

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, May 4, 2016 at 4:30 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chair Benjamin Owens; Members: Erik Rankin, Chuck Erickson, Carlo Robustelli, Richard Buchanan, and David Selzer

Members Absent: Member Catherine Metsker

Other Members Present: Members Soeldner and McIntyre

Staff Present: Mr. Bill Wasson, County Administrator; Ms. Hannah Eisner, Assistant County Administrator; Ms. Jessica Woods Assistant Civil State's Attorney; Ms. Julie A. Morlock, Recording Secretary;

Department Heads/Elected

Officials Present: Ms. Marshall Thomson, Director, Animal Control; Mr. Eric Schmitt; Ms. Becky McNeil, Treasurer

Others Present:

Chairman Owens called the meeting to order at 4:30 PM

Chairman Owens presented the minutes of the April 6, 2016 meeting of the Finance Committee for approval.

Motion by Robustelli/Buchanan to approve the Minutes of the April 6, 2016 meeting of the Finance Committee.
Motion carried.

Chairman Owens presented on behalf of Ms. Marshall Thomson, Director of the Animal Control a request to approve an Emergency Appropriation amending the McLean County Fiscal year 2016 Combined Annual Appropriation and Budget Ordinance for Animal Control for an FTE position. Ms. Eisner stated that the Committee approved an FTE resolution last month which allowed her to increase her part time person to a full time person and since that had been approved a budget amendment needed to be put through to adjust the salary lines.

Motion by Robustelli/Buchanan to recommend approval of an Emergency Appropriation amending the McLean County Fiscal year 2016 Combined Annual Appropriation and Budget Ordinance for Animal Control General Fund 0001, Department 0032.
Motion Carried.

Chairman Owens presented for approval an Emergency Appropriation amending the McLean County Fiscal year 2016 Combined Annual Appropriation and Budget Ordinance for Animal Control for Equipment purchase. Mr. Wasson explained that a piece of equipment was purchased last year but due to delivery and payment for the equipment it was determined that it should be allocated in the 2016 budget.

Motion by Erickson/Robustelli to recommend approval of an Emergency Appropriation amending the McLean County Fiscal year 2016 Combined Annual Appropriation and Budget Ordinance for Animal Control General Fund 0001, Department 0032.

Motion Carried.

Ms. Marshall presented her monthly reports for the Animal Control Program. Mr. Erickson stated that he received a letter making a suggestion that Animal Control require Veterinarians collect the rabies registration fees from pet owners and send the fee to Animal Control when they send the form. Ms. Thomson stated they had reviewed it in the past and it is something that they are open to discussing with local veterinarians. Chairman Owens asked if there were any questions; hearing none, he thanked Ms. Marshall.

Ms. McNeil presented her monthly reports. She went over the County wide sale tax, County Tax local use, PPRT income reported. She then discussed the error the Illinois Department of Revenue made with regard to PPRT allocations to municipalities and counties. She stated that McLean County will need to pay back an estimated at \$194,000 and the deductions from the amount they send us would start in 2017. She reviewed our portion from the Sale Tax Agreement with Bloomington and Normal. She indicated that the fund is not budgeted, but would give the Committee a total for the Fund each month. Mr. Robustelli asked if the PPRT miscalculation was due to a misinterpretation of the formula and also asked if we reviewed information to make sure it was accurate. Ms. McNeil stated there is no data to confirm and we will probably not receive information, so we have to take the State of Illinois' word on the calculation. Ms. McNeil indicated that the formula has changed in the last four years, so that could be a reason why the error occurred. Mr. Wasson stated that it has always been irregular and legislation has been enacted for the State to take out expenditures from the PPRT before allocations are distributed to the local governments. Mr. Wasson indicated this presents a challenge to us to determine where the errors might have occurred. Mr. Rankin asked why we are taking their word for it and asked how we would pay the money back. Mr. Wasson stated that the amount will be deducted from future PPRT payments. Mr. Selzer asked them to confirm that this would be adjusted in our budget for next year. Mr. Wasson stated that once we have the information on the amount they plan to deduct and the schedule for those deductions then we will include those in the budget estimates. Mr. Erickson asked if we could ask the State to prove and not pay them until they do. Mr. Wasson stated that they will not ask for a check from us so they are in control of getting the money back. Mr. Selzer asked if State Senators are looking

into a relief bill for this. Mr. Wasson stated that he had not been made aware of any legislation at this time.

Ms. McNeil went over the investment report with the Committee. She indicated that next month she would try to give them a report that shows fund by fund so they get a better idea of how the Funds fluctuate. Ms. McNeil stated there are 4 grants including Court Services Pre-Trial, Court Services Adult Redeploy, Court Services Juvenile Redeploy and the State's Attorney Title IV D Grant in which we have not received reimbursements from the State of Illinois since July 1, 2015. She stated that we are owed about \$400,000 from the State for these grants. Mr. Selzer asked if they were appropriated. Ms. McNeil indicated that they were not budgeted because we don't have a budget. Mr. Wasson stated that we have contracts. Mr. Robustelli asked how we are paying for those services. Mr. Wasson stated that we are utilizing our unencumbered fund balance to provide for those programs. Ms. McNeil indicated that the Lock Box system they have in place to gather property tax payments are wonderful and have allowed them to keep personnel costs down. Chairman Owens asked the Committee if they had any questions regarding Ms. McNeil's reports. Hearing none, he stated he would entertain a motion to place the monthly reports on file.

Motion by Selzer/Buchanan to place on file the Treasurer's monthly financial reports.

Motion Carried.

Mr. Wasson presented on behalf of Ms. Kathy Michael, County Clerk for action an Emergency Appropriation Ordinance. Mr. Wasson explained that this was for a ballot printer that they needed to replace before the primary and based on the urgency of the need we authorized the purchase and asked her to bring an emergency appropriation for the expense.

Motion by Buchanan/Rankin to recommend approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2016 Combined Annual Appropriation and Budget Ordinance for the County Clerk General Fund 0001, Department 005.

Motion carried.

Chairman Owens stated that the Clerk's reports were in the packet and that Mr. Wasson would try to answer any questions the Committee might have. Chairman Owens asked the Committee if they had any questions regarding the monthly reports; hearing none, he moved on Mr. Wasson.

Mr. Wasson presented for approval a request to approve the Resolution Establishing the Budget Policy for Fiscal Year 2017. Mr. Wasson went over the changes from last year including the increasing the stated unencumbered fund balance percentage to 15% from 10% which is consistent with our practices. Second change is the special revenue funds to give departments more direction with regard to those Funds.

Motion by Selzer/Erickson to recommend approval of the Resolution
Establishing the Budget Policy for Fiscal Year 2017.

Mr. Robustelli proposed an amendment to help clarify that departments need to let other departments know when there is something in their budget that would affect another department. Mr. Selzer asked if we have had a problem with this and how they would report this. Mr. Robustelli stated that he would prefer to not pin point a department and when they meet with the County Administrator he could point it out in the policy and ask if they had discussed it with the department he thought the budget change might effect. Mr. Wasson stated that there are instances, rarely, where this does occur and has impact on other departments. He stated this appears to be a good faith effort to encourage departments to think about implications decisions might make on other departments.

Motion by Robustelli/Rankin to recommend approval of an Amendment to the Resolution Establishing the Budget Policy for Fiscal Year 2017 that would include: "1-2 Continuing Services and Interdepartmental Impact. (A) During Budget Preparation all county departments are directed to report any changes to services or budgets which may have an impact on another county department's budget or ability to deliver services."
Motion Carried.

Mr. Rankin proposed an additional amendment to remove language from 2-1. Mr. Rankin indicated that in the past there have been departments who have indicated they are in need of services or people but they don't ask for the funds during budget time. Mr. Rankin stated he would like department heads to feel they can ask for what they need and not what they feel they can get. Mr. Rankin stated that for the budget we should put as few stipulations as possible, so we budget for what departments need to do the job for the people. Mr. Selzer stated that it is a general statement of direction for the departments. Mr. Rankin stated that this is not the responsibility of the County Administrator but the responsibility of the Oversight Committees to monitor staying within the tax rate. Mr. Rankin asked Mr. Wasson if removing this statement would change how he handled budget discussions with department heads. Mr. Wasson stated that this does provide some direction to the Staff as we prepare the budget. Mr. Selzer stated that the first part gives the indication that you could spend an extra 10 million dollars and the second statement gives goal to cap the amount. He went on to state that he has not known the Board to deny a real need and departments have the ability to ask for those. Mr. Erickson asked if this has always been in there and if it is helpful to them. Mr. Wasson stated that as long as he can remember it has been a portion of the budget policy and that yes it provides guidance. Mr. Erickson stated that they can still come and ask for it and ultimately this is the tax payers money and the County Board still has right to change the rate if there are real needs. Mr. Erickson stated that Staff has indicated it gives them some direction and it helps Staff when they talk with Department Heads about what they want and what they need. Mr. Robustelli said that if it is useful to the County Administrator then leave it in, but that he felt the Committee did

not always get the information they needed to analyze the needs of the departments. Mr. Rankin stated the Budget Policy is the one of the most important things we do as a Board and this is the only place in the policy where we have a recommendation instead of a stated rule to follow. Mr. Erickson stated that Administration had said it is budgeting guideline so it should be included in the policy because it could be misconstrued by the Department Heads that the cap has been lifted so they can ask for more. Mr. Owens stated that he believed that this would help the Administrator. He stated that he felt some departments might ask for more than was truly needed if there was no cap. Mr. Buchanan asked about the provision in the Budget Policy last year where each department was directed to include mental health provisions within their Budget. Mr. Wasson stated that they were asked to look at ways they might participate in the goal of the County to address our deficiencies in Mental Health. He stated that a majority did not commit dollars or personnel, but instead identified ways that they could assist other departments or could provide public information on mental health. Chairman Owens indicated that he would call for a Roll Call vote where a yes vote would agree to have the words stricken from the policy and a no vote would mean to leave the words in the policy.

Motion by Rankin/Selzer to recommend an amendment to the Resolution Establishing the Budget Policy for Fiscal Year 2017 to read: "2-1 Property Tax and Other Revenue. (A) Real property taxes and all other 2017 revenues shall be sufficient to meet required expenditures for Fiscal year 2017. ~~; with the following recommendation: When preparing the Recommended Budget for Fiscal year 2017, the County Administrator shall make every effort to hold the 2016 County overall property tax rate as close to the 2015 County overall property tax rate as possible.~~

Roll Call Vote:

Rankin	Yes
Erickson	No
Robustelli	Yes
Metsker	Absent
Buchanan	Yes
Selzer	No
Owens	No

Vote was tied and did not pass the Committee.

Motion by Selzer/Erickson to recommend approval of the Resolution Establishing the Budget Policy for Fiscal Year 2017 As Amended.
Motion Carried.

Mr. Wasson presented for action a request to approve Schedule A – Calendar for Preparation of the Fiscal Year 2017 Budget, Five Year Capital Improvement Budget and Recommend Three Year Budget.

Motion by Rankin/Selzer to recommend approval of Schedule A – Calendar for Preparation of the Fiscal Year 2017 Budget, Five Year Capital Improvement Budget and Recommend Three Year Budget.
 Motion Carried.

Mr. Wasson presented for action a request to approve a First Amendment to Settlement Agreement with State Farm. Ms. Eisner stated that it would amend an agreement we entered into 5 years ago with State Farm. She reviewed the reasons that the agreement has been entered into 5 years ago. She stated that State Farm had requested that we extend the agreement 5 years and that Mr. Kahman had reviewed the attachments and the amounts and they had no objections. Mr. Selzer asked for clarification on who had approved it so far. Ms. Eisner indicated that the City of Bloomington has approved so far and that the others have not met yet to vote on it.

Motion by Selzer/Buchanan to recommend approval of a First Amendment to Settlement Agreement with State Farm.
 Motion Carried.

Mr. Wasson presented his report on vacancies refilled for the County in the last 30 days and stated there were no position refilled in the last 30 days under the oversight of the Finance Committee.

Mr. Wasson stated that due to the length of the meeting he would suggest that they go over the report on workforce retention analysis next month which would also give the Committee more time to review. Mr. Rankin asked if they could have some comparisons to Illinois and National. Chairman Owens asked the Committee if they had any questions for Mr. Wasson; hearing none, he thanked Mr. Wasson.

Chairman Owens presented the Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Prepaid Total of \$593,432.58 and a Fund Total that is the same.

MCLEAN COUNTY BOARD COMMITTEE REPORT

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AS OF 4/29/2016

EXPENDITURE SUMMARY BY FUND

Finance Committee

FUND	FUND TITLE	PENDING TOTAL	PREPAID TOTAL	FUND TOTAL
0001	GENERAL FUND		\$55,955.71	\$55,955.71
0130	SOCIAL SECURITY EXPENSE		\$497.25	\$497.25
0135	TORT JUDGEMENT		\$15,241.00	\$15,241.00
0137	RECORDER DOCUMENT STORAGE		\$1,918.51	\$1,918.51
0164	CO CLERK DOC STORAGE		\$121.38	\$121.38
0512	EMPLOYEE BENEFIT PLAN		\$519,698.73	\$519,698.73
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			\$593,432.58	\$593,432.58



COMMITTEE CHAIRMAN

Motion by Selzer/Rankin to approve the presented bills.
Motion carried

Chairman Owens indicated he would entertain a motion to move the Committee into executive session. He asked that all Administrative Staff, Committee Members and other Members of the Board remain in the room.

Motion by Selzer/Erickson to move the Finance Committee into executive Session pursuant to 5 ILCS 120/2(c)(2) of the Open Meetings Act: Collective negotiating matters between public body and its employees or their representatives, or deliberations concerning salary schedule for one or more classes of employees.

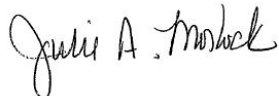
Finance Committee went into executive session at 5:43 p.m.

Finance Committee returned to open session at 6:02 p.m.

Chairman Owens asked if there was any further business or communication to come before the Committee; hearing none, he adjourned the meeting

Meeting adjourned at 6:02 PM

Respectfully Submitted,



Julie A. Morlock
Recording Secretary

**County Treasurer's Monthly Financial Reports
Summary of Tax Revenue**

April Vouchers		2016	Change Over Prior Year		2015
County Wide Sales Tax	\$	347,882.30	-2.2%	\$	355,670.55
County Sales Tax (Unincorp)	\$	39,473.81	-12.4%	\$	45,078.56
Local Use Tax	\$	32,717.34	84.3%	\$	17,748.66
Income Tax	\$	187,777.35	-10.7%	\$	210,242.95
PPRT	\$	312,788.00	-22.6%	\$	404,202.61
Total	\$	920,638.80	-10.9%	\$	1,032,943.33

Monthly Comparison			Change Over PY
April 2016 Vouchers	\$	920,638.80	
April 2015 Vouchers	\$	1,032,943.33	
Difference	\$	(112,304.53)	-10.9%

YTD Comparison			Change Over PY
YTD 2016 Vouchers	\$	3,337,432.11	
YTD 2015 Vouchers	\$	3,452,308.47	
Difference	\$	(114,876.36)	-3.3%

Budget Comparison			Change Over PY
2016 Annual Budget	\$	10,763,540.00	
Budgeted Revenue thru 4/30/16	\$	3,694,540.00	
YTD Actual Vouchers	\$	3,337,432.11	
Over (Under) Budget	\$	(357,107.89)	-9.7%

IDOR update on PPRT Allocation Error as of 4/28/16

A recent tax system modernization initiative uncovered a misallocation of Personal Property Replacement Tax (PPRT). The misallocation resulted in an overpayment of an estimated \$168 million to local governments. The Auditor General's regularly scheduled Financial and Compliance Audit of the Department began this week, and we have fully disclosed the calculation error to the auditors for appropriate review. Director Beard has announced that the earliest the department may begin to recoup the overpayments would be the January 2017 allocation.

McLean County Estimate: \$ 194,077.95

April Shared Sales Tax

Town of Normal	\$	114,713.92
City of Bloomington	\$	153,707.15
Total to McLean County	\$	268,421.07

County Treasurer's Monthly Financial Reports
Investment Report
04/30/16

Pooled Fund CD Investments		Amount	Type	Rate	Maturity Date
02/11/15	State Bank of Graymont-Chenoa	200,000.00	CD	0.40%	05/11/16
07/03/15	First State Bank of Bloomington	400,000.00	CD	0.35%	07/03/16
05/07/15	Morton Community Bank -Stanford & Cropsey	200,000.00	CD	0.67%	07/07/16
08/02/15	First State Bank of Bloomington	500,000.00	CD	0.35%	08/02/16
11/04/15	Prairie State Bank & Trust	200,000.00	CD	0.30%	08/04/16
08/10/15	Mid Illini Credit Union	200,000.00	CD	0.42%	08/10/16
09/14/15	Peoples State Bank of Colfax	200,000.00	CD	0.20%	09/14/16
04/03/16	Anchor State Bank-Anchor	200,000.00	CD	0.30%	04/03/17
04/10/16	Illini Bank	200,000.00	CD	0.21%	04/10/17
04/17/16	Atlanta National Bank-McLean	200,000.00	CD	0.27%	04/17/17
11/04/15	Prairieland Federal Credit Union	225,000.00	CD	1.15%	05/04/17
Total Pooled Fund CD Investments		2,725,000.00			

Other Pooled Fund Investments		Amount	Type	Rate	Maturity Date
04/30/16	Chase Bank	1,735,694.40	Op/Sweep	0.02%	Sweep
04/30/16	Heartland Bank	1,201,104.81	High Perf Op	0.07%	Flexible
04/30/16	Illinois Funds Money Market - Co Clerk E-Pay 0001 & 0164	9,009.79	Money Mkt	0.03%	Flexible
04/30/16	Illinois Funds Money Market	55,855.70	Money Mkt	0.03%	Flexible
04/30/16	State Farm Bank Money Market	4,958,345.68	Money Mkt	0.35%	Flexible
04/30/16	Commerce Bank Money Market	5,261,952.82	Money Mkt	0.08%	Flexible
04/30/16	Chase Bank Money Market	122,217.14	Money Mkt	0.03%	Flexible
04/30/16	Chase Bank-Crt Restitution CS96CF1172 Fund 0001	212,541.39	Operating	0.03%	Flexible
Total Pooled Fund Cash Accounts		13,556,721.73			

Other Investment Accounts		Amount	Type	Rate	Maturity Date
04/30/16	Commerce Bank-HD & Co Clerk Gov Pay	361,957.14	Operating	EC	Flexible
04/30/16	Heartland Bank Public Transportation Fund 0006	55,279.04	Money Mkt	0.03%	Flexible
04/30/16	Commerce Bank-Payroll Clearing Fund 0604	141,092.98	Operating	0.02%	Flexible
04/30/16	Regions Bank-Liability Claims Fund 0135	110,062.02	Operating	EC	Flexible
04/30/16	Illinois Funds MM-Unclmd Prop & Probate Fund 0601	104,808.20	Money Mkt	0.03%	Flexible
04/30/16	PNC Bank-Federal Asset Forfeiture Fund 0150 & 0158	27,806.34	Operating	0.01%	Flexible
Total		801,005.72			

County Motor Fuel Fund 0123		Amount	Type	Rate	Maturity Date
04/30/16	Commerce Bank	2,261,909.39	Operating	0.02%	Flexible
04/30/16	Illinois Funds-Money Market	649,890.03	Money Mkt	0.03%	Flexible
Total Funds		2,911,799.42			

McLean County Nursing Home Fund 0401		Amount	Type	Rate	Maturity Date
04/30/16	Heartland Bank Main Op	938,279.68	High Perf Op	0.07%	Flexible
04/30/16	Commerce Bank SS & Res Trust Deposit Acct	155,991.41	Operating		Flexible
04/30/16	Illinois Funds-Money Market	370,447.91	Money Mkt	0.03%	Flexible
04/30/16	Heartland Bank-Money Market	5,080,854.36	Money Mkt	0.07%	Flexible
04/30/16	Commerce Bank-Residents Account	29,173.26	Operating	0.03%	Flexible
08/02/15	First State Bank of Bloomington	500,000.00	CD	0.35%	08/02/16
10/19/15	Flanagan State Bank	507,805.86	CD	1.00%	10/19/17
Total Funds		7,582,552.48			

Emergency 911 Telephone Service Fund 0450		Amount	Type	Rate	Maturity Date
04/30/16	Commerce Bank	123,949.45	Operating	n/a	Flexible
04/30/16	Commerce Bank Trust - Escrow Reserve held till 12/05/19	10,816.15	Escrow	0.01%	12/05/19
04/30/16	Commerce Bank Trust - Escrow Reserve FHLMC Callable	445,578.50	Escrow		12/05/19
Total Funds		134,765.60			

Metro Communications Fund 0452		Amount	Type	Rate	Maturity Date
04/30/16	Heartland Bank	299,855.78	High Perf Op	0.03%	Flexible
Total Funds		299,855.78			

Township Motor Fuel Tax Fund 0501		Amount	Type	Rate	Maturity Date
04/30/16	Heartland Bank	1,585,493.21	Operating	EC	Flexible
04/30/16	Illinois Funds Money Market	486,354.98	Money Mkt	0.03%	Flexible
Total Funds		2,071,848.19			
Township Bridge Program Fund 0502		Amount	Type	Rate	Maturity Date
04/30/16	Chase Bank	1,500.66	Operating	0.01%	Flexible
Total Funds		1,500.66			
McLean County Free Eye Clinic Fund 0505		Amount	Type	Rate	Maturity Date
04/30/16	Commerce Bank	31,556.38	Operating	0.01%	Flexible
Total Funds		31,556.38			
Employee Benefit Plan Fund 0512		Amount	Type	Rate	Maturity Date
04/30/16	Heartland Bank	3,861,966.31	High Perf Op	0.07%	Flexible
Total Funds		3,861,966.31			
Baker Estate Trust Fund 0513		Amount	Type	Rate	Maturity Date
04/30/16	Commerce Bank	193,872.97	Operating	0.01%	Flexible
Total Funds		193,872.97			
Community Development Assistance Fund 0603		Amount	Type	Rate	Maturity Date
04/30/16	PNC	16,532.31	Operating	0.01%	Flexible
04/30/16	Illinois Funds Money Market	949,009.70	Money Mkt	0.03%	Flexible
Total Funds		965,542.01			
Drainage Districts		Amount	Type	Rate	Maturity Date
0529	Patton	10,859.33	Operating	0.08%	Flexible
0530	Adrian	12,762.07	Operating	0.05%	Flexible
0531	Brokaw Brining	28,507.16	Operating	0.08%	Flexible
0532	Easterbrook	54,312.79	Operating	0.01%	Flexible
0533	Gridley	15,609.77	Operating	0.01%	Flexible
0534	Kumler	7,666.71	Operating	0.04%	Flexible
0535	Mackinaw	4,117.18	Operating	0.10%	Flexible
0536	Normal-Towanda	262.70	Operating	0.08%	Flexible
0538	Prairie Creek	23,698.27	Operating	0.01%	Flexible
0539	Sangamon River	28,515.09	Operating	0.01%	Flexible
0541	White Star	8,558.46	Operating	0.08%	Flexible
0542	Turkey Creek	8,639.67	Operating	0.08%	Flexible
Total Funds		203,509.20			
TOTAL OF ALL FUNDS		35,341,496.45			