

## Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, July 2, 2014 at 4:30 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

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

Members Absent: None

Other Members Present: None

Staff Present: Mr. Bill Wasson, County Administrator; Ms. Hannah Eisner, Assistant County Administrator; Ms. Judith LaCasse, Recording Secretary, County Administrator's Office; Mr. Pablo Eves, First Assistant State's Attorney, Civil Division

Department Heads/  
Elected Officials  
Present:

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

Others Present: Ms. Maria Pascua, Chief Deputy County Clerk

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

Chairman Owens presented the minutes of the June 4, 2014 Finance Committee meeting and May 20, 2014 Stand-up meeting for approval.

Motion by O'Connor/Wollrab to Approve the Minutes of the June 4, 2014 and May 20, 2014 Stand-up Finance Committee meetings.  
Motion carried.

Ms. Becky McNeil, County Treasurer, reviewed her Financial Reports for the period ending June 30, 2014.

Ms. McNeil reviewed the County Treasurer's Summary of Tax Revenue Sales, Local Use, Income and PPRT. She advised that, after nine months, the County's Sales Tax number is back up over 2013. Ms. McNeil noted that she requested a report from the State in March and again in April and again in June, and she was told that the report of the quarter percent County-wide is a very complicated report and is not high on their

priority list at this time due to their tax distribution to local government. She stated that she wants the report to see what happened in McLean County during that period when the Sales Tax was down.

Ms. McNeil advised that the Sales Tax is \$423,629.96 compared to \$412,824.02 in 2013. Revenue Sales and Local Use are up and Income Tax is slightly down. The overall comparison number is \$617,380.93 as compared to \$596,558.93 in 2013. The Year to Date comparison is \$5,027,907.98 compared to \$5,106,013.17, which is down by 1.5%. Ms. McNeil noted that this is lower because of the first six months of Sales Tax. She reported that the County is -0.03% below budget. Ms. McNeil indicated that 52.4% of Property Taxes are in.

Ms. McNeil reviewed the Summary of all General Government Funds report which she prepares each July after the audit presentation. She noted that there are a list of funds that make up the Governmental Funds. At the end of 2013, the County's combined fund balance of these funds was \$15,338,129.31, which was a 9% growth over 2012 due to revenues of \$43,497,947.22 compared to expenses of \$42,228,870.35 for a growth of \$1,269,076.87. The 2013 cash portion of the fund balance was \$12,530,513.90. Ms. McNeil stated that about 80% of Fund Balance is cash, which is very good as it is relied upon from January through May. The fund balance would have been higher at the end of 2013 by \$405,380.75 if it had not been for the Deferred Revenue from the State of Illinois.

Ms. McNeil reviewed the County Treasurer's Investment Report. The overall balance of all funds is \$45,789,808.50. She stated that the payroll account is a negative, which is the result of timing because the payroll posted as of the end of June, but the pay date isn't until Friday.

Ms. McNeil reviewed the Employee Benefit Fund as of June 30, 2014. She stated that this is the Fund where the employer and employee contributions funnel in and out of to pay the premiums for the employee health fair and employee benefits. Ms. McNeil reported that the fund currently has a balance of \$1,787,111.61. She pointed out that revenues are actually less than expenses because we have already paid out the July premium for Blue Cross/Blue Shield. Ms. McNeil noted that the fund balance has been growing in this fund.

Ms. McNeil reviewed the McLean County Revolving Loan Fund Report, noting that there are currently four active loans, namely: The Learning Center, Coffee Hound, Watershed Foods and GDS Professional Displays. Ms. McNeil advised that the Coffee Hound did pay off their loan to the County, so there are only three loans. She noted that the loans are current and performing very well. The amount in the Revolving Loan Fund is \$794,367.08.

The following is a history of the CDAP Loan Program:

In 1987 the County of McLean received a Federal Grant administered by the State of Illinois in the amount of \$500,000.00. These funds were loaned to Edwards Warren Tire Company. The full amount of the loan was paid off in addition to accrued interest of \$146,024.00. The amount recovered allowed the County to establish the Revolving Loan Fund to provide financial assistance to new or expanding businesses in McLean County and to secure public benefit for the residents of McLean County by developing a stronger economic base and expanded job opportunities. The use of the fund is governed by a variety of rules and regulations mandated by the State and Federal agencies that provided the original grants to McLean County as well as policies adopted by McLean County.

The Economic Development Council of Bloomington-Normal-McLean County is the administrator of the CDAP Revolving Loan Fund. The McLean County Treasurer receives all payments, reconciles the fund, reports quarterly to the Finance Committee, and reports semi-annually to the State of Illinois Department of Commerce and Economic Opportunity.

Borrowers must comply with the following guidelines and McLean County's CDAP RLF Recapture Strategy.

- Project Location – McLean County;
- Meet the minimum and maximum loan amount; ratio of two private dollars for every one CDAP dollar RLF borrowed;
- Demonstrate financial need and provide a description of the project, project costs, and financial details showing that there is a financing gap;
- Minimum Interest Rate of 3%.
- Terms determined by type of project;
- Job Creation and Retention
  - One FTE must be created and retained for each \$15,000.00 of RLF fund borrowed;
  - At least 51% of the jobs created/retained must benefit low-to-moderate income persons.

Applicant Process:

- Applicant meets with the bank and determines if a gap in financing has occurred;
- Applicant gets referred to the EDC by the bank;
- Applicant and banking representative meet with the EDC and pre-application review of the project will be made;
- Review and recommendation by Credit Committee;
- Review and approval by the McLean County Board.

Mr. Wasson advised that, through a screening process, there are not a large number of requests that reach the County for approval.

Mr. Robustelli asked for an explanation of the amount of money loaned out and interest earned. Ms. McNeil stated that the County has loaned out a total of \$1,752,329.50 and \$467,179.92 is the interest the County hopes to recapture. The amount recaptured to date is \$1,202,961.03. Out of the \$1.7 million loaned, \$1.2 million has been recaptured to date with interest of \$304,768.09 from the loans has been recaptured. In addition \$382,222.65 has been made in investment interest over the years that this Fund has been in existence. Currently the four outstanding loans owe \$281,478.31 of principle and \$35,241.47 in interest.

Ms. McNeil advised that the type of loans that the County makes out of this fund are loans where the county does not have a "first position" and often not a second position, which means that if the loan defaults, the County would not recoup much, if any, value in assets.

Ms. McNeil stated that the monitoring, reporting, loan review, loan process and documenting process of this loan is all done with standards that the Department of Economic Opportunity at the state level has provided.

Motion by Robustelli/Erickson to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending June 30, 2014, as submitted.  
Motion carried.

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

Mr. Jack Moody, Interim Director, Nursing Home, presented the Nursing Home May 2014 Monthly Report.

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

Ms. Kathy Michael, County Clerk, a request for approval of an Emergency Appropriation Ordinance amending the McLean County Fiscal Year 2014 Combined Annual appropriation and Budget Ordinance, General Fund 0001, County Clerk's Office 0005 (utilization of staff). She noted that it is difficult to determine the amount of funds necessary for part-time and seasonal employees. Ms. Michael pointed out that people can now register to vote and vote on the same day which may increase the need. She noted that, by law, they can restrict the location of registration to the County Clerk's Office. Ms. Michael added that it is important to get the word out to citizens as to where they can do that.

Ms. Michael indicated that they are now mandated to have absentee ballot voting at Illinois State University. She stated that she doesn't know the details to this new mandate. Ms. Michael added that, last year, there were only six voters at ISU.

There was additional discussion regarding the mandate that people can register to vote and vote on the same day and all of the issues that may arise.

Motion by O'Connor/Rankin to Recommend Approval of an Emergency Appropriation Ordinance amending the McLean County Fiscal Year 2014 Combined Annual Appropriation and Budget Ordinance, General Fund 0001, County Clerk's Office 0005 (utilization of staff).

Motion carried.

Ms. Michael presented her Monthly Reports for the period ending May 31, 2014, as well as the Monthly Recording Report.

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

Ms. Hannah Eisner, Assistant County Administrator, reviewed a list of critical personnel position requests which have been received by the County Administrator's Office through June 24, 2014 for Departments under the oversight of the Finance Committee. All positions listed below are budgeted and funded through the end of FY 2014.

#### County Clerk's Department

- 1) Request to fill 1 FTE Office Support Specialist I position

The Recording Division of the County Clerk's Office has a vacant Office Support Specialist 1 position. This position performs the following duties: customer assistance, preparation and scanning of documents, verification that imaging displays properly, creation and distribution of data disks, preparation of document mailings, upload and export recording information to be put on microfilm. Document recording involves an assembly line process and there is one staff member assigned to perform each step in that process. This position is an essential link in the tasks that must be performed to record documents. Staff cross train to cover each other in the event of absences, but there must be an employee assigned to each task in order to maintain an efficient flow to insure documents are timely recorded.

#### Nursing Home

- 1) The following positions were vacated and refilled pursuant to the patient care exemption:

One Licensed Practical Nurse, three Certified Nursing Assistants, two Food Services Assistants.

Motion by Wollrab/Schafer to Recommend Approval of the  
Critical Personnel Hiring Requests.  
Motion carried.

Mr. Wasson reviewed his memorandum regarding the Animal Control Program Organizational Structure. He noted that the Finance Committee requested that the Administrator's Office work with the Health Department and other County departments to evaluate the possibility of a change to the Animal Control program. Mr. Wasson asked for the concurrence of the Finance Committee in recommending placing the Animal Control under the County Administrator's Office as an appointed department. He pointed out that this solution was the best way to improve communication. Mr. Wasson asked that the Finance Committee concur with this decision after which time the Administrator's Office will continue to work on the fine points of this with the Health Department. A final recommendation will be brought back during Executive Committee next month and will be effective January 1, 2015.

Mr. Wasson stated that from the standpoint of administrative oversight, it will be similar to the administrative oversight provided to other appointed departments such as IT, Risk Management, Facilities Management Parks and Recreation, etc.

Mr. Robustelli asked how public communication will be accomplished. Mr. Wasson replied that the Administrator's Office has an extensive relationship with a wide range of community partners including the municipalities. Other County departments can also be utilized as resources to provide communication.

Mr. Robustelli stated that he supports this effort.

Ms. O'Connor asked if a special board will be established in regard to the Animal Shelter that includes a County Board member, a veterinarian, representative from an animal rescue group, etc. Mr. Wasson replied that no advisory groups are being considered at this time, but may be explored in the future. Efforts will be made to improve communications.

Mr. Rankin expressed his support of this effort but asked if the Finance Committee will have oversight over quarterly or monthly reports from the Animal Control and what information is included in the report. Mr. Wasson replied that conversations have been held regarding potential reports. He advised that the placement of this department may not be under the jurisdiction of the Finance Committee based upon the number of departments and programs it already supervises. There was some discussion on the appropriate committee. Mr. Wasson noted that a determination will be made in the future as to what Committee it will fall under.

Mr. Erickson expressed concern that before the supervision of the Animal Control is moved to the Administrator's Office from the Health Department; they may decide to buy an expensive piece of equipment or do some other expensive thing or enter into a contract within the next six month that will be binding on the County Board. He stated that if there are going to be an extraordinary amount of expenditures made through the Health Department for Animal Control it should come to the Finance for discussion. Chairman Owens and Mr. Wasson both expressed that they do not anticipate this to be an issue. Mr. Wasson advised that the Administrator's Office has had conversations over the last 30 days, spent time on-site at Animal Control and time individually with Animal Control and Health Department personnel, as well as Health Department Administrative personnel, and several other departments to determine how they might play a part in assisting the Administrator's Office with this program.

Mr. Erickson asked if there are any expenditures that Animal Control may make within the next six months that would be unusual or not typical. Mr. Wasson replied that he is not aware of any purchases. Mr. Erickson stated that he doesn't want to find that the Animal Control decided to buy a million dollar piece of equipment that the County is bound by. He stated that any entity that takes something over is bound by prior agreements. Chairman Owens replied that he does not expect that to happen. He advised that this conversation would certainly have put the Health Department and the Animal Control on notice to not make any large purchases or sign any contracts. Mr. Wasson added that they are still bound by their budget as any other County department.

Ms. Eisner noted that there are good employees at the Animal Control who have been long-time employees. Mr. Erickson responded that his criticism is not with the employees but about how they do things. Ms. Eisner stated that she just wanted to let the Committee know that these are people who work hard at their jobs and are nervous about the new policy and the safety of their jobs.

Mr. Erickson expressed concern that they set policies that we couldn't change or the next Committee couldn't change.

Mr. Wasson advised that the goal is to have a smooth transition, which is the same goal as was with the Recorder's Office and the County Clerk so that it is a benefit to the County.

Mr. Rankin asked if there will be a method for listening to community concerns or for people to make suggestions. Mr. Wasson replied that he believes in the process of customer feedback and he believes that we will be successful at it.

Mr. Erickson stated that his point is valid in that he doesn't want the Animal Control to say they don't want Wishbone involved in their program and they want to enter into a contract with some other adoption program for three years. He noted that this could fall within their budget category. Mr. Erickson expressed concern that the Board may get

bound into things that we are then stuck to. Ms. Eisner responded that the Health Department must bring any contracts to the Board. Mr. Erickson asked if there is a size amount on a contract that goes to the Board or every single contract. Mr. Wasson replied that the only agreements that the Board of Health is allowed to enter into on their own, under statute, are for health services. Mr. Erickson stated that he is an elected official and he can't know the answers to all of his questions, therefore, the Administrator's Office will have to answer them for him. He doesn't feel like this is such an unusual question. Mr. Erickson stated that he wants to know if we are going to be bound to things that we don't understand. He noted that some of his concerns were alleviated with the information about budget constraints being one of their restrictions going forward, and that contracts would have to come before the Committee. Chairman Owens pointed out that he is the Board representative on the Board of Health and he will be aware of any decisions the Board of Health makes. He stated that he does not foresee any requests coming between now and the end of the year.

Ms. O'Connor indicated that she would like this department to be under purview of the Finance Committee for at least two more years before it is moved to another Committee.

There was a consensus of the Committee to move this plan forward.

Mr. Wasson reviewed a restructuring plan in the State's Attorney's office. He noted that Mr. Chambers is having a significant change in his staffing with the current First Assistant State's Attorney, Criminal Division, becoming a judge in a week. Mr. Wasson stated that Mr. Chambers has requested that the Justice Committee concur with a proposal to restructure the staffing in the State's Attorney staff. He noted that the Justice Committee supported this proposal.

Mr. Wasson reviewed the restructuring, as follows:

| <u>Title</u>        | <u>GF Budget FTE</u> | <u>Proposed FTE</u> |
|---------------------|----------------------|---------------------|
| ASA I               | 4                    | 4.5                 |
| ASA II              | 5                    | 5                   |
| ASA III             | 9                    | 7.15                |
| ASA IV              | 2                    | 3                   |
| <u>DV-Full Year</u> |                      |                     |
| ASA I               |                      | 0.5                 |
| ASA II              | 1.6                  |                     |
| ASA III             |                      | 0.85                |
| <b>Total:</b>       | <b>21.6</b>          | <b>21</b>           |



Mr. Wasson advised that based on changes in personnel occurring, he believes that this is a budget-neutral proposal. He noted that when Mr. Chambers became State's Attorney he did not make any changes to the structure of the office.

Mr. Wasson stated that he would like to bring this to a Stand-up meeting prior to the County Board Meeting this month, which would require an FTE Resolution from the Finance Committee.

After a discussion, the Committee concurred with Mr. Chambers' restructuring plan.

Mr. Wasson reviewed the Auditor's memo regarding departmental funds, as follows:

- The County Clerk (General Fund) has a \$1,435 purchase of Furniture & Office Equipment with no budget appropriation. A printer was purchased on December 31, 2013, but delivery was taken after the first of the year so was included as a 2014 purchase. Recommendation is to transfer \$1,435 Operational Supplies Line 0620.0001 to the Purchase of Office Equipment Line 0832-0001.
- The County Clerk's Office has a loss of \$264.57, which brings the total loss to \$8,678.29 at the end of 2013. The \$264.57 is the loss of 2014. This loss was the result of closing out the checking account and finding it off by this amount. The loss could have occurred last year or 20 years ago. It was determined that rather than spend thousands of dollars to determine when the loss occurred, it was written off.
- Health Department's (WIC) Capital Assets was 368% over budget due to the purchase of radio equipment in the amount of \$5,994. Recommendation is to transfer \$5,994 from Line 06220-0001 Medical & Nursing Supplies to Line 0839-0001 Purchase/Radio Equipment.

Mr. Rankin asked how often a "loss" occurs. Ms. Anderson replied that any amount over \$5.00 is extremely rare. She noted that occasionally petty cash can be off a penny or a nickel.

Mr. Wasson advised that the Administrator's Office believes it is beneficial for the Committee see the transfers as they come through. He added that he will work with the Auditor and department to develop a process that will make the process more seamless.

A motion was made to recommend approval of the transfers.

Motion by Schafer/Rankin to Recommend Approval of the Transfers.  
Motion carried.

Chairman Owens presented the June 30, 2014 Finance Committee bills and transfers for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Prepaid Total of \$2,238,326.40 and a Fund Total that is the same.

Motion by Wollrab/Robustelli to recommend approval of the Finance Committee bills and transfers as of June 30, 2014 as recommended by the County Auditor.  
Motion carried.

Chairman Owens presented the June 30, 2014 Nursing Home bills for review and approval as transmitted by the County Auditor. The Nursing Home bills include a Prepaid Total of \$293,136.68 and a Fund Total that is the same.

Motion by O'Connor/Rankin to recommend approval of the Nursing Home bills as of June 30, 2014 as recommended by the County Auditor.  
Motion carried.

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Mr. Erickson stated that it is not uncommon for an elected official to ask a question to get an answer. He indicated that he could not always follow the Segobiano rule. Mr. Erickson added that sometimes we do have questions and it is important that if the elected official doesn't know the answer to ask the question so we can get a clarification. Mr. Erickson noted that he has been reassured here that there are budget constraints on what they can do and policy regarding contracts about what they can enter that would have to come before the Finance Committee. He stated that this has alleviated some of his concerns going forward.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the Finance Committee at 6:04 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary

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