

## **Minutes of the Finance Committee Meeting**

The Finance Committee of the McLean County Board met on Tuesday, April 2, 2002 at 5:36 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, Rodman, Berglund Kinzinger and Renner

Members Absent: None

Staff Present: Mr. John M. Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Lucretia Wood, County Administrator's Office; Mrs. Carmen I. Zielinski, County Administrator's Office; Mr. Eric Ruud, Chief Civil Assistant State's Attorney

Elected Officials/

Department Heads: Mr. Don Lee, Director, McLean County Nursing Home; Mr. James Boylan, County Treasurer; Ms. Becky McNeil, Assistant Treasurer; Ms. Jackie Dozier, County Auditor; Mr. Walter Hunt, Internal Auditor; Mr. Bob Keller, Health Department; Mr. Keith Frantz, Highway Department.

Others Present: None

Chairman Sorensen called the meeting to order at 5:36 p.m. The minutes of the March 5, 2002 Finance Committee meeting were accepted and placed on file as presented.

Chairman Sorensen stated that the recommendation by the Property Committee Regarding Proposed Renovations to the Old Courthouse Building item on the agenda was being deferred at this time.

Mr. Rodman asked for clarification on the various options provided regarding the Old Courthouse Renovation. He asked if one of the financing options was designed to keep the current tax rate and wait until the current bonds for the Law and Justice Center were paid off before debt service costs for the Old Courthouse would begin. Mr. Zeunik explained that one of the financing options provided by First Mid State was structured so that there would be no impact on the County's overall tax levy because there would be interest payments only on the Old Courthouse debt until the debt on the Law and Justice Center was retired. Mr. Zeunik stated that another option showed the tax impact by spreading the work on the Old Courthouse over ten years, and financing it on a pay-as-you-go basis. The County Board could structure this project without impacting the tax rate, which would mean that new revenue growth as a result of increases in assessed valuation would have to be sufficient to cover these expenses. If the revenue growth did not equal the cost of the project, then in order to keep the tax rate the same, some adjustment would be needed in other areas of the budget.

Ms. Jackie Dozier, County Auditor, referred to the Audit Findings Report – Overpayment on AT&T Long Distance Service Billing. Mr. Walter Hunt, Internal Auditor accompanied Ms. Dozier. Ms. Dozier noted that the report presented was for information purposes only. Action has already been taken on the telephone line that did not belong to the County. AT&T has decided to refund the County the full \$2,700.00 amount owed. The actual owner of the account was a GTE employee. The State's Attorney's Office had been making timely payments on the account since 1997. The error was discovered when the County's Deputy Auditor brought a telephone bill to the attention of Ms. Dozier that was not related to this account. This triggered an investigation of recent increases in long distance charges of 20¢ to 30¢ per minute when the County's long distance fee should have been 7¢ or 9¢. Several County phone lines have been "slammed" to another carrier with higher rates.

Mr. Hunt clarified that regarding the format of the audit findings, he and Ms. Dozier have been working on making this process a regular occurrence as various reports are presented. This would allow the Auditor's Office a means to make a regular report to the Finance Committee.

Mr. Don Lee, Nursing Home Administrator, reviewed the Nursing Home Monthly Report.

Mr. Lee noted that the Accrued Expense line showed a deficit of \$3,042.00. This was primarily due to the census being where it is. Mr. Lee pointed out that the number of "Bed Holds" was higher as the Nursing Home went through a period of time where residents were afflicted with the flu and many transported to the Hospital.

Mr. Lee reminded the Finance Committee that at last month's meeting discussion occurred regarding the slowdown in the Public Aid Payment Process. Mr. Lee stated that payment was received for the month of November 2001 in March 2002. That placed the cycle at a 110 days behind schedule.

Mr. Arnold asked if taxpayers' money was being used to subsidize the Nursing Home Enterprise Fund until the funds are received from Public Aid. Mr. Lee answered that money was being drawn from the Enterprise Fund directly. Chairman Sorensen noted that the investment reports shows that the current Enterprise Fund carries a balance of \$3.2 million.

Mr. James Boylan, County Treasurer, presented for acceptance and placement on file the County Treasurer's Report and the County Treasurer's Investment Report as of March 31, 2002. Ms. Becky McNeil, Assistant Treasurer, reported that on the Investment Report the Committee would notice that the majority of the money was still invested with State Farm Bank. Ms. McNeil stated that the Treasurer's Office contacted local banks for rate quotes on CD's, but the rates were considerably less than what State Farm was offering.

Mr. Arnold asked if the green-bar report shows the expenditures the County incurs monthly or year-to-date. Ms. McNeil answered that it reports the expenditure on a year-to-date

basis. Ms. McNeil noted that the payroll for the County was over \$1 million dollar each pay period. Mr. Arnold asked why the Treasurer had \$5 million in money market accounts.

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Ms. McNeil explained that the majority of the \$5 million was invested at State Farm Bank at a 2.5% rate. Mr. Arnold stated that he was previously told that large amounts of money were kept liquid because of the County's cash flow needs. Ms. McNeil explained that between now and the first receipt of Property Tax Revenue, substantial liquidity was required, and money market rates are currently higher than short-term CD rates.

Mr. Zeunik explained that the green-bar report reflects the General Fund only. The County's total operating budget is approximately \$58 million. What does not show in the Treasurer's Report is the monthly cash flow for the other County funds. The Treasurer's General Investment Account is not only used to meet the cash flow needs for the General Fund, but also to meet the cash flow for the Highway funds, Health funds and various grant funds.

Mr. Arnold noted that the \$58 million figure could be divided by twelve months to arrive at \$4.5 million figure. Mr. Arnold asked if this \$4.5 million was paid from the General Investment Account. Mr. Zeunik answered that was correct, except for the County funds that are money kept separate by statutory requirements. Mr. Arnold asked what approximately was the monthly draw on the General Investment Accounts. Mr. Zeunik answered that would be an item he would have to research and provide to the Finance Committee next month. Ms. McNeil explained that the Treasurer's Office does not receive an itemized list of the expenses. Mr. Zeunik stated that he could have something to present regarding these issues at the May Committee meeting.

Mr. Arnold stated that would not be necessary.

Motion by Renner/Kinzinger to recommend acceptance  
and placement on file of the County Treasurer's Report  
and Investment Report as of March 31, 2002. Motion carried.

Mr. Bob Keller, Director, Health Department, presented a request for Approval of an Ordinance Amending the Fiscal Year 2002 Appropriation and Budget Ordinance for Fund 0105 – "Straight From the Heart" project. Mr. Keller stated that the "Straight from the Heart" project would be funded through a \$4,000.00 mini-grant from the Illinois Department of Public Health, Office of Women's Health. The funding period was from March 1 through June 20, 2002. The project would be a collaborative effort on the part of the Cardiovascular IPLAN Task Force to provide low socioeconomic status minority women in the community with the information and resources necessary to play an active role in reducing their risk of heart disease. This would be accomplished by providing a one-day event for these women to learn about heart disease, obesity/overweight, nutrition, physical activity, body image/self esteem and stress management through educational sessions, one-on-one interaction with community agencies and health professionals, and health screenings. Health screenings would be provided by the OSF St. Joseph Center for Healthy Lifestyles and would include: cholesterol, glucose, blood pressure and body composition. The participants would also

learn about resources in the community such as medical assistance programs available through the Community Health Care Clinic and John M. Scott Health Resource Center.

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Motion by Kinzinger/Renner to recommend approval of an Ordinance Amending the Fiscal Year 2002 Appropriation and Budget Ordinance for Fund 0105 – “Straight From the Heart” project. Motion carried.

Ms. Berglund entered the Finance Committee meeting at 5:50 pm.

Mr. Keller referred to a request for Approval of a Resolution Amending the Fiscal Year 2002 McLean County FTE Position Resolution – Fund 0113 – Special Program for Infant and Children Education (S.P.I.C.E.) Program and a request for Approval of an Ordinance Amending the Fiscal Year 2002 Combined Appropriation and Budget Ordinance for Fund 0113 – S.P.I.C.E. Program. Mr. Keller explained that on January 11, 2002, the McLean County Health Department was formally notified that contractual Nursing Services for the S.P.I.C.E. program were being terminated by the MARC Center effective February 15, 2002. This amendment reflects the FTE and budget amendments related to the termination of this contract.

Motion by Rodman/Renner to recommend approval of a Resolution Amending the Fiscal Year 2002 McLean County FTE Position Resolution – Fund 0113 – Special Program for Infant and Children Education (S.P.I.C.E.) Program, and a request for Approval of an Ordinance Amending the Fiscal Year 2002 Combined Appropriation and Budget Ordinance for Fund 0113 – S.P.I.C.E. Program. Motion carried.

The committee reviewed the Assessment Status Report prepared by Supervisor of Assessments Bob Kahman. Mr. Renner commented that the figures are consistent with the representation that farmland would decrease by about 10%. Mr. Zeunik noted that the biggest change could be found on Page 39 of the Committee packet, which shows the 2000 total assessed valuation of \$2,475,150,505, which does not account for exemptions and TIF district deductions, and the 2001 total valuation of \$2,627,874,419. The 2001 total will be adjusted based on homestead exemptions, home improvement exemptions, senior citizens exemptions and TIF Districts. The number provided reflects a 6.17% over 2000. In the 2002 budget, the increase was projected at 3.5%. This higher number has been driven by increases in the City of Bloomington Township, and the adjacent townships around Bloomington and Normal.

Chairman Sorensen speculated that every new home built in one of the rural districts or townships offsets a certain number of acres of farmland.

Mr. John M. Zeunik, County Administrator, discussed a request for Approval of an Ordinance Authorizing the Execution and Delivery of an Intergovernmental Cooperation Agreement and Certain Documents in Connection Therewith, and Related Matters –

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Issuance of Revenue Bonds for the Assist 2002 First Time Homebuyer Down Payment Assistance Program and a request for Approval of an Intergovernmental Cooperation Agreement – Issuance of Revenue Bonds For the Assist 2002 First Time Homebuyer Down Payment Assistance Program. The County Board approved an inducement resolution at their March 19, 2002 meeting.

Motion by Arnold/Renner to recommend approval of an Ordinance Authorizing the Execution and Delivery of an Intergovernmental Cooperation Agreement and certain Documents in connection therewith, and Related Matters – Issuance of Revenue Bonds for the Assist 2002 First Time Homebuyer Down Payment Assistance Program and an Intergovernmental Cooperation Agreement – Issuance of Revenue Bonds for the Assist 2002 First Time Homebuyer Down Payment Assistance Program.

Mr. Rodman commented that Bonds are being sold to raise money for home mortgages and down payments and asked who, ultimately, would be responsible for the bonds. Mr. Zeunik answered that the homebuyers would be responsible for paying the debt service on the bonds. Mr. Zeunik explained that all the local governments that expressed interest in participating in the program structure a tax-exempt revenue bond issue and the proceeds from this issue are disbursed to local financial institutions. Those institutions use those funds to originate mortgage loans to qualified first time home buyers for the purchase of new or existing housing and to help qualified first time home buyers lower their interest and closing costs. Presently, all of the mortgages originated under this program are packaged and sold in the secondary market, similar to the way financial institutions do business today. Mr. Zeunik stated that it was discussed that McLean County would have approximately \$5 million available for local financial institutions to distribute around McLean County.

Motion carried.

Mr. Terry Lindberg, Assistant Administrator, discussed a request for Approval of a Lease Agreement and Copy Service Agreement with IKON Office Solutions for copier procurement. Mr. Lindberg presented a request for Approval of a Lease Agreement and copy service agreement with IKON Office Solutions for copier procurement. He stated that in May of 1999, the County acquired ten copy machines. The original intent was to structure the procurement to include all costs, machine, routine maintenance, drums, toner, ect., under one cost per copy basis and the large machines on a fixed monthly cost plus a per copy maintenance charge basis. For the proposed 2002 copier procurement, the County relied on the State of Illinois Central Management Services (CMS) copier bid

award. CMS requested bids from all vendors in all sizes and speed ranges. The CMS bid specification also contained service responses and performance guarantee language, which would be binding on the selected vendor.

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Mr. Lindberg explained that the present proposal is for four copiers, including two high volume machines for the Public Defender and Metcom/ETSB and two mid-size machines for the Coroner and County Clerk. Five vendors received portions of the CMS bid award. Only two of the vendors, Mid-Illinois (Savin) and Ikon (Sharp) offered machines in the size ranges proposed. Both of these companies were asked to convert the cash purchase price into a five year municipal lease cost with a per copy maintenance rate. Both vendors' cost proposals were reviewed and subjected to a complete cost analysis, including different monthly copy volume levels and different combinations of machines. Mr. Lindberg is recommending that approval be given for a lease agreement and copy service agreement with IKON Office Solutions to provide two (2) Ricoh Aficio 1035 Digital Copier and two (2) Ricoh Aficio 700 High-Speed Digital Copiers on a five year lease plus cost per copy basis. The total cost for the four proposed machines would be \$69,720.00 for the Ricoh machines and \$71,063.00 for the Savin machines.

Motion by Arnold/Kinzinger to recommend approval of a Lease Agreement and Copy Service Agreement with IKON Office Solutions for Copier Procurement.

Mr. Arnold asked if the County had researched the option of using a service through Kinko's. Kinko's takes over the copying services of businesses and advertises savings to the company over do-it yourself projects. Mr. Lindberg explained that he was beginning research to look into a high-speed, high-volume specialist-kind of operation to bring more of the County's copying projects in-house, as well as the option of having all of the copying sent out-house. The other dimension being researched consists of sorting out the increasingly diminishing differences between copiers and printers. A printer usage audit package is being set up through the network to study what kind of printing jobs are being performed through the PCs in order to determine whether less should be done on HP type printers and more done on digital photocopiers.

Motion carried.

Mr. Renner distributed an update on County Clerk fee revenue.

Mr. Eric Ruud, Chief Assistant State's Attorney, approached the Finance Committee explaining that in order to enter into an Executive Session, proper language needs to be said. Mr. Ruud explained his legal research revealed that it is necessary for the Committee to consider a motion stating that litigation "is probable or imminent" when going into Executive Session. Stating this action in this manner would place the Committee in compliance with the Open Meeting Act.

Chairman Sorensen stated that at this time it would be appropriate to consider a motion to enter into Executive Session for the purpose of discussing Collective Bargaining issues and litigation that is probable or imminent. Chairman Sorensen invited the Administrator's Office representatives, the recording secretary, Mr. Ruud and Mr. Keith Frantz from the Highway Department.

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Motion by Kinzinger/Rodman to move into an Executive Session of the Finance Committee to discuss probable or imminent litigation and collective bargaining issues. Motion carried.

The Finance Committee entered into Executive Session at 6:15 p.m.

The Finance Committee exited Executive Session and resumed the regular Finance Committee meeting at 6:42 p.m.

Motion by Kinzinger/Berglund to direct the State's Attorney's Office proceed with litigation regarding the Martin Township Winger Bridge matter. Motion carried.

Chairman Sorensen presented and recommended payment of bills and transfers.

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

There being nothing further to come before the Committee at this time, Chairman  
Sorensen adjourned the meeting at 6: 45 p.m.

Respectfully submitted,

Mrs. Carmen I. Zielinski  
Recording Secretary

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