

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Monday, July 2, 2012 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Butler, O'Connor, Wollrab, McIntyre and Rankin

Members Absent: None

Other Members Present: None

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

Department Heads/
Elected Officials
Present:

Ms. Kathy Michael, County Clerk; Ms. Becky McNeil, County Treasurer; Mr. Bob Kahman, Supervisor of Assessments; Ms. Michelle Anderson, County Auditor; Mr. Matt Riehle, Director, Nursing Home; Mr. Jack Moody, Director, Facilities Management; Mr. Ron Dozier, State's Attorney; Mr. Don Everhart, Circuit Clerk

Others Present: Mr. Pablo Eves, First Assistant Civil State's Attorney; Mr. Rusty Thomas, Chief Deputy Sheriff; Ms. Monica Paul, Chief Deputy County Auditor, Auditor's Office

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

Chairman Owens presented the minutes of the June 6, 2012 Finance Committee Meeting and the May 15, 2012 Stand-up meeting for approval.

Motion by Butler/Wollrab to approve the Minutes of the June 6, 2012 Finance Committee Meeting and the May 15, 2012 Stand-up Meeting.
Motion carried.

Chairman Owens called for a motion to go into *Executive Session*, with the Committee Members; Administration Staff; Mr. Pablo Eves, First Assistant Civil State's Attorney; and legal counsel.

Motion by O'Connor/Rankin to Recommend the Finance Committee go into *Executive Session* at 4:01 p.m. to discuss Pending Litigation with the Committee Members, Mr. Pablo Eves, First Assistant Civil State's Attorney; Administration Staff; and legal staff.
Motion carried.

Motion by Butler/Wollrab to recommend the Finance Committee return to *Open Session* at 4:19 p.m.
Motion carried.

Ms. Kathy Michael, County Clerk, presented a request for approval of Appointment of Judges of Election. She advised that some precincts do not have a sufficient amount of election judges. Ms. Michael added that of the 355 judges that were needed, there are now only 29 additional judges needed. She noted that some precincts have more than the required number of judges. Ms. Michael stated that the extra judges will be used as alternates to fill vacancies as needed. She indicated that there are also supplemental lists that provide individuals residing in the City of Bloomington. The judges on the supplemental lists will also be used as alternate election judges if needed.

Motion by McIntyre/Rankin to Recommend Approval of the Appointment of Judges of Election.
Motion carried.

Ms. Michael distributed and presented her corrected Monthly Report for May 2012.

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

Chairman Owens presented the County Recorder's Monthly Reports as submitted by Mr. Lee Newcom, County Recorder. There were no questions on the reports.

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending May 31, 2012, as distributed.

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

June 2012 Vouchers:		<u>June 2011 Vouchers</u>	
Sales Tax	\$435,576.71	391,294.62	11.3%
Revenue Sales Tax	49,332.66	46,813.64	5.4%
Local Use Tax	25,250.80	25,049.21	0.8%
Income Tax	128,187.39	115,830.24	10.7%
PPRT	.	.	n/a
Total	\$902,233.92	827,861.09	9.0%

Monthly Comparison

June 2012 Vouchers	638,347.56	
June 2011 Vouchers	<u>578,987.71</u>	
Difference	59,359.85	10.3%

YTD Comparison

YTD 2012 Vouchers	4,663,125.05	
YTD 2011 Vouchers	<u>4,455,305.70</u>	
Difference	207,819.35	4.7%

Budget Comparison

2012 Annual Budget:	\$8,930,000.00
Budgeted Revenue thru 6/30/12:	\$4,465,000.00

YTD Actual Vouchers \$4,024,777.49

Amount Over (Under) Budget: **\$4,663,125.05** **4.6%**

Total Comparison (Quarters 1 & 2)		<u>Chng ovr PY</u>
2012	4,663,125.05	5%
2011	4,455,305.70	4%
2010	4,273,694.99	-4%
2009	4,442,254.49	-10%
2008	4,957,054.73	4%
2007	4,771,343.41	3%

Ms. McNeil pointed out that the years 2007 and 2008 were peak years; 2009 and 2010 fell sharply; and 2011 and 2012 show revenues slowly coming back.

Ms. McNeil reviewed the Revolving Loan Fund Quarterly Report. She advised that Victory Enterprises has filed Chapter 13 Bankruptcy. Ms. McNeil stated that prior to their filing they did not make their June payment. She noted that she is waiting for legal to review the situation.

Ms. McNeil indicated that the Coffee Hound currently owes the County its payment for June 30, 2012.

Ms. McNeil reported that the Revolving Loan Fund currently has \$455,850.16 available to be loaned. She pointed out that interest recaptured is \$263,224.20 which is almost double the amount of the original grant.

Ms. O'Connor asked what type of business is Victory Enterprises. Ms. McNeil replied that Victory Enterprises is a dry cleaning business. She noted that many of their clients were State Farm employees who now have a casual dress code.

Mr. Wasson advised that the County has recovered the principle loan and much of the interest. He reminded the Committee that in 2009 a new payment plan was established with this business. Victory Enterprises has been prompt in making its payments since that time until they filed Chapter 13 Bankruptcy. There was a brief discussion on whether the County can recover the remaining approximately \$6,000 still owed.

Ms. McNeil reviewed the Employee Benefit Fund as of June 30, 2012. She noted that the Beginning Fund Balance is \$1,133,777.68 and the Ending Fund Balance is \$879,499.10. Ms. McNeil stated that the revenues coming in from the premiums are lower than expenses going out. She indicated that there was probably some cranking down because we don't want there to be an excessive amount of funds in the account.

Mr. Wasson said every effort was made to target a flat process of expenditures to revenue.

Ms. McNeil reported that the County's Section 125 Cafeteria (FLEX) Plan provides a way for employees to pay health and dental insurance premium costs, as well as parking, uninsured medical and daycare expenses, on a pre-tax basis. She noted the following savings:

Employee Pre-Tax Payroll Deductions

<u>Benefit Type</u>	<u>Deductions</u>	<u>Users</u>
Health Insurance	1,138,544.48	513
Dental Insurance	211,867.35	417
Vision Insurance	48,327.27	394
Parking	75,092.95	158
Total:	\$1,473,832.05	

Employee Pre-Tax Payroll Deductions & Requests for Reimbursement

<u>Benefit Type</u>	<u>Deductions</u>	<u>Payouts</u>	<u>Difference</u>	<u>Users</u>
Medical Reimb.	131,539.10	(131,915.50)	(376.40)	10
Dependent Care Reimb.	32,955.24	(32,954.94)	0.30	80
Parking Reimb.	3,401.22	(3,397.24)	3.98	8
Total:	167,895.56	(168,267.68)	(372.12)	

Ms. McNeil indicated that the County had a loss in medical due to employees leaving before the County could fully recover the payout through payroll deduction. The net loss is taken against the \$8,429 reserve in the Employee Benefit Fund for funds forfeited/ unclaimed from the plan.

Ms. McNeil reviewed the Treasurer's Investment Report. She stated that she was unable to get updated rates, but noted that they continue to be very low.

Ms. McNeil reported that the total cash on hand is \$43,264,552.14.

Ms. McNeil reported that the receivables from the State of Illinois are at a long-time low. She stated that Probation is currently caught up and the General Fund has \$600,000 due from the State. Ms. McNeil noted that \$540,000 of that amount is Income Tax. She indicated that the State is three months behind, which is pretty much the norm.

Ms. McNeil pointed out an error on the Treasurer's Report on the rate for People's State Bank of Colfax, which should show .40% and not 40%.

Motion by Butler/Wollrab to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending June 30, 2012, as submitted.
Motion carried.

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

Mr. Bob Kahman, Supervisor of Assessments, reviewed his Monthly Assessment Status Report.

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

Ms. Michelle Anderson, County Auditor, and Ms. Monica Paul, Chief Deputy County Auditor reviewed the Jury Commission Procedures Audit Summary. Ms. Anderson pointed out the following "Findings":

- County pays regular payroll to employees serving Jury duty, so County employees waive Jury payment and are to be excluded from per diem payment. In March 2012, the Auditor's Office noted a County employee who was included for per diem payment;
- In recent months, the Auditor's Office has received back numerous checks as undeliverable, or has had to re-issue checks to jurors who do not cash their checks.

Mr. McIntyre asked for an update on the State Bill that would allow jurors to waive their per diem. Ms. Anderson advised that SB2492, which amends State Statute and would allow individuals called for jury duty to waive their per diem and mileage reimbursement, has passed both chambers without opposition. Final passage occurred on April 25, 2012, and the Governor has 60 days to sign the bill into law. Ms. Anderson stated that if jurors are allowed to waive payment, uncashed checks may become less prevalent.

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

Mr. Matt Riehle, Director, Nursing Home, presented the Nursing Home Monthly Report. He stated that the new Bed Tax went into effect in April. Mr. Riehle indicated that the Bed Tax slightly favors the Nursing Home in revenue, but the amounts have leveled off and the Nursing Home is currently where it should be.

Mr. Riehle reported that the census is current 141 residents, with 77% of those being Public Aid. He advised that the Nursing Home is still behind in its receivables from the state of Illinois, but close to \$700,000 was received this month.

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

Ms. Hannah Eisner, Assistant County Administrator, reviewed the corrected list of critical personnel position requests which have been received by the County Administrator's Office through June 26, 2012. All positions listed below are budgeted and funded through the end of FY 2012.

Circuit Clerk's Office

- 1) Request to fill a 1.0 FTE Office Support Specialist I position that has been vacated.

The retirement of a staff member has created a 1.0 FTE vacancy in the Circuit Clerk's Traffic Division. The vacated position primarily provides daily entry of new citations into EJS. Additional duties include, but are not limited to, entering weekend custody information, running receipts for posted cash bonds, and assisting in a portion of work previously performed by 1.0 FTE eliminated by the 2009-2010 budget reductions. Other duties as assigned.

State's Attorney's Office

- 1) Request to fill a 1.0 FTE Assistant State's Attorney position that has been vacated.

The State's Attorney's Office has previously had a 1.0 FTE criminal division reduction in the January, 2010 Budget and an additional 1.0 Assistant State's Attorney FTE position reduction in June 2010. This vacated position has taken on a portion of the redistributed workload of these two criminal division FTE reductions.

- 2) Request to fill a 1.0 FTE Office Support Specialist 1 position that has been vacated. The resignation of a staff member created this vacancy. The vacated position is responsible for transcription work. The State's Attorney reduced the number of FTE Office Support Specialist I positions from 6.0 FTE positions in the 2010 budget year to 5 FTE positions in 2011 budget year and 4.0 FTE positions in 2012 budget.

Sheriff

- 1) Request to fill 2.0 FTE Deputy Patrol Officers.

These two positions were included in the 2012 budget, but they were not filled at the start of the budget year. There are also currently 2 FTE deputies on extended leave; one for military and the other medical, and it is unknown when they will return to work. As a result the Sheriff has had increased overtime costs. The Sheriff reduced the overtime budget in 2012 from \$345,000.00 to \$266,800.00 with the understanding that with full staffing he would not be required to pay as much overtime.

Public Defender

- 1) Request to fill 1.0 FTE Legal Assistant I

The termination of a staff member created this vacancy. The vacated position primarily assists two attorneys in the Associate Division/DUI and traffic offenses. Current personnel cannot redistribute or assume these duties due to current caseloads. The position is also the main receptionist for the office. Past reductions of two 1.0 FTE

Legal Assistant I and one 0.43 Clerical Assistant remain vacant. This most recent vacated position has taken a portion of the redistributed workload of these FTE vacancies.

There was a discussion on the two positions in the Sheriff's Department. Mr. Wasson advised that there is a long training period for the Deputy Patrol Officers before they are actually in the field, which makes it important to get these positions started on training.

Mr. McIntyre asked how long the person will be out on military leave. Mr. Rusty Thomas, Chief Deputy Sheriff, replied that the individual should be gone for a year.

Mr. McIntyre expressed concern with the potential of the Sheriff's Department experiencing extended overtime expenses due to the long training period for new Deputies and the potential for other Deputies being deployed or resigning.

Mr. Rankin asked how long the training period is for a new Deputy. Mr. Thomas replied that it takes six months to train a new Deputy.

Motion by O'Connor/Rankin to Recommend Approval of the
Critical Personnel Hiring Requests.
Motion carried.

Chairman Owens asked Mr. Jack Moody, Director, Facilities Management to respond to the Outside Auditor's report dated May 24, 2012 for the year ended December 31, 2011 regarding Energy Efficiency and Conservation Block Grant (EECBG) projects. Mr. Moody advised that the project to replace T-12 lighting ballasts and bulbs with more energy efficient T-8 ballasts and bulbs in the McLean County Juvenile Detention Center and the Law and Justice Center was an "in-house" project performed entirely by Facilities Management Maintenance staff. No outside contractors were used on this project. Mr. Moody stated that the materials that were used and were paid for by this grant included T-8 lighting ballasts, bulbs, and wire nuts.

Mr. Moody indicated that the Facilities Department solicited quotes from area suppliers of bulbs and ballasts, which was the bulk of the project. He noted that since there wasn't sufficient space to store the entire quantity of materials needed, the materials were purchased from the lowest quoted firm as required. This resulted in many trips to the supplier to pick up what was needed for each week. Mr. Moody advised that this project took several months to complete.

Mr. Moody stated that the Facilities Department did not formally "bid" the materials; rather, quotes were solicited based upon the quantity purchased at any one time. The net result was the lowest cost for the materials from a local supply house during the project at a fixed cost for the entire project.

Mr. Moody indicated that the Outside Auditors noted that the dollar amount for all purchased items went over the County's threshold for advertised and publicized bids.

Mr. Mood advised that in the future, it is the intention of the Facilities Department to solicit and advertise for bids for these kinds of "in-house" large projects.

Mr. Wasson stated that the issue is that the Outside Auditors looked at this as a consolidated purchase even though the Facilities Management Department purchased items on an incremental basis over a period of time. Because all of the elements of the purchase were included in this Grant, the Outside Auditors said that this should be looked at as a consolidated purchase. Mr. Wasson indicated that Mr. Moody has acknowledged that he will insure that this discrepancy does not occur in the future.

Mr. Wasson noted that the Facilities Management staff also replaced bulbs and ballasts in the Health Department Building and a number of buildings in the Parks and Recreation Department with separate grants.

The Committee acknowledged and thanked Mr. Moody for his efforts in finding grants for this necessary project.

Chairman Owens presented the June 30, 2012 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Prepaid Total of \$1,693,969.82 and a Fund Total that is the same.

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Motion by Butler/Rankin to recommend approval of the Finance Committee bills as of June 30, 2012 as recommended by the County Auditor.
Motion carried.

Chairman Owens presented the June 30, 2012 Nursing Home bills for review and approval as transmitted by the County Auditor. The Nursing Home bills include a Prepaid Total of \$253,639.49 and a Fund Total that is the same.

Motion by Wollrab/O'Connor to recommend approval of the Nursing Home bills as of June 30, 2012 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 5:08 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary