

## **Minutes of the Finance Committee**

The Finance Committee of the McLean County Board met on Wednesday, August 4, 2010 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Butler, Moss, Caisley, and Nuckolls

Members Absent: Member O'Connor

Other Members Present: None

Staff Present: Mr. Terry Lindberg, County Administrator; Mr. Bill Wasson, Assistant County Administrator and Ms. Judith LaCasse, Recording Secretary, County Administrator's Office

Department Heads/  
Elected Officials

Present: Mr. Phil Dick, Director, Building & Zoning; Ms. Becky McNeil, County Treasurer; Mr. Lee Newcom, County Recorder; Ms. Michelle Anderson, County Auditor; Ms. Jennifer Ho, Risk Management

Others Present: Ms. Laura Dick, Executive Director, SHOW BUS

Chairman Owens called the meeting to order at 4:00 p.m.

Chairman Owens presented the minutes of the July 7, 2010 Finance Committee Meeting and the June 15, 2010 Stand-up Meeting for approval.

Motion by Caisley/Butler to approve the Minutes of the July 7, 2010 Finance Committee Meeting and the June 15, 2010 Stand-up Meeting.

Motion carried.

Mr. Phil Dick, Director, Building and Zoning presented a request for approval of a Downstate Public Transportation Operating Assistance Grant Agreement for 2011 for SHOW BUS. He explained that this is the annual Downstate Public Transportation Operating Assistance Grant Agreement for Fiscal Year 2011 with the Illinois Department of Transportation. Mr. Dick also presented a request for approval of a revised Motor Vehicle Lease Agreement between McLean County and SHOW BUS Public Transportation, NFP. He indicated that this vehicle lease is used by SHOW BUS to provide rural public transportation in McLean, Livingston, Ford, Iroquois and DeWitt Counties.

Chairman Owens advised that the two items can be acted upon together.

Motion by Moss/Caisley to approve the Downstate Public Transportation Operating Assistance Grant Agreement for 2011 for SHOW BUS; and to approve the Revised Vehicle Lease Agreement between McLean County and SHOW BUS Public Transportation, NFP.

Motion carried.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Mr. Dick.

Mr. Bill Wasson, Assistant County Administrator, presented the Nursing Home Monthly Report and IDPA County Nursing Home Reimbursement 2010 Report as submitted by Mr. Matt Riehle, Administrator of the McLean County Nursing Home. He noted that Mr. Riehle was unable to attend the meeting today due to an unannounced survey of the Nursing Home.

Mr. Wasson reviewed the IDPA County Nursing Home Reimbursement 2010 Report which reflects what the County is expecting when IDPA completes the process of their new reimbursement program. He indicated that the expected additional per person, per day cost is \$21.00. Based upon the grant proposal, which has not yet been completed, IDPA will pay the Nursing Home approximately \$300,000.00. Mr. Lindberg added that this is not in the balance sheet, but will be added revenue to the balance sheet when the funds are received.

Mr. Wasson indicated that the Medicaid Reimbursement Federal Bill was passed by the Senate Committee on August 3<sup>rd</sup>. This is a major component of the Nursing Home receiving these funds in the future.

Mr. Butler asked where the \$21.00 comes from. Mr. Wasson replied that, under the previous Intergovernmental Agreement with the State, the Nursing Home received \$21.00 additional payment from the State, and the Nursing Home bills that amount to Medicaid. According to the proposed agreement, the Nursing Home will again receive those funds. Mr. Wasson noted that the current Intergovernmental Agreement has expired and once this program is completed with the State, the Nursing Home will again receive that \$21.00 per person, per day on Medicaid.

Mr. Caisley announced that the Governor recently signed Legislation imposing substantial new regulations on Nursing Homes requiring them to provide more services. In addition, new examiners will be employed by the Department of Public Aid to follow up to make sure the mandates of the new Act are followed. Mr. Caisley asked what this will cost the County. Mr. Lindberg replied that most of the new mandates do not go into effect for the County until 2012. The potential is that it will be necessary to add one or two FTE's to deal with the additional reporting and monitoring of the requirements, and possibly additional staff to meet new resident/staff ratios in 2014.

Chairman Owens asked if there were any additional questions or comments. Hearing none, he thanked Mr. Wasson.

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending July 31, 2010, as distributed. She advised that during the month of July and the first couple days of August, the County received quite a bit of money from the State of Illinois to catch up with some old receivables. Ms. McNeil reported that the following payments were received from the State:

- Probation: \$428,000;
  - Income Tax: \$255,000;
  - IV-D Program: \$ 67,000.
- \$750,000

Ms. McNeil cautioned that, while this is very good news, money due to the County will begin accruing again now that we are in a new State fiscal year.

Ms. McNeil reviewed the Summary of Tax Vouchers for Sales, Income, Local Use and Personal Property Replacement Tax, as follows:

		<u>% of change Over 2009</u>
<b>July 2010 Vouchers:</b>		
Sales Tax	\$379,157.05	
Revenue Sales Tax	55,141.40	
Local Use Tax	20,360.71	
Income Tax	149,813.56	
PPRT	<u>188,142.21</u>	
Total	\$570,167.18	
 <b>Monthly Comparison</b>		
July 2009 Vouchers	811,452.84	
July 2010 Vouchers	<u>792,614.93</u>	
Difference	(\$18,837.91)	-2.3%

**YTD Comparison**

YTD 2009 Vouchers	5,253,707.33	
YTD 2010 Vouchers	<u>5,066,309.92</u>	
Difference	(\$187,397.41)	-3.6%

**Budget Comparison**

2010 Annual Budget:	\$9,125,150.00
Budgeted Revenue per Month:	\$ 760,429.17
Budgeted Revenue thru 7/31/10:	\$5,323,004.17

YTD Actual Vouchers \$5,066,309.92

Amount Over (Under) Budget: (\$256,694.25)

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending July 31, 2010. She noted that she was pleased to see that the Sales Tax is up a little bit compared to last year. Statistics are as follows:

- Retailers Occupation Tax Revenue for July 31, 2010 is \$454,659.16.
- Retailers Occupation Tax Revenue Year to Date is \$3,160,677.31 which is 3.8% above last year and 55.0% of budget.
- State Income Tax Revenue is \$1,014,705.95 which is -9.2% below last year and 54.8% of budget.
- Personal Property Replacement Tax Revenue is \$890,926.66, which is -18.3% below last year and 58.4% of budget.

Ms. McNeil reviewed the Investment Report noting that this is generally the time in the tax cycle when she locks in good investment rates for the next three, six, nine and 12 months. However, she stated that this is not happening this year. Ms. McNeil indicated that the best rate available for 12 months is 1.0%, which would be a collateralized rate.

Ms. McNeil stated that the banks where the County makes its investments are unwilling to put up any more collateral to safeguard the County's investments. She added that she is not willing to invest anything that is not safeguarded.

Ms. McNeil pointed out that the County currently has \$5,127,495.05 at Chase Bank. She noted that the Illinois Funds Money Market is up a little bit. Ms. McNeil indicated that State Farm Bank is unwilling accept any more funds from the County. She noted that the County is temporarily maxed out with Heartland Bank until they get more collateral to pledge.

Ms. McNeil advised that she moved the Nursing Home funds out of the Illinois Funds Money Market and opened a new Money Market with Heartland Bank that is paying .89%. She added that she will try to get more money into Heartland Bank if the money can be collateralized.

Ms. McNeil reviewed the State of Revenue, Expenditures and Fund Balance as of July 31, 2010. She indicated that the Building and Zoning Department has received filing fees of \$234,000 for the new windmills, and another \$190,000 on an escrow. Statistics are as follows:

- Revenue as of July 31, 2010 is \$17,650,282.83, which is 55.32% of budget.
- Expenses as of July 31, 2010 are \$17,581,642.26 which is 56.31% of budget.
- Fund Balance as of July 31, 2010 is \$8,969,236.55.

Ms. McNeil advised that the total overall receivable that is due from the State of Illinois is \$1,966,058.97.

Motion by Nuckolls/Butler to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending July 31, 2010, as submitted.  
Motion carried.

Chairman Owens asked if there were any questions on the reports. Hearing none, he thanked Ms. McNeil.

Mr. Lee Newcom, County Recorder presented his Monthly Reports. He stated that he had nothing specific to report.

Chairman Owens asked if there were any questions on the reports. Hearing none, he thanked Mr. Newcom.

Ms. Michelle Anderson, County Auditor, reviewed the Quarterly Report for the six months ended June 30, 2010. She pointed out that she updated the General Fund budget numbers to what was enacted in budget cuts for the General Fund, since it is substantial.

Ms. Anderson noted that on the 2010 to 2009 comparison, revenues are up \$1.1 million. She added that a lot of that revenue is driven by deferred revenue from last year. Ms. Anderson indicated that the County is on track for revenue. She stated that Expenditures are down \$170,000.

Ms. Anderson reported that the Special Revenue funds continue to be very healthy.

Ms. Anderson announced that the every two-year GASB 45 Update is currently being conducted with the vendor.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Ms. Anderson.

Ms. Jennifer Ho, Risk Manager, reviewed the Second Quarter Fiscal Year 2010 Risk Management Fund Report. She advised that the Risk Management Fund at the end of June 30, 2010 has an overall net reduction of \$183,143 in case reserves for its self-insured claims since the first quarter report. Ms. Ho stated that the net reduction is due to additional reserves for new and current cases being less than total reductions from settlements and resolution of, and expense payments for, existing claims. She indicated that over the past three months, the County has resolved or settled eight (8) claims and incurred 20 new claims from all lines of coverage.

Ms. Ho noted that it is a positive development that new reserves are less than the reductions in the County's liabilities. She stated that this positive development is driven, in part, by the reduced severity of the County's work injuries. Table 2 shows that while the number of work injuries remains stable, the severity of the injuries has improved as compared to the past two years. The County has not had a surgical case in FY'2010 to date.

Ms. Ho cautioned that the financial outlook is dependent on future developments of known cases and of incurred but not reported (IBNR) cases.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Ms. Ho.

Chairman Owens presented the County Clerk's Monthly Report for June 2010 as submitted by Ms. Peggy Ann Milton, County Clerk. There were no questions on the report.

Mr. Terry Lindberg, County Administrator, asked Mr. Wasson to present the next action item.

Mr. Bill Wasson, Assistant County Administrator, presented the request for approval of the Critical Personnel Hiring Requests. He indicated that the following is a list of requests to fill critical personnel positions which have been vacated since the June FTE reduction and received by the County Administrator's Office through July 28<sup>th</sup>. These positions listed below are budgeted and funded through the end of FY'2010:

- State's Attorney's Office
  - Fill 2.0 FTE Legal Assistant I Positions which have been vacated.
- Nursing Home
  - Fill 1.0 FTE Certified Nursing Assistant which has been vacated,
  - Fill 2.0 FTE Food Services Assistant which have been vacated.
- Health Department
  - Fill 1.0 FTE Communicable Disease Nurse which has been vacated.
- Corrections Medical
  - Fill .60 FTE Registered Nurse-Permanent Part-time position which has been vacated

Mr. Wasson advised that he expects these special requests to be an on-going process throughout the remainder of the year. He noted that when the budget reductions were made in June, the intent was to identify a level where the departments could continue to operate and provide services at sustainable levels. Mr. Wasson stated that the Corrections Medical position, the RN at the Health Department, and the three personnel at the Nursing Home fall within the Critical Patient Care exemption to the guidelines that were adopted last month.

Mr. Wasson indicated that the State's Attorney's Office has a request for two Legal Assistant I positions. He noted that the State's Attorney's Office reduced its FTE by one at the beginning of this year and then gave up an Assistant State's Attorney FTE in June. After reviewing the above requests with Mr. Bill Yoder, State's Attorney, it was determined that the positions are critical positions that need to be filled.

Mr. Wasson advised that within the last two days another Assistant State's Attorney in the criminal division resigned. Mr. Wasson stated that the State's Attorney would like to fill that ASA I position. He noted that Mr. Yoder has agreed to fill that position with a recently graduated law student who will act as a Legal Assistant I until such time as he passes the bar exam and is sworn in as an attorney, which is expected to be near the end of this fiscal year.

Mr. Wasson stated that Mr. Yoder is available to discuss the situation.

Mr. Yoder advised that these vacancies for which he is requesting replacements were created since the initial reduction in staff in the State's Attorney's Office in January and June of one support staff member and one ASA I attorney. He indicated that the positions he is requesting are critical to the viability of the State's Attorney's Office.

Mr. Yoder advised that he was notified on Monday by an ASA I Attorney that he was resigning his position with the Criminal Court. Mr. Yoder explained that the ASA I position that he gave up in this year's budget cutbacks required him to go from three attorneys to two attorneys in the Misdemeanor Courtroom. The attorney who gave his notice was one of those two remaining attorneys. Mr. Yoder noted that this resignation has resulted in the State's Attorney's Office going from three attorneys to one attorney doing the work of three attorneys in the Misdemeanor Courtroom.

Mr. Lindberg clarified for the Committee that one position was cut in January and one position was cut in June. There is no discussion about refilling those positions. Since those cuts were made, two vacancies occurred and now a third vacancy has taken place. Mr. Lindberg advised that Mr. Yoder is asking for approval to replace the two Legal Assistant I positions, and now to replace the most recent resignation of an ASA I position, which Mr. Yoder will under-fill as a Legal Assistant I position until the individual passes the Bar exam.

Mr. Yoder advised that he has been watching one particular law student for the last three years who took the most recent Bar exam. Mr. Yoder stated that this is the individual that he is interested in hiring. He explained that law students who have taken the Bar exam but have not received the results of their Bar exam and prior to being sworn in as attorneys, can practice law with supervision. These students can be hired as Legal Assistants in the State's Attorney's Office while they are waiting for the results of their Bar exam. Mr. Yoder noted that once they get their law license, they can then be offered an Assistant State's Attorney position.

Mr. Yoder stated that it is imperative to the success of the State's Attorney's Office to fill these positions. He recommended that the Committee and the Board approve his request to fill the 2.0 FTE Legal Assistant I positions as well as the additional 1.0 FTE Legal Assistant I to replace the Assistant State's Attorney I position that was just vacated. Mr. Yoder advised that these positions will start at less salary than the previous employees. He noted that, once the law student is sworn in as an attorney, he will be offered a promotion to an Assistant State's Attorney I position. Mr. Yoder added that the law student he is interested in is highly sought after by other law firms.

Mr. Moss asked what the difference in salary is between a Legal Assistant I and an Assistant State's Attorney I. Mr. Yoder replied that the ASA 1 starts at approximately \$40,000 and the Legal Assistant position would start at \$24,000-25,000.

Mr. Nuckolls expressed his support of Mr. Yoder's request to fill these positions.



Motion by Caisley/Nuckolls to Recommend Approval of Critical Personnel Hiring Requests as amended to authorize hiring an additional 1.0 FTE Legal Assistant I position.  
Motion carried.

Chairman Owens called for a vote to go into Executive Session to discuss Collective Bargaining with Committee Members and the Administrator's Office Staff.

Motion by Moss/Butler to Recommend the Finance Committee go into *Executive Session* at 4:45 p.m. to discuss Collective Bargaining with the Committee Members, and the Administrator's Office Staff.  
Motion carried.

Motion by Butler/Moss to recommend the Finance Committee return to *Open Session* at 5:01 p.m.  
Motion carried.

Mr. Lindberg advised that an item will be presented at the Finance Committee Stand-up prior to the County Board meeting on August 17<sup>th</sup>. He reminded the Committee that the Board recently approved authorization to participate in the ARRA Recovery Zone Bonds program. Mr. Lindberg noted that there are two categories – public-side bonds called “economic development bonds” and private-side bonds, called “facility bonds,” where it would be possible to get either 35% or 45% credit on the bonds. Mr. Lindberg indicated that one of the recommendations approved by the Board was to issue bonds to the Town of Normal's Multi-Modal Transportation Center. He advised that nothing has changed on that issuance, but Normal's Bond Counsel has asked the County to provide a specific resolution ceding those bonds to Normal. Mr. Lindberg stated that this Resolution will be presented at the Stand-up meeting.

Chairman Owens presented the July 31, 2010 Finance Committee bills for review. The Finance Committee bills include a Pending Total of \$2,057.48 and a Prepaid Total of \$1,294,529.27 for a Fund Total of \$1,296,586.75.

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Motion by Butler/Caisley to recommend approval of the Finance Committee bills as of July 31, 2010 as recommended by the County Auditor.  
Motion carried.

The Nursing Home bills include a Prepaid Total of \$577,776.76 and a Fund Total that is the same.

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Motion by Moss/Caisley to recommend approval of the Nursing Home bills as of July 31, 2010 as recommended by the County Auditor.  
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the Finance Committee at 5:04 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary

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