

Minutes of the Finance Committee Meeting

The Finance Committee of the McLean County Board met on Tuesday, September 2, 2003 at 9:00 a.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, Kinzinger, Selzer, Nuckolls and Moss

Members Absent: None

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

Elected Officials/
Department Heads: Mr. Don Lee, Director, Nursing Home; Mr. Bob Keller, Director, Health Department; Ms. Becky McNeil, County Treasurer; Mr. Derick Love, Chief Deputy, Sheriff's Department; Ms. Ruth Weber, County Recorder, Ms. Sharon Dunham, Chief Deputy, Recorder's Office, Circuit Judge Ron Dozier, Circuit Court, Mr. Will Scanlon, Trial Court Administrator

Others Present: None

Chairman Sorensen called the meeting to order at 9:00 a.m.

Ms. Berglund noted a correction to the August 5, 2003 Finance Committee Minutes. Mr. Moss was not in attendance at that meeting and should be taken off the list as a member present.

Motion by Kinzinger/Selzer to accept and place on file the minutes of the August 5, 2003 Finance Committee meeting as amended.
Motion carried.

Chairman Sorensen stated the first item on the agenda is from Mr. Bob Keller, Director, Health Department. Mr. Keller stated that the first item is a request for approval of a \$10,000.00 grant from the Department of Human Services which is attached to the County's Women Infants and Children (WIC) program. One half will be allocated for use in fiscal year 2003. The other one half will be allocated for the first half of fiscal year 2004. The Health Department is adding a 0.31 FTE Nutritionist to cover this program. The grant is helping to identify families with children at risk for obesity.

Motion by Selzer/Berglund to recommend approval of an Ordinance amending the Combine Appropriation and Budget Ordinance and a companion Resolution amending the FY 2003 FTE Position Resolution for Grant Fund 0103 – WIC/Obesity Grant. Motion carried.

Ms. Becky McNeil, County Treasurer, stated that it was difficult to prepare August's financial reports due to today being the first business day of September. Ms. McNeil stated that on Friday, August 29th she printed the reports. The actual month end totals will be available at a Stand-up Committee meeting before the County Board Meeting.

Ms. McNeil informed the Committee she would review the General Fund Report. She noted that Revenue is currently at 59.75% of budget at \$14.9 million. Expenses are at 60.26% of budget at nearly \$15.1 million. Ms. McNeil stated that the Property Tax Revenue is the largest source of revenue to the General Fund. As of August 31, 2003 the County has received 65.6% of the Property Tax Levy Revenue. A year ago, at this time, the County had only received 41.4%. Ms. McNeil stated that this fact is due to accelerated billing. As a result, revenue numbers appear higher when in reality they are not. Revenue is actually down as compared to last year. If the County had only received 41.4% of the Property Tax Levy Revenue we would only be at 53.5% of budget or \$13.4 million. Last year, at this time with 41.4% of the Property Tax Levy collected, the County was at 56.03%. All revenue sources are down. The other areas that are down significantly are Income Tax and Interest on Investments. Some fines and fees collected in the Circuit Clerk's office are down. Some reimbursements in Court Services are also down. Ms. Berglund asked Ms. McNeil what that will mean to the year end numbers. Ms. McNeil replied that the expenses are also down. Currently, expenses are at 60.26% and a year ago, expenses were at 65.49%. That will help to balance things out. We will have a better picture at the end of September when the full Property Tax Levy has been received. Mr. Selzer asked if Ms. McNeil had statistics on how many people used the on-line payment option. She stated that she did not have a break down on that information. Mr. Selzer asked if that may have contributed to the higher percentage of Property Taxes being collected this early. Ms. McNeil stated that she attributed that to the accelerated billing. Ms. McNeil added that the Recording Fees are significantly higher than last year.

Ms. McNeil stated that she has one item for action. She noted that it is a request to establish a sale in error fee and fund. Ms. McNeil explained that she has provided the Committee with citations from the Property Code Statutes as well as a proposed Ordinance to enforce this fee. The County Board can impose a fee up to \$60 to offset fees and costs associated with a sale in error. In the past these have come out of the indemnity fund, which is improper. The way to properly handle this is to impose a fee and deposit the revenues in the Sale in Error Fund. The proposed amount is \$20.00 per parcel. The maximum that can be charged is \$60.00. Ms. McNeil stated that she feels that \$20.00 is reasonable. Last year, there were 12 sale in error cases out of nearly 900 parcels being sold.

Motion by Berglund/Nuckolls to recommend approval to
establish a Sale in Error Fee and Fund. Motion carried.

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Chairman Sorensen stated that the next item for business is the report of Mr. Don Lee, Director, Nursing Home. Mr. Lee stated that the census in the month of July remained at around 140. The in-house census was 142. Today the census is 144. The census has held steady and the revenue has been meeting expenses. Mr. Lee informed the Committee that he predicts the Nursing Home will end the year in the black. There were no questions for Mr. Lee.

Chairman Sorensen stated that due to the fact that Judge Dozier has a very tight schedule, the Committee will take his item first. Chairman Sorensen noted that Judge Dozier was invited to the meeting to respond to the outside auditor's findings regarding the Law Library Fund. Judge Dozier informed the Committee that in January, 2001 he was appointed as the Law Library Trustee by Chief Judge Freese. He noted that he had only been in said position for a few weeks when he received a report from the County Auditor which showed that the fund's balance was negative \$60,000.00. He asked the Auditor to explain exactly what that meant and she informed him that the fund is in a negative position of over \$60,000.00. Judge Dozier explained that came as a surprise to all of the Judges as they were unaware of this situation. He stated that he has since taken steps to get the fund to operate within its revenues. Judge Dozier informed the Committee that some of the books have been sold and or donated and the Law Library has moved to an electronic library. They have purchased two computer work stations and a printer. They entered into a three year contract with Weslaw on line service. The contract began on May 1, 2001. Now the fund is running in the black. He noted that he expects to finish with a small surplus. The issue at hand is whether the Committee would like to raise the Law Library filing fee on all civil cases.

It covers everything from small claims cases to major civil law suits. It is now at \$6.00 which was the maximum allowed for a number of years. The maximum has recently been raised to \$10.00. It takes County Board action to approve the increase in the filing fee. According to Circuit Clerk, Sandy Parker, every \$1.00 increase in the fee brings in an additional \$5,000.00 to \$6,000.00 per year. All of the additional monies collected could be applied to the deficit in this fund balance.

Mr. Selzer asked how does a fund become \$60,000.00 in the red. Judge Dozier stated that it came about because there was a fire years ago that destroyed many books. The insurance settlement received as a result of the fire was used to replenish the supply. The Law Library Trustee, at the time, was accustomed to purchasing books in that fashion and, suddenly, the insurance settlement was depleted and the Fund was in the red. The status of the fund was not reported to the other judges. Mr. Selzer stated that the fact that books were given away, rather than sold, to recoup some of the deficit is very inappropriate. Judge Dozier stated that there is no market for any of these books.

These were books such as Pacific and North Eastern and North Western Reporter Systems, which report on laws from other jurisdictions outside of Illinois. They were advertised for sale and no offers were received. At one point, the University of Illinois

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agreed to take the 40,000 volumes and that fell through. They were offered to Illinois State University and Illinois Wesleyan University and the Historical Society. Hard bound books which pertain to jurisdictions outside of Illinois have no market in this area. The Law Library only maintained hard bound books which contain information regarding Illinois and the United States Supreme Court case law. Mr. Selzer asked who owns these books. Judge Dozier replied that the library is open to the public and anyone is able to have the benefit of these books. The Bar Association contributes \$6,000.00 annually to the Law Library. Ultimately, the County owns them.

Chairman Sorensen asked the Committee if they are interested in raising the filing fee. Mr. Selzer responded that he did not feel that it was fair to raise the fee to make up for the mismanagement of others. Furthermore, he would suggest writing off the deficit balance making sure that this situation does not repeat itself. Mr. Kinzinger stated that he echoed that feeling. Judge Dozier stated that his dream for the Law Library is, in the future, to hire a part-time Law Librarian for the aid of the public and to guard against pilferage. If the County was to raise the fee, after the debt was repaid, the excess income generated from the fee could be used to hire a part time student. Ms. Berglund asked if Judge Dozier has considered an intern. He replied that there hasn't been enough money. She suggested an unpaid internship. He replied that he had not looked into that. Chairman Sorensen stated that he would also have a difficult time agreeing to raise the fee if the current fee is sufficient to sustain day to day operations. Mr. Moss asked how much Judge Dozier was proposing that the fee be raised. Judge Dozier replied that he assumed that the Committee would like the deficit to be repaid. He thought they would want to raise the fee to the maximum, \$10.00 per case, or at least to \$8.00 per case. He informed the Committee that costs continue to rise each year so the fee will need to be raised eventually. Mr. Selzer stated that if the Committee does agree to raise the fee, there is no guarantee that the Fund will not end up in the same position that it is in right now. Judge Dozier stated that he will make a commitment to the Committee that they will not take on any new responsibilities until the debt is paid. He also stated that he feels that the Committee is entitled to receive a report on this Fund as he is now providing that information to the other Judges twice per year. Chairman Sorensen stated that brings up a good point. This is not budgeted fund. Perhaps, the Committee should offer direction to the Auditor that this fund is not allowed to spend any more than it takes in.

Motion by Berglund/Selzer to raise the Law Library Filing Fee to \$8.00 and that there are no additional expenses taken on until the debt is paid.

Mr. Selzer stated that if the fee is to be raised in order to repay the debt, it might just as well be raised to the maximum in order to pay it off in three years rather than six years.

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Ms. Berglund agreed. Mr. Kinzinger stated that he felt that the increase should expire at the time that the debt is repaid. The Committee can then revisit the issue at such time. Mr. Selzer stated that he would suggest that the motion be to increase the fee to \$10.00 for a 36 month period and to have it revert to \$6.00 per case at the end of that time. This should be effective as of January 1, 2004. Ms. Berglund and Mr. Selzer agreed to those amendments in the motion.

AMENDED MOTION:

Motion by Berglund/Selzer to raise the Law Library Filing Fee to \$10.00 per case as of January 1, 2004 until December 31, 2006, at which time the fee will revert to \$6.00 per case. The Trustee of the Law Library will report to the Finance Committee each August regarding the status of the Fund. Motion carried.

There were no further questions of Judge Dozier.

Chairman Sorensen stated that Ms. Ruth Weber, County Recorder, is next on the agenda. Mr. Terry Lindberg informed the Committee that due to the excessively high volumes in the Recorder's Office, the Finance Committee authorized a temporary position to be funded out of the Recorder's Document Storage Fund. This has been renewed on several occasions for a period of six-months at a time. This should have been renewed in June. The volume continues and the funding source is available. This amendment in the packet continues this position until the end of this calendar year. This position is also budgeted for the first six months of next year.

Motion by Selzer/Berglund to recommend approval of an
Emergency Appropriation Ordinance amending FY 2003
Combined Annual Appropriation and Budget Ordinance,
County General Fund 0001, Recorder's Department 0006,
Program 008 and a Resolution Amending the FY 2003 FTE
Positions Resolution for the McLean County Recorder's Office.
Motion carried.

The next item for discussion is the reconciliation process in the Recorder's Office. Chairman Sorensen stated that he wanted to begin by thanking Ms. Weber and her office for all the hard work that they have put into getting these reports together. He also wanted to thank the State's Attorney and the Administrator's Office for their work. Ms. Weber thanked the Committee. Ms. Weber introduced Ms. Sharon Dunham, Chief Deputy Recorder.

Ms. Weber stated that she has provided the Committee with a six month break down of the general ledger. The break down contains transactions from January, 2003 to July, 2003. It shows the copy fees, recording fees, county revenue stamps, microfilm sales, document storage, GIS document storage and the GIS Fund. Adjustments have to be made due to the fact that the daily receipts are turned into the Treasurer's Office on the day after the actual business day. Ms. Weber informed the Committee that she included some informational items such as the Daily Account Balance Sheet and the Daily Receipt Journals so they can see how the money is processed when it comes into the office. There is not a large amount of cash received, it is mostly in the form of checks. It is recorded in the computer with the new software system.

Mr. Kinzinger asked Ms. Weber what has changed since the Outside Auditor reported that she was not in balance with the General Ledger. Ms. Weber stated that she feels that whatever the problem was is now fixed and that she and her office are willing to work with the Committee in any way to remedy the problem. She noted that she is willing to come to the Committee monthly with a report. Chairman Sorensen stated that the key to resolving this problem is seeing a reconciliation to the General Ledger on a monthly basis. He noted that there are two items missing from the reconciliation that

Ms. Weber has presented. First is a reconciliation of the State Revenue Stamps and the other is the reconciliation of the Accounts Receivable. Ms. Weber stated that she would be happy to provide that to the Committee on a monthly basis.

Ms. Dunham stated that she wanted to thank Ms. McNeil for her assistance with this process. She is very busy right now with the collection of property taxes, but has taken the time to give direction to the Recorder's Office. Mr. Selzer asked if it would be possible for the Recorder's Office to close business at 2:00 p.m. as a bank does so there is time to perform a "close" and make a deposit for the day with the Treasurer on the same day. Ms. Weber said she would check with her software representatives to see if that was something that she could do. Mr. Selzer suggested that may help to reduce some of the discrepancies and adjustments that need to be made. Ms. Berglund stated that, in the end, the County Board Members are the people who are accountable and they need to know where things stand. Chairman Sorensen asked Ms. Weber if she has any thoughts as to why her records were \$118,000.00 different from the General Ledger in 2002. Ms. Weber replied that it is likely a timing issue. Perhaps, deposits were made in 2002 that should have been credited to 2001. Mr. Selzer stated that the difference is very large and he is not sure that the answer is that simple. Ms. Berglund stated that she would like to see the Committee request reconciliation to the General Ledger, Accounts Receivable and the Revenue Stamps from the year 2002. Chairman Sorensen asked how long it would take to get this information together. Ms. Dunham responded it will probably take around three months. Chairman Sorensen stated that he would request the remainder of the 2003 reconciliation before the office begins to work on the 2002 request.

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Motion Berglund/Kinzinger to request reconciliation to the General Ledger, Revenue Stamps, and Accounts Receivable for the year 2002. Motion carried.

Chairman Sorensen asked Ms. Weber or Ms. Dunham if they could advise the Finance Committee how long they thought it would take for all of this information to be prepared. Mr. Nuckolls stated that he agrees that a time limit should be placed on this request when it is ascertained how long it may take. Mr. Selzer asked if the remainder of the 2003 reconciliation should be available by next month. Ms. Weber replied that should be possible.

Chairman Sorensen directed the Committee's attention to a letter written by Mr. Brian Hug, Assistant State's Attorney. The letter was addressed to Ms. Weber and it outlines some specific work and tasks that Ms. Weber has been directed to carry out on a monthly basis. Chairman Sorensen stated that he would entertain a motion to accept this document and place it on file.

Motion Berglund/Kinzinger to accept and place on file the Letter from Assistant State's Attorney, Brian Hug to County Recorder, Ruth Weber outlining monthly reporting procedures. Motion carried.

Mr. Selzer asked if he could ask the Committee to reconsider his original motion which referred this matter on to the McLean County State's Attorney's Office. The reasoning being is that steps are being taken to resolve this problem and the action is no longer considered necessary.

Motion Selzer/Berglund to *reconsider* the motion to a request an opinion from the State's Attorney's Office regarding the possibility of nonfeasance of duties in that office. Motion carried.

Chairman Sorensen stated that the original motion is now on the table. Mr. Selzer stated that he would like to request that the Committee vote "No" on this motion. The Committee should have time to review the progress made by the Recorder's Office and can refer this subject to the State's Attorney's Office at a later time if that becomes necessary. Mr. Selzer stated that the work which has already been done by Ms. Weber and the State's Attorney's Office is a great start. He thanked the Treasurer's Office, the Recorder's Office and the State's Attorney's Office for all the work that they have done. Chairman Sorensen stated that he agrees that there is a good start, but the work certainly is not done yet.

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Chairman Sorensen stated that as opposed to a "No" vote on this matter, another

alternative is to lay it on the table of the Finance Committee.

Motion by Selzer/Berglund to *table* the motion to request an opinion from the State's Attorney's Office regarding the possibility of nonfeasance of duties in the Recorder's office. Motion carried.

Mr. Nuckolls stated that he also wanted to commend Ms. Weber and her staff on their efforts to bring this issue to a resolution.

Motion by Selzer/Berglund to enter into Executive Session at 10:20 a.m. to discuss Collective Bargaining. The following administrative Staff are included in the Executive Session: Chief Deputy Sheriff Derick Love, Mr. Terry Lindberg, Mr. John Zeunik and Ms. Christine Northcutt. Motion carried.

Motion by Moss/Selzer to return to Open-Session at 10:42 a.m. Motion carried.

Chairman Sorensen presented the bills from the Nursing Home. The fund total and prepaid total are the same at \$330,721.39. The Finance Committee fund total is \$709,008.83 with the prepaid total being the same.

Motion by Berglund/Selzer to recommend approval of the Bills as presented to the Finance Committee by the County Auditor. Motion carried.

Chairman Sorensen thanked Member Adam Kinzinger for his years of service on the County Board.

There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 10:43 a.m.

Respectfully submitted,

Ms. Christine Northcutt
Recording Secretary
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