.
Motion carried.

Chairman Sorensen thanked Ms. McNeil for her report.

Mr. Don Lee, Director, Nursing Home, presented the report for the Nursing Home, noting that there are no significant changes. He reminded the Committee that he expected September would be a negative month. However, it was less negative than expected, only by \$973. Mr. Lee noted that he is projecting a positive for the end of the year. As of the end of October, the census was an

average of 141, which reflects an increase over September, and he expects next month will also be a positive report.

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

Mr. Robert Keller, Health Department Administrator, presented one item for action to the Committee, which is a request for approval of an Amendment to McLean County Revised Code, Chapter 26, Food Service, and Chapter 28, Health and Sanitation. This will allow the Health Department to increase food and sewage fees by 3% and also establish adjustments in temporary multiple event permits. He noted that this coincides with the FY-2005 Recommended Budget, which the Committee reviewed last month.

Motion by Berglund/Nuckolls to recommend approval of an Amendment to McLean County Revised Code, Chapter 26, Food Service, and Chapter 28, Health and Sanitation.

Motion carried.

Chairman Sorensen thanked Mr. Keller.

Mr. Terry Lindberg, Assistant County Administrator, presented two items for Action. The first was a request for approval of a Resolution evidencing the intention of the County of McLean to issue Single Family Mortgage Revenue Bonds and related matters for the 2005 First-time Home Buyer Down Payment Assistance Program. He noted that this has been done in the past and there is no exposure to the County. The program is offered through local banks for qualified first-time home buyers to assist with down-payments and to offer below market interest rates to first-time buyers.

Motion by Selzer/Berglund to recommend approval of a Resolution Evidencing the Intention of the County of McLean to issue Single Family Mortgage Revenue Bonds and Related Matters – Assist 2005 First-time Home Buyer Down Payment Assistance.

Chairman Sorensen asked if the program is being used by local home buyers. Mr. Lindberg noted that the letter from Stern Brothers & Co. in the Agenda Packet indicated that 87 families purchased homes using the program this past year.

Motion carried.

Mr. Lindberg presented the second action item, namely a request for approval of a Resolution to Establish Rates for Health and Life Insurance coverage for Fiscal Year 2005. He explained that this has been a different process than in past years in that there was some competitive interest in the program this year. Mr. Lindberg noted that Benefit Planning Associates acted as the County's consultants, and there were several meetings of the Employee Benefits Committee. The recommendation of that Committee is to continue with Health Alliance Medical Plans. Mr. Lindberg reported that the overall cost increase on average to the employees and the County will be 4.49%. He noted that another vendor submitted a proposal and, while their prices for 2005 were less than Health Alliance, their rate increase could be as much as 50% the following year. Mr. Lindberg indicated that next year the Committee would like to have an open process to obtain multi-year commitments and ask interested vendors to supply different kinds of structures for better confidence in the long-term impact. Again, he noted that the Employee Benefits Committee recommends a continuation with Health Alliance at a 4.49% increase.

Motion by Selzer/Moss to recommend approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal year 2005.

Chairman Sorensen asked what was the increased amount put into the preliminary budget. Mr. Lindberg replied that the increased amount put into the preliminary budget was originally 7% and then it was backed off to 2.4%. He further explained that the reason they were able to cover a 4.49% increase with a 2.4% increase in the cap rate is that the cap rate is assessed to every full-time equivalent position budgeted and many employees do not subscribe to the McLean County Health Insurance Plan.

Motion carried.

Ms. Jennifer Ho, Risk Management, presented one item for action, which was a request to review the bids received and recommend approval of the Public Officials' Bonds. Ms. Ho reviewed the results of bids received for the public officials bonds for the elected County officials who will take office on December 1, 2004. The elective offices were for the 4-year positions of the County Auditor, the County Coroner, the Circuit Clerk, County Recorder, State's Attorney and the remaining 2-year term of the County Treasurer. Ms. Ho explained that the bids were sought on two bases: a) Annual premiums, and b) Pre-paid premiums for the term of the office, i.e. premiums may be paid on an annual basis for the duration of the bond or

pre-paid for the entire term of the bond. She noted that the minimum requirements for carriers are: a) FY 2004 A.M. Best Rating of "A" or Excellent; and b) Financial size of VI (\$25 M to \$50 M in policyholders' surplus).

There was some discussion regarding the bid specifications and the rankings of the companies. Ms. Ho gave an overview of the bids of the four insurance agencies under consideration, those being State Farm Insurance Co., Capen Frank Proctor & Bowles, Van Gundy Agency and Parson & Nunan, Inc.

Chairman Sorensen recused himself from discussion and voting on this topic and he asked Vice Chairman Berglund to assume the chair for this item.

Mr. Selzer recommended that State Farm be awarded all of the business. Mr. Selzer noted that State Farm Insurance has the highest rating of the four companies and is clearly the largest company. Mr. Selzer recommended that the County award this business to the local company. Vice Chairman Berglund asked each Committee member for their recommendations and they concurred with Mr. Selzer.

Motion by Selzer/Moss to recommend approval and award of the Public Officials Bonds bid to Tom Brokaw, State Farm Insurance Company for all County Offices.
Motion carried.

Ms. Ho reviewed the Risk Management Third Quarter Report. She noted that as of September 30, 2004, the County's overall loss experience is within the range of the third quarter experiences for the past five years. The workers' compensation claims being reported are less severe, as indicated by the comparatively lower reserves. No tort claims have been settled in excess of \$10,000 and there are no significant tort claims at this time that can be detrimental to the County's financial position.

Ms. Ho expressed her appreciation for the consideration the Committee gave her during the last budget meeting regarding the safety coordinator position.

Chairman Sorensen asked if there were any questions for Ms. Ho. Hearing none, he thanked her.

Chairman Sorensen presented the October 31, 2004 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee Fund total is \$634,659.62, with the prepaid total the same. The Nursing Home Fund is \$420,414.19, with the prepaid total the same.

Finance Committee
November 2, 2004
Page Six

Finance Committee
November 2, 2004
Page Seven

Motion by Selzer/Moss to recommend approval of the
October 31, 2004 Finance Committee bills as
presented to the Committee by the County Auditor.
Motion carried

There being nothing further to come before the Committee at this time,
Chairman Sorensen adjourned the meeting at 4:41 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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