

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, November 3, 2010 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Moss, Caisley (arr. 4:19 p.m.), and O'Connor (left at 5:25 p.m.)

Members Absent: Member Butler

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: Ms. Jennifer Ho, Risk Management; Mr. Robert Kahman, Supervisor of Assessments; Mr. Matt Riehle, Director, Nursing Home; Mr. Lee Newcom, County Recorder; Ms. Peggy Ann Milton, County Clerk; Mr. Walt Howe, Administrator, Health Department; Ms. Becky McNeil, County Treasurer

Others Present: Mr. Tom Anderson, Director, Environmental Health Division, Health Department; Ms. Hannah Eisner, First Civil Assistant State's Attorney; Mr. Robert Neiryneck, Attorney, Costigan and Wollrab Law Firm

Chairman Owens called the meeting to order at 4:04 p.m.

Chairman Owens presented the minutes of the October 6, 2010 Finance Committee Meeting and the September 21, 2010 Stand-up Meeting for approval.

Motion by O'Connor/Moss to approve the Minutes of the October 6, 2010 Finance Committee Meeting, as amended, and the September 21, 2010 Stand-up Meeting.
Motion carried.

Chairman Owens stated that it would be appropriate to call for a motion to enter into *Executive Session* to discuss Pending Litigation with Committee Members, Mr. Robert Neiryneck, Attorney, Costigan & Wollrab Law Firm, Ms. Hannah Eisner, First Civil Assistant State's Attorney, Ms. Jennifer Ho, Risk Management and the Administrator's Office Staff.

Motion by Moss/O'Connor to Recommend the Finance Committee go into *Executive Session* at 4:05 p.m. to discuss Pending Litigation with the Committee Members, Mr. Robert Neiryndck, Attorney, Costigan & Wollrab Law Firm, Ms. Hannah Eisner, First Civil Assistant State's Attorney, Ms. Jennifer Ho, Risk Management, and the Administrator's Office Staff.

Motion carried.

Motion by Caisley/O'Connor to recommend the Finance Committee return to *Open Session* at 4:36 p.m.

Motion carried.

Mr. Robert Kahman, Supervisor of Assessment, reviewed his Assessment Status Report. He indicated that as of 3:00 p.m., there have been about 822 assessment complaints heard by the Board of Review, which is about 50% of what was heard last year. Mr. Kahman added that all townships will be closed for taking complaints on November 12th. He noted that the volume is very light and he does not anticipate it to get heavy. Mr. Kahman anticipated that the Board of Review will be closed early this year, which is good news for keeping the tax cycle on track.

Mr. Kahman advised that the Illinois Department of Revenue has certified McLean County's tentative county multiplier as "1.0000." Mr. Kahman stated that the County's three-year median level of assessment is currently 33.22%. This means that the typical residence with a market value of \$151,833 is assessed at \$50,439, which means that the perfect assessment would be \$50,606. Mr. Kahman added that out of over 52,000 total residences, the parcels are once again fairly and equitably assessed in McLean County.

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

Ms. Jennifer Ho, Risk Management, presented a request for Approval of the selection of a Property Appraiser for insurance purposes. She recommended that the Finance Committee approve the selection of American Appraisal from Lisle, Illinois to perform a physical appraisal of County buildings and premises for insurance valuation purposes. Ms. Ho indicated that since the last valuation was performed in 1992, and there is a need to have a more informative and user-friendly report, it is timely for the County to secure another appraiser. She added that the need to secure an appraiser was supported by notification received from the incumbent, Fidelity Appraisal, that the firm was shuttering its operations. The physical appraisal will cost \$6,400 with three-year trending costs of \$2,100 for a total of \$8,500.

Ms. Ho advised that American Appraisal was one of four proposals that she received following an RFP that was initiated earlier this year. An invitation to submit proposals was sent to seven firms that are active in providing appraisals for public entities. Ms. Ho stated that a legal notice on the RFP was also posted in the *Pantagraph*. She indicated that the other companies responding include Gallagher Basset Services, CBIZ and Assetworks. Ms. Ho noted that selection was based on price quotations, meeting the requirements of the RFP, reporting formats, and references. As an added advantage, American Appraisal is within a quick travel distance from its corporate location in Lisle, Illinois. Ms. Ho indicated that the retiring appraiser, Fidelity Appraisal, has also engaged American Appraisal as a successor appraiser for its clients.

Ms. Ho stated that a summary of the received proposals is included in the packet. She noted that valuation for the County's wireless cellular towers and storage garage at Fairview are also included in the cost projections in the analysis.

Motion by Caisley/Moss to recommend Approval of the
Selection of the Property Appraiser for Insurance Purposes.
Motion carried.

Ms. Ho reviewed her Third Quarter Risk Management Fund Report for Fiscal Year 2010.

Ms. Ho indicated that the Risk Management Fund as of September 30, 2010, has an overall net reduction of \$90,035 in case reserves for its self-insured claims since last quarter report of June 30, 2010. Contributing to the net reduction is an overall reduction in workers compensation reserves which showed a reduction of \$93,287, with increases in reserves for auto liability cases and a reduction in general liability reserves of \$6,423.

Ms. Ho advised that the reduction in workers compensation reserves result from less severe claims even as the County's work injuries for the quarter remain constant as compared to the previous three years as shown in Table 2. She noted that, for general liability cases, two cases were resolved in favor of the County. However, over the same time frame, reserves were increased for the auto liability by \$9,595 as a result of two new cases and adverse case development in another. Ms. Ho cautioned the Committee that the County's reserve position could change in the event of adverse future case developments. She added that auto physical damages claims remain stable and manageable as compared to prior years.

Ms. Ho stated that as a follow up to the request from the committee on the County's workers compensation claims experience, over the past 10 years, as the Committee expected, work injuries do arise more frequently in departments involving manual labor,

and demanding work conditions, such as working outdoors, interacting with resistive third-parties, and working with heavy equipment.

Ms. Ho indicated that the historical data indicates departments fitting these criteria, such as the Sheriff's Department, Nursing Home, and the Highway Department, account for 60% of work injury dollars and 68% of reported claims. She noted that other departments that report more than 10 claims over a 10-year period include Facilities Management, Court Services, Health Department and Circuit Clerk. Ms. Ho stated that interaction with resistive third-parties usually is the most severe type of injury and the major cause of injuries in the Sheriff's Department. She added that the Highway Department's most severe claims are from lifting injuries and exposure to working on open roads. Ms. Ho advised that the Nursing Home has the most frequency exposure, the other departments have a severity exposure. She explained that the Nursing Home is more likely to have minor sprain or strain injuries as compared to severe surgical injuries for the Highway or Sheriff's departments. However, over the past three years, injuries in these Departments have been reduced by 50% or more.

Ms. Ho stated that it is important to acknowledge the other 40% of claims arising from other departments. Countywide, top causes of injuries by count are: Slips/trips/falls (34.5), lifting/overexertion (16.8), repetitive motion (12.4). Slips/trips/falls, lifting/overexertion and repetitive motion claims are common to all County operations.

Ms. Ho reported that, overall, claims for the County have been declining since 2007. She indicated that Departments have reduced the frequency and the severity of their claims by corrective actions: increased training and safety trainings, increased professionalism, and re-organization: 5 minute briefings before the start of shifts, reassessment and addressing operational risks, more frequent safety training and employee involvement have all acted to reduced injuries.

Ms. Ho advised that, since this is an election year, the County secures Public Official Bonds for newly elected and re-elected officials. She noted that this is the first year that the bonds will be secured by using a blanket bond that was purchased earlier this year.

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

Mr. Matt Riehle, Administrator, McLean County Nursing Home, presented a request for approval of the proposed 2011 Nursing Home Private Pay Rate. He explained that each year the Committee reviews the charges for care at the McLean County Nursing Home to make certain the Private Pay rate is adequate to cover the cost of providing care. The proposed increase was incorporated into the revenue projections of the 2011 budget.

Mr. Riehle advised that the rate is determined by a mathematical computation. The total budget is divided by the anticipated number of resident days to arrive at an average cost per resident day. Mr. Riehle noted that this is then recommended to the McLean County Board for adoption as the new Private Pay rate. The current rate is \$152 per day.

The computation for FY'2011 is as follows:

➤ 2011 Budget	\$7,190,754
○ Less Proposed capital expenditures	- 192,690
○ Plus 2009 depreciation	<u>185,000</u>
▪ Projected Cost of Operation	\$7,183,064
➤ Average Census	127 residents per day
➤ Projected Days	46,355 (127X365 days per year)
➤ Cost per Day	\$154.96 (\$7,183,064/46,355)

Mr. Riehle recommended that the Committee approve the rate of \$155 per day effective January 1, 2011, and forward that recommendation to the McLean County Board for approval.

Mr. Riehle stated that the daily rate for the Medicare certified section is established at an arbitrary amount above the Private Pay rate and is only used for cost reporting purposes. He recommended that the McLean County Board set the daily rate for the Medicare Certified section at \$170 per day, which is up from \$158 per day, effective January 1, 2011.

Mr. Moss asked how the average census was determined. Mr. Riehle responded that it is a projected census. Last year's budget was based on 131 residents, which was adjusted down to 127 residents. Mr. Riehle advised that the census has been in the 121 range. He projected that the census will increase with the aging of the Baby Boomer population.

Motion by O'Connor/Moss to recommend Approval of the
Proposed 2011 Private Pay Rate.
Motion carried.

Mr. Riehle reviewed the Nursing Home Monthly Report. He indicated there was nothing specific to note in the reports.

Mr. Riehle reviewed the IDPA County NH Reimbursement. He advised that the County Nursing Home Association has asked that Healthcare and Family Services (HFS) met with the county nursing homes on November 18th to see if progress can be made on the

Intergovernmental Agreement and on the outstanding payments due the county nursing homes.

Mr. Caisley asked how many counties have nursing homes. Mr. Riehle replied that there are 29 counties that now have nursing homes, which is down from 36 nursing homes a few years ago.

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

Mr. Lee Newcom, County Recorder, presented a request for approval of a Contract Addendum with Cott Systems for Electronic Recording. He reminded the Committee that last month the County Board approved the purchase of the new Cott Systems Resolution 3 Land records recording system and a five-year support contract extension. Mr. Newcom submitted a proposed addendum which reflects the agreement with Cott regarding the treatment of charges for documents submitted electronically.

Mr. Newcom noted that a software vendor, in this case Cott Systems, controls the "electronic door" to the Recorder's Office for electronic document submission. He indicated that software companies have typically made a charge per document to submitters who send electronic documents to a recorder's office to cover the costs of integration and support. Under provisions of the newly adopted state electronic recording rules (14 Illinois Administrative Code 1400), effective August 1, 2010, the County is now responsible for paying any additional support services. Mr. Newcom stated that this rule has the purpose of making a level playing field so that electronic documents cost no more to submit than paper documents. He noted that the addendum only makes those provisions of state law part of our contract and provides for a per-document charge to McLean County, which will fund the technical support needed for submitting vendors. This charge of twenty-five cents per document will be billed monthly with our support.

Mr. Newcom advised that this charge is budget neutral and economically to the benefit of McLean County. A paper document is handled multiple times by staff including the imaging, preparing and mailing and postage. Mr. Newcom stated that an electronic document arrives by computer and is returned in the same manner, saving the staff handling of the document and postage. He noted that, as of October 21st of this year, the Recorder's Office has received 1,720 electronic documents for recording. At \$.25 per document, Cott would have billed McLean County \$430. With this system, \$756.80 would have been saved in postage, plus the cost of envelopes and other handling.

Mr. Newcom indicated that the eRecording Addendum is being added at this time, as opposed to being included in the contract approved last month, due to the need for additional research and talks regarding this new state rule. Because of the technical implementation issues of the new software, and the knowledge that this would not affect the budget, he desired to get that contract in place as soon as possible and handle this as a separate issue.

Motion by Caisley/O'Connor to recommend Approval of a Contract Addendum with Cott Systems for Electronic Recording.
Motion carried.

Mr. Newcom reviewed his Monthly Report, noting that there is nothing out of the ordinary in the report.

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

Ms. Peggy Ann Milton presented the August and September 2010 Monthly Reports. She pointed out that two reports were submitted as no general reports were accepted at last month's meeting due to budget reviews. Ms. Milton noted that there was nothing unusual to note on the reports.

Ms. Milton distributed a Grant Tracking sheet, which shows that there are several grants awarded to the County Clerk's Office that have not yet been fully spent. She noted that she would like the new County Clerk to have an opportunity to decide where the grant monies should be spent. Ms. Milton pointed out that there are a few grants where the funds need to be spent right away, which she will do.

Mr. Moss commented that this grant tracking sheet provides good information to the Committee. He commended Ms. Milton on procuring grants. Mr. Moss recommended that other departments provide a grant report on an annual basis. Mr. Lindberg responded that there is a document in the annual audit that shows every grant received, the amount and the purpose of the grant. Chairman Owens indicated that this type of information often gets lost in a big report and it would be helpful to have the grant information provided separately.

Ms. O'Connor thanked Ms. Milton for everything she has done for the County. Ms. Milton responded that she appreciates her work with the County Board members.

Ms. Milton requested that the cut-off procedures associated with the end of her term, including the outside audit, be conducted during the afternoon of November 30th. She referred to a letter that indicated that the audit was done on November 30th when Ms. Barrett, her predecessor, left the office. Ms. Milton indicated that the letter stated "...the purpose of the following procedure [cut-off procedure] is to give some assurance to the outgoing official and we are performing these procedures at the request of John Zeunik..." She stated that she is uncomfortable that the audit will be conducted on December 1st and asked that the procedure be done on the 30th of November. Ms. Milton indicated that she found statute that said the new Clerk takes over at 8:00 a.m. on December 1st. She asked who is in charge of the County Clerk's office between midnight and 8:00 a.m. Mr. Lindberg responded that that is not an issue. He explained that the cut-off procedure does two things, namely:

1. Closes out the person who is leaving, and;
2. Establishes a clean slate for the person who is beginning.

Mr. Lindberg advised that arrangements have been made with the outside auditors to arrive at 8:00 a.m. on December 1st and he extended an offer to Ms. Milton to be present. He noted that there is nothing that needs to be done in an official capacity, but he wanted her to be at ease knowing that she was present during the audit should there be any questions. He added that to bring the auditors in on the evening of the 30th is inconvenient for the auditors as they were already planning on being here on the 1st for other meetings. Additionally, it would cost the County money to provide overnight accommodations for the auditors. Ms. Milton reiterated that she feels conducting the audit on December 1st would be uncomfortable for her as well as for the new County Clerk. Mr. Lindberg replied that the process should take about an hour and should not be a difficult procedure. Ms. Milton noted that she will be available on December 1st.

Chairman Owens asked if there were any additional questions or comments. Hearing none, he thanked Ms. Milton for her many years of service and wished her well in the future.

Mr. Walt Howe, Administrator, Health Department, and Mr. Tom Anderson, Director, Environmental Health Division, presented a request for approval of an Amendment to McLean County Revised Code, Chapter 26, Food Service, and Chapter 28, Health and Sanitation. The proposed changes are as follows:

- A 3% increase for all food permit fees included in Chapter 26 of the McLean County Revised Code.
- The provisions to revoke or withhold renewal of a food permit under Chapter 26 until any outstanding fines are paid in full to the department.

- A 3% increase for all permit fees in Chapter 28 of the McLean County Revised Code covering private sewage disposal systems and installer and pumper license fees.

Mr. Howe advised that about 15 years the incremental fee adjustments were implemented in order to avoid periodic substantial adjustments. He noted that this is a better way to operate and allows the Health Department to reduce its reliance on Property Taxes.

Mr. Howe pointed out that the language change to the Food Code allows the Health Department to collect fines from establishments who were fined for code violations. He explained that it basically applies to the Smoke Free Illinois Act which allows the Department of Public Health as well as the Health Department to issue Ordinance Violations to organizations that violate the Smoke Free Illinois Act. The fee structure allows for a \$200 fine for an establishment that has an initial violation and can go up from \$500 to \$2,500 within the same year for multiple violations. Mr. Howe indicated that the statute has no method by which the Health Department can collect the fine after the fee has been established. He stated that the new language allows the Health Department to revoke food permits or withhold renewal of a food permit if an establishment owes fine monies to the Health Department.

Mr. Caisley asked if the 3% increase is to cover the cost that the Health Department has experienced. Mr. Howe replied that he is correct.

Motion by Caisley/Moss to recommend Approval of an Amendment to McLean County Revised Code, Chapter 26, Food Service, and Chapter 28, Health and Sanitation.
Motion carried.

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

Ms. Becky McNeil, County Treasurer, presented a request for approval of a Resolution to Authorize the Chairman of the Board of McLean County to execute a Deed of Conveyance to Strategic Group LLC for Parcel #14-27-311-020. She reminded the Committee that on May 18, 1999, the McLean County Board entered into a service agreement with Joseph Meyer and Associates to create a Delinquent Real Estate Tax Liquidation Program. This agreement was entered into in conjunction with the specifications outlined in 35ILCS 200/21-90 of the property tax code.

Ms. McNeil indicated that the primary goal of the program is to recover delinquent real estate taxes for the benefit of all taxing districts. The second goal is to return unproductive and abandoned parcels back to productive use and subsequently, the tax rolls of the County. Ms. McNeil added that the 2010 surplus auction included 17 parcels. She indicated that compared to other counties that is a very low number, which is very good.

Mr. Caisley asked where the property is located. Ms. McNeil replied that the property is a vacant lot in Normal on the corner of Stewart and Oak Streets.

Motion by O'Connor/Caisley to recommend Approval of a Resolution to Authorize the Chairman of the Board of McLean County to Execute a Deed of Conveyance to Strategic Group LLC for Parcel #14-27-311-020.
 Motion carried.

Ms. McNeil presented the Financial Reports for the period ending October 31, 2010, as distributed.

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>
September 2010 Vouchers:		
Sales Tax	\$374,503.59	
Revenue Sales Tax	45,628.49	
Local Use Tax	20,700.87	
Income Tax	146,339.97	
PPRT	<u>362,463.55</u>	
Total	\$949,636.47	
Monthly Comparison		
October 2009 Vouchers	853,197.50	
October 2010 Vouchers	<u>949,636.47</u>	
Difference	\$96,438.97	11.3%
YTD Comparison		
YTD 2009 Vouchers	7,283,647.67	
YTD 2010 Vouchers	<u>7,169,735.16</u>	
Difference	(\$113,912.51)	-1.6%

Budget Comparison

2010 Annual Budget:	\$9,125,150.00
Budgeted Revenue per Month:	\$ 760,429.17
Budgeted Revenue thru 10/31/10:	\$7,604,291.67

YTD Actual Vouchers	\$7,169,735.16
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Amount Over (Under) Budget:	(\$434,556.51)
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Ms. McNeil explained that the 11.3% difference in Monthly Comparison is due to the fact that last year a portion of the Personal Property Replacement Tax was shifted into November of 2009, which makes the difference look significant.

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending October 31, 2010. Statistics are as follows:

- Retailers Occupation Tax Revenue for October 31, 2010 is \$440,832.95.
- Retailers Occupation Tax Revenue Year to Date is \$4,531,648.03 which is 2.1% above last year and 78.8% of budget.
- State Income Tax Revenue is \$1,359,990.28 which is -6.3% below last year and 73.5% of budget.
- Personal Property Replacement Tax Revenue is \$1,278,096.85, which is -8.2% below last year and 83.8% of budget.

Ms. McNeil reviewed the Treasurer's Investment Report. She noted that interest rates continue to be very low. Ms. McNeil pointed out that one CD came due and, since the renewal rate was so low, she cashed it out and put the money into the bank. She indicated that she is keeping money in the Heartland Bank, State Farm Bank, Commerce Bank and Chase Bank. In previous years, the Illinois Funds were 4%-5% and are now very low. Ms. McNeil added that she does not see these low rates turning around in the near future.

Ms. McNeil advised that the Treasurer's Office will be going live with an updated version of its software on November 29th. She cautioned that, at this time, she is not sure what types of reports she will have available at the next meeting. Ms. McNeil stated that the new software system will allow them to produce reports that will be easier to read.

Ms. McNeil reviewed the State Revenue, Expenditures and Fund Balance as of October 31, 2010. Statistics are as follows:

- Revenue as of October 31, 2010 is \$27, 0006,359.23, which is 84.64% of budget.
- Expenses as of October 31, 2010 are \$25,825,470.32 which is 82.71% of budget.
- Fund Balance as of September 30, 2010 is \$10,081,484.89.

Ms. McNeil advised that State of Illinois Receivables are currently at \$1.6 million. She noted that her major concerns are with the Probation Officer Salary reimbursements and Income Tax reimbursements.

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

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

Ms. O'Connor left the meeting at 5:28 p.m.

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

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 Mid-year FTE reduction and received by the County Administrator's Office through October 26th. All positions listed below are budgeted and funded through the end of FY'2010 and identified as falling under the "critical patient care exemption" section of the hiring freeze guidelines:

Nursing Home

- 1) Fill 3.0 FTE Certified Nursing Assistant (CNA) Positions which have been vacated.
- 2) Fill 2.0 FTE Licensed Practical Nurse (LPN) Position which has been vacated.
- 3) Fill 1.0 FTE Domestic Service Attendant Position which has been vacated.
- 4) Fill 1.0 FTE Nursing Home Maintenance I Position which has been vacated.

Mr. Wasson advised that no other critical personnel requests were made over the last 30 days.

Mr. Moss asked if the LPN position was filled. Mr. Riehle responded that the position was recently filled. Mr. Wasson explained that the Nursing Home is authorized to fill these positions as necessary because of the exemption from the hiring freeze.

Mr. Caisley asked if it is difficult to find LPNs and CNAs. Mr. Riehle replied that the Nursing Home turnover is low compared to other nursing homes. He indicated that it is the nature of these positions to have some turnover issues. Mr. Riehle stated that some of the hires are rehires and there is also a trend in older people starting second careers since there is such a health care demand.

Motion by Caisley/Moss to Recommend Approval of the
Critical Personnel Hiring Requests.
Motion carried.

Mr. Lindberg presented a request for approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal Year 2011. He noted that Open Enrollments have been going smoothly. Mr. Lindberg added that the average increase in cost was 11%, which is less than the 15% increase other companies experienced.

Mr. Wasson advised that this resolution deals with the annual setting of premiums for health insurance for County employees, retirees and COBRA coverage. He stated that it was a challenging year, particularly with the impact of the Federal Health Insurance Reform Act. Mr. Wasson noted that insurance providers were slow in acting on rates. He indicated that he negotiated a cost as close as two and half weeks prior to Open Enrollment. Mr. Wasson added that the original rate of 22% was proposed by the County's current insurance provider. He reminded the Committee that by changing the provider last year, there was no increase for County employees in 2010. Mr. Wasson stated that, with the 11% rate increase, we are still below the final offer received from the previous insurer last year.

Mr. Lindberg reminded the Committee that the impact of the Federal Healthcare changes was very minimal in actuality and had a modest effect on rates. The real impact was speculative because the insurance companies don't know what will happen in the future.

Mr. Caisley asked if the non-union employees receive a 1.5% increase across the board, how much money would the employees need to make in order to offset this 11% increase. Mr. Lindberg replied that they would have to make approximately \$40,000 to pay for the cost of family coverage. He stated that the difference in single coverage is about \$100, but the difference in family coverage would be a little over \$1,000.

Motion by Moss/Caisley to recommend tentative approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal Year 2011.
Motion carried.

Mr. Lindberg presented a request for approval of the Fiscal Year 2011 Compensation Plan and Associated Amendments to Chapter 10 of the McLean County Code. He advised that the McLean County Board annually adopts a General Compensation Plan for Non-Union Employees and a schedule of Position Classifications and Pay Ranges for all non-union positions. The Position Classifications and Pay Ranges Schedule for Fiscal Year 2011 reflects the recommended Combined Annual Appropriation and Budget Ordinance for Fiscal Year 2011, as presented to the County Board on November 21, 2010.

Mr. Lindberg indicated that Section 10.52-5 "Evaluations and Merit Increases" and Section 10.52-7 "Merit Increases" of the McLean County Code, will continue to be suspended effective January 1, 2011. This suspension will remain in effect until December 31, 2011, unless re-instated at an earlier time by action of the McLean County Board.

Mr. Lindberg stressed that the General Compensation Plan contains the 1.5% across the board wage rate increase and includes no merit increases for Fiscal Year 2011.

Mr. Caisley expressed his concern that an across-the-board wage increase helps the employees who are not performing as well as they might, and is harmful to the employees who are motivated and performing in an exemplary way.

Motion by Moss/Caisley to recommend tentative approval of the Fiscal Year 2011 Compensation Plan and Associated Amendments to Chapter 10 of the McLean County Code.
Motion carried.

Mr. Lindberg presented a request for approval of a Class D Raffle License for Central Catholic High School. He noted that this is an annual license request. The total value of the raffle is \$225,500.

Mr. Lindberg indicated that Class D Raffle Licenses are the only licenses to which the Finance Committee must approve.

Motion by Caisley/Moss to recommend approval of a
Class D Raffle License for Central Catholic High
School.
Motion carried.

Mr. Lindberg introduced the review of the Fiscal Year 2011 Recommended Budget for the following departments:

F.I.C.A. Social Security – 0130-0069 can be found on pages 222-223 of the FY'2011 Recommended Budget and 57-59 of the Summary.

Mr. Lindberg reported that this is the F.I.C.A. Social Security costs for all of the County employees. He pointed out that the F.I.C.A. rate for an employee has been 7.65% for a number of years and includes a modest Medicare amount within that 7.65%. He advised that the Social Security is down \$87,269, or 3.62% from the FY-2010 Adopted Budget, which is the result of the overall salary cost decrease due to the fact that there are substantially fewer employees.

Highlights of the Recommended Budget:

REVENUE:

401.0001 General Property Tax: This revenue line item account has decreased from \$2,409,000 in the FY'2010 Adopted Budget to \$2,321,731 in the FY'2011 Recommended Budget. Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/21-110, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Social Security Program (FICA). This property tax levy may include the costs of participating in the Federal Medicare Program.

400.0000 Unappropriated Fund Balance: The audited financial statements as of December 31, 2009 show the Social Security Fund with a Fund Balance of \$91,753. Therefore, the FY'2011 Recommended Budget does not include an appropriation from the fund balance.

EXPENDITURES:

Contractual:

599.0003 Social Security Contribution: Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/21-110, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Social Security Program (FICA). This property tax levy may include the costs of participating in the Federal Medicare Program.

The FICA employer rate in FY'2011 remains at 7.65%.

Other:

999.0001 Interfund Transfer: This line item account has decreased from \$321,837 in the FY'2010 Adopted Budget to \$323,561 in the FY'2011 Recommended Budget. This expense represents the amount to be transferred to the Nursing Home to cover approximately 75% of the FICA expense at the Nursing Home and the transfer to the County Board's budget for 100% of the FICA expense at MetCom.

Motion by Caisley/Moss to recommend tentative approval of the F.I.C.A. Social Security – 0130-0069 FY'2011 Recommended Budget as submitted.
Motion carried.

I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069 can be found on pages 224-225 of the FY'2011 Recommended Budget and pages 60-62 of the Summary. Mr. Lindberg advised that the IMRF Budget has significantly increased by 21.69%. He noted that the IMRF rate for non-union employees was 9.1% in the prior year and this year it is 11.88%. The rate for Sheriff's Law Enforcement Program employees went up from 24% up to 25.91%. The employee contribution rate remains the same at 4.5% for regular employees and 7.5% for SLEP employees. Mr. Lindberg stated that to make up the actuarial required amounts to keep the County at a high funding level, the employer's rates have to vary according to how well they do with their investment earnings and what the amount of payout actually is. Therefore, there was about a 33% increase in the overall rate from 9.1% to 11.88%.

Highlights of the Recommended Budget:

REVENUE:

401.0001 General Property Tax: This revenue line item account has increased from \$3,280,000 in the FY'2010 Adopted Budget to \$3,991,367 in the FY'2011 Recommended Budget. Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/7-71, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Illinois Municipal Retirement Fund pension program for County employees and for Sheriff's Department Law Enforcement personnel.

407.0010 Personal Property Replacement Tax: Pursuant to State law, the County is required to budget Personal Property Replacement Tax revenue in the IMRF Fund. In the FY'2011 Recommended Budget, the Personal Property Replacement Tax revenue is budgeted at \$100,000.00, the same approved in the FY'2010 Adopted Budget. This

increase is budgeted to reduce the impact on the County's overall property tax levy of the increase in the IMRF rates (see below for details).

EXPENDITURES:

Contractual:

599.0001 County's IMRF Contribution: Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/7-71, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Illinois Municipal Retirement Fund pension program for County employees and for Sheriff's Department Law Enforcement personnel. The I.M.R.F. employer rate is 9.01% in FY'2010. For the current fiscal year, the rate is 11.88%. The I.M.R.F. Sheriff's Department Law Enforcement Personnel (SLEP) employer rate is 25.91% in FY'2011. For the current fiscal year, the rate is 22.902%.

Other

999.0001 Interfund Transfer: This line item account has increased from \$382,520 in the FY'2010 Adopted Budget to \$502,057 in the FY'2011 Recommended Budget. This expense represents the amount to be transferred to the Nursing Home to cover approximately 75% of the I.M.R.F. expense at the Nursing Home and to transfer to the County Board's budget 100% of the I.M.R.F. expense for MetCom.

Motion by Moss/Caisley to recommend tentative approval of the I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069 FY'2011 Recommended Budget as submitted.
Motion carried.

Mr. Lindberg referred to Mr. Newcom's recommendation that of having an employee sick bank. He advised that this type of program has been considered in the past. However, given the nature of this organization, there has been no way for it to be accomplished on an equitable basis.

Chairman Owens presented the October 31, 2010 Finance Committee bills for review. The Finance Committee bills include a Prepaid Total of \$568,720.00 and a Fund Total that is the same.

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

The Nursing Home bills include a Prepaid Total of \$564,734.06 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 October 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 5:50 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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