

## **Minutes of Special Finance Committee Meeting**

The Finance Committee of the McLean County Board met on Tuesday, February 10, 2004, at 2:00 p.m. in Room 700 of the McLean County Law and Justice Center, 104 W. Front Street, Bloomington, IL 61701.

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

Members Absent: None

Staff Present: Mr. John Zeunik, Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Lucretia Wherry, Human Resources Assistant; Ms. Christine Northcutt, County Administrator's Assistant

Elected Officials/  
Department Heads: Mr. Phil Dick, Director, Department of Building and Zoning; Mr. Michael Behary, County Planner, Ms. Ruth Weber, Recorder; Ms. Sharon Dunham, Chief Deputy Recorder; Mr. Eric Ruud, First Assistant State's Attorney

Others Present: None

Chairman Sorensen called the meeting to order at 2:03 p.m. Chairman Sorensen stated that the first item on the agenda is a SHOWBUS Vehicle Agreement. Chairman Sorensen invited Mr. Phil Dick, Director, Building and Zoning, to present that item. Mr. Dick stated that this is an updated lease agreement for a new bus for rural public transportation. The bus will be available for pick-up by SHOWBUS on February 20, 2004. Mr. Dick advised the Committee that the lease must be amended in order to add this bus to the lease. Mr. Dick noted that this lease is a no cost lease to the County.

Motion by Berglund/Nuckolls to recommend approval of an updated Motor Vehicle Lease Agreement for SHOWBUS. Motion carried.

Chairman Sorensen stated that the next item is regarding the Recorder's Office. Chairman Sorensen invited Ms. Ruth Weber, County Recorder, to make a presentation to the Committee. Ms. Weber stated she has provided the Committee with an open account customer report. Ms. Weber stated that this is a list of all firms and individuals that have been extended credit by the Recorder's Office. Ms. Weber indicated that this report shows all outstanding balances as of 8:00 a.m. this morning. Mr. Selzer asked where is the age of the receivables. Ms. Weber stated that the totals shown are for this month. Mr. Selzer asked about items that are over 30 days past due. Ms. Weber responded that, for example, the IRS is over 30 days past due. Ms. Weber stated that it shows that the oldest transaction is dated 2003. Mr. Selzer stated that this is not a

standard aging breakdown showing 30, 60 and 90 days past due.  
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Mr. Kalapp asked if there have been attempts to collect from the IRS. Ms. Weber replied that they have been sent letters. Mr. Kalapp asked if letters are sent certified return receipt mail. Ms. Weber replied that letters are sent in that manner sometimes.

Mr. Kalapp asked if a standard aging analysis is available on the Cott System. Ms. Weber replied that there are a lot of reports available. To her knowledge, there is an aging report available. Mr. Kalapp asked if Ms. Weber has used the aging report on the Cott System yet. Ms. Weber replied that she has not used that report as of yet.

Mr. Selzer asked what is the total of the outstanding receivables. Ms. Weber replied that it shows on the last page that the total outstanding is \$10,470.60. Mr. Selzer asked what the "tape" receipt on the front of the report represents. Ms. Weber stated that her Chief Deputy Recorder added up all of the individual outstanding totals. Ms. Dunham stated that the total is \$22.80 short. Mr. Selzer asked if the totals that Ms. Dunham added up were from the General Ledger. Ms. Dunham replied that the numbers came directly off of the Open Item Detail report. Mr. Zeunik pointed out that the error occurred when Ms. Dunham added \$11.40 in for a credit balance which exists in the account of Illinois Land Sales Bulletin, and it should have been subtracted instead. Chairman Sorensen stated that proves that the account balances to itself. It is still unknown if it balances to the General Ledger. Mr. Selzer asked who has the General Ledger totals. Mr. Zeunik stated that the Treasurer's Office has those numbers. Mr. Selzer asked if this ties out to those numbers. Ms. Weber replied that she does not know.

Chairman Sorensen stated that this begins to help the Committee understand the situation in the Recorder's Office, but it does not help reconcile the accounts to the General Ledger. Ms. Dunham replied that the Recorder's Office balances all of the revenue categories against the General Ledger and they do tie out. Ms. Dunham stated that there is a variance in a couple of the line items, but it remains the same from day to day, so those accounts are tying out.

Chairman Sorensen stated that there is an item for action on today's agenda. It is a Resolution to rescind credit agreements in the Recorder's Office. Chairman Sorensen asked Ms. Weber to comment on this proposal. Ms. Weber stated that she does not feel that this action is necessary. Ms. Weber indicated that the Recorder's Office is providing the Committee with all of the reports that they have requested and she feels her office has a handle on things. Ms. Weber stated that there aren't any accounts except for the IRS that is more than 30 days past due. Chairman Sorensen responded that there are documents in her report that would suggest that that is not true. Chairman Sorensen stated that Park-Stoutamoyer and M.F. Mandros & Associates are

both over 30 days past due. Ms. Dunham stated that both of these companies charge revenue copies. Ms. Dunham advised that they usually wait until they have a fairly substantial balance to pay.

Chairman Sorensen stated that there are at least two different versions of the credit agreement that were passed by the County Board. The first version passed in July, 1995 and a revised version passed in September, 1995. Chairman Sorensen stated that the minutes of the Finance Committee from those months are very clear in suggesting the need for late payments to be assessed. Chairman Sorensen stated that based on all of the information that he has seen, Ms. Weber's Office has never charged any interest or late fees, consistent with the agreements. In summation, Chairman Sorensen stated that he believes that all of the agreements that exist should be terminated, all of the outstanding balances should be collected and then reconsider if the credit agreements can be reinstated.

Mr. Selzer stated that, as per the agreement, accounts which are over 30 days past due are to be terminated. Mr. Selzer stated that there are several accounts, which appear to be high volume users, and all appear to be current. Mr. Selzer suggested that, perhaps, those accounts could appeal and keep their accounts open, because they have been "good customers". Chairman Sorensen stated that he does not think that the Committee can pick and choose during this process. Mr. Nuckolls asked how easily and quickly this could be done. Mr. Eric Ruud, First Assistant State's Attorney, replied that the Recorder's Office would have to provide 30 days written notice to all customers. Those customers would have the right to have credit extended to them for that 30 days. Those customers would have an additional 30 days in which to pay their accounts in full. Mr. Ruud informed the Committee that this process will take at least 60 days and more realistically, 90 days. Mr. Ruud also noted that for the State agencies which have large past due balances, the County may need to file in the court of claims in order to clear the balances. Mr. Kalapp asked if it may be feasible to write-off some balances that can not be cleared. Mr. Ruud responded that is legal and feasible. Mr. Ruud did note that the only issue with that is one of equity.

Motion by Selzer/Berglund to recommend approval of a  
Resolution of the McLean County Board Rescinding  
Credit Agreements in the Office of the Office of the  
County Recorder.

Mr. Selzer stated that he thinks that this is something that should go before the County Board. Ms. Berglund stated that this has been in the outside auditor's report for several years and is an issue that needs to be resolved. Ms. Berglund stated that this is the only way that she can see that the issue will be resolved.

\*\*Mr. Kalapp left the meeting at 2:43 p.m.

Mr. Moss asked Ms. Weber when was the last time her office received a payment from the IRS. Ms. Dunham responded that she received a payment yesterday for \$181.00 from the IRS. Mr. Moss asked what transaction was the payment for. Ms. Dunham stated that the check stated "November liens".

Ms. Weber stated that she does not feel that this action is fair to her customers who pay promptly. Chairman Sorensen stated that this action is no reflection on Ms. Weber's customers, this action has to do with operations of the Recorder's Office. Mr. Moss asked Ms. Weber if she has sent out notices to customers advising them that there are penalty charges for past due balances. Ms. Weber stated that her office does send out those notices. Chairman Sorensen asked if the Recorder's Office has ever assessed interest on an account. Ms. Weber replied that she has not.

Chairman Sorensen asked if there was any further discussion before the Committee votes on this motion. Mr. Selzer asked if the notices that Ms. Weber's office sends out to her customers could be modified from immediate notification to her customers, to the deadline of March 1, 2004 with an effective date of April 1, 2004. Chairman Sorensen stated that he did not want to violate any of the agreements that the Recorder's Office was using for credit. Mr. Zeunik stated that there were three agreements that were passed by the Board. The first agreement allowed for copies only. Subsequently, there were two agreements which were presented and approved by the County Board. One allowed for document recording and extension of credit so that title companies and other individuals could be billed. The last agreement was for document reproduction. Mr. Ruud stated that all of the agreements have a 30 day out clause.

Chairman Sorensen asked if Mr. Selzer who made the motion and Ms. Berglund who seconded the motion were comfortable with a deadline for Ms. Weber's Office to have notifications out by March 1s, 2004 rather than immediately following the County Board Meeting on February 17, 2004. Ms. Berglund and Mr. Selzer agreed.

Chairman Sorensen asked for a vote on the motion as amended.

Motion carried unanimously with a voice vote.

Chairman Sorensen stated that this item will be presented to the County Board on Tuesday, February 17, 2004.

There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 3:01 p.m.

Respectfully submitted,

Ms. Christine Northcutt  
Recording Secretary