

Minutes of the Finance Committee Meeting

The Finance Committee of the McLean County Board met on Tuesday, August 6, 2002 at 5:30 p.m. in Room 700 of the McLean County Law and Justice Center, 104 W. Front Street, Bloomington, Illinois.

Members Present: Chairman Sorensen, Members Arnold, Berglund, Kinzinger, Rodman and Renner

Members Absent: None

Other Board

Members Present: Chairman Sweeney and Member Owens

Staff Present: Mr. John M. Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Lucretia Wherry, County Administrator's Office; Mrs. Carmen I. Zielinski, County Administrator's Office

Elected Officials/

Department Heads: Mr. Don Lee, Director, McLean County Nursing Home; Ms. Becky McNeil, Assistant County Treasurer; Ms. Peggy Ann Milton, County Clerk; Ms. Maria Pascua, Deputy County Clerk; Ms. Jackie Dozier, County Auditor; Ms. Julie Osborn, Staff Accountant, Auditor's Office; Mr. Robert Keller, Administrator, Health Department; Ms. Shawn Walker, Director, MetCom; Ms. Jennifer Ho, Risk Manager; Mr. Phil Dick, Director, Building and Zoning; Sheriff David Owens, McLean County Sheriff's Department; Chief Deputy Derick Love, McLean County Sheriff's Department

Others Present: None

Chairman Sorensen called the meeting to order at 5:34 p.m.

Chairman Sorensen asked for consideration and discussion of Property Tax Cap Referendum Question. Chairman Sorensen stated that the County Board Chairman directed the Finance Committee to conduct public hearings on the Property Tax Cap issue, then revisit the issue in a Finance Committee meeting and then present a recommendation on the issue to the Executive Committee. The Executive Committee would then discuss it and make their own recommendation, regardless of the Finance Committee's decision and present it to the County Board for their consideration.

Motion by Kinzinger/Rodman to place the Property Tax Caps Referendum question on the November, 2002 ballot.

Mr. Kinzinger stated his appreciation for the public hearings where residents could present the pros and cons on this issue. Mr. Kinzinger commented that he was looking for reasons not to place this issue on the ballot at the public hearings. Mr. Kinzinger stated that most of the participants in the public hearings presented reasons why Tax Caps should not be supported. During the public hearings Mr. Kinzinger heard "in support" of placing issue on the ballot statements like: "Every four years, a new president is elected, every two years new congressmen are elected, why not place this issue on the ballot after less than five years."

Mr. Renner stated that in some ways he agrees with Mr. Kinzinger, since there are two sides to his issue: the substance of tax caps vs. the procedural issue of whether it should be placed on the ballot. Mr. Renner stated that he has some questions regarding the substance of tax caps. The central problem of tax caps is accountability. Mr. Renner referred to the Government Census figures that show that Illinois has far more local governments than any other state with almost 7,000. This patchwork of local governments makes it difficult to hold elected officials responsible for their actions.

Mr. Renner noted that there is the procedural issue with tax caps. Mr. Renner expressed reservations about debating a fundamental structure issue every five years. The referendum was defeated 2 to 1 five years ago. There is no reason to place it on the ballot again.

Mr. Rodman spoke in support of placing the Property Tax Cap issue on the ballot.

Mr. Rodman commented that he does not want to see it placed on the ballot every five years. However, many things have changed in McLean County over the last five years. The population has increased by 12,000 people in five years. One of the issues that came out of the public hearings was how confusing the Property Tax Cap referendum question was on the ballot. It is a problem when the voters don't understand what it is they are voting for or against. Unfortunately, the wording of the referendum cannot be changed. Discussion on the issue should help clarify things for the voters.

Ms. Berglund stated that she disagrees with Mr. Rodman's comments. Ms. Berglund stated that things will continue to change. Ms. Berglund noted that confusion question should not be raised as an issue since the impact of the Property Tax Caps was thoroughly presented and debated by both sides, five years ago. Ms. Berglund voiced her opposition to placing the Property Tax Cap question on the ballot.

Mr. Kinzinger agrees that McLean County has changed in five years and will continue to change. As a member of the County Board, placing this issue on the ballot should not hurt anyone or anything. Permitting the voters to vote for or against this is a right that the people should have.

Mr. Renner stated that if there was evidence of substantial confusion regarding the Property Tax Cap the first it was discussed and voted on, and if that evidence indicated bias in favor of voting against tax caps, then there may be a reason to place the issue on the ballot. Mr. Renner commented that he is not aware of any such evidence.

Mr. Kinzinger understands Mr. Renner's concern of changing basic government structure, but what is the harm of placing the Property Tax Caps referendum question on the ballot again. Mr. Kinzinger stated that all he has heard is that those opposed to the property tax caps don't want to gear up for another campaign.

Mr. Arnold commented that he is voting against placing the Property Tax Cap referendum question on the ballot because it is a bad law. The harm of putting the referendum on the ballot is that the property tax cap law is a very complicated law that is not fully understood by many. Mr. Arnold clarified that it is not a tax cap issue it is a Property Tax Extension Limitation Law that is being discussed, that affects school districts primarily. Mr. Arnold stated that he has worked with Pekin and Champaign school districts that have suffered the impact of the tax cap law. Mr. Arnold stated that initially it had a double whammy effect on the school district, because it limited the tax extensions, but it did not eliminate the growth and assessments. The other source of revenue, for school districts is the general state aid. The state aid is based on the school districts assessed value. Because the assessed value was allowed to grow, the general state aid shrank, so the tax revenue atrophied also. Part of the law has been changed so that the school district's general state aid formula will not be affected by tax cap laws but it will still have some limitations. People think that tax caps are going to limit the amount of taxes assessed on their property but in effect, it has very little affect on the amount of tax because the assessed valuation increases. The tax rate for the school is still limited. In other words, the bottom line for the taxpayer remains the same. School districts are the biggest beneficiaries of property tax funds. School districts are subject to two forms of tax limitations. The legislature provides a "permitted tax rate" that schools can use in some instances. Also, the voters have the ability to vote on increasing the tax rate for school districts. The Tax Cap Limitation is 5% or the cost of living, whichever is lowest. The cost of living is presently 1.6%. The cost of living index does not reflect the cost of doing business for a school district. An unfair index is being used to limit the expenditures for school districts.

Chairman Sorensen asked if teachers are compensated with funds from property tax supported funds. Mr. Arnold answered yes. Chairman Sorensen asked what percentage of the total budget goes toward teacher compensation that is governed by union contract. Mr. Arnold answered around 85%, which represents payment of salaries and benefits. Chairman Sorensen noted that school districts have 85% of their tax supported budget tied into union contract salaries, at a higher rate than 1.6%. The only logical result would be to reduce the number of teachers in order to get below the 1.6% growth rate. Mr. Arnold stated that is exactly what happens. Another point to remember, Mr. Arnold noted,

was that enrollment is not controlled, so class sizes increase.

Mr. Kinzinger stated that his concern is the right that the voters have, as voters, to be allowed to vote on this issue. Mr. Arnold noted that it was voted down five years ago because the majority of the voters did not want it passed.

Chairman Sorensen asked for a roll call regarding motion for placing Property Tax Cap on the November, 2002 ballot.

A "yes" vote means you support placing this referendum question on the ballot. A "no" vote means you do not support placing this referendum on ballot.

Roll call by Mr. Zeunik: Chair will vote on this issue.

Arnold -	No
Berglund -	No
Kinzinger -	Yes
Renner -	No
Rodman -	Yes
Sorensen -	No

Chairman Sorensen stated that the motion to place the Property Tax Cap referendum question on the November, 2002 ballot **fails** 4 to 2.

Chairman Sorensen commented that a motion will be needed to forward a recommendation to the Executive Committee to **not place** the Property Tax Cap referendum question on the ballot.

Motion by Renner/Berglund to recommend to the Executive Committee that the Property Tax Cap referendum question not be placed in the November, 2002 ballot.

Roll call by Mr. Zeunik: Chair will vote on this issue.

Arnold -	Yes
Berglund -	Yes
Kinzinger -	No
Renner -	Yes
Rodman -	No
Sorensen -	Yes

Chairman Sorensen stated that the motion to recommend to the Executive Committee that the Property Tax Cap referendum question **not be placed** on the November ballot **passes** 4 to 2.

Chairman Sorensen referred to items on the agenda.

The minutes of the July 2 and July 23, 2002 Finance Committee meetings were accepted and placed on file as presented.

Mr. Don Lee, Nursing Home Director, presented the Monthly Report. Mr. Lee noted that on operational report that the Nursing Home came close to breaking even in July, even though there was a deficit of around \$600.00. The census for July increased over June 2002. Mr. Lee advised the Finance Committee that there were five discharges in the last few weeks.

Ms. Becky McNeil, Assistant County Treasurer, presented for acceptance the County Treasurer's Report as of July 31, 2002 and the County Treasurer's Investment Report as of July 31, 2002. Chairman Sorensen informed the Committee that Mr. Boylan had called him and informed him of this absence this evening. Ms. Becky McNeil discussed the Treasurer's Reports. Ms. McNeil referred to the General Investment Report. The total for the Pooled Funds stood at \$10,893,997.23. Ms. McNeil clarified that the Pooled Fund is made up of 92 separate funds, with the General Fund being just one of them. The General Fund's cash position, as of July 31, 2002, was \$863,428.86. The trend for the cash an increase during the property tax season and a decrease in the first six months of the year. Ms. McNeil noted that the Treasurer's Office moved \$750,000.00 from the Merrill Lynch, Illinois Funds Money Market, Illinois Funds Prime, National City TMIF and State Farm into Bank One in order to meet payroll and expenses. Ms. McNeil pointed out that the balances will decrease significantly because the next property tax distribution will not occur until September.

Motion by Arnold/Kinzinger to receive and place on file the
County Treasurer's Report as of July 31, 2002 and the
County Treasurer's Investment Report as of July 31, 2002.

Mr. Rodman clarified that based on the reports provided, McLean County does not have a cash flow concern at this time. Ms. McNeil replied that the activity the year to date in this cash fund is consistent with past patterns. The one thing the Committee needs to remember is that the General Fund will no longer receive the Photo Processing Tax and the Farm and Fleet State Tax revenue will decrease.

Motion carried.

Ms. Peggy Ann Milton, County Clerk, presented the Semi-Annual Financial Report for various county offices.

Ms. Jackie Dozier, County Auditor, requested approval of an amendment to the Resolution authorizing and directing the McLean County Auditor to Establish Methods and Procedures for Reporting and Accounting of Fixed Assets. Ms. Julie Osborn, Staff Accountant Auditor's Office, joined Ms. Dozier. Ms. Dozier stated that the objective of this amendment was to assess the impact of raising the recognition threshold for McLean County Fixed Assets. The Government Finance Officer's Association publishes a book called Governmental Accounting, Auditing and Financial Reporting (GAAFR). Ultimately, in order to receive a clean opinion from the external auditors, there is a need to comply with Generally Accepted Accounting Principles (GAAP). Of particular concern for McLean County is where to set the County's recognition threshold for fixed assets. Capital Assets are Fixed Assets that by definition are capitalized and expensed over succeeding periods. Governing bodies are given a great deal of independence in their ability to set their respective capitalization thresholds and still be able to comply with GAAP. Management can select the reporting threshold, determine the method for calculating depreciation and the useful lives of its capital assets. In 2001, McLean County raised the recognition threshold for their fixed assets from \$250.00 to \$1,000.00. This provided for the elimination of 5,575 items from the Fixed Asset Master List. In contemplating the implementation of GASB 34 in Fiscal Year 2003, it is important to consider the desirability and ramifications of raising this threshold even higher. Discussions with Clifton, Gunderson and correspondence with a number of other governmental entities have shown that the amount being adopted nationwide was considerably higher than McLean County's current level.

Ms. Dozier explained that Chapter 11 in the GAAFR lists six key elements for "Establishing Appropriate Capitalization Thresholds for Fixed Assets" as follows: 1) "Fixed Assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition"; 2) "Capitalization thresholds should be applied to individual fixed assets rather than to groups of fixed assets"; 3) "As a general rule, capitalization thresholds should be designed to encompass approximately 80% of a government's total non-infrastructure assets"; 4) "In no case should a government establish a capitalization threshold of less than \$5,000.00 for any individual item"; 5) "In establishing capitalization thresholds, governments that are recipients of federal awards should be aware of federal requirements that prevent the use of capitalization thresholds in excess of certain specified maximum amounts"; 6) "Governments should exercise control over non-capitalized fixed assets by establishing and maintaining adequate control procedures at the departmental level." Ms. Dozier explained that in order to minimize adverse impacts on the County's financial statements, the final recognition threshold for fixed assets must be established by December 31, 2002. Raising the threshold means

that the number of items carried on the fixed asset list and subject to external audit would be dramatically reduced.

Ms. Dozier noted that the external auditors are highly unlikely to inventory low value items, therefore, the desire to carry them on the books is internally generated, rather than externally generated. Ms. Dozier made the following recommendations: 1) Raise the threshold for recognizing Fixed Assets to \$10,000.00; 2) Delete all fixed assets below the threshold from the Fixed Asset Master List before the end of 2002; 3) Re-issue guidelines to department heads on safeguarding departmental capital assets, both those that are capitalized and those that are not. It should be emphasized that the level of accountability is at the departmental level, and the respective department head is ultimately responsible for safeguarding those assets. Therefore, the level of internal control remains the same; 4) Keep the number of categories of assets that warrant greater control and are below the recognition threshold level. Ms. Dozier recommended that the infrastructure threshold be increased to \$250,000.00.

Mr. Arnold commented that he is not comfortable with the \$250,000.00 figure. Chairman Sorensen clarified that the increase to \$250,000.00 refers to Highway Department infrastructure projects, like roads and bridges. A \$100,000.00 figure on a piece of highway road would amount to a very small piece of roadway, less than half a mile long.

Mr. Arnold asked that the proposals be broken down and voted separately.

Motion by Renner/Berglund to recommend approval to
adjust the Infrastructure Limit of the Capitalization
Threshold to \$250,000.00.

Roll call by Mr. Zeunik:

Arnold -	No
Berglund -	Yes
Kinzinger -	Yes
Renner -	Yes
Rodman -	No

Motion passed.

Motion by Rodman/Arnold to recommend approval of
the remaining recommendations presented by the
County Auditor. Motion carried.

Mr. Robert Keller, Director, Health Department, requested approval of a Resolution Amending the Fiscal Year 2002 McLean County Full-Time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal Year 2002 McLean County Combined Appropriation and Budget Ordinance for Fund 0103 – WIC Program. Mr. Keller explained that the FTE amendment converts a part-time Paraprofessional to a full-time Paraprofessional Breastfeeding Advocate position. The accompanying budget amendment reflects a net increase in the fund of \$9,233.00 for the remainder of the 2002 calendar year. Adjustments to revenue accounts are as follows: \$12,296.00 into Federal Financial Participation and deducting \$3,063.00 from the I.D.P.A. Healthy Kids. In addition to the personnel and revenue changes listed above, a portion of a new Spanish Interpreter Service Contract with the Western Avenue Community Center is included within the expense portion.

Mr. Keller requested approval of an Ordinance of the McLean County Board Amending the 2002 Combined Appropriation and Budget Ordinance for Fund 0103 – WIC Program.

Mr. Keller requested approval of a Resolution Amending the Fiscal Year 2002 McLean County Full-Time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal Year 2002 McLean County Combined Appropriation and Budget Ordinance for Fund 0105 – Health Promotion Program.

Mr. Keller requested approval of an Ordinance of the McLean County Board Amending the 2002 Combined Appropriation and Budget Ordinance for Fund 0105 – Health Promotion Program. Mr. Keller stated that the action taken within this fund is a combination of an annualized reduction in the Illinois Department of Public Health Smoke-Free Communities grant from \$153,567.00 down to an annualized level of \$51,000.00. This resulted in a laying-off one full and one part-time staff and reducing a portion of the part-time Administrative Assistant position and moving a portion of the Public Health Communications Specialist to the new Bioterrorism grant in Fund 0107. At the same time, the department was awarded a \$33,000.00 grant from the Illinois Department of Public Health's Office of Women's Health for the Heart Smart Program resulting in the restoration of a part-time position. In addition, a portion of the funds received through Federal Financial Participation will be utilized to support smoking cessation among pregnant women in the family case management program. The net effect is a reduction of \$17,752.00 in the Preventive Health Fund 0105.

Mr. Keller requested approval of a Resolution Amending the Fiscal Year 2002 McLean County Full-Time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal Year 2002 McLean County Combined Appropriation and Budget Ordinance for Fund 0106 – Case Management Program. Mr. Keller stated that the only personnel change to grant fund 0106 was the addition of a .20 Breastfeeding Advocate. This .20%

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is the remainder of the position added to fund 0103 previously discussed within this memorandum. In addition, a portion of the Spanish Interpreter contract was contained within the expense portion of the amendment. Revenue to support the expenditure changes is as follows: \$6,790.00 from the Federal Financial Participation Fund.

Mr. Keller requested approval of an Ordinance of the McLean County Board Amending the 2002 Combined Appropriation and Budget Ordinance for Fund 0106 – Case Management Program.

Mr. Keller stated that there are two new sources of revenue used to augment services within the three grant programs. The \$33,000.00 in funding from the Illinois Department of Public Health is a categorical grant that promotes healthy lifestyle changes among women at risk for heart disease. The curriculum for this program has been developed and tested by the Cooper Institute. The \$25,678.00 in new revenue is spread across three funds and is derived from a contract with the Illinois Department of Public Aid. The contract allows for capturing additional federal match for the cost of services provided to Medicaid eligible family case management clients as recorded in the Illinois Department of Human Services' Cornerstone Database.

Motion by Berglund/Renner to recommend approval of Items "E-1-a through E-1-e" in the Finance Committee Agenda as presented by Mr. Bob Keller, Director, Health Department. Motion carried.

Ms. Shawn Walker, Director, MetCom, requested approval to offer an internal candidate for an Emergency Communications Supervisor Position at a salary that is just below midpoint. The supervisor position is a Grade 9 position, with a salary range of \$15.30 to \$22.20. The supervisor position was a newly created position in the FY 2001 budget and was approved by the MetCom Ops Board. Two positions were created at the beginning of FY 2001 that have been filled. Both of the employees promoted into these positions were hired at Grade 9 Step 53. The third position created was effective July 1, 2001 and was filled until recently. The employee that filled the position was hired at Grade 9 Step 43. MetCom's Fiscal Year 2002 budget provided for an additional 1.5 supervisor positions to move toward the goal of having supervisor coverage on a 24 hours/7 days per week basis. At this time, Ms. Walker is requesting authorization to promote the internal candidate to Grade 9 Step 43 or \$18.52 per hour because the salary ranges assigned in the recent PAS study did not take into consideration the impact of union wages. This impact means that the supervisor whose salary is below Step 43 would be making significantly less than those employees he/she would be supervising once the average annual amount of overtime pay was added to the dispatcher's pay. Also, the candidate is currently making the minimum pay rate for the supervisor position plus overtime and

would need the requested pay rate to be able to accept this position.

Mr. Arnold stated that he is uncomfortable approving this request at this particular time due to the ongoing image problem at MetCom. Ms. Walker stated that the information presented in the media is not accurate. The total picture is not being disclosed.

Motion by Kinzinger/Renner to recommend approval of the request to offer an internal candidate the Emergency Communications Supervisor Position at a starting salary just below midpoint, as presented by MetCom.

Roll call by Mr. Zeunik:

Arnold -	No
Berglund -	Yes
Kinzinger -	Yes
Renner -	Yes
Rodman -	Yes

Motion carried.

Ms. Jennifer Ho, Risk Manager, presented the Second Quarter Risk Management Fund Report for information purposes only. Ms. Ho explained that the County has not settled any Tort claims in excess of \$10,00.00. There were three minor auto claims in the second quarter. There were no reported liability claims incurred year to date in FY 2002. Ms. Ho noted that there was an increase in Worker's Compensation claims of the medical variety only. Ms. Ho stated that there were no cases pending against the County that are of any material significance to the County's financial position.

Ms. Ho referred to the condition of the excess reinsurance market. Insurance for coverage of Nursing Home liability and Medical Professional liability continues to increase at double digits due to the lack of available carriers, and is particularly handicapped by the departure of the St. Paul Insurance Company, the main insurer in this line of coverage. The threat of terrorism continues to influence the underwriting considerations with regards to property and Worker's Compensation coverages. The decline of the stock market has affected insurers who have not exercised the needed financial prudence. In view of these considerations, it is important that the County maintain an on-going process of monitoring the marketplace and to only select risk management "partners" who are financially stable and who have shown a disciplined approach in their fiscal practices.

Mr. John M. Zeunik, County Administrator, discussed a response to Clifton Gunderson, L.L.C.'s Management Letter. Mr. Zeunik referred to Item H-1-a, responses to the outside auditors management letters. Mr. Zeunik commented that all of the departments responded in a timely matter.

Mr. Arnold asked if Mr. Zeunik was satisfied with the responses. Mr. Zeunik answered that there was one response that did not address the issues raised by the outside auditor. Mr. Arnold asked if that person could submit another response addressing the actual issue. Mr. Rodman commented that the response provided by the County Recorder did not address the specific issue raised in the outside auditor's management letter.

Motion by Rodman/Arnold to request that the County Recorder resubmit a response letter specifically addressing issue raised in the outside auditors's management letter and provide some remedial actions.
Motion carried.

Chairman Sorensen stated that he visited with Ms. Ruth Weber, County Recorder, and she apologized for missing this meeting.

Motion carried.

Motion by Kinzinger/Berglund to recommend acceptance of the Responses by Department Heads and Elected Officials to the Clifton Gunderson, L.L.C. Management Letter as presented by the County Administrator.
Motion carried.

Mr. Zeunik requested approval of an Emergency Appropriation Ordinance Amending the Fiscal Year 2002 General Fund Adopted Budget. Pursuant to a resolution passed at the July 23rd County Board Meeting asking for a reduction of the General Fund budgeted expenditures to more closely reflect projected General Fund revenues, an Emergency Appropriation Ordinance that reduces General Fund spending by \$613,617.00 is being presented for the Finance Committee's recommendation to the County Board. Mr. Zeunik explained that the Elected Officials and appointed Department Heads whose departments are supported by the General Fund worked diligently to identify savings in every area of their budgets. Additional savings may be produced as a result of the hiring freeze that is now in effect. There may also be changes on the revenue side of the budget. A budget status report will be presented to the Finance Committee on a monthly basis for the balance of Fiscal Year 2002. Mr. Zeunik commented that given the continuing economic uncertainty at the State and National levels, it may be necessary to recommend further

actions later this year.

Mr. Zeunik stated that a couple of variables may make the difference between \$686,350.00 and \$613,617.00. First, at this time, it is impossible to know how many positions will be vacant between now and the end of the year. Second, there may be some revenue lines that will continue to outpace the budgeted amount. Third, the Fund Balance can be tapped to make-up the shortfall.

Mr. Zeunik stated that the savings hoped to be gained from vacant positions that will not be filled add up to \$150,000.00; savings in the Schooling/Conferences Line Item totals \$29,500.00 and Capital Expenses would decrease by \$150,000.00.

Mr. Zeunik noted that the Regional Office of Education voluntarily reduced their operating budget by \$5,000.00.

Mr. Kinzinger commented that there are a handful of departments that did not meet the requested budget reduction, the County Clerk, State's Attorney's Office, Merit Commission, Public Defender, Sheriff and Coroner. Mr. Zeunik stated that most departments did reach their targeted goal. Mr. Zeunik explained that in the case of the Public Defenders' Office, Ms. Amy Davis informed him that there were two murder trials that were expected to go to trial between now and year-end, so certain line items that otherwise could be reduced were not. Mr. Zeunik asked Mr. Lindberg if he knew the rationale behind the State's Attorney's high balance. Mr. Lindberg answered that generally speaking, the State's Attorney's Office will be facing a high number of trials between now and the end of the year.

Mr. Kinzinger asked why the County Clerk's budget was not reduced by the requested amount. Mr. Lindberg stated that he did not know why the County Clerk did not reach her goal. Mr. Lindberg reminded the Committee that all of these budget cuts were "agreed to" reductions.

Mr. Rodman stated that the departments that met or exceeded the proposed goal should be commended. Mr. Kinzinger recommended that the departments that met or exceed their goal be commended by a letter. Mr. Kinzinger's concern is that if the County Board is placed in the position where further reductions are necessary, some departments may bring up the issue that some departments did not meet their target the first time around. Then instead of asking for agreed reductions, all the departments will have to be subjected to mandated reductions.

Chairman Sorensen noted that the County Board acted last month to adjust the FY'2002 General Fund Budget. Chairman Sorensen asked if the Finance Committee is prepared to send to the Board less than what they directed department heads to accomplish or is

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the Finance Committee going to comply with the directive from the County Board.

Mr. Rodman asked if the Resolution adopted by the County Board last month specifically stated the amount of the reductions or did the motion ask for voluntary reductions.

Mr. Zeunik answered that the Resolution set a target for reductions in the General Fund with the direction to the Administrator's Office to bring a recommendation to the Finance Committee in the form of an ordinance. If the proposed ordinance is modified, adopted or recommended, either at the Finance Committee level, Executive Committee level or at the County Board level, these recommended spending levels will be set for the balance of fiscal year 2002.

Mr. Renner recommended that a memo be sent specifying further cuts based on the motion passed by the County Board in July, 2002.

Mr. Arnold wondered what the County Board's intent was. Mr. Arnold asked if the Board intended to force the issue of reductions or to make it a voluntary issue. Chairman Sorensen stated that his perception was that the County Board acted very strongly to make the spending line up with the revenue shortfalls. Mr. Arnold stated in that case, the Finance Committee can not accept the reduction made by the departments that did not meet the set goal, they need to be revisited and redirected.

Mr. Arnold suggested that a letter be sent to those departments that did not meet their targets asking them to reconsider and explain to the Finance Committee what the consequences would be if further reductions were made to their budget. Chairman Sorensen specified that the letters should be sent to the Sheriff's Department, County Clerk, Merit Commission, Public Defender, State's Attorney's Office and the Coroner.

Chairman Sorensen perceived the responsibility of the Finance Committee as two-fold: 1) accept and forward the Emergency Appropriation Ordinance as presented to the Executive Committee and to the County Board, and 2) address the fact that the Finance Committee wants further communication with some of the departments.

Chairman Sorensen referred to the Emergency Appropriation Ordinance presented by the County Administrator.

Motion by Rodman/Berglund to recommend approval
of an Emergency Appropriation Ordinance amending
the Fiscal Year 2002 General Fund Adopted Budget.
Motion carried.

Chairman Sorensen referred to the issue of addressing certain departments regarding the projected reductions.

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Motion by Arnold/Rodman to address the departments that did not meet the budget reduction target set by the County Board and ask them to reconsider their reductions and submit an explanation to the Finance Committee.

Chairman Sorensen commented that McLean County was surpassed by Sangamon County. Sangamon County took similar action of asking for reductions from their departments regarding the 2003 budget. Sangamon's Finance Committee advised the department heads that no staff replacement would be approved unless the department head can explain exactly how they won't meet statutory requirements for eighteen months or more without the replacement of staff. Mr. Zeunik stated that Sangamon County specifically directed that departmental budget requests be 10% less than the 2002 Adopted Budget.

Motion carried.

Ms. Berglund suggested that a letter of gratitude be sent to the departments that were able to meet or exceed the requested reduction goal.

Motion by Berglund/Kinzinger to send Thank You letters to the departments heads who were successful in identifying their target cuts.

Chairman Sorensen suggested that the Regional Board of Education be included in this list.

Motion carried.

Chairman Sorensen presented and recommended payment of the bills as submitted by the County Auditor.

Motion by Arnold/Rodman to recommend approval of the bills as presented by the County Auditor. Motion carried.

Chairman Sorensen stated that the Finance Committee needs to go into an Executive Session for the purpose of discussing Personnel Matters and recess this meeting to Room 703.

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Motion by Kinzinger/Renner to go into Executive Session. Mr. John Zeunik, Mr. Terry Lindberg, Ms. Lucretia Wherry, Mrs. Carmen Zielinski, and Mr. Clint Short, Chair of the Veteran's Assistance Commission, were asked to remain. Motion carried.

The Committee went into Executive Session at 7:30 p.m.

The Committee returned to open session at 7:48 p.m.

There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 7:49 p.m.

Respectfully submitted,

Mrs. Carmen I. Zielinski
Recording Secretary

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