

## **Minutes of the Executive Committee Meeting**

The Executive Committee of the McLean County Board met on Tuesday, January 11, 2011, at 4:30 p.m. in Room 400, Government Center, 115 E. Washington Street, Bloomington, Illinois.

Members Present: Chairman Sorensen, Members Owens, Bostic, Gordon, Hoselton, Segobiano, and Butler

Members Absent: Members Rackauskas and O'Connor

Other Board Members Present: Member McIntyre, Vice Chairman, Justice Committee

Staff Present: Mr. Terry Lindberg, County Administrator; Mr. Bill Wasson, Assistant County Administrator; Ms. Jude LaCasse, Assistant to the County Administrator

Department Heads/  
Elected Officials Present: Mr. Craig Nelson, Director, Information Technologies

Others Present: Mr. Ryan Leuty, Assistant Director, Information Technologies

Chairman Sorensen called the meeting to order at 4:38 p.m.

Chairman Sorensen presented the minutes from the December 14, 2010 Executive Committee and the November 16, 2010 Stand-up meetings for approval. Hearing no additions or corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Chairman Sorensen presented the reappointments, appointments and resignations. He asked that the Committee Member making the motion for this item amend it to include the appointment of Mr. Ben Owens to the McLean County Board of Health and the resignation of Mr. Duane Moss from the McLean County Board of Health.

Motion by Segobiano/Butler to Recommend Approval of the Reappointments, Appointments and Resignations as recommended by the Chairman, as amended.

Motion carried.

Chairman Sorensen presented a request for approval of a training contract with LRS Educational Services for Information Technologies.

Mr. Craig Nelson, Executive Director, Information Technologies, indicated that this contract will allow the County to purchase 40 training units (days) at a discounted cost of \$315 per day, as opposed to the "rack rate" pricing of \$465 per day. The difference of \$150 a day applied against 40 learning units provides the County with a discount of \$6,000 in training. Mr. Nelson noted that the monies for the training are part of the approved FY'2009 budget.

Mr. Nelson requested that this agreement be considered a sole source provider award as LRS is the only provider of Instructor led Microsoft Certified training within Bloomington-Normal.

Motion by Owens/Gordon to Recommend Approval of  
a Training Contract with LRS Educational Services –  
Information Technologies.  
Motion carried.

Mr. Nelson advised that the new telephone system vendor will be on site this week and next week to conduct meetings with departments and to diagram the call flow for each of those departments.

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

Chairman Sorensen presented a request for approval of a Contract between the County of McLean and Anderson Legislative Consulting for Professional Services – County Administrator's Office.

Motion by Segobiano/Bostic to Recommend Approval  
of a Contract between County of McLean and  
Anderson Legislative Consulting for Professional  
Services – County Administrator's Office.  
Motion carried.

Mr. George Gordon, Chairman, Land Use and Development Committee, advised that the Land Use and Development Committee brings no items for action to the Executive Committee.

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

Ms. Diane Bostic, Chairman, Property Committee, advised that the Property Committee brings no items for action to the Executive Committee. She noted that the Property Committee did not meet this month.

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

Mr. Gordon advised that the Land Use and Development Committee did not meet either.

Mr. Stan Hoselton, Chairman, Transportation Committee, presented a request for approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2010 Combined Annual Appropriation and Budget Ordinance, McLean County Highway Fund 0120, McLean County Highway Department 0055. He explained that the Department of Transportation has awarded a grant to the Highway Department for the rural sign upgrade program in the amount of \$398,034.16. Mr. Hoselton stated that the amount paid to the Highway Department is \$358,230.74. He noted that 10% of the grant will be retained until the project is completed.

Motion by Hoselton/Owens to recommend Approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2010 Combined Annual Appropriation and Budget Ordinance, McLean County Highway Fund 0120, McLean County Highway Department 0055.

Motion carried.

Mr. Hoselton presented a request for approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2011 Combined Annual Appropriation and Budget Ordinance, McLean County Highway Fund 0120, McLean County Highway Department 0055. He indicated that this is the balance of the grant in the amount of \$39,803.

Motion by Hoselton/McIntyre to recommend Approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2011 Combined Annual Appropriation and Budget Ordinance, McLean County Highway Fund 0120, McLean County Highway Department 0055.

Motion carried.

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

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Mr. Ben Owens, Chairman, Chairman, Finance Committee, presented a request for approval of a Consolidated Vehicle Procurement Rolling Stock Capital Assistance Grant from the Illinois Department of Transportation for SHOW BUS – Building and Zoning.

Motion by Owens/McIntyre to recommend Approval of a Consolidated Vehicle Procurement Rolling Stock Capital Assistance Grant from the Illinois Department of Transportation for SHOW BUS – Building and Zoning.

Motion carried.

Mr. Owens presented a request for approval of Critical Personnel Hiring requests through the County Administrator's Office.

Motion by Owens/Butler to recommend Approval of Critical Hiring Requests – County Administrator's Office.

Motion carried.

Chairman Sorensen turned the Chair over to Vice Chairman Owens for potential conflict of interest with the next item.

Mr. Butler, Vice Chairman of the Finance Committee, presented a request for approval to authorize the Settlement Agreement with State Farm Insurance and ten taxing bodies, namely City of Bloomington, McLean County, Bloomington District 87, Unit 5, Heartland Community College, B/N Water Reclamation District, B/N Airport Authority, City of Bloomington Township, City of Bloomington Library, and City of Bloomington Township Assessor.

Motion by Butler/McIntyre to Recommend Approval to Authorize the Settlement Agreement with State Farm Insurance, City of Bloomington, McLean County, Bloomington District 87, Unit 5, heartland Community College, B/N Water Reclamation District, B/N Airport Authority, City of Bloomington Township, and City of Bloomington Township Assessor.

Mr. Segobiano expressed concern and some confusion regarding this item. He believes the full Board needs to discuss this item at the Board Meeting. Mr. Segobiano announced that he will vote "present" on this item. He pointed out that Country Companies protested their assessed valuation and went through the established process and feels State Farm should do the same.

Mr. Butler pointed out that some of the pages in the Agreement are blurry and asked that copies be provided that are easier to read. Mr. Lindberg replied that cleaner copies will be provided.

Mr. Gordon asked Mr. Lindberg for an explanation of the process and parameters of this Agreement.

Mr. Lindberg explained that from time to time State Farm has filed appeals with the local Board of Review with regard to the valuations set on their various parcels. Sometimes they have been adjusted by removing the multiplier which is usually a 1% or 1½% change factor in the parcels, and other times they were adjusted by changing the value. Mr. Lindberg stated that the local Township Assessor has the primary responsibility for setting the value.

Mr. Lindberg indicated that last year when State Farm conducted an overall push to identify potential cost reductions, their tax specialist filed a protest with the Board of Review that would have resulted in decreasing the value of their two largest parcels by about 65%. This would have resulted in a revenue loss to local governments of approximately \$8 million combined. Mr. Lindberg advised that McLean County is a relatively modest player in terms of how much revenue it would derive from those parcels, especially compared to District 87, Unit 5 and the City of Bloomington.

Mr. Lindberg noted that State Farm withdrew that protest request with the understanding that there would be ongoing discussions. At one point, the taxing bodies put together a tentative proposal to do another separate appraisal or assessment, but there wasn't enough interest in incurring that expense. Mr. Lindberg indicated that State Farm was really interested in controlling their cost, which is more important to them than the valuation. The way to control the cost is by having some comfort level as to what the total tax payments are. As an agreement was being developed to do that, the County participated in meetings with the other taxing bodies and explained that it had special concerns that the other taxing bodies might not share. One, a lot of the County's tax rates are capped and are at the cap. The County does have the latitude to increase rates to replace lost revenue due to valuation declines. Two, agreements that have to do with the amount of taxes paid have to be a totally separate matter than talking about agreements that have to do with setting valuation. Part of our organization, the Supervisor of Assessments and the Board of Review, is responsible for setting and reviewing the appropriateness of valuations. Mr. Lindberg quoted a term from the investment world, namely "you have to have a Chinese wall, a very distinct separation between the people doing the assessing and setting the values and the people setting the tax rates.

Mr. Lindberg advised that an attempt was made to move the whole group in a direction that would look more like what you might do if you were courting a major shopping center. If a developer/builder is willing to take a risk of putting in a major shopping center, it promises additional tax revenue without additional school children. Frequently, what you see is that people will make a deal with a proposed developer that gives them a little a break on the overall Property Taxes paid but in return the developer will also agree that if for some reason there are a lot of store vacancies, they will not expect the County to support lowering the amount of taxes paid. This creates stability; there will be a new increment of taxes and stability for a number of years. Mr. Lindberg stated that this agreement is within the authority of the County or any taxing body to grant an abatement of property taxes, and it sets the tax amount at today's level and promises no more than 1% increase per year.

Mr. Lindberg commented that what really is at stake is that this is one of the rare times when it has been possible to get all of the taxing bodies together to work together on something. He indicated that he views this as more of an exercise in risk management than an exercise in details of tax law. There may well be issues with how the Township Assessor goes about doing his assessing, but he is an expert in his field, is widely recognized and has a lot of respect. Mr. Lindberg noted that the Township Assessor has strong feelings about valuing these major properties according to a doctrine known as the Value in Use Doctrine, which is different from the concept that generally prevails if major properties go to the State Property Tax Appeals Board. He noted that the prevalent doctrine there is something called the Value in Exchange Doctrine, which drives how we got to this point. As State Farm was reorganizing and closing down some of its operations across the country, they found that when they went to sell these vacant office buildings the buildings realized less in sale price than they had been assessed by the local assessor.

Mr. Lindberg asked the Committee to consider what would happen to the value of Corporate South and Corporate should State Farm leave the community. There is nobody in this market that would be willing or able to purchase the buildings. Mr. Lindberg noted that State Farm drives the market and almost defines the market. The Value in Use premise makes a lot of sense in terms of how Mr. Mike Ireland, the Township Assessor, goes about valuing these things. The question for the County and the risk management issue was that most of the similar cases at PTAB were determined on the Value in Exchange. Mr. Lindberg predicted that this was an avenue that State Farm could have taken and might well have won. He noted that there was a discussion about having State Farm pursue the case and get a much lower value and then make a voluntary contribution to the community. Mr. Lindberg pointed out that they can't do that as they have to show some due diligence and prudence to their policyholders.

Mr. Lindberg advised that this was a fight that State Farm didn't want to start and a battle they didn't want to win. The compromise or the solution that seemed to work for State Farm and all of the taxing bodies was this proposed agreement. Mr. Lindberg added that every other taxing body has passed this agreement.

Mr. Gordon thanked Mr. Lindberg for the above explanation.

Mr. Segobiano asked if we are going to offer this same scenario to other businesses and property owners. He indicated that this question was asked of him by his constituents. Mr. Lindberg responded that no other taxpayer approaches the level of impact that State Farm has. Mr. Segobiano argued that this process is being skewed to certain individuals. Mr. Lindberg replied that if this Agreement was not reached and if State Farm took their case to the PTAB and won it -- and a lot of legal experts would suggest that the likelihood of that happening is very high -- most every other taxpayer would end up picking up the amount that State Farm saved. If the valuation were to go down for the school districts, it is likely that rates would go up, which means the tax burden would get transferred to other taxpayers.

Mr. Segobiano stated that the assessed valuations of homes have gone down. He added, however, that these homes are not assessed to reflect that change. Mr. Lindberg responded that they are being assessed fairly. He noted that the Board of Review had less protest cases this year than the prior year. Mr. Lindberg noted that there were several commercial cases where adjustments were made based on the information that those bodies brought forth. He indicated that there is no other taxpayer that has even a fraction of the impact that State Farm has.

Ms. Bostic pointed out that every taxpayer has the opportunity in the tax year cycle to protest or affirm their assessed value. She noted that if you say nothing and the 30 day window closes, you have affirmed the assessor's value. If you call the assessor or call the Board of Review and make a written appeal, you get a hearing.

Mr. Butler indicated that he believes this is as good a deal as we could get without impacting the budget.

Vice Chairman Owens asked if there were any further questions or comments. Hearing none, he called for a vote on the Motion.

Motion carried with Mr. Segobiano voting "present."

Vice Chairman Owens turned the meeting back over to Chairman Sorensen.

Chairman Sorensen asked if there were any additional questions or comments for Finance Committee Chairman Owens. Hearing none, he thanked Mr. Owens.

Mr. John McIntyre, Vice Chairman, Justice Committee, presented a request for approval of a Resolution approving McLean County's continued participation with the State of Illinois Appellate Prosecutor's Office- State's Attorney's Office. He noted that this is a Resolution that is considered every year. There is no increase in the contribution for their services of \$27,000.

Chairman Sorensen explained that the Appellate Prosecutor's office is a shared service for County Government for State's Attorneys to be able to call on those resources if they don't have an available capital crime certified attorney or prosecutor, or if they have a potential conflict of interest.

Motion by McIntyre/Segobiano to Recommend Approval of a Resolution Approving McLean County's Continued Participation with the State of Illinois Appellate Prosecutor's Office.

Motion carried.

Mr. McIntyre presented a request for approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2011 Combined Annual Appropriation and Budget Ordinance, Fund 0001, Court Services Department 0076. He stated that this is half of a \$600,000 grant awarded to Court Services. Mr. McIntyre noted that there will be another appropriation in the following year.

Motion by McIntyre/Hoselton to Recommend Approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2011 Combined Annual Appropriation and Budget Ordinance, Fund 0001, Court Services Department 0076.

Motion carried.

Mr. McIntyre presented a request for approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2010 Combined Annual Appropriation and Budget Ordinance – EM.A. He explained that these are additional grant funds from the State that were not used by smaller counties.

Motion by McIntyre/Gordon to Recommend Approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2010 Combined Annual Appropriation and Budget Ordinance – E.M.A.

Motion carried.

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

Chairman Sorensen presented the December 31, 2010 bills as recommended and transmitted by the County Auditor for payment. The Fund Total is \$370,010.08.

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Motion by Owens/Gordon to Recommend Approval  
of the Executive Committee bills for December 31,  
2010 as presented to the Committee by the County  
Auditor.  
Motion carried.

There being no further business to come before the Committee, the Executive  
Committee meeting was adjourned at 5:05 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary