

Minutes of the Finance Committee Meeting

The Finance Committee of the McLean County Board met on Tuesday, January 2, 2001 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 Renner, Berglund, Rodman, Arnold, Kinzinger

Members Absent: None

Staff Present: Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Lucretia Wood, Administrative Assistant, County Administrator's Office

Elected Officials/

Department Heads: Ms. Janet Smith, Assistant Treasurer; Mr. Don Lee, Administrator, McLean County Nursing Home; Ms. Jackie Dozier, Auditor; Ms. Julie Osborne, Staff Accountant, Ms. Ruth Weber, Recorder; Mr. Craig Nelson; Director, Information Services; Shawn Walker, Director, MetCom

Chairman Sorensen called the meeting to order at 5:33 p.m. He stated that the Committee experience a lot of turnover and three of the six members have never served on the Finance Committee before. There will be a learning curve. More time than normal will be spent on the reports so that everyone is at the same level of understanding. Since there are now six members on the committee, calls may be made to one another to ask questions to other members. Staff is available for questions as well. Mr. Sorensen stated that typically, the chairman of a committee does not interject on debate items. However, if there are no objections, he will share his perspective until the committee becomes more experienced.

Chairman Sorensen stated that if there are no objections, the minutes of the December 5, 2000 meeting are approved and placed on file.

Ms. Ruth Weber, Recorder, presented the last six-month activity report for the Fiscal Year 2000 and the Annual Report for Fiscal Year 2000. Ms Weber stated that for the year totals were down. There are a lot of homes for sell in this area, which have been on the market for a long-time. The interest rates are up. Bankers feel that if the interest rates decrease, there will be a lot of refinancing. Real Estate Agents feel that there will be a lot of sells.

Ms. Weber stated that since the first of November there was a price increase from \$15.00 to \$18.00 per month per document, which goes to the GIS fund. The fund is starting to build up.

Chairman Sorensen asked how the annual total compared to the 2000 budget projections. Ms. Weber stated that the numbers are in line.

Mr. Arnold asked if the document totals could be broken down into the types of documents on the report. Ms. Weber stated that on future reports the documents could be listed. Ms. Weber stated that the office is responsible for deeds, mortgages, assignments, mortgage releases, liens, UCC's, and military discharges.

Ms. Jackie Dozier, County Auditor, presented a request for approval to amend a Resolution to authorizing and directing the McLean County Auditor the authority to establish methods and procedures for reporting and accounting of fixed assets. The proposal is to increase the cost of item that will be entered into the fixed asset system be capitalized from \$200.00 to \$1,000.00. The fixed asset policy was established in 1984 and has not changed since. There are a lot of small items going into capitalized items that probably shouldn't. According to the recommended practices for State and Local Government, the minimum is \$1,000.00. Most of the workstations are \$1,100.00. The workstations would still need to be reported per the fixed asset policy.

Mr. Sorensen stated that it is an overwhelming task to inventory County property. He asked if increasing the dollar amount would help. Ms. Dozier stated that increasing the dollar amount would make inventory easier.

Ms. Dozier stated that the closed capitalization should be 80% of fixed assets. McLean County is at 1 to 2 %.

Mr. Rodman asked what kinds of savings will be made by increasing the amount. Ms. Dozier stated that the change would save a lot of man-hours. Both the Department head and the Auditors office have to record the assets and then have to inventory the assets with in a three-year period.

Mr. Rodman stated that the current workstations are \$1,100.00. He asked what would be done if the workstations depreciate. Ms. Dozier replied that the Government Finance Officers Association has recommended that the items that are under \$1,000.00 should be under the control of department managers. Mr. Rodman asked what would happen if workstation were missing

Ms. Berglund asked if the amount could be raised to \$750.00. Mr. Renner stated that standards recommend a minimum of \$1,000.00. Mr. Rodman stated that \$750.00 would cover the problem. Mr. Renner suggested revisiting the issue in another year.

Motion by Rodman/Berglund to recommend approval of a request to amend a Resolution authorizing and directing the McLean County Auditor to Establish methods and procedures for reporting and accounting of fixed assets by increasing the cost of items that will be entered into the fixed asset system from \$200.00 to \$750.00.

Chairman Sorensen stated that reviewing the resolution is another year is a good idea. There might be a way to create a provision that exempts computer equipment.

Mr. Terry Lindberg, Assistant County Administrator, stated that computers are on lease. Ms. Dozier stated that the computers are on inventory. Mr. John Zeunik, County Administrator, stated that not all departments purchase equipment the same way.

Mr. Craig Nelson, Director, Information Services, stated that Information Services is keeping and inventory of computers. As the computers are installed, they are tagged with inventory numbers. Chairman Sorensen suggested that Information Services and the Auditors office work together to have department heads inventory and sign off on the equipment each year. Then the request could be brought back to the committee for further review.

Motion carried.

Ms. Dozier presented a request for approval to amend an Ordinance Establishing County officer and salaried employee travel/expense reimbursement policy for McLean County. Government minimums, if not getting receipts, the per diem is \$42 .00 and \$34.00. The high cost areas range from \$34.00 to \$44.00. Raising the expense allowance to \$30.00 and \$34.00 is conservative.

Mr. Arnold stated that he feels that \$30.00 is paltry. He recommends raise the amounts for breakfast to \$8.00 and the amount for lunch to \$10.00 and \$16.00 for dinner, for a total of \$34.00 a day. This would be the same level at as Peoria County. He also suggested that the employees sign an affidavit stating their expenses versus handle all the receipts. Ms. Dozier stated that not requiring receipts has been problematic in the past. The County saves a lot of money by requiring the receipts. Employees learn to remember receipts.

Mr. Kinzinger asked how much the County spends on reimbursements for travel expenses. Mr. Zeunik replied that there is not a lot of travel. Ms. Julie Osborne, Staff Accountant, stated that the conference registration comes out of the same line item as the travel and meals for the conference. Mr. Sorensen stated that meal expenses are minimal. The Sheriff's Department incurs the majority of the expenses transporting prisoners. Ms. Osborne stated that the deputies have a lot of meal expenses.

Ms. Osborne stated that it is difficult to have breakfast at a hotel for \$8.00 in Chicago. Mr. Renner stated that IWU meal expense per day is \$50.00. However, it is a pain to collect the receipts so he does not do it. He does remember to collect the receipts for County business, because he feels that the government needs to have greater integrity to the process that private industries do.

Mr. Arnold asked why County employees need to have more integrity then private industry employees do. Mr. Renner stated that County employees have greater accountability to the public. Mr. Arnold asked if an employee should be out the money

because of a lost receipt. Ms. Berglund replied that she has lost a receipt before and not been reimbursed.

Mr. Arnold stated that most places do not require receipts with a per diem. The receipts are a nuisance.

Mr. Renner asked if the breakdown could be removed as long as \$34.00 per day is not exceeded. Ms. Berglund stated that removing the breakdown for meals would not pass the full board. Ms. Dozier stated that it has been voted down in the past. Ms. Dozier asked if the amounts have ever been per diem. Mr. Zeunik stated that they meal expenses have never been a per diem amount since he has been with the County. However, he will check to see if somewhere in the past it was a per diem amount. Ms. Osborne stated that Court Services takes clients out to fast food restaurants. If rates were per diem costs would increase.

Ms. Dozier stated that if there is a per diem amount, it could be abuse. Mr. Arnold stated that it is demeaning to employees to make them collect receipts with a meal expense capped at \$34.00. It is further demeaning to tell the employees how to eat during the day because the costs are broken down per meal. Mr. Kinzinger stated that it is responsible. We are a government entity and we have a different level of accountability because it is taxpayer's money. Mr. Kinzinger stated that he agrees with the increasing the meals to \$34.00.

Mr. Rodman stated that the information provided I from 1999. He asked what the 2000 figures are. Ms. Dozier replied that she does not have those. Mr. Rodman stated that the figures are available on the Internet. The numbers have changed significantly. There are a much greater breakdowns. It lists both the State and major Cities. Ms. Dozier stated that using a further breakdown would cause a lot of extra paperwork. This is way in and out-of-State expenses were developed. Mr. Rodman asked if these are OCONUS figures. Ms. Dozier replied yes. Mr. Rodman stated that the OCONUS figure for 2001 is \$30.00 day for non-listed areas. Ms. Dozier stated that break it down, the OCONUS amount for each city would have to be looked up. Mr. Rodman stated that the amounts could be found quickly on the web. Mr. Rodman stated that if the expenses were based on the OCONUS amounts, the meal expenses would have to be reviewed every year. Ms. Dozier stated that the government established the \$34.00 and \$42.00 amounts so that the amounts would not have to be per city. Mr. Rodman stated that he would like to know what the 2001 figures are and that the low cost figure should be at \$30.00 versus \$34.00.

Chairman Sorensen asked the Committee if they wanted to act on the request. Mr. Rodman stated that he would like to wait to see the 2001 figures. Ms. Dozier asked if the Committee wants to use the highest figures per OCONUS or the government recommended figures. Mr. Rodman stated that he is interested in using the OCONUS. Mr. Zeunik stated that the Internet access is not available to every employee. Ms. Dozier stated that using the OCONUS figures would be difficult for employees because the employee would have to know ahead of time what cities they were stopping in to eat if

they were driving to a location. Mr. Rodman stated that his concern is that all out-of-State expenses are paid at the higher rate, which may not be necessary.

Chairman Sorensen asked if Ms. Dozier could meet with Mr. Zeunik to come up with some options for the next Committee meeting.

Mr. Renner asked if there is any ethical problems with the Committee voting to reimburse themselves are at a higher level. Mr. Arnold replied that the Committee would use standards. Chairman Sorensen stated that there is not a problem as long as it is for actual expenses.

Ms. Janet Smith presented the County's Treasurer's Report, the Investment Report, and the Employee Benefit's Fund Report. Chairman Sorensen asked Ms. Smith to explain the reports to the Committee.

Ms. Smith stated that the Employee Benefit's fund is for the self-insured plan that ended December 31, 2000. The report gives a breakdown of the amount of money in the fund and how the balance was created. The beginning balance is January 2000 was \$850,000.00. 2 million dollars in employee premium contributions were collected. Several employees maxed out their lifetime maximums, and the reinsurance companies were making reimbursements. The reimbursements are broken out.

Mr. Arnold asked what the lifetime maximum was. Ms. Smith replied that it is \$100,000.00. Mr. Arnold stated that \$11,516.47 reimbursed from the reinsurance carrier is not bad. Ms. Smith stated that the County has been receiving reinsurance payments on employees. Two of the employees are now deceased.

Mr. Zeunik explained that there are three ways for employees to max out. There is the lifetime maximum, and there is the specific and the aggregate. Since the County was self-funded, reinsurance coverage was purchased, which is case specific. In the last year, the specific is around \$35,000.00. The aggregate was for total claims in a year exceeded the amount projected; the reinsurance would cover it. The reimbursements are more than likely to do with specific cases.

Mr. Rodman asked if there is an add back each year. Mr. Zeunik replied that it is a flat \$100,000.00 in a lifetime.

Ms. Smith stated that the claims paid in the expenditure represents claims paid to HPA for the self-funded plans. All the claims have not recorded yet because claims for the last two weeks of December have not been received yet.

Ms. Smith stated that over the last four years, the claims have risen. The claims exceed \$500,000.00 for the year 2000.

Ms. Smith stated that the premiums for Health Alliance, OSF and miscellaneous administration costs are the costs incurred by the Health Department for the employee

health fair and other health promotions. The HPA claims administrator expense was \$83,000.00 in the year 2000.

Ms. Smith stated that the fund balances for the investments are also listed on the report. \$785.35 was received in 2001 and had to be booked as revenue and then will be entered into the cash account for 2001. The 125 plan has to be used before each year. The 1999 balance is listed but is segregated for the audit.

Mr. Arnold asked what the average claims amount was for each week. Ms. Smith replied that the claims the claims increased \$200,000.00 per year. Mr. Arnold stated the total expenditure for 2000 is \$2,450,540.20. Ms. Smith stated that the expenditures are being offset by employee contributions.

Mr. Arnold asked if the checking account is an interest bearing account. Ms. Smith replied that it is. Mr. Arnold asked how the checking account compares to the investment account at Merrill Lynch. Ms. Smith replied that the interest on the checking account is higher.

Mr. Rodman asked if a lower balance is going to be established since the self-funded plan has ended. Mr. Zeunik replied that there are some trailing expenses that have to be paid. Then there should be a final balance attributed to the self-funded plan. The County has not made a final decision, but the Employee Benefit Plan will probably continue as a restricted fund because the plan through Health Alliance is for one year only. Next year, the County will have to investigate other plans.

Mr. Arnold asked what the fee to Carle Clinic is for. Ms Smith stated that the fee is for premium payments to Health Alliance.

Mr. Arnold asked how long employees are being given to submit claims to HPA. Mr. Zeunik replied that the employees are being given three months.

Chairman Sorensen stated that the Fund appears to have surplus cash. The Finance Committee has used the surplus to fund the employee health fair. Last year, this fund was used to mitigate the raise in the costs of the insurance. If the increase were passed straight through, the employees would have paid much more. There was a 17% increase in the costs of insurance this year.

Mr. Lindberg stated that over the last three year, the participation in the self-funded plan decreased, which caused adverse selection. The employer and employee contributions were not enough to cover the costs of the self-funded plan. The fund balance decreased. In hindsight, the plan should have been ended in three years ago.

Chairman Sorensen stated that the Finance Committee has valued the surplus in the past. The fund has also been used to start the employee dental plan. Mr. Renner stated that the elimination of the employee contributions was discussed, but not possible.

Ms. Smith presented the Treasurer's General Investment Report as of December 29, 2000. She stated that the report lists balances and accounts by fund, plus the rate if available. The pooled cash account is fund that is not a segregated fund. The funds are lumped together in order to have more investment power you have. Mr. James Boylan, County Treasurer, purchases the Certificates of Deposit. The Treasurer's Office has been try to lock funds at a higher rate, but the banks are hesitant to do this because it is expected that Alan Greenspan is going to drop the prime in the first quarter.

Ms. Smith stated that the Treasurer's Office has switched to money market accounts because of the rising rate. This gives the benefit of higher interest rates without locked into a CD. However, recently, the CD highs have risen and \$850,000.00 was reinvested in CD's at the rate of 6.6%.

Ms. Smith stated that the Illinois Fund has the best rate of return at 6.45%. Mr. Arnold asked if the Illinois Fund that Ms. Smith was referring to the Illinois Public Treasurer's Investment Pool. Ms. Smith replied no, that the Illinois Fund is different from the Illinois Public Treasurer's Investment Fund. Mr. Arnold asked if the Treasurer's Office is eligible to participate in the Fund. Ms. Smith indicated that she did not know. Mr. Arnold asked if the County invest outside of McLean County. Ms. Smith stated that the list of financial institution in which the Office is supposed to invest from are within McLean County. Chairman Sorensen stated that the Finance Committee, in the past requested that the Treasurer's Office to invest in the County only. However, Mr. Boylan is not required to follow the request.

Ms. Smith stated that as technology improves, it is less convenient to use the smaller banks because information takes a long time to come back from them. The rates are not always competitive. The Office is trying to you institution where financial information can be accessed on the Internet. Recently, the Office was trying to get information on a check that had bounced because the routing number had expired and the bank had changed its name several times. The Office moves the money invested at that bank to avoid future aggravation.

Ms. Smith stated that the County Treasurer's Report is a list of General Fund by Department. The report includes the 1999 budgeted amount, the 1999 year-to-date amount, the 2000 budget amount, the 2000 year-to-date amount, and the percentage of the budget collected. Ms. Smith stated that the County Board shows that the fund is at 98.76%. Since 100% of the property taxes have been distributed, all the ROT tax is record, unless reversed, the fund will not much change. The Inheritance tax fees are up. Unclassified revenue was down.

Ms. Smith stated that since it is the first of the year, not all departments have the December 2000 figures in. Once the final numbers are in, the Committee will receive a final report.

Chairman Sorensen suggested that the Committee should take the reports home to study them.

Mr. Arnold asked, on the Treasurer's Investment report, what is the interest rate for Heartland Checking. Ms. Smith stated that she did not have the current rate, it usually falls between 4.5% to 4.74%.

Ms. Smith noted that the final payroll had not been included in the Treasurer's Report. The fund balance will decrease. Mr. Zeunik stated that all the revenue is not on there either. Chairman Sorensen stated that the last section of the report would be where the Committee wants to focus their attention for a snapshot of where the General Fund stands.

Motion by Berglund/ Renner to accept and place on the Treasurer's General Investment Report as of December 29, 2000, the Employee Benefit Fund Report as of December 29, 2000 and the Treasurer's Report as of December 29, 2000. Motion carried.

Ms. Shawn Walker, Director, MetCom, presented a request to hire two new supervisors above the midpoint. The two positions are newly created, which will replace the Lead Telecommunicator and Assistants Operations Manager positions. To date, MetCom has been using the Lead Telecommunicators as supervisors. However, the Lead Telecommunicators still have dispatch duties. This has proven to be extremely ineffective. MetCom needs greater supervision. Hiring supervisors will be a big step in solving the problems. In order to get employees to fill the positions; MetCom will need to offer the position as a grade 9 at step 53 at the rate of \$18.15.

Mr. Renner asked how step 53 was selected. Ms. Walker stated that there are two potential candidates at MetCom. This is the salary that would be acceptable to them. These supervisors will be supervising union employees. If the supervisor is hired in any lower, they will be making less than the union employees that they supervise will.

Chairman Sorensen stated that this is an issue that the finance Committee deals with this issue on a regular basis, including the union contracts. As a Committee, one of the biggest challenges is not to compress the supervisor into the union. If the positions are compressed, it can create morale issues and hiring problem. Experience union employees will not make the jump to a non-union position if there is not enough incentive.

Ms. Walker stated that if the County tried to hire the supervisor outside of the County, it would be difficult to find a qualified candidate at a rate any lower than this.

Mr. Rodman asked if this is a dead end supervisor position with no career path beyond it. Ms. Walker replied that the Operation Manager and the Director spot. Mr. Rodman asked what Ms. Walker was referring to in the memo when she stated that not all the union benefits were taken into consideration when the salary range was established. Ms. Walker replied that the statement is referring to the compression issue. The original grade for the position was a grade 6. This is not appropriate. The Assistant Operations Manager was in place, but never filled. The position is being eliminated and filled by the supervisor position.

Mr. Rodman asked how much union dues are. Ms. Walker stated that the dues are \$25.00 a month.

Mr. Kinzinger asked why the Lead Telecommunicators are unable to provide the level of supervision an emergency operation requires. Ms. Walker replied that the Lead Telecommunicator is assigned to radio console. Their attention is devoted to their station. The Lead Telecommunicator may end up working the busiest channel. There are unable to take phone calls, investigate complaints and they can not level their workstations.

Mr. Rodman asked if the range for the supervisor is higher than the union employees. Ms Walker replied that it is. Chairman Sorensen stated that this union has a lot of overtime, which needs to be taken into consideration. Mr. Rodman stated that employees make more than supervisors do in private industry all the time. Ms. Walker explained that there are two telecommunicators that will make over \$20,000.00 in overtime this year.

Chairman Sorensen stated that it is awkward to have union employees supervise other union employees. There are grieving issues, which the County tries to avoid.

Mr. Lindberg stated that the union negotiations would be discussion in Executive Session. The supervisors will eliminate the union lead telecommunicator and assistant operations manager position.

Motion by Berglund/Renner to recommend approval of a request to hire above the minimum. Motion carried.

Mr. Rodman asked what the budget impact is of the recommendation. Ms. Walker replied that the amount is not budgeted; however MetCom can absorb the costs.

Mr. Zeunik presented a request for a Service Agreement with BroMenn Physicians Network. This is for treating work place injuries. The only correction that needs made in the memo; Ms. Ho referred to the self-funded group health plan. Since we are no longer self-funded, the memo should read group health plan. This relationship with BroMenn has been in place since 1995. Staff recommends approval that is currently in place. Our health plan is through Health Alliance, which BroMenn does work for; the services can be performed at BroMenn for Health Alliance. Mr. Arnold asked if this is inconvenient for employees. Mr. Zeunik replied that this will provided more continuity of service. Before an employee may have to go between OSF and BroMenn. The County is satisfied with the services offered at BroMenn and they have been willing to come to do ergonomics studies for individual departments.

Motion by Arnold/Kinzinger to recommend approval of a request for a Service Agreement with BroMenn Physicians Network. Motion carried.

Mr. Don Lee, Administrator, Nursing Home, presented a request to adjust the pay rates of for the RN's and the LPN's. In the last few months, the Nursing Home has begun experiencing problems filling open positions. More recently, several resignations have been turned in by employees who are leaving to go to work for other area facilities because of the differences in the pay scale. This turnover initiated an investigation as to the pay scales of other nursing facilities are offering. Several issues came to the surface. Potential new employees are being hired in at substantial lower rates compared to the other facilities.

Mr. Lee stated that the request would bring the County's pay rate into the market. There are seven points that need addressed. Many of the issues for the RN's can be addressed within the current pay structure. The LPN's need to have Committee action.

Mr. Lee stated that the RN's could receive the necessary increased through the impacted position policies. The LPN's however, would need to be upgraded from a grade 6 to a grade 7. The upgrade and altering the previous experience rate will accomplish the goals of the request.

Mr. Lindberg presented the County pay Compensation Plan, the position titles and pay ranges for 2000 and the impacted provision list to the Committee. The positions that the Committee is discussing are already on the impact position list. The impacted position policy allow the Administrator to recommend that certain position be place on the list as market condition require measures above and beyond the County's Compensation Plan. This means that a department head can have an additional 5% discretion in hiring and that the administrator can add an additional 5% in hiring and that there are factors for experience at 3% above and education at 3 % above. Education is not a factor with the RN's. The LPN's could be hired in a 16% above the starting salary.

Ms. Berglund stated that Certified Nursing Assistant hourly salary has change several times in the past. She asked if the other positions have experienced the same increase. Mr. Lee replied that the only changes were made were the PAS Study. Mr. Renner stated that the nursing home rates have to be monitor constantly. Chairman Sorensen asked which the seven issues would be taken care of by the impacted position policy. Mr. Lee replied that the impacted position policy would take care of the issues regarding the RN's.

Mr. Lindberg presented a list of positions that included the LPN, the RN, Assistant Director of Nursing (ADON) LPN, and Assistant Director of Nursing RN with the current rate for each position and the 2001 minimum and maximum hourly rates. Only the LPN's need to be increased from a grade 6 to a grade 7. The RN and the two ADON positions would remain at their current rates. Mr. Lee is recommending a starting salary for the LPN's of \$13.8375. The recommended starting salary for the RN's is \$15.68 at a grade 9 step 11. The ADON RN is used when there is not a Register Nurse for the Director of Nursing. The recommendations for the ADON RN's are \$18.12 at step 12. The ADON LPN would be hired at a grade 9 step 14, which is \$15.90.

Mr. Renner asked how this would effect current employees. Ms. Lindberg stated that this was an issue during PAS. There was some compression among employees that have work for the County for more than a few years. Compression would be a problem at the Nursing Home. These employees are total portable and find our benefits such as IMRF burdensome. Administration is recommending that current employee rates are increase to the nearest to accomplish a \$1.40 per hour increase. This increase would not be cover under the impacted position.

Ms. Berglund asked if other facilities have sign on bonuses. Mr. Lindberg stated that there are currently two employees who are sitting on offers to go to other facilities with a sign on bonus.

Mr. Rodman asked how the nursing home received the rates from the other facilities. Mr. Lee replied that the LPN and RN called the facilities to ask what the starting rates are and employees are bring in written offers.

Motion by Arnold/Berglund to recommend approval of to recommend approval of a pay rate adjustment for RN's and LPN's including the impacted position policy for RN's and the ADON's, and the upgrade for the LPN's and salary adjustments.

Chairman Sorensen stated that these increases would not impact the General Fund. These positions are funded through specific tax levies. These increases can be handled without emergency appropriations. There is also a lot of turn over leaving additional funds at the end of the year. Mr. Rodman asked in the General Fund contributes to the Nursing Home at all. Mr. Zeunik replied that the Nursing Home operations as an Enterprise Fund. The Social Security Fund, IMRF Fund and the Risk Management Fund contribute to the Nursing Home based on the Public Aid formula to make up for the amount that will not be reimbursed be Public Aid. Mr. Lee explained that IMRF and Social Security are reimbursed at 85% of the actual costs. The remaining 15% are paid from the operating costs. This amount is traditionally what private facilities pay. The reimbursement from the Tort Fund is at 100%. Mr. Renner stated that monies could only be used to offset the IMRF and Social Security costs of employees, not new equipment.

Mr. Rodman stated that there are years when the Nursing Home did not bring in enough revenue to cover expenditures. He asked where the money came from to make up from the loss. Mr. Lee replied that the money came from the enterprise zone. The Committee reviewed the County Treasurer's Investment Fund Report. Fund 04-04-1, Nursing Home, has a balance of \$1.9 million plus the amount in the checking accounts.

Mr. Renner stated that the only amounts that come from the tax levies are for retirement and social security money. Chairman Sorensen stated that in budget documents, transfers to the Nursing Home are coming from those funds. Mr. Zeunik stated that the budget is prepared based on actual budget figures used for purposes of preparing the budget. Payroll is figured as if an employee is expected to be in the position for the entire year. The actual amount transferred often ends up being less than anticipated.

Mr. Rodman asked if the Nursing Home is funded 85% by public aid and 15% private pay. Mr. Lee replied that the amounts fluctuate, right now the Nursing Home is funded at 75% by public aid.

Motion carried.

Mr. Lee presented a request that the charge differential be increased to \$.75. This is an amount paid a specific person per shift when nursing administration is not present in the building during the 3 to 11 shift, the 11-7 shift and all three shifts on the weekends. The charge differential has been at \$.20 as long as he has been the Administrator.

Motion by Rodman/Kinzinger to recommend approval of increasing the charge differential to \$.75. Motion carried.

Mr. Lee presented a request to authorize the payment for time and one half for sick time for all employees who work on the six major holidays. The Nursing Home is on a time off paid system (TOPS) where all sick, vacation and personal are rolled into one. This problem occurred during a holiday season when employees are working every holiday. All other facilities are paying time and one half or double time. Chairman Sorensen asked if this change would create a hardship on the Treasurer's Office to track. Mr. Lindberg replied that with the exception of the Juvenile Detention Center all the other 24-hour, 7 days a week facilities are unionized and premium time is in effect.

Mr. Arnold asked if time and one half is just enough to remove an irritant or should the holiday pay be double. Mr. Lee replied that time and one half should be sufficient.

Motion by Rodman/Arnold to recommend approval off a request to increase holiday pay at the Nursing Home for the employees that work the six major holidays. Motion carried.

Mr. Arnold stated that to an outside the report looks like a good job is not being done during budgeting because of the huge variances. Private pay was budgeted at 1,018.00. The actual revenue is doing to come in at \$1,642.00. The salaries show a \$171,000.00 variance. It looks like revenues are deliberately under budgeted and expenditures are deliberately over budgeted. He encouraged Mr. Lee to anticipate the projected budget needs more accurately. Mr. Arnold stated that he knows that Mr. Lee has the issue under control, but it looks bad to the untrained eye. Mr. Lee replied that the census is hard to control especially under the private pay. The revenue is estimated conservatively, so that there are no surprises at the end of the year.

Mr. Arnold asked what is paid out of the contractual line item that has a large variance. Mr. Lee replied that the depreciation is included in the line item. In the past, when depreciation was not included in the contractual line out, the Outside Auditor report did not equal the report that the Nursing Home prepares for the Committee. Making there adjustments give the Committee a better picture of where the Nursing Home stands financially. There are adjustments in various lines under budget that are not really under

budget. This report shows sellback on the TOPS time. Once the sellback passes the money is returned to the salary line. Mr. Arnold asked if this is a true picture of actually per patient per expenses. Mr. Lee replied that the per patient, per day expenses are accurate.

Mr. Zeunik presented the Assessment Status Report for the Supervisor of Assessment Office. The report shows which townships have submitted their books, which townships are scheduled to be published and which townships need to be turned in. Finance Committee is the Oversight Committee of the Supervisor of Assessments Office and the Oversight Committee for the entire property tax cycle. The report allows the Committee to be aware of the work done in the Supervisor of Assessments Office and when the Board of Review is prepared to finish their work to file with the State of Illinois for the State multiplier. This is early in the cycle only four townships have turned in their books. Mr. Arnold asked if he could call Mr. Bob Kahman, Supervisor of Assessments. Mr. Zeunik replied that Mr. Arnold could call Mr. Kahman.

Mr. Zeunik presented a request to for a Resolution of the McLean County Board establishing Mileage Reimbursement for the use of private vehicles for County business. Several years ago, the Finance Committee suggested that the County Board adopt the IRS mileage reimbursement rate with modification made when the IRS makes modifications. The rate for 2001 is increasing from 32.5 cents to 34.5 cents. Rate proposed rate change is the only change made on the resolution.

Chairman Sorensen stated that this is a standard procedure.

Motion by Berglund/Rodman to recommend approval of a Resolution of the McLean County Board establishing Mileage Reimbursement for the use of private vehicles for County business. Motion carried.

Mr. Rodman asked how much mileage expenses are for private vehicles. Mr. Zeunik stated that mileage reimbursement is charged to a separate line item. A report could be prepared to show the mileage expenditures for each department. Mr. Rodman stated that he would like to see the report. Chairman Sorensen stated that the mileage expense is mostly from the Health Department who does inspection and visit clients.

Motion by Motion by Rodman/Renner to go into Executive Session to discuss Collective Bargaining issues. The following individuals are asked to remain in the Executive Session: Ms. Shawn Walker, Mr. John Zeunik, Mr. Terry Lindberg, and Ms. Lucretia Wood. Motion carried.

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

The Committee returned to Open Session at 7:55 p.m.

Chairman Sorensen presented the bills, which have been reviewed and recommended for transmittal to the Finance Committee by the County Auditor.

Motion by Renner/Rodman to recommend payment 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 7:56 p.m.

Respectfully submitted,

Lucretia A. Wood
Recording Secretary