

Minutes of the Special Meeting of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, May 25, 2021 at 4:30 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Catherine Metsker, Chuck Erickson (in-person)
Members Gerald Thompson, Laurie Wollrab, Josh Barnett
and Val Laymon (via remote attendance)

Members Absent: Member William Friedrich

Other Members Present: None

Staff Present: Cassy Taylor, Assistant County Administrator, Cathy Dreyer,
Assistant County Administrator; Samantha Vazquez,
Assistant State's Attorney – Civil Division; Julie A. Morlock,
Recording Secretary (In-Person); Camille Rodriguez, County
Administrator (via remote attendance)

Department Heads/Elected

Officials Present: Becky McNeil, Treasurer (in-person), Michelle Anderson,
Auditor; Marshall Thomson, Animal control; Kathy Michael,
County Clerk, (via remote attendance)

Others Present: None

Chairman Metsker called the meeting to order at 4:30 p.m., declared a quorum and confirmed there were no minutes to approve.

Chairman Metsker confirmed there were no members of the public to appear before the Committee.

Chairman Metsker presented for action a request to approve an Amended McLean County Board Resolution Establishing the Budget Policy for Fiscal Year 2022. Barnett/Laymon motioned to put the item on the floor for discussion. Ms. Metsker asked for an overview of information provided. Ms. Dreyer provided history of tax rate and budget over the last 10 years. Ms. Taylor then went over Parks and Recreation Department fee increases over last 10 years. Mr. Barnett asked about total General Fund fee revenue across the county and if that all goes to the General Fund and is not split up. Ms. Dreyer confirmed. Ms. Metsker asked her to confirm multiple departments fall into the General Fund including County Clerk, Circuit Clerk and Animal Control. Ms. Dreyer confirmed. Ms. Metsker noted modest fees to make accessible to the public but the things making the most profits are those that are the most expensive. Ms. Metsker asked if there had been discussions about increasing fees in other departments. Ms. Dreyer stated Mr. Steffa increased his fees last year. Ms. Metsker asked about Recorder of Deeds and County Clerk's office. Ms. Rodriguez indicated the County Clerk needed

to conduct a fee study and staff had been working with her to get that accomplished. Ms. Vazquez provided an update on the status of fee study for the clerk; she said that she had been going through the statutes to see what they can be increased and by how much and if increases she wants would require a fee study. Ms. Vazquez stated the fee study would be required if they wanted to go above statute amount. Ms. Metsker asked how increase in fees would affect budget. Ms. Vazquez indicated some of fees must go to special funds.

Ms. Wollrab asked about park fees and charging additional amount to raise out of county non-resident fees. She also asked about where budget increases occurred as the overall budget increased and unencumbered fund balance decreased. Ms. Dreyer stated she would have to do a more detailed investigation on those numbers. Mr. Erickson asked staff to confirm we can use unencumbered fund balance for anything. Ms. Taylor stated there are restricted and unrestricted funds that are different than unencumbered. Mr. Erickson stated that he would like to know those amounts as well because if fees are not paying for services then the revenue would need to come from the general fund balance. He stated Kathy Michael came to ask for more computers and we allowed her to pay about \$200,000 for computers and asked where that money came from and if departments have a rainy-day fund. Mr. Erickson stated Land Use committee raised fees because not sure fees were meeting expenses. Ms. Rodriguez stated any department that is funded out of the general fund does not have a rainy-day fund.

Ms. Metsker stated increase in insurance was not budgeted and only place to go was the unencumbered fund balance. Ms. Metsker asked if fees and revenue do not cover expenses then funds would be pulled from unencumbered. Ms. Taylor confirmed that surprise expenditures would come out of the unencumbered fund. Mr. Erickson asked if unencumbered fund balance fluctuates throughout the year. Ms. Dreyer confirmed. Ms. Wollrab stated it was her understanding that the unencumbered fund was also described in number of operating days and our operating dates had gone from four months to three months of operating days and asked how much is enough. Ms. Taylor stated Ms. Anderson indicated the GFOA recommended in past years 10-15% which is about 2 months of your total budget. We are in the lower end of that range.

Mr. Thompson asked about our Bond Rating and if reserve amounts impact that rating. Ms. Taylor stated she would have to talk with Chapman and Cutler about how much it impacts. Mr. Thompson also asked if staff could break down decrease in number of services used and costs of services as he wondered about not increasing fees but increasing usage. Ms. Metsker asked about getting separate line item information from the general fund. Ms. Dreyer stated they could get those separate amounts. Ms. Metsker asked about percentage of budget for Parks and Recreation compared to entire budget. Mr. Barnett stated if those fees do not cover then how do we provide services. Ms. Taylor stated that is one of the things we have to contemplate. Ms. Rodriguez noted that some departments are heavily grant funded with little to no fees.

Mr. Friedrich stated he did not want to include American Rescue Plan revenue until there was a plan in place. He asked if the range is 9-18% then why settle on 12-15% on page

9. Mr. Thompson commented that he agreed we are not a profit center but felt we needed to know where profits and losses are in each of the departments. Ms. Metsker stated that there was discussion at the last meeting on building maintenance and conversation about whether each department head had a list of needs to be taken care of and revenue to cover those expenses. She stated that they had also mentioned salary increases. Ms. Metsker asked that the Committee move on to those topics next.

Ms. Dreyer stated a review of needs of buildings and prioritization is done at the Facilities budget meeting. She stated they may be able to charge rescue plan dollars or use some funds freed up because of those rescue plan dollars to help with projects. Ms. Metsker asked if rescue plan funds would be significant. Ms. Dreyer stated she felt they would be. Ms. Metsker asked about doing a bond. Ms. Dreyer stated bonds are for specific projects. Ms. Taylor stated this is the beginning of budget and changing levies would require a talk with Chapman and Cutler and the State's Attorney so they would not be able to answer a lot of questions at this time.

Mr. Barnett provided examples of loan to get elevators replaced and need for long term plan as there are not enough funds to take care of all needs. He stated that he felt if there was a long-term maintenance plan we could move away from putting out fires. Ms. Metsker stated she felt the Committee wanted department heads to put together a "must have" and "would like to have" list and then work to meet the needs on those lists. Ms. Wollrab agreed that she would like to see us be more proactive. Mr. Erickson asked about analyzing not just the Park Department fees but analyzing fees in all departments and how much they cover costs. Ms. Rodriguez stated she encourages staffing requests, but they can't grant approval for all requests. Mr. Erickson cautioned that Department Heads are already bringing needs to budget meetings and if we ask them to bring more we may have to turn down more and more requests. Ms. Wollrab stated we need to handle emergencies and then plan for future needs.

Ms. Metsker stated there had also been discussion about salary studies and if we do that it could also be a pandoras box. Ms. Metsker asked if all salaries come out of general fund. Ms. Dreyer stated only if their department's budget is under the general fund. Ms. Metsker stated salary increases get paid from increase in EAV and revenue as our tax rate is almost at the max and asked what the plans were to look at compensation at the County. Ms. Rodriguez stated they are looking at a salary study and starting by looking at how we compare with other municipalities, other county governments in Illinois and then other businesses. She stated that if a study comes back and we are not competitive we will then need to look at how we plan to cover those increases.

Ms. Metsker then turned the discussion to the American Rescue Plan. Ms. Rodriguez went over what funds can be used at a high level per federal government. Ms. Dreyer stated that the County has been allotted over 33 million dollars. She went over the process to receive those funds. Ms. Dreyer went over some of the items that we have needs for that would be covered such as HVAC, Chillers, water and sewer and recovery of lost revenue.

Ms. Taylor stated that Ms. Dreyer has spoken with leaders on webinars hosted by the Treasury on the matter and some of things we have listed they felt comfortable would be covered. Ms. Wollrab asked about improving broadband in rural areas. Ms. Dreyer stated she had not heard more about that. Ms. Wollrab felt that would be a need in our communities and that we should start asking questions about it as she did not feel private companies would meet the need. Mr. Thompson stated he felt we needed to be careful when we say companies are not going to take care of the need as some are working hard to fill need.

Ms. Laymon asked if funds would cover energy studies. Ms. Dreyer stated the money would not cover a study.

Ms. Metsker asked members to look at the action item before them. She asked Ms. Taylor to go over changes. Ms. Taylor stated the first change was to remove item B under 2.1 Property Tax and Other Revenue. Mr. Erickson stated he felt B has been in policy for a long time and served the county well and would not support removing. Ms. Laymon commented on culture about department heads not feeling comfortable to bring up items that need to be done, so she was in favor of striking as not saying need to raise taxes but remove hesitancy to discuss needs. Mr. Friedrich asked Mr. Erickson to elaborate on keeping in place. Mr. Erickson stated the policy has been there for many years to keep rate as close to previous years rate, which did not mean it would not go up or go down just work to keep it close. He stated that there has been an increase in spending and services but not increase in the tax rate due to increased EAV and spending down fund balance. Mr. Thompson stated he agreed this has done well and does not feel this would limit department heads. Mr. Thompson felt the 12-15% noted in 3.1(A) needed to be clarified by stating who says it should be that and why.

Ms. Wollrab stated she did not want to raise taxes either but felt they were spending on things that could have been better prepared for, so she did not feel what we have done in the past has worked. Ms. Metsker asked staff to confirm that general fund rate is virtually maxed out now and would need to raise rate in other areas. Ms. Taylor confirmed that general is almost maxed and confirmed others do not have those tax rate caps. Mr. Erickson stated in last ten years the priority was mental health services so we focused funding in that area, but now we might be able to adjust our priorities. Ms. Metsker asked how taking out the phrase will affect the budget. Ms. Dreyer stated it does not hold them either way. Ms. Vasquez pointed out it all ties together so if they adjust rates and levy then they would need to have in-depth conversations and do research as to how that would affect everything. Mr. Barnett motioned to amend to leave 2.1B and not strike it out.

Motion by Barnett/Erickson to leave 2.1B in the policy.

Motion carried. Roll call vote. Members Barnett, Friedrich, Thompson, Erickson and Metsker voted yes. Members Wollrab and Laymon voted no.

American Funding Plan Act added to budget policy. Ms. Taylor stated they have been and would continue to work to identify priorities but would want to be flexible as they find

out more about amounts to be received and how they can be spent. Mr. Barnett asked about recommendations to going straight to the County Board. Ms. Dreyer stated that specific projects would go through oversight committees.

Ms. Metsker stated Mr. Thompson wanted language added to 12-15% change in 3.1. Ms. Taylor stated that 12-15% was made from conversations with the Auditor who indicated GFOA recommended two months operating expenses which is the approximate range.

Mr. Thompson agreed to language to confirm GFOA standards language be included.

Motion Thompson/Wollrab to amend 3.1 to add “as recommended by the GFOA standards.

Motion Carried. Roll call vote – all members present voted yes including the Chairman.

Motion by Barnett/Laymon to recommend approval of an Amended McLean County Board Resolution Establishing the Budget Policy for Fiscal Year 2022.

Motion Carried. Roll call vote –all members present voted yes including the Chairman.

Staff confirmed this would go forward and be approved by the June Board.

Chairman Metsker asked if there was anything else, hearing nothing she adjourned the meeting at 6:31 p.m.

Respectfully Submitted,

Julie A. Morlock

Julie A. Morlock
Recording Secretary