

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, November 2, 2011 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, Rankin, and McIntyre

Members Absent: None

Other Members Present: County Board Chairman Sorensen

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

Department Heads/
Elected Officials
Present:

Ms. Becky McNeil, County Treasurer; Ms. Jennifer Ho, Risk Management; Mr. Matt Riehle, Director, Nursing Home; Cindy Brand, Jury Commission; Mr. Robert Kahman, Supervisor of Assessments; Ms. Kathy Michael, County Clerk; Mr. Lee Newcom, County Recorder; Ms. Michelle Anderson, County Auditor

Others Present: Mr. Ken Springer, Project Analyst, Economic Development Council; Ms. Kristen Diller, Citizen's Bank of Chatsworth; MR. Bryan Stevens, Citizens Bank of Chatsworth; Mr. Harvey Meister, President, GDS Professional Displays; Ms. Bobbie Lewis-Sibley; County Extension Director; Mr. Lyn Ash, Cooperative Extension; Ms. Kaye Henrichs, Cooperative Extension; and Mr. Brian Basting, Cooperative Extension

Chairman Owens called the meeting to order at 4:05 p.m.

Chairman Owens presented the minutes of the October 5, 2011 Finance Committee Meeting for approval.

Motion by O'Connor/Rankin to approve the Minutes of the October 5, 2011 Finance Committee Meeting.
Motion carried.

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Chairman Owens announced that County Board Chairman Sorensen had a statement to make to the Committee.

Mr. Sorensen thanked Chairman Owens and the members of the Finance Committee. He indicated that this is a public statement from himself to the Members of the McLean County Board regarding County Board Financial processes policies. The statement is as follows:

County Government, as designed by the Constitution of the State of Illinois, can be confusing and chaotic. Here in McLean County we have eight independently elected county-wide officials, and fourteen other operating departments. Each of these officials and departments has unique responsibilities and authorities vested in them by the State Constitution, the Illinois General Assembly, and the County Board.

I have spent the past eight weeks working with the help of the McLean County State's Attorney Office, the County Administrator and others to unravel the facts regarding statements that were made by and about Mr. Lee Newcom, the McLean County Recorder of Deeds, at an open meeting of the McLean County Board's Finance Committee, other public meetings, and to the media.

I reviewed County Board policy, State Law, the results of similar or related court cases, and pertinent legal opinions by three past Illinois Attorney Generals. I want to take this opportunity to thank State's Attorney Bill Yoder and his staff, in particular Assistant State's Attorneys Eisner and Eves for their effort, assistance and the sound counsel they provided through this effort.

State law gives the Auditor the duty of establishing and implementing a county-wide accounting system. At the same time, the elected Recorder of Deeds is authorized to make decisions related to the operations of his office under State Law. Where these duties and authorities intersect, there is great potential for conflict and misunderstanding. The County Board has the responsibility for managing those potential conflicts. The County Board, in fact I, was slow to react to the conflict between the offices. The County Board has addressed this issue by revising the Procurement Policy to bring any similar deviations from County Board policy to the Finance Committee for review.

Based on the information that I have reviewed, Mr. Newcom and Ms. Anderson acted consistent with what they believed to be their statutory authorities. Further, I think it is important to note that by bringing his concerns to the Board, Mr. Newcom helped prompt a review and update of some policies. They now better reflect current financial and business practices.

I want to publically apologize to Michelle Anderson, McLean County Auditor, and Lee Newcom, McLean County Recorder of Deeds, for allowing this extended conflict between their two offices to continue without appropriate attention.

This statement has been respectfully submitted for inclusion in the record and minutes of the regular meeting of the McLean County Board, Finance Committee, on November 2, 2011.

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 Parcel 28-33-458-019. She advised that this is similar to the request she brought to the Finance Committee last month.

Ms. McNeil stated that the property taxes on parcel 28-33-458-019 were originally unpaid for Tax Year 2000 and each subsequent tax sale thereafter. Since the property was severely damaged and declared uninhabitable, each tax buyer qualified for a sale in error. Ms. McNeil indicated that the Village of Heyworth demolished the home in 2007 and placed a lien on the property. Because of the lien, there were no future tax buyer bids and the unsold taxes reverted to the Trustee Program. Ms. McNeil noted that, in accordance with the Illinois Property Tax Code, the County of McLean as Trustee for the Taxing bodies acquired title in 2011. She stated that the action also extinguished the Village of Heyworth's lien. Ms. McNeil advised that the parcel was immediately sold through the 2011 Surplus Property Auction for a bid of \$2,255 tendered by Kenneth Koons.

Ms. McNeil requested that the Finance Committee and the County Board approve this Resolution. She added that approval of this Resolution will eliminate our interest in this parcel and return the parcel to the active tax rolls of McLean County.

Motion by O'Connor/Rankin to Recommend Approval of a Resolution Authorizing the Chairman of the McLean County Board to Execute a Deed of Conveyance on Parcel 28-33-458-019.

Motion carried.

Ms. McNeil announced that yesterday was the annual tax sale. She noted that it was the first year that the sale was automated and it was extremely successful. Ms. McNeil added that the automated tax sale creates the most creative bidding environment because the tax buyers don't know who is bidding or what they are bidding. The average bid at yesterday's sale was 2%, which is good for the taxpayer because you want the interest rate to be as low as possible for the taxpayer that has to resume the property. Ms. McNeil noted that previous sales had interest rates at 3% and 4%.

Ms. McNeil presented the Financial Reports for the period ending October 31, 2011, as distributed.

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

		<u>% of change Over 2010</u>
October 2011 Vouchers:		
Sales Tax	\$376,836.01	
Revenue Sales Tax	46,566.00	
Local Use Tax	20,164.43	
Income Tax	157,818.80	
PPRT	<u>335,032.23</u>	
Total	\$936,417.47	
 Monthly Comparison		
October 2010 Vouchers	949,690.47	
October 2011 Vouchers	<u>936,417.47</u>	
Difference	(13,273.00)	-1.4%
 YTD Comparison		
YTD 2010 Vouchers	7,023,395.19	
YTD 2011 Vouchers	<u>7,394,528.69</u>	
Difference	371,133.50	5.3%
 Budget Comparison		
2011 Annual Budget:	\$8,600,000.00	
Budgeted Revenue per Month:	\$ 716,666.67	
Budgeted Revenue thru 10/31/11:	\$7,166,666.67	
 YTD Actual Vouchers	 \$7,394,528.69	
 Amount Over (Under) Budget:	 \$227,862.02	

Ms. McNeil pointed out that the receipts for October 2011 are slightly down compared to October 2010 because October 2010 included an extra portion of payment for Personal Property Replacement Tax. The payment for 2011 was received last month.

Ms. McNeil reviewed the Treasurer's Investment Report. She pointed out that CD's are very low right now. Ms. McNeil advised that most of the County's money is sitting in Money Markets due to the current interest rate environment. She reported that the total cash on hand is \$39,795,331.83.

Ms. McNeil expressed concern with the Illinois Receivables, noting that the July, August, September and October Income Tax due from the State, nor have we seen payment from the State for the accruals that we normally start sending in July.

Motion by Wollrab/Rankin to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending October 31, 2011, as submitted.
Motion carried.

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

Ms. Jennifer Ho, Risk Management, reviewed her Third Quarter 2011 Risk Management Fund Report. She noted that, since the last quarter report, the County has added 24 new cases and closed out 17 cases, ending with a new total case reserve position at \$460,378. This is a reduction of \$131, 994 from the reserve position of 4592,372 as of June 30, 2011. Ms. Ho stated that a reduction in the County's net reserve position is an indication that the severity of the additional claims is not likely to adversely impact the County's financial position.

Ms. Ho reported that, overall, the raw claims count for the first nine months of FY'2011 is provided in Table 2, which provides a projection of how the claims experience of the current year compares to the past four years. The County's current year experience indicated that we are approximating the average claims experience for the past five years. Ms. Ho advised that, taking into consideration inflationary costs, FY'2011 is an average year.

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

Mr. Matt Riehle, Director, Nursing Home, presented a request for approval of the proposed 2012 Private Pay Rate. He explained that each year the Committee reviews the charges for care at the McLean County Nursing Home to make certain the Private Pay rate is adequate to cover the cost of providing care. The proposed rate was incorporated into the revenue projections of the 2012 budget.

Mr. Riehle advised that the rate is determined by a mathematical computation. The total budget is divided by the anticipated number of resident days to arrive at an average cost per resident day. Mr. Riehle noted that this is then recommended to the McLean County Board for adoption as the new Private Pay rate.

The computation for FY'2012 is as follows:

➤ 2012 Budget	\$7,287,029
○ Less Proposed capital expenditures	- 185,789
○ Plus 2010 depreciation	<u>200,000</u>
▪ Projected Cost of Operation	\$7,301,240
➤ Average Census	129 residents per day
➤ Projected Days	47,085 (129X365 days per year)
➤ Cost per Day	\$155.00 (\$7,301,240/47,085)

Mr. Riehle recommended that the Committee approve the rate of \$155 per day effective January 1, 2012, and forward that recommendation to the McLean County Board for approval.

Mr. Riehle stated that the daily rate for the Medicare certified section is established at an arbitrary amount above the Private Pay rate and is only used for cost reporting purposes. He recommended that the McLean County Board set the daily rate for the Medicare Certified section at \$170 per day effective January 1, 2012.

Motion by Butler/McIntyre to recommend Approval of the
Proposed 2012 Private Pay Rate.
Motion carried.

Mr. Riehle reviewed his Monthly Reports. He stated that there was nothing significant to note.

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

Mr. Don Everhart, Circuit Clerk, presented a request for approval of an extended leave for an employee in exceptional circumstances who is not qualified for FMLA and who has a serious medical condition.

Mr. Everhart advised that during the employee's absence, the workload will be covered by existing staff. No budget amendments are necessary.

Motion by McIntyre/Wollrab to recommend Approval of an
Extended Leave for an Employee in Exceptional
Circumstances.
Motion carried.

Ms. Cindy Brand, Jury Commission, presented a request for approval to increase a Part-time position into a Full-time position. She explained that she would like to change two part-time positions without benefits to one full-time position with benefits.

Ms. Brand reminded the Committee that earlier this year, she obtained permission to replace one of the part-time employees who resigned. She noted that, at the time, she asked to change the job to full-time. Ms. Brand stated that the Committee advised her that it was not possible at that time because the budget did not allow for the payment of the benefits. She indicated that she was advised to request this change in her 2012 budget request and it would most likely be approved.

Ms. Brand stated that she understands the limits of the budget and the fact that the County Administrator has recommended no new positions or changes across the board. She believes she owes it to her assistant to bring this matter to your attention because of the earlier discussion. Ms. Brand noted that if this change is not granted, she would like an explanation to give to her assistant.

Ms. Brand advised that continuity is important in the Jury Commission Office because of the efforts it takes to contact jurors. She indicated that in each of the past two years approximately \$6,200 has been saved in salaries, which is more than the benefit cost. Previously, the position was filled for many years by two senior citizens who retired at the ages of 75 and 80. Ms. Brand stated that the current employees receive the lowest beginning salaries and are in their 20s, and are more efficient because of their computer knowledge.

Ms. Wollrab asked what the additional cost would be to increase the position to Full-time. Mr. Wasson replied that the IMRF is already covered as the regular part-time employee works at least 1,000 hours per year and is already in the budget. The significant change in cost is exclusively the \$5,100 for a Full-time employee, which is the allocated cost for health insurance. Mr. Wasson noted that the General Fund Budget has been reduced more than \$5,000 through the process of Committee Chairmen reviewing the budget with department heads.

Motion by McIntyre/Rankin to recommend Approval to
Increase a Part-time Position to a Full-time Position.
Motion carried.

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

Mr. Bob Kahman, Supervisor of Assessments, reviewed his Assessment Report. He noted that the Assessor's Office is getting close to closing out the majority of townships for appeals. Right now the City of Bloomington is still open through Friday with 368 appeals. The Town of Normal has been at 179 appeals for several weeks which is quite low. Mr. Kahman reported that he expects that the City will have more complaints than it did last year, but, overall, he anticipates a relatively light overall volume.

Mr. Kahman stated that he expects everything to be done by the first of the year, which will keep the tax cycle on track.

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

Ms. Kathy Michael, County Clerk, presented her Monthly Report for September 2011. She noted that there was nothing specific to point out on the report.

Ms. Michael distributed a report on the Tax Sale that took place yesterday. Chairman Owens recommended that Committee members read the report and if they have any questions, they can be discussed next month.

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

Chairman Owens presented the County Recorder's Monthly Report as submitted by Mr. Lee Newcom, County Recorder. He noted that if there are any questions, please contact Mr. Newcom or Mr. Wasson. There were no questions on the report.

Mr. Wasson presented the following list of critical personnel position requests which have been received by the County Administrator's Office through October 26, 2011. All positions listed below are budgeted and funded through the end of FY 2011 and included in the Recommended 2012 Budget.

The following positions fall under the recommended "grant obligation exemptions" section of the hiring freeze guidelines.

Health Department

- 1) Fill 1.0 FTE Director of Maternal Child Health Position which have been vacated

The position manages 32 staff position that coordinate most of our clinic services. I cannot manage the organization as effectively without filling this critical management position. The position is paid 25% from grant funds and 75% from the Health Fund. The

position was budgeted vacant in the 2012 budget so future funding is not an issue. The MCH Director oversees the WIC, Family Case Management, Childhood Lead Screening, DCFS Lead Agency, Genetics, Healthy Child Care, All Our Kids, Breastfeeding Counseling programs. This position also coordinates the Maternal Child programs with the medical programs of Community programming like immunizations, health screening, disease prevention, and wellness programs.

2) Fill .50 FTE OSS I position vacant in Fund 0107-0062

The Health Department currently has a .50 FTE OSS I position vacant in Fund 0107-0062. I am requesting authorization to fill .47 FTE of this position with a current part-time employee going to full-time.

The position will be funded out of grant dollars from the State via the Local Health Protection Grant. The employee is currently funded out of Fund 0107-0062 23% and Fund 0112-0062 30%. The Health Department needs to fill this vacant clerical position to give additional clerical support for our vital records division. Currently, one OSS II position is the primary vital records clerk since we moved to our current location over 13 years ago. With the ever increasing size of McLean County we are now processing over 2,272 birth certificates & 1,003 death certificates per year.

This is in addition to having to do double entry for all certificates since the new electronic records system from the State is not complete and cannot generate report information. In addition, with all the new changes in vital records that have recently been put in place, including civil unions, the State has sent us a directive that the County Registrar is required to have 3 FTE's trained in vital records reporting and maintenance for the new system. This addition will give us 1.47 FTE for vital records entry.

All positions listed below are budgeted and funded through the end of FY 2011 and identified as falling under the "critical patient care exemption" section of the hiring freeze guidelines.

Nursing Home

- 3) Fill 1.0 FTE Registered Nurse Position which have been vacated
- 4) Fill 1.0 FTE Licensed Practical Nurse Position which have been vacated
- 5) Fill 1.0 FTE Domestic Services Assistant Position which has been vacated

The Nursing Home has filled 3 Certified Nursing Assistant, 2 Food Service Assistant and 1 Domestic Services Assistant positions that have been vacated and filled to provide sufficient personnel to meet critical minimum staffing levels required to meet state guidelines. These positions fall under the "critical patient care exemption" section of the hiring freeze guidelines.

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

Mr. Wasson presented a request for approval of a Resolution of the McLean County Board approving the CDAP Revolving Loan Application submitted by GDS Professional Displays.

Mr. Wasson introduced Mr. Ken Springer, Project Analyst, Economic Development Council.

Mr. Springer introduced Ms. Kristen Diller, Credit Analyst, Citizen's Bank of Chatsworth; Mr. Bryan Stevens, President, Citizens Bank of Chatsworth; and Mr. Harvey Meister, Owner, GDS Professional Displays.

Mr. Springer noted that enclosed in this packet is a request for funding from the McLean County Revolving Loan Fund (RLF) for \$150,000, as well as a completed RLF application for the project, including a letter from the primary lender, Citizen's Bank of Chatsworth, indicating the need for the RLF participation in this deal.

Mr. Springer stated that GDS Professional Displays is a large-format printing company based in Bloomington, Illinois. GDS has been in operation since 1997 and, at present, employs 16 persons at its facility on Martin Luther King Jr. Drive in Bloomington. GDS focuses on producing cost-effective marketing solutions for clients in and outside of Illinois. Mr. Springer indicated that the company is owned 100% by Harvey Meister and is registered as a sole proprietorship.

Mr. Springer advised that the EDC was approached by GDS and its associates a few months ago about a possible expansion deal for the company. The company needs to purchase a new large-format printer and a new cutter in order to keep up with customer demand. Mr. Springer stated that, because the business saw its revenues drop in 2009 and 2010 due to the recession, the company's financials had not recovered sufficiently to enable the deal to happen conventionally, which made it a compelling case for a revolving loan fund financing.

Mr. Springer indicated that GDS Professional Displays (GDS) is seeking \$150,000 in RLF funding. This capital would be leveraged against a larger loan of \$1,000,000 from Citizen's Bank of Chatsworth and \$100,000 of equity from Mr. Meister. The total package would be re-finance GDS' existing debts into a longer-term loan from CBC with a lower payment, and also provide financing for the purchase of the new printer and cutter. Mr. Springer stated that RLF funds would only be used for the equipment purchase portion of the deal, and not for the refinancing portion. As presented, the deal

readily meets the leverage requirements set forth by the RLF regulations – every RLF dollar in this deal will be leveraged against \$7.00 of private debt and equity.

Mr. Springer noted that this deal fulfills two key goals of the RLF, spelled out in the recapture strategy:

- To assist short-term economic development by supporting projects which create and retain jobs.
- To encourage growth and involvement of area financial institutions through joint efforts to make feasible projects, which would otherwise not be undertaken.

Mr. Springer indicated that if approved, this deal will lead to the creation of ten new FTE positions at GDS. He noted that Mr. Meister will add a second shift to his production in order to keep up with demand. The other benefit of this new equipment would be an increase in GDS' efficiency, leading to lower production costs over the long-term.

Mr. Springer advised that the deal would be collateralized for RLF by second position liens on the new equipment, a junior lien on the balance of the GDS' assets and a personal guarantee from Mr. Meister. Citizen's Bank of Chatsworth will have the first position liens on the new equipment and the balance of the GDS' business assets.

Mr. Meister expressed his appreciation to the Committee to for considering his request for Revolving Loan Funding. He expressed his belief that this loan would be a good thing for GDS as well as good for the community. Mr. Meister noted that business is up 40% this year prior to the addition of the new equipment. He added that their marketing has gone substantially up outside of Bloomington-Normal and is beginning to attract national accounts, which can be significant.

Mr. Butler asked what type of printing business is GDS. Mr. Meister replied that GDS prints store displays, special event signs, such as for the U.S. Cellular Coliseum, outdoor banners, such as the Town of Normal signage, trade shows, etc.

Mr. Rankin asked for an explanation on the ten positions that will be added. Mr. Meister replied that there will be hire a national salesperson, a second bookkeeper and most of the rest will be shop production.

Chairman Owens asked if the closings will take place simultaneously. Mr. Stevens responded that the closings will be coordinated.

Mr. McIntyre asked how the new equipment will enhance production. Mr. Meister replied that the new printer will double their capacity and the cutter will enable them to keep up with the printer.

Mr. Rankin asked how this company stacks up to other competitors in the area and what does the future hold for the company. Mr. Meister replied that the equipment will not increase their capacity for production, but it will lower the operating costs because the ink cost on this machine is less. He stated that they have already established their price-point in the national marketplace with numerous jobs that have been sold. Mr. Meister noted that he expects that they will have the same jobs or more next year at a higher daily production rate at less cost. He added that GDS can provide the same printing capabilities as other printing companies in the area, but those companies cannot necessarily provide the same printing jobs that GDS can do.

Motion by Rankin/O'Connor to Recommend Approval of a Resolution of the McLean County Board Approving the CDAP Revolving Loan Application Submitted by GDS Professional Displays.
Motion carried.

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

Mr. Wasson presented a request for approval of a Resolution to establish rates for Health and Life Insurance coverage for Fiscal Year 2012. He noted that there have been numerous discussions with Oversight Committees relative to the anticipated cost increase on healthcare insurance. This Resolution reflects those increases, and maintains the percentages of employee to employer share approximately over all four categories.

Ms. Wollrab asked what the deductible is. Mr. Wasson replied that the deductible is \$1,000 after credits.

Mr. McIntyre asked what the total out of pocket cost is to employees. Mr. Wasson responded that it varies by category, but there is a maximum amount for out-of-pocket cost.

Motion by O'Connor/Butler to recommend tentative approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal Year 2012.
Motion carried.

Mr. Wasson presented a request for approval of the Fiscal Year 2012 Compensation Plan and Associated Amendments to Chapter 10 of the McLean County Code. He advised that the McLean County Board annually adopts a General Compensation Plan

for Non-Union Employees and a schedule of Position Classifications and Pay Ranges for all non-union positions.

Mr. Wasson advised that the Compensation Plan recommendation includes two features relating to the reintroduction of the Merit Pay Plan for 2012. He stated that it is clear, after several discussions he has had with Department Heads, that there is concern relative to the administration of the Merit Plan reintroduction. Mr. Wasson indicated that he has heard from Department Heads that would like to see some parameters set up that would provide them with additional guidance in the reinstatement of this program. He noted that he agrees with that proposal.

Mr. Wasson stated that, before returning to the Committee next month with a final recommendation to have further recommendations. He indicated that he believes it is appropriate on an annual basis to evaluate this system.

Mr. Wasson noted that the recommendation for the 2012 Compensation Plan provides that the Finance Committee shall annually adopt merit schedules not to exceed the current schedule and may further restrict departments' total ratio of steps awarded to maximum steps available consistent with the Adopted Fiscal Year Budget. He indicated that this gives the Finance Committee the ability to evaluate, on an annual basis, what this schedule should be and how it should be administered. Mr. Wasson added that it provides the ability to identify when challenges may exist, and instead of potentially completely suspending the merit system in the future, we might be able to modify the merit system.

Mr. Wasson referred to Page 39 of the packet, noting that under Merit Increase Ranges it says "General employees who qualify for merit increases shall receive salary increases in accordance with the following schedules adopted annually by the Oversight Committee, upon the recommendation of the County Administrator and based upon the Adopted Fiscal year Budget. Such step increases shall not exceed those of the following maximum schedules." He noted that this is consistent with the expression in his memorandum.

Mr. Wasson referred to Page 41 where "number 4" was added, as follows: "The Oversight Committee may adopt annually, upon the recommendation of the County Administrator, additional restrictions upon departments' ratio of steps awarded to maximum steps available, based upon the Adopted Fiscal Year Budget." This is a process that has been discussed with Department Heads for several years and that is a mechanism that would allow for an allocation of merit within a department or a program. Mr. Wasson cautioned that sufficient time has not been spent to be able to bring to you next month a proposal on this for this year.

Mr. Wasson stated that he will be going through a process of evaluating whether some future merit evaluation process should be hinged upon the performance of specific work units. He indicated that this is a different process than what we have looked at before and it is going to take time and some education for both employees and Department Heads. Mr. Wasson noted that this is a new culture relative to merit review and he suspects that baby steps will need to be taken relative to that process over the next year or two, but it is something that he strongly believes in.

Ms. Wollrab referred to Page 34, "Section D," "Permanent Employees". She expressed concern with using the word "permanent" in reference to government. Also, she suggested that the phrase "every expectation" should be changed to "an expectation." Mr. Wasson responded that "permanent" can be changed to "full-time/part-time" and changing the wording from "every expectation" to "an expectation."

After a discussion, the Committee concurred to amend the Compensation Plan to change the heading from "Permanent Employees" to Full-Time/Part-Time employees and to strike "...and who have every expectation that their employment in that classification will continue from year to year without interruption."

Motion by Wollrab/McIntyre to recommend tentative approval of the Fiscal Year 2012 Compensation Plan and Associated Amendments to Chapter 10 of the McLean County Code.
Motion carried as amended.

Mr. Wasson introduced the review of the Fiscal Year 2012 Recommended Budget for the following departments:

County Clerk – 0001-0005 can be found on pages 20-23 of the FY'2012 Budget and pages 42-46 of the Summary.

Mr. Wasson distributed recommended changes to the budget that were handed out at the County Board meeting in October. He announced that since the County Clerk's budget had not yet been reviewed and recommended for approval, he will review those recommended changes to that budget today. For those departmental budgets that were previously reviewed and recommended for approval, the revisions will be forwarded to the Executive Committee for recommendation.

Highlights of the Recommended Budget:

REVENUE:

410.0024 Liquor Licenses: This line item account has increased from \$15,000 in the FY'2011 adopted budget to \$16,750 in the FY'2012 Recommended Budget. This is based upon revenue year-to-date at the time the recommended budget was completed.

Mr. Wasson advised that on the Budget Revision sheet, upon review with the Committee Chair a recommendation was made to increase Liquor License Fees from \$5.00 to \$16.00; a \$220 revenue increase for a proposed new total of \$16,970.

410.0526 Marriage Certificates: This line item account has decreased over the past three years from \$34,000 in the FY'2009 Adopted Budget to \$23,750 in the FY'2012 Recommended Budget, a 5% reduction from the FY' 2011 adopted budget. This revenue projection is based on a review of the year-to-date revenue as of the date the Recommended Budget was prepared and last year's actual revenue.

410.0527 Birth Certificates: This line item account has decreased over the past two years from \$94,000 in the FY'2009 Adopted Budget to \$82,000 in the FY'2012 Recommended Budget, a 4% decrease from FY'2011. This revenue projection is based on a review of the year-to-date revenue as of the date the Recommended Budget was prepared and last year's actual revenue.

410.0528 Death Certificates: This line item account has increased from \$5,000 in the FY'2011 Adopted Budget to \$5,200 in the FY'2012 Recommended Budget.

410.0560 Other Income: This line item account has increased from \$10,000 in the FY'2011 Adopted Budget to \$14,000 in the FY'2012 Recommended Budget. This revenue projection is based on a review of the year-to-date revenue as of the date the Recommended Budget was prepared and last year's actual revenue.

Mr. Wasson reviewed all of the recommended changes in fees in the County Clerk's office and the recommended revenue increases, as follows:

FY 2012 BUDGET REVISIONS
 PROPOSAL

line Item	Description	2012 Recommended	Proposed Comm. Chr. Expenditure Revisions	Proposed Comm. Chr. Revenue Revisions
County Clerk				
0410-0024	Liquor License	\$16,750	from \$5 to \$16 (\$11.00)	\$220
0410-0530	Assumed Names	\$800	from \$3 to \$6 (\$3.00)	\$300
0410-0529	Notary Reg	\$3,000	from \$5 to \$7 (\$2.00)	\$800
0410-0540	Cancel Tax Sale Fee	\$62,000	from \$70 to \$75 (\$5.00)	\$4,500
0410-0025	Marriage License	\$19,975	(\$3.25)	\$2,925

Mr. Wasson stated that each of the recommended fee increases resulted in new revenue totals, as follows:

- New Liquor License Fee Revenue: \$16,970
- New Assumed Names Fee Revenue: \$1,100
- New Notary Reg Fee Revenue: \$3,800
- New Cancel Tax Sale Fee Revenue: \$66,500
- New Marriage License Fee Revenue: \$22,900

Mr. Wasson advised that in each of the recommended fee increases, the fees represent a rounded cost that was included in the MAXIMUS Study. The only item that the County Clerk's Office has any significant leeway is the Marriage License Fee, which statute now allows it to be increased to \$75. The recommendation currently is that the fee be only increased to reflect the actual cost.

EXPENDITURES:

Personnel:

The County Clerk's Office had no change in total Full Time Equivalent staffing positions from 2011 in the FY'2012 Recommended Budget.

Mr. Wasson noted that in the process of the review, and as noted in the new FTE sheet that was attached, the Finance Committee Chairman recommends the request made by the County Clerk that Program Administrator positions be increased to two and Office Support Staff be decreased to one. He stated that we have not added personnel, but one employee was increased in classification. Mr. Wasson indicated that this was a circumstance where, when Ms. Michael took office, she asked about appropriate staffing

levels and positions, and expressed a desire to change some positions. He noted that the County Clerk agreed to respect the budget as it was constructed last year. Mr. Wasson added that Ms. Michael was advised to wait until the budget cycle process to request modifications. He stated that, at that time, he did not recommend any changes to staffing levels or reclassifications as part of this budget.

Mr. Wasson recognized that there has been some consideration by previous Committees relative to elected officials and the establishment of their terms. He asked Mr. Owens to provide his recommendation and advice.

Chairman Owens stated that he met with Ms. Michael who requested that some personnel adjustments be made in the County Clerk's Office. As a result of that meeting, Chairman Owens recommends that these changes be made and asked the Committee to vote favorably on this change.

Mr. Wasson advised that the additional cost of \$4,645 in full-time salary cost is recognized in the Budget Revision proposal that was provided to the County Board. He added that the associated FTE sheet reflects that change as well.

Materials and Supplies:

All Materials and Supplies line item accounts in the FY'2012 Recommended Budget have been budgeted at the same level or less as in the FY'2011 Adopted Budget with the following exceptions:

607.0001 Food: This line item account increased from \$1000 in FY'2011 to \$2000 in the FY'2012 recommended budget and is used to provide food for elections workers.

630.0001 Postage: This line item account has increased from \$24,700 in the FY'2011 Adopted Budget to \$27,400 in the FY'2011 Recommended Budget. This projection is based on a review of the year-to-date expenditures as of the date the Recommended Budget was prepared and last year's actual expenditures.

Contractual:

All Contractual Services line item accounts have been budgeted in the FY'2012 Recommended Budget at the same level or less as in the FY'2011 Adopted Budget with the following exceptions:

701.0001 Advertising/Legal Notice: This line item account has increased from \$12,000 in the FY'2011 Adopted Budget to \$13,000 in the FY'2012 Recommended Budget. This increase is based on two elections in 2012.

762.0001 Election Expense-Services: This line item account has increased from \$90,000 in the FY'2011 Adopted Budget to \$129,550 in the FY'2012 Recommended Budget. This increase is based on two elections in 2012.

Capital Outlay:

831.0001 Purchase Of Election Equipment: This line item includes the purchase of a ballot printer for \$5,000 in FY' 2012 recommended budget.

Chairman Owens advised that this budget request includes the proposed changes included in the handout.

Motion by Rankin/McIntyre to recommend tentative approval of the County Clerk – (0001-0005) FY'2012 Recommended Budget as amended.
Motion carried.

Cooperative Extension Services – 0133-0088 can be found on pages 240-241 of the FY'2012 Recommended Budget and pages 47-48 of the Summary.

Bobbie Lewis-Sibley, County Extension Director, introduced other members of the Extension attending the meeting, namely Ms. Kay Henrichs, Council Member and Master Gardener; Mr. Lyn Ash, Council Member, Extension State Advisory Council Member and Master Gardener; and Mr. Brian Basting, Extension Volunteer and former Extension State Advisory Council Member.

Highlights of the Recommended Budget:

Pursuant to the referendum approved by the voters in McLean County, the County Board is permitted to levy a property tax in an amount not greater than \$0.05 per \$100 of equalized assessed valuation. To account for the receipt and distribution of the property tax funds for Cooperative Extension, Special Revenue Fund 0133 has been established in the FY'2012 Recommended Budget. Under Illinois law, the County Board is required to approve the proposed tax levy for the Cooperative Extension Service.

REVENUE:

401.0001 General Property Tax: Pursuant to the referendum approved by the voters in McLean County, the County Board is permitted to levy a property tax in an amount not greater than \$0.05 per \$100 of equalized assessed valuation. The Cooperative Extension Service has submitted a request for a property tax levy in the amount of \$538,000.00.

Based on the Supervisor of Assessments' estimate of the County equalized assessed valuation, the proposed tax levy would result in a projected tax rate of \$0.01482 per \$100 of equalized assessed value.

EXPENDITURES:

Contractual Services

761.0001 Cooperative Extension: This line item account has remains at \$538,000 in the FY'2012 Recommended Budget, identical to the FY'2011 Adopted Budget. This line item accounts for the distribution and payment to the Cooperative Extension Service of the property tax funds levied for Property Tax Assessment Year 2011 and collected in FY'2012.

Motion by O'Connor/Rankin to recommend tentative approval of Cooperative Extension Services – 0133-0088 FY'2012 Recommended Budget as submitted.
Motion carried.

Chairman Owens asked if there were any additional questions or comments. Hearing none, he thanked Ms. Lewis-Sibley and members of the Extension.

Historical Museum – 0134-0072 can be found on pages 242-243 of the FY'2012 Recommended Budget and pages 49-50 of the Summary.

Chairman Owens noted that Mr. Greg Koos was unable to attend the meeting today due to an Executive Board Meeting.

Highlights of the Recommended Budget:

REVENUE:

401.0001 General Property Tax: This revenue line item account remains at \$66,216, the same level as in the FY'2011 Adopted Budget. Pursuant to Chapter 55, Illinois Compiled Statutes (2006), Section 5/6-23001, the County Board is authorized to levy a property tax not to exceed 2/10ths of one cent per \$100 of equalized assessed valuation to support the operation of the McLean County Historical Museum.

EXPENDITURES:

Contractual:

774.0001 Historical Museum: Pursuant to Chapter 55, Illinois Compiled Statutes (2006), Section 5/6-23001, the County Board is authorized to levy a property tax not to exceed 2/10ths of one cent per \$100 of equalized assessed valuation to support the operation of the McLean County Historical Museum.

Motion by O'Connor/Wollrab to recommend tentative approval of the Historical Museum – (0134-0072) FY'2012 Recommended Budget as submitted.
Motion carried.

Tort Judgment Fund – Juvenile Detention Health – 0135-0077 can be found on pages 244-246 of the FY'2012 Recommended Budget and pages 51-53 of the Summary.

Highlights of the Recommended Budget

REVENUE:

410.0037 Reimbursement for Services: This revenue line item account has been budgeted at \$3,500 in the FY'2012 Recommended Budget, the same amount approved in the FY'2011 Adopted Budget. This revenue line item accounts for reimbursement received for medical care provided to juveniles detained at the Juvenile Detention Center.

EXPENDITURES:

Personnel:

There is No Change in the FTE Staffing Level in the Juvenile Detention Program in the FY'2012 Recommended Budget.

Materials and Supplies:

All Materials and Supplies line item accounts have been budgeted in the FY'2012 Recommended Budget at 2% less than the FY'2011 Adopted Budget.

Contractual:

All Contractual line item accounts have been budgeted in the FY'2012 Recommended Budget at the same levels or less as in the FY'2011 Adopted Budget with the following exceptions:

706.0001 Contractual Services: This line item account has increased from \$42,711 in the FY'2011 Adopted Budget to \$43,992 in the FY'2012 Recommended Budget, based upon actual contract cost.

715.0003 Accreditation: This line item account has increased from \$1,008 in the FY'2011 Adopted Budget to \$1,059 in the FY'2012 Recommended Budget based upon actual contract cost.

757.0002 Non-Employee Medical: This line item account has increased from \$893 in the FY'2011 Adopted Budget to \$1,000 in the FY'2012 Recommended Budget. This increase is based on a review of last year's actual expenditures and the year-to-date expenditures as of the date the Recommended Budget was prepared.

Mr. Butler asked why the salary line went down so much. Ms. Cathy Waltz, Superintendent, Juvenile Detention Center, replied that a Nurse retired and was replaced by a new Nurse at a much reduced salary.

Motion by McIntyre/Butler to recommend tentative approval of the Tort Judgment Fund – Juvenile Detention Health – (0135-0077) FY'2012 Recommended Budget as submitted.
Motion carried.

Tort Judgment – Civil Division – 0135-0077 can be found on pages 255-257 of the FY'2012 Recommended Budget and pages 54-55 of the Summary.

Mr. Wasson stated that this is the fund that supports Ms. Eisner, Mr. Eves and Ms. Hospelhorn.

Highlights of the Recommended Budget:

EXPENDITURES:

Personnel:

There is No Change in the FTE Staffing Level in the Civil Division Program in the FY'2012 Recommended Budget.

Materials and Supplies:

All Materials and Supplies line item accounts have been budgeted in the FY'2012 Recommended Budget at 2% less than the FY'2011 Adopted Budget.

Contractual:

Contractual line item accounts have been budgeted in the FY'2012 Recommended Budget at 2% less than the FY'2011 Adopted Budget with the following exception:

Motion by O'Connor/Rankin to recommend tentative approval of the Tort Judgment – Civil Division – (0135-0077) FY'2012 Recommended Budget as submitted.
Motion carried.

F.I.C.A. Social Security – 0130-0069 can be found on pages 236-237 of the FY'2012 Recommended Budget and 56-58 of the Summary.

Highlights of the Recommended Budget:

REVENUE:

401.0001 General Property Tax: This revenue line item account has increased from \$2,321,731 in the FY'2011 Adopted Budget to \$2,493,153 in the FY'2012 Recommended Budget. Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/21-110, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Social Security Program (FICA). This property tax levy may include the costs of participating in the Federal Medicare Program.

400.0000 Unappropriated Fund Balance: The audited financial statements as of December 31, 2011 show the Social Security Fund with a Fund Balance of \$351,631. Therefore, the FY'2012 Recommended Budget does not include an appropriation from the fund balance.

EXPENDITURES:

Contractual:

599.0003 Social Security Contribution: Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/21-110, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Social Security Program (FICA). This property tax levy may include the costs of participating in the Federal Medicare Program.

The FICA employer rate in FY'2012 remains at 7.65%.

Other:

999.0001 Interfund Transfer: This line item account has decreased from \$323,561 in the FY'2011 Adopted Budget to \$329,585 in the FY'2012 Recommended Budget. This expense represents the amount to be transferred to the Nursing Home to cover approximately 75% of the FICA expense at the Nursing Home and the transfer to the County Board's budget for 100% of the FICA expense at Metcom.

Motion by Wollrab/McIntyre to recommend tentative approval of the F.I.C.A. Social Security – 0130-0069 FY'2012 Recommended Budget as submitted.
Motion carried.

I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069 can be found on pages 238-239 of the FY'2012 Recommended Budget and pages 59-61 of the Summary.

Highlights of the Recommended Budget:

REVENUE:

401.0001 General Property Tax: This revenue line item account has increased from \$3,991,367 in the FY'2011 Adopted Budget to \$4,291,594 in the FY'2012 Recommended Budget. Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/7-71, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Illinois Municipal Retirement Fund pension program for County employees and for Sheriff's Department Law Enforcement personnel.

407.0010 Personal Property Replacement Tax: Pursuant to State law, the County is required to budget Personal Property Replacement Tax revenue in the IMRF Fund. In the FY'2012 Recommended Budget, the Personal Property Replacement Tax revenue is budgeted at \$100,000.00, the same as approved in the FY'2011 Adopted Budget. This increase is budgeted to reduce the impact on the County's overall property tax levy of the increase in the IMRF rates (see below for details).

EXPENDITURES:

Contractual:

599.0001 County's IMRF Contribution: Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/7-71, the County Board is authorized to levy a property tax sufficient to

meet the cost of participating in the Illinois Municipal Retirement Fund pension program for County employees and for Sheriff's Department Law Enforcement personnel. The I.M.R.F. employer rate is 11.88% in FY'2011. For FY'2012, the rate is 12.58%

The I.M.R.F. Sheriff's Department Law Enforcement Personnel (SLEP) employer rate is 25.91% in FY'2011. For the current fiscal year, the rate remains 25.91%.

Other

999.0001 Interfund Transfer: This line item account has increased from \$523,057 in the FY'2011 Adopted Budget to \$549,848 in the FY'2011 Recommended Budget. This expense represents the amount to be transferred to the Nursing Home to cover approximately 75% of the I.M.R.F. expense at the Nursing Home and to transfer to the County Board's budget 100% of the I.M.R.F. expense for Metcom.

Motion by Wollrab/Rankin to recommend tentative approval of the I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069 FY'2012 Recommended Budget as submitted.
Motion carried.

Chairman Owens informed the Committee that the printouts distributed by Mr. Wasson reflect the budget adjustments that will be taken to the Executive Committee for recommendation for approval. He asked that the Committee concur to forward these budget adjustments to the Executive Committee for approval.

Chairman Owens advised that the Chairmen of the Oversight Committees will first present the budgets as recommended by the Committees and then the Chairmen will recommend the modifications to the Budget as reflected on the handout.

Mr. Wasson stated that Departments worked very hard to identify reductions. He indicated that the recent budget meetings between the Oversight Committee Chairmen, the County Board Chairman, the County Administrator and the Department Heads resulted in some positive efforts of the Department Heads and Elected Officials to think about new ways to reduce the budget and to consider how some processes may be accomplished more effectively and at less cost.

Mr. Wasson noted that County Government tends to be departmentalized because of the way it is structured with elected officials. He stated that it has been difficult in the past to work cross-functionally. Mr. Wasson indicated that currently we have department heads and elected officials who are willing to look at those types of efforts and agree to new processes. He advised that the County is going to have to find new ways of doing things in order to further reduce the budget.

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Mr. Wasson informed the Committee that one Department has agreed to reduce its Seasonal/Occasional Personnel with the understanding that another Department would assist them with staffing during that period of the year when they need the extra assistance. It is this type of cooperative effort that will assist the County in reducing its budget and still provide quality service.

Mr. Wasson expressed his appreciation to the Department Heads and staff who worked to find ways to do things differently and save money.

Chairman Owens presented the October 31, 2011 Finance Committee bills for review. The Finance Committee bills include a Prepaid Total of \$1,077,438.63 and a Fund Total that is the same.

Motion by Butler/O'Connor to recommend approval of the Finance Committee bills as of October 31, 2011 as recommended by the County Auditor.
Motion carried.

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The Nursing Home bills include a Prepaid Total of \$302,089.10 and a Fund Total that is the same.

Motion by Wollrab/Rankin to recommend approval of the Nursing Home bills as of October 31, 2011 as recommended by the County Auditor.
Motion carried.

Chairman Owens presented Interfund Transfers as approved by the County Auditor in the amount of \$45,956.00 in the Health Department.

Motion by O'Connor/Wollrab to recommend Approval of the Interfund Transfers in the amount of \$45,956.00 in the Health Department.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the Finance Committee at 5:43 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary