

## Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, January 8, 2014 at 4:30 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

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

Members Absent: Member Soeldner

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:

Mr. Jack Moody, Interim Director, Nursing Home; Mr. Walt Howe, Health Department Administrator; Ms. Michelle Anderson, County Auditor; Ms. Becky McNeil, Treasurer; Ms. Kathy Michael, County Clerk

Others Present: Ms. Cathy Coverston-Anderson, Assistant Administrator, Health Department; Ms. Cathy Dyer, Fiscal Services Supervisor, Health Department; Ms. Marshall Thomson, Manager, Animal Control; Ms. Annie Cummings, Chief Deputy Auditor; Ms. Heather Acker, Partner, Baker Tilly Virchow Krause, LLP; Mr. Mark Bounds, Recording Program Administrator, County Clerk's Office

Chairman Owens called the meeting to order at 4:30 p.m.

Chairman Owens presented the minutes of the December 4, 2013 Finance Committee meeting, and the November 19, 2013 Stand-Up meeting for approval.

Motion by O'Connor/Rankin to Approve the Minutes of the December 4, 2013, Finance Committee meeting, the November 19, 2013 Stand-up Meeting.  
Motion carried.

Mr. Jack Moody, Interim Director, Nursing Home, presented the November 2013 Monthly Report for the Nursing Home. He noted that everything is running very smoothly.

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

Mr. Walt Howe, Health Department Administrator, presented a request for approval of an Ordinance amending the 2014 Combined Appropriation and Budget Ordinance for Fund 0112 (Animal Control). Mr. Howe explained that the Animal Control program has transitioned from using the CO Chamber to lethal injection to euthanize animals. He advised that in order to sustain the transition, an additional \$44,500 is needed in the 2014 budget to be used for personnel time, additional protective equipment, purchase of a large restraint cage and extensive staff training.

Mr. Howe stated that the Animal Control Center is requesting an additional Office Support Specialist I position to assist with daily front desk operations at the Center that are currently being performed by an Animal Control Warden. This hire will allow the Warden to assist with euthanasia of aggressive animals and wildlife, which will require additional staff time, and other warden-related duties.

Mr. Howe advised that in order to support the additional expenses, the Animal Control Program is planning to increase animal registration costs by \$2 per dog or cat. He pointed out that with approximately 23,000 registered dogs and cats in the County, the \$2 increase will support the additional expenses related to the elimination of the CO chamber. Mr. Howe added that the County has been awarded a \$3,000 grant from the HSUS to assist with the purchase of some of the equipment necessary for the transfer.

Mr. Erickson expressed his approval of doing away with the CO Chamber, but had several concerns, including the cost of this change-over and the increase in animal registration. He indicated that he talked with people from other counties and believed that the change would be a simple process at a relatively low cost.

Mr. Erickson asked if some of this expense could be taken out of the Unencumbered Health Fund Balance. Mr. Howe replied that, traditionally, operational expenses would not be taken out of an unencumbered fund balance. He noted that many of these new expenses will be on-going year after year. Mr. Howe added that the unencumbered fund balance is used for emergency funds and to get through times in which the County is waiting for tax revenues to be received. He stated that he was following the budget guidance that comes from the County Board; that every effort be made to identify and/or establish appropriate user fees or charges as authorized by state law. Mr. Howe advised that, as specified in the Animal Control Act, a registration fee for individual dog or cat registration may be used to subsidize the program.

Ms. O'Connor also expressed concern with the cost of the change-over and asked how sure Mr. Howe is that the estimated cost is accurate. Mr. Howe replied that the estimated cost is their best projection.

Ms. Wollrab stated that the projected increased costs were discussed when the decision was made to eliminate the CO Chamber.

Mr. Erickson asked if it would be possible to just take the expense of the initial equipment out of the Health Department's \$2.1 million Unencumbered Fund Balance. Mr. Howe responded that the Unencumbered Fund Balance does not belong to Animal Control; it belongs to Public Health. He noted that when the Health Department took over the Animal Control Program, it was understood that it would be self-supporting and no resource would come from tax-supported revenue.

After additional discussion, Ms. Wollrab, Mr. Rankin and Chairman Owens expressed their support of this request.

Motion by Wollrab/Rankin to Recommend Approval of an Ordinance of the McLean County Board Amending the 2014 Combined Appropriation and Budget Ordinance for Fund 0112 (Animal Control).

Motion carried.

Mr. Howe presented a request for approval of a Resolution Amending the Fiscal Year 2014 McLean County Full-Time Equivalent Position Resolution associated with an Ordinance to Amend the Fiscal Year 2014 McLean County Combined Appropriation and Budget Ordinance for Fund 0112 (Animal Control).

Motion by Rankin/Wollrab to Recommend Approval of a Resolution Amending the Fiscal Year 2014 McLean County Full-time Equivalent Position Resolution Associated with an Ordinance to Amend the 2014 Combined Appropriation and Budget Ordinance for Fund 0112 (Animal Control).

Motion carried.

Mr. Howe presented a request for approval to amend Chapter 165 of the McLean County Code Animals to Increase Dog/Cat Registration fees.

Motion by Rankin/Wollrab to Recommend Approval to Amend Chapter 165 of the McLean County code Animals to increase Dog/Cat Registration Fees.

Motion carried.

Ms. O'Connor asked what is being done about skunks. Ms. Thomson replied that skunks would be handled the same as dogs and cats, but they may also seek assistance from the DNR.

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

Ms. Michelle Anderson, Auditor, introduced Ms. Heather Acker, Partner, Baker Tilly Virchow Krause, LLP, the new Outside Auditor firm.

Ms. Acker distributed an outline and a letter regarding audit planning. She advised that Baker Tilly is a large regional firm that is headquartered in Chicago, with other offices in Wisconsin, Minneapolis, Detroit, Washington, D.C. and New York. Ms. Acker noted that Baker Tilly specializes in governments. Baker Tilly audits about 100 municipalities in Illinois and six other counties including Peoria. Ms. Acker stated that she has been with Baker Tilly her entire 17-year career and has been a partner the last five years.

Ms. Acker reviewed the external audit process and audit timeline. She indicated that Baker Tilly will ultimately issue an opinion on the County's external CAFR prepared by the County's management team. Ms. Acker stated that the timing of the audit process will be similar to past years with a final presentation on June 4<sup>th</sup>. She noted that Baker Tilly will provide an Opinion on the County CAFR; issue a Report to Management; and provide an A-133 Single Audit Report.

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

Ms. Cummings, Chief Deputy Auditor, reviewed the Tax Sale Automation Fund Audit Summary. She noted that the Treasurer's Office was very cooperative. Ms. Cummings stated that this year's Tax Sale was 525 parcels for a total of \$13,290 in Automation Fees. She reported that everything appeared to be in compliance.

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

Ms. Becky McNeil, County Treasurer, presented a request for approval of a Resolution authorizing the Chairman of the McLean County Board to execute a Deed of Conveyance on PIN 14-27-353-003. She noted that this is a standard conveyance like previous ones.

Motion by Rankin/O'Connor to Recommend Approval of a Resolution Authorizing the Chairman of the McLean County Board to Execute a Deed of Conveyance on PIN 14-27-353-003.

Motion carried.

Ms. McNeil reviewed her Financial Reports for the period ending December 31, 2013.

Ms. McNeil reviewed the Summary of Tax Vouchers Report. She noted that she did not provide the detailed numbers with this report, but will bring them next month to reflect the 12-month comparison. Ms. McNeil indicated that the December 2013 Sales Tax vouchers are down compared to December 2012; however, the County is far ahead in overall Tax Vouchers of where it was one year ago. The Year to Date Comparison shows that the 2013 Vouchers were \$9,586,397.94 as compared to \$9,138,632.79 in 2012, which is an increase of \$447,765.15 or 4.9%.

Ms. McNeil advised that the 2013 estimated Budget Revenue was \$9,559,877.00 and the Year to Date Actual Vouchers was \$9,586,397.94, which is an increase of \$26,520.94 or 0.3%. She noted that these numbers will be "tweaked" as receipts come in from January-February-March since these taxes counted for 2013 because that is when the County earned them. Ms. McNeil indicated that the Christmas sales receipts will be reflected in the March Report.

Ms. McNeil reviewed the Investment Report, noting that there have been no significant changes. She indicated that these low interest rates have been consistent for the last several years and impacts the County's interest income revenue. Ms. McNeil stated that a couple CD's matured that came back with rates of .5%. She noted that the Treasurer's Office is keeping money in some of these cash accounts to offset bank fees.

Ms. O'Connor asked what the Baker Estate Trust Fund is. Ms. McNeil replied that it is a trust from the Baker Estate to the Health Department from many years ago. She added that she does not know how the Health Department uses the fund, but believes it might have something to do with their eye clinic.

Mr. Rankin asked what the Drainage District accounts are. Ms. McNeil replied that she is the fiduciary trustee to the Drainage Districts and, even though the money is not the county's money, she provides a record of those funds in her role as fiduciary trustee.

Ms. McNeil reviewed the CDAP Revolving Loan Fund Quarterly Report. She noted that there are currently four active loans. She stated that of these loans, all are current except GDS Displays which was due for payment at the end of December, but she expects that the payment will be received.

Ms. McNeil reported that the Fund currently has \$698,568.26 that the County can use to provide revolving loans. She advised that this fund is doing very well.

Ms. McNeil reviewed the Employee Benefit Fund Quarterly Report, noting that the fund is currently as \$1.9 million.

Motion by O'Connor/Rankin to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending December 31, 2013, as submitted.

Motion carried.

Ms. McNeil expressed disappointment at how high the State of Illinois receivables were at the end of 2013, at \$1.6 million. She indicated that one of the biggest sources of receivables is the Probation salaries of approximately \$825,000. Ms. McNeil noted that the State usually sends four or five months of payments at the end of December, and that did not happen this year. She stated that she expects to see some of that in the next few months.

Ms. McNeil reminded the Committee that at the December Finance Committee Meeting, she indicated that she would be bringing a request, to this meeting asking the Committee to officially recommend approval of the list of financial institutions that can be used for investment purposes. Ms. McNeil stated that when she created the Investment Policy, she thought that the Committee had to recommend approval of that list. However, she later learned that the Public Funds Investment Act states that because McLean County's population is larger than 150,000, that approval is not necessary. Ms. McNeil included the list of financial institutions in this packet for the Committee's information. She advised that she will be correcting her Treasurer's Investment Policy to remove the statement "...the County Treasurer will maintain an updated list of financial institutions approved by the Board to act as designated depositories."

Chairman Owens left the meeting at 5:28 p.m.

Ms. McNeil stated that she is working with Mr. Wasson to determine a way in which the Financial Reports can be sent to the Committee electronically. Mr. Wasson noted that the reports could be posted on Google Drive. Ms. McNeil indicated that the reports will likely get posted late afternoon of the day of the Finance Committee meeting.

Vice Chairman O'Connor asked if there were any questions or comments. Hearing none, she thanked Ms. McNeil.

Ms. Kathy Michael, County Clerk, distributed and presented her updated Monthly Report for the period ending December 31, 2013, as well as the November 2013 Recording Report. She pointed out that the Monthly Report includes additional information such as the definition of various applications, fees, and licenses.

Ms. Michael introduced Mr. Mark Bounds, Recording Program Administrator, County Clerk's Office. She indicated that Mr. Bounds has been in the Recording office for five years, and has been invaluable in the merger. Ms. Michael also noted that Ms. Amy Brooks, who was the Chief Deputy Recorder and now employed in the Administrator's office, continues to work with her for a smooth transition.

Vice Chairman O'Connor asked if there were any questions or comments. Hearing none, she thanked Ms. Michael and Mr. Bounds.

Ms. Eisner reviewed the critical personnel position requests received by the County Administrator's Office through December 27, 2013.

Motion by Rankin/Erickson to Recommend Approval of the  
Critical Personnel Hiring Requests.  
Motion carried.

Vice Chairman O'Connor presented the inter-departmental transfers within the Health Department and Tort Jail Medical.

Motion by Rankin/Erickson to recommend approval of the  
Inter-Departmental Transfers within the Health Department  
and Tort Jail Medical.  
Motion carried.

Vice Chairman O'Connor presented the December 31, 2013 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Prepaid Total of \$1,798,388.82 and a Fund Total that is the same.

Motion by Wollrab/Erickson to recommend approval of the Finance Committee bills and transfers as of December 31, 2013 as recommended by the County Auditor.  
Motion carried.

Vice Chairman O'Connor presented the December 31, 2013 Nursing Home bills for review and approval as transmitted by the County Auditor. The Nursing Home bills include a Prepaid Total of \$294,498.58 and a Fund Total that is the same.

Motion by Rankin/Wollrab to recommend approval of the Nursing Home bills as of December 31, 2013 as recommended by the County Auditor.  
Motion carried.

Mr. Rankin referred to Article 7, Section 4, Paragraph C of the Illinois Constitution that states that each county shall elect a Sheriff, County Clerk and Treasurer; and may elect or appoint a Coroner, Recorder, Assessor and an Auditor and other such offices as provided by law. He indicated that of the "may elect or appoint" two of the four have become appointed positions. Mr. Rankin noted that two other positions, namely the Coroner and Auditor, are still elected. He stated that he will discuss the position of Auditor as it is under the purview of the Finance Committee.

Mr. Rankin advised that he discussed this same issue at the Justice Committee meeting regarding the Coroner's elected position.

Mr. Rankin asked for information about the options of potentially changing the office of the Auditor from elected to appointed. He asked for the following information:



- What is the deadline for getting a ballot initiative on the November General Election ballot to change or modify the elected position of the County Auditor?
- What are other counties doing and do other counties operate with something other than an elected Auditor's position?
- What are the legal alternatives?

Mr. Rankin indicated that he has had concerns for several years because Illinois has more elected officials than any other state in the union.

Mr. Rankin made it clear that his request is not motivated by dissatisfaction with the current Auditor. He indicated that he believes the current Auditor does a fine job. Mr. Rankin indicated that what concerns him is that the Auditor is an elected official with no required qualifications outside of an electoral victory. He pointed out that the merger of the Recorder's Office into the County Clerk's Office appears to have been successful.

Mr. Wasson stated that information should be available for next month's meeting.

Ms. Wollrab noted that she asked at the Justice Committee Meeting that the Administrator's office prepare a spreadsheet showing the percentage or dollar amount increases in contracts in all of the various departments under oversight of the Justice Committee. She stated that she wanted this information to review the budget. Ms. Wollrab asked that this same spreadsheet be prepared for the Finance Committee.

Mr. Wasson indicated that a draft document will be prepared to share with Committees to determine if it would be beneficial.

There being nothing further to come before the Committee at this time, Vice Chairman O'Connor adjourned the Finance Committee at 5:50 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary