

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, July 6, 2004 at 4:04 p.m. in Room 700 of the Law and Justice Center, 104 West Front Street, Bloomington, IL.

Members Present: Chairman Sorensen, Members Berglund, Moss and Kalapp

Members Absent: Members Nuckolls and Selzer

Staff Present: Mr. John Zeunik, 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, Ms. Ruth Weber, County Recorder, Mr. Bob Keller, Director, Health Department,

Others Present: None

Chairman Sorensen called the meeting to order at 4:04 p.m. and noted that two members were absent.

Chairman Sorensen presented the minutes from the June 1, 2004 Finance Committee 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, addressed the Finance Committee. The first report she presented was the Treasurer's Pooled Investment Account Summary that lists all of the investment accounts that the McLean County Treasurer manages for the County. Ms. McNeil stated that there was a lot of activity this month as June is when property tax dollars come in and long-term investing is done as it is difficult to get a good rate in September. She indicated that there were five CDs that matured and four new jumbo CDs bid on which resulted in good rates, some as high as 2.2% between Busey and National City banks.

Ms. McNeil noted that in the County's primary checking account, there is about \$1.9 million as of June 30th. Due to a timing issue, funds were transferred to the payroll account because of the payroll posting. There was a little bit left over in the checking account for accounts payable

The next report that Ms. McNeil presented was the Summary of Retailers Occupation Tax (ROT), State Income Tax, Personal Property Replacement Tax (PPRT). She indicated that the report included a summary on general property taxes collected. She

reviewed the Retailers Occupation Tax indicating that it was currently at 51% of budget, which is slightly above last year's numbers. She indicated that the State Income Tax Revenue was at 58.35% of budget, which is down from last year. She reported that there was not a distribution in June on Personal Property Replacement Tax, so it is holding at about 68.7% of budget and should come in over budget as a result of the Amnesty Disbursements that were made earlier this year. Ms. McNeil stated that the General Property Tax Receipts budget was at \$6,806,498. Distributions were made of \$2,913,999.11, which are about 43% of budget. She included last year's numbers, as last year at this time there was about \$1.5 million more that had been received. She explained that this was a result of the annexation township settlement issues. Last year, McLean County received more of their levy with the first installment than the second installment. Going through the report, she pointed out that the \$1.5 million is going to cause revenues this year to look less than last year, but this is all money that will come in on second installment. She reported that the levy last year collected 99.95%. She assured the committee that it will be close to the \$6.8 million mark.

Member Kalapp asked about the 69% of the Personal Property Replacement Tax and if she expected to exceed the budget. She responded that she did expect to exceed the budget. She indicated that we have been running ahead of last year throughout the year.

Ms. McNeil reported on the Statement of Revenues, Expenditures and Fund Balance report. At the end of the report, she noted, that revenues are at \$10.9 million and expenses are at \$12.3 million. Revenues are at 41% of budget and last year, at this time, it was at 48% of budget. The \$1.5 million in property taxes that were distributed a year ago will not be received until second installment. If that percentage were added in, it would be at 47.4% on revenue. She stated that the percentage is slightly under last year. She reported that expenses are at \$12,375,000, which is close to last year's number. She indicated that overall things are coming along well.

Ms. McNeil then reported on the revolving loan report. This report includes the two current loans for Victory Enterprises and Debra Thomas Learning Center. Debra Thomas Learning Center is current; Victory Enterprises generally runs about one month behind. The last payment was received on May 19 and they are currently due for June. She indicated that everything is running as normal in this account.

Ms. McNeil reported that fund balance on the Employee Benefit Plan Report is currently \$716,000. One year ago, it was \$688,000.

Chairman Sorensen asked the Committee if they had any questions for Ms. McNeil.

Mr. Kalapp asked if the budget would be completely caught up with the property tax revenues of \$1.5 million, which would still leave a deficit of \$200,000.

Ms. McNeil pointed out that County Recorder fees are down as home refinancings are down. There is \$725,000 budgeted and funds are coming in at 44%, which is lower than last year. She noted Court System fees were budgeted at \$245,000 and we have only received about \$72,000. Salary reimbursements are low because the State coffers went dry in April compared to May of last year. She explained that we get reimbursement from the State for certain salaries and when the funds are depleted, the State does not reimburse the full cost of salaries. She reported that in the new fiscal year those funds would begin again.

Ms. McNeil noted that Morque Fees are at 115% of budget. She also indicated that there are some accruals as of June 30th that have not yet made it in.

Chairman Sorensen asked if there were any more questions for the Treasurer's Office. As there were none heard, he entertained a motion to accept and place on file the monthly financial reports from the County Treasurer as submitted.

Motion by Kalapp/Moss to accept and place on file the month-end financial reports from the County Treasurer's Office for the month ending June 30, 2004, as submitted.
Motion carried.

Mr. Don Lee, Director, Nursing Home, stated that the report projects that the Nursing Home is close to the break-even point. He noted that the census has come up and they are currently at 141. He indicated that some patients were in the hospital, which brings the reimbursement down. He felt that July and August should reflect a positive stance, although as the census goes up the mix shifts slightly as Medicare will drop because the Medicare section is filled with non-Medicare people. Mr. Lee reported that he felt they should be in a positive stance the rest of the year.

Chairman Sorensen asked the Committee if they had any questions for Mr. Lee.

Ms. Berglund asked about the staffing at the Nursing Home.

Mr. Lee reported that the licensed staff is stable; however, there is a turnover in the Housekeeping and Dietary departments. He indicated that despite some turnover in certain positions, they are able to find replacements and there is no serious staffing problem.

Ms. Berglund asked if salaries were the reason. Mr. Lee stated that salaries were not a problem.

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

Ms. Ruth Weber, County Recorder, addressed the Finance Committee. She indicated that she had reports for April, May and June. She reported on the Storage Area Network that was discussed at the last meeting. She indicated that Information Services and the County Recorder's office held a meeting with companies interested in bidding, which was received very well. She noted that they have until July 15 to submit their bids, at which time Information Services will take over.

Chairman Sorensen asked if there were any questions for Ms. Weber regarding her reports.

Mr. Kalapp asked about the implementation date for purchasing and installing the Storage Area Network.

Ms. Weber indicated that it would be close to September.

Chairman Sorensen indicated that he was pleased to note that there is a substantial difference between March 30 and March 31 following some ledger corrections to bring the numbers in line. He asked for comments from Ms. McNeil or Ms. Weber regarding how these corrections were made.

Ms. Weber reported that Ms. Sharon Dunham, Chief Deputy Recorder, worked on this with the Treasurer's Office to reconcile the numbers.

Ms. McNeil indicated that her office has been working with Ms. Dunham for several months on reconciling the accounts and explaining the discrepancies. She noted that, after months of reconciliations, the numbers were coming out the same. She noted that in the GIS Fund, which is Fund 167, there were more funds applied toward the accounts receivable in this fund. They should have been applied towards the General Fund 0001 and the Recorder's Document Storage Fund 0137. Funds were misallocated to the GIS Fund 167, creating a negative receivable balance. She reported that receivable balance should always have a positive number outstanding or a zero. When it reflected a negative number, it showed that too much money was being applied toward a receivable that didn't exist. With daily reconciling and a journal entry on March 31st reallocating the funds from GIS Fund to the General Fund and the Doc Storage Fund, the numbers came very close to reconciling. She noted that there still remains a difference of \$13.58 in the

General Fund, \$35.25 in the Recorder's Document Storage Fund and \$18.00 in the GIS Fund. She indicated that these funds need to be booked to revenue in the General Ledger. She noted that as of March, these balances have not changed or fluctuated and when another entry is made to revenue, the numbers should balance. She reported that the Recorder's Office has been very good in reconciling on a daily basis and noting the discrepancies.

Chairman Sorensen asked if there were any further questions for the Recorder or the Treasurer.

Mr. Kalapp commented on the report's indication of charge accounts and asked if they were the late entries to which she referred.

Ms. Berglund asked if there were any other charge accounts other than the federal and state governments. Ms. Weber said that the federal and state governments are the only charge accounts.

Chairman Sorensen expressed his appreciation of seeing the numbers getting closer to balancing.

Chairman Sorensen thanked Ms. McNeil and Ms. Weber for attending.

Ms. Weber indicated that they have been very busy in the office and that property is selling.

Chairman Sorensen asked about the temporary person working in the County Recorder's office who scans documents. Ms. Weber stated that he scans every day. She indicated she would like to have him as a full-time employee.

Mr. Bob Keller, Director, Health Department, reported an increase in the FY 2005 WIC Grant that runs July 1, 2004 through June 30, 2005. He noted these are Federal funds. He reported that they are using it to add one full-time Office Support Specialist I and a .20 FTE that will be added to cover part-time individuals who will work Saturdays at that level. He noted that the primary reason for the increased work load is the increase in the client flow which is running about 10% higher and the breast-feeding outreach program and other special projects that have been put into this contract. He asked the Committee to approve two items, the first one being the budget amendment, which runs from July 1 through December 31. He noted the remainder would be built into the budget process for

Calendar year 2005. He also asked to add the FTE amendments for the one full-time Office Support Specialist I and the .20 FTE in the part-time line items.

Chairman Sorensen asked if it would be fully funded by grant money. Mr. Keller reported that it would be fully funded, including fringe benefits.

Chairman Sorensen asked if the Committee had any questions for Mr. Keller. Hearing none, he asked for a motion to accept the amendments.

Motion by Moss/Kalapp to recommend approval of the FY' 2004 Budget Amendment and the FTE Position Resolution Amendment associated with the WIC grant fund.
Motion carried.

Chairman Sorensen thanked Mr. Keller for attending.

Chairman Sorensen asked Mr. Zeunik to introduce Ms. Judith LaCasse, the new assistant to the County Administrator. Mr. Zeunik gave a brief overview of her previous employment history.

Mr. Zeunik reported that Mr. Lindberg, with Ms. Wherry's assistance, has completed a review and update of the County Personnel Code in its entirety. He noted that it was presented in the packet as an Information Item for review. Mr. Zeunik introduced Mr. Lindberg who gave a Power Point presentation, highlighting improvements that were made to the ordinance. He indicated that it would be brought back to the Committee at the August meeting as an Item for Action, giving the Committee an opportunity to make suggestions and ask questions, thereafter taking it to the August Board meeting for action.

Mr. Lindberg acknowledged the efforts of an intern from ISU, Ms. Katie Brice, who was a management major specializing in Human Resources. He then gave an overview of the process which began in early January, 2004 and noted that 14 staff members comprised the Committee which held 10 meetings, lasting 3-4 hours at a time. Mr. Lindberg gave a brief history of the document, noting that the last comprehensive review of the Personnel Code was done in 1991. Some of the notable differences include:

- The use of masculine pronouns throughout the document has been removed;
- the use of the title personnel officer has been replaced with the County Administrator or his designee;
- disability is now listed as a protected category;
- all Federal, State and Local laws on non-discrimination have been included;
- changed the Probation Period to the Evaluation Period;
- part-time classification was updated.

Mr. Lindberg reported that the first 47 pages of the Personnel Code in the agenda are the actual ordinance, which is called the Personnel Code, and the 22 pages following it are a draft of what we call an Employee Handbook. The Employee Handbook is the general document written in every day language that all employees will receive. The detailed ordinance will not be passed out to each employee but will be kept on file.

Other points made by Mr. Lindberg include:

- Changed the evaluation period for promotion from a 6-month period to a 3-month period. Initial hires still have a 6-month evaluation, but current employees promoted would have a 3-month period;
- clarified work weeks;
- clarified how to report actual time used;
- clarified emergency non-holiday pay;
- clarified maximum accumulation of sick hours;
- clarified sick leave and why people can take sick leave;
- clarified Military leave;
- clarified off the job injury leave;
- clarified pregnancy leave which is now part of general leave;
- clarified FMLA rules;
- clarified time off paid system;
- clarified class codes, job descriptions and pay schedules;
- clarified merit increases and how merit is allocated;
- discussed performance evaluation system;
- clarified insurance eligibility;
- smoking policy, work-place violence policy;
- updated harassment policy;
- clarified the drug free policy;
- clarified progressive discipline;
- added recent electronic mail and global communication policies;
- added County vehicle usage policy ;
- made reference to new Gift Ban statement;
- clarified involuntary resignation policy;
- clarified what “just cause” is when you talk about just cause to dismiss someone,
- changed rehires from seniority basis to merit basis;
- shortened grievance procedure;
- clarified drug and alcohol and harassment policies;
- clarified safety policy.

Mr. Lindberg explained that a lot of documents that previously existed separately are now included in this one document. He asked the Committee to review and contact either he or Ms. Wherry with questions. The handbook is based on the ordinance, so any changes in the ordinance would need to be changed in the handbook. Mr. Lindberg indicated that with the web-based source, a current copy will always be available. He also indicated that in addition to the 22-page document, they will reduce the important information to a 3-page brochure as a recruitment document.

Mr. Lindberg indicated that he would like to bring this back in August to ask for Committee comments, questions and approval.

Mr. Zeunik indicated that typically there would be representatives from Clifton & Gunderson, the outside auditor to present the Fiscal Year 2003 audit and management letter. He noted that it has not been completed at this time, as the draft documents were received last week and they are currently being reviewed by the Treasurer's Office, the Auditor's Office and the County Administrator's Office. He explained that the delay is attributed to the fact that the Fiscal Year 2003 audit is the first audit which is required to comply with Governmental Accounting Standards Board (GASB) Standard 34, which changes the way governmental financial statements are presented. GASB 34 will cause the financial statements to look more like the financial statements of a private business and it also adds certain infrastructure to the financial statements.

Mr. Zeunik asked the Finance Committee to consider scheduling a Special Meeting, possibly during the third week of the month, at which time the outside auditors will be present and available to present the Comprehensive Annual Financial Report, the Management Letter as well as the outside audit report for the different grants that the County receives.

After some discussion, the Committee felt the best time to meet would be following the Board Meeting on July 27th.

Chairman Sorensen reported that along with the regular bills there is a transfer for \$61,604 from Contract Services and purchase of computer software to software licensing and office furniture accounts in Information Services.

Mr. Zeunik indicated that the reason for this transfer has to do with the property tax software.

Finance Committee
July 6, 2004
Page 9

Chairman Sorensen stated that it was in order based on input from Mr. Craig Nelson, Director of Information Services and the County Auditor. He asked for a motion to accept the transfer along with the bills of the Finance Committee, which has a fund total of \$947,016.51 with a prepaid total the same along with this transfer. He reported that in the Nursing Home accounts \$381,653.71 with a prepaid total of the same.

Motion by Berglund/Kalapp to recommend the bills and the transfer as presented.
Motion carried.

Finance Committee
July 6, 2004
Page 10

The meeting was adjourned at 5:11 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary
E:\Ann\Minutes\Finance\Finance_June.04