

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, December 7, 2011 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members O'Connor, Wollrab, Rankin, and McIntyre

Members Absent: Member Butler

Other Members Present: None

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

Department Heads/
Elected Officials
Present:

Mr. Walt Howe, Health Department Administrator; Ms. Jennifer Ho, Risk Management; Mr. Matt Riehle, Director, Nursing Home; Mr. Robert Kahman, Supervisor of Assessments; Ms. Kathy Michael, County Clerk; Mr. Lee Newcom, County Recorder; Ms. Becky McNeil, County Treasurer

Others Present: Ms. Hannah Eisner, First Assistant Civil State's Attorney; Ms. Cathy Dreyer, Fiscal Services Supervisor, Health Department; Mr. Rusty Thomas, Chief Deputy Sheriff, Sheriff's Department; Mr. Greg Allen, Jail Superintendent, Sheriff's Department; Ms. Carrie Haas, Attorney, Costigan and Wollrab Law Firm

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

Chairman Owens presented the minutes of the November 2, 2011 Finance Committee Meeting and the October 18, Stand-Up Meeting for approval. Hearing no additions or corrections to those minutes, Chairman Owens advised that the minutes would stand approved as presented.

Chairman Owens called for a motion to go into *Executive Session*, with the Committee Members; Administration Staff; Ms. Hannah Eisner, First Assistant Civil State's Attorney; Ms. Jennifer Ho, Risk Management; and Ms. Carrie Haas, Attorney, Costigan and Wollrab Law Firm.

Motion by O'Connor/Rankin to Recommend the Finance Committee go into *Executive Session* at 4:06 p.m. to discuss Pending Litigation with the Committee Members, Ms. Hannah Eisner, First Assistant Civil State's Attorney; Ms. Jennifer Ho, Risk Management; Administration Staff; and Ms. Carrie Haas, Attorney, Costigan and Wollrab Law Firm.

Motion carried.

Motion by Wollrab/Rankin to recommend the Finance Committee return to *Open Session* at 4:36 p.m.

Motion carried.

Mr. Walt Howe, Health Department Administrator, presented a request for approval of an Ordinance of the McLean County Board amending the 2011 Combined Appropriation and Budget Ordinance for Fund 0112 (Animal Control). He explained that this year the Animal Control Program has seen a significant increase in the collection of Animal Registration Fees. The program has already met the budgeted revenue for fees and projecting to exceed the budgeted revenue by 23% at the end of the year. Mr. Howe stated that this is due in large part to late notices being sent to pet owners that have not paid their registration fees. As of September, the late notices had generated over \$60,000 in revenue.

Mr. Howe advised that Animal Control would like to use the additional revenue to purchase a software program that will improve shelter, inventory, and rabies registration management, and enable them to move away from the current Access database that is being used. He stated that the Animal Control managers have talked with the County Information Technologies Department about the Chameleon software they are considering and IT reported that the web-based software is compatible with the network. Mr. Howe noted that this software would streamline operations at the shelter and allow Animal Control to monitor animal registrations and complaints in a more efficient manner.

Motion by Rankin/McIntyre to recommend Approval of an Ordinance of the McLean County Board Amending the 2011 Combined Appropriation and Budget Ordinance for Fund 0112 (Animal Control).

Motion carried.

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

Ms. Jennifer Ho, Risk Management, presented a request for approval of a renewal of the Agreement between the County of McLean and Arthur J. Gallagher Risk Management Services, Inc. (AJG) for Property Appraisal Services. She stated that the renewal is for fees of \$24,000.00 for 2012, and, subsequently, to automatically renew with a 2% increase annually. Ms. Ho noted that fees for 2013 will be \$24,480.00. The agreement provides for an option to renegotiate terms and conditions to the mutual satisfaction of both parties at any time, thereby, either party has the option of revisiting the relevance and conditions within the contract.

Ms. Ho indicated that AJG was selected as the County's Broker of Record in 2008 for a period of three years to provide brokerage services, account administrative services and loss control consultation and training. Fees for the three-year period were \$22,000.00 for the first and second years and \$24,000.00 for the third year. Ms. Ho stated that fees remain unchanged for the fourth year. Prior to AJG, brokerage fees were \$30,000.00 per year. Ms. Ho noted that, because of compensation arrangements between a carrier and its agents that called for commissions to be paid directly to the agent, the County received credit for those payments and paid the net amount of \$25,393.00 in 2007. Under the same scenario, the County paid \$28,116.00 in 2006. Ms. Ho stated that she considers the proposed fee schedule to be fair and competitive.

Ms. Ho advised that the County has benefitted from the partnership with AJG over the life of the 2008 agreement that has offered additional training resources to County Departments, risk management assistance, and insurance placement. She recommended that the Committee approve this agreement.

Ms. Wollrab asked if this contract was put out to bid. Ms. Ho replied that it was put out to bid in 2008. She noted that AJG has provided excellent service to the County. Ms. Ho stated that it is important to build a solid relationship with this type of service provider. She added that the contract may go out for bid again in the next couple of years. Mr. Wasson indicated that in many circumstances with professional service contracts a three-year contract is renewed for a second three-year term after which time the service may be bid out again.

Ms. Wollrab asked how many firms bid on the contract in 2008. Ms. Ho responded that there were three competitive bids.

Motion by Rankin/O'Connor to recommend Approval of the
Renewal of the Agreement between the County of McLean
and Arthur J. Gallagher Risk Management Services, Inc.
(AJG) for Property Appraisal Services.
Motion carried.

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

Mr. Matt Riehle, Director, Nursing Home, reviewed his Monthly Reports. He stated that due to seasonal illness and age, the Nursing Home saw several deaths in the last few weeks. Mr. Riehle indicated that the census picked back up and, today, there are 138 residents. He expects the census to average out at 135-136 residents.

Mr. Riehle noted that he was informed by Healthcare Family Services (HFS) that the state plan amendment was approved in writing, and is currently at the State Comptroller's.

Mr. Riehle advised that the Nursing Home is still in a good positive state right now.

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

Mr. Bob Kahman, Supervisor of Assessments, distributed an up-to-date Year to Year Complaint Filing Comparison report. He advised that on November 28, 2011, the final township appeals for the 2011 quadrennial reassessment year were closed.

Ms. O'Connor asked for an explanation of the "B/R/s". Mr. Kahman explained that these are the complaints entered other than by the taxpayer, which is generally Board of Review action. He indicated that the Board has the right to adjust or address any matter that they see fit. One of the main reasons a B/R is done is because the state has approved a non-homestead exemption. Mr. Kahman stated that he likes to track these separately as it give him an idea of what is happening that is not a complaint and what is a complaint. He added that he specifically looks at the number of complaints as a ratio of the total non-farm properties, which gives him an idea of what the taxpayers in any given district think about their assessments and what needs to be addressed. Mr. Kahman pointed out that the City had 552 complaints by the taxpayers out of probably 21,000 residential properties, so the ratio is negligible. When rural townships have a high number of complaints, there is more cause for concern. Mr. Kahman stated that there are a total of 1,135 complaints, which is down from last year.

Mr. Kahman reported that McLean County is still holding its own. He noted that sale prices, depending upon what sector of the market, are still pretty flat. Mr. Kahman stated that people are selling their homes for about 90% of what they are asking. He indicated that this does not mean that the homes are over-assessed. It means that people expect to make big profits when they sell their homes.

Mr. Kahman pointed out that the collar counties near Chicago have had a massive loss in the value of homes while most central and southern Illinois homes have continued to appreciate in value. This is mostly due to the abundance of farmland which has continued to appreciate.

Mr. Kahman stated that the Board of Review remains in session and hopes to be done by the end of the year.

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

Ms. Kathy Michael, County Clerk, presented a request for approval of an Emergency Appropriation Ordinance amending the McLean County Fiscal Year 2011 Combined annual Appropriation and Budget Ordinance, General Fund 0001, County Clerk's Office 0005.

Ms. O'Connor asked for an explanation on how the Automation Fund was depleted. Mr. Wasson noted that a change was made in the budget for next year that was addressed during the budget process. He explained that this is a clean-up for the end of this year. Mr. Wasson stated that a full-time staff member was supported in the Automation Fund, but revenue did not keep up with expenditures. He reminded the Committee that staff was reallocated to the General Fund in the Recommended Fiscal Year 2012 Budget. Mr. Wasson indicated that the County Clerk has identified funds in a contractual line to compensate for the loss of revenue that would have been provided for this staff person. Ms. Michael stated that not as much money was needed in the Election Judge line. She explained that one employee required medical leave and will be out of the office four to five weeks and part-time help will need to be hired. Ms. Michael noted that her budget will balance at the end of the year.

Mr. Wasson indicated that if this transfer hadn't involved personnel funds, line item transfers would be made. When personnel funds are involved, the transfers require a Budget Amendment and FTE Resolution.

Mr. Wasson advised that the next item, namely the request for approval of a Resolution amending the Fiscal Year 2011 Funded Full-Time Equivalent Positions Resolution for the McLean County Clerk's Office, is related to this Emergency Appropriation and they can be acted upon together.

Motion by Rankin/McIntyre to recommend Approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2011 Combined Annual Appropriation and Budget Ordinance, General Fund 0001, County Clerk's Office 0005 and to recommend Approval of a Resolution Amending the Fiscal Year 2011 Funded Full-Time Equivalent Positions Resolution for the McLean County Clerk's Office.
Motion carried.

Ms. Michael presented a request for approval of an Ordinance of the McLean County Board Setting Fees to be charged by the McLean County Clerk. Mr. Wasson noted that these are the fees that were included in the budget process.

Motion by McIntyre/Wollrab to recommend Approval of an Ordinance of the McLean County Board Setting Fees to be Charged by the McLean County Clerk.
Motion carried.

Ms. Michael stated that the fee increases will raise revenue by an additional \$15,000 per year.

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

Ms. Michael announced that there will need to be a stand-up Committee meeting to consider approval of a polling place change.

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

Mr. Lee Newcom, County Recorder presented his Monthly Report. He stated that there is nothing unusual to point out in the report.

Mr. Newcom reminded the Committee that for many years the funds in the County Recorder's Document Storage Fund 137 were used for payroll expenses. Mr. Newcom noted that, at his request, the payroll expenses were moved out of 137 two years ago. He stated that he received a phone call this afternoon from a local firm announcing that the micro-film of a document they needed is so deteriorated that they could not read the measurements. Mr. Newcom indicated that the plat book from the 1800s that contains this information is one of the books that will be rescanned and microfilmed in the project the Recorder's office is doing.

Mr. Newcom advised that a Recorder's records are the only records in the County that must last through the entire history of the County. He added that books from the 1840s will be as valuable 150 years from now as they are today and a Recorder's job is partially to preserve those records. Mr. Newcom stated that the money in the Document Storage Fund is now being used to restore those records.

Mr. Newcom invited the Committee members to visit the Recorder's Office. He acknowledged that the Executive Committee will be discussing the Recorder's Office next week and at the Board meeting. Mr. Newcom noted that Ms. Wollrab visited the Recorder's Office and he urged the other members to schedule a time to visit.

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

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending November 30, 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>
November 2011 Vouchers:		
Sales Tax	\$405,233.17	
Revenue Sales Tax	53,756.23	
Local Use Tax	24,015.54	
Income Tax	100,508.41	
PPRT	<u>n/a</u>	
Total	<u>\$583,513.35</u>	
Monthly Comparison		
November 2010 Vouchers	585,666.80	
November 2011 Vouchers	<u>583,513.35</u>	
Difference	(2,153.45)	-0.4%
YTD Comparison		
YTD 2010 Vouchers	7,755,455.96	
YTD 2011 Vouchers	<u>7,978,042.04</u>	
Difference	222,586.08	2.9%

Budget Comparison

2011 Annual Budget:	\$8,600,000.00	
Budgeted Revenue per Month:	\$ 716,666.67	
Budgeted Revenue thru 11/30/11:	\$7,883,333.33 (only represents 10 months)	
YTD Actual Vouchers	\$7,978,042.04	
Amount Over (Under) Budget:	\$94,708.71	1.2%

2011 General Fund Property Tax

Budget	<u>YTD Rcpts</u>	<u>Budget %</u>	<u>Over (Under)</u>
\$8,950,843.00	\$8,951,360.61	100.01%	\$ 517.61

(Reached 100% in 2011 because of a higher level of paid forfeitures from prior years.)

Ms. McNeil stated that during the final distribution this past month, all of the delinquent interest, and fees and costs were moved into the General Fund from the Collection Fund. She noted that, this year, \$550,000 was budgeted and \$580,000 was transferred, which is very good.

Ms. McNeil reviewed the Treasurer's Investment Report. She indicated that rates continue to be very low. She added that a lot more funds are being held in Money Markets because the CD's are not comparable.

Ms. O'Connor asked what type of account is "Repo" at Freestar Bank. Ms. McNeil replied that Repo is a repurchase agreement, which is a type of investment. She indicated that repos offer more flexibility than a CD. Ms. McNeil noted that these funds can be accessed, if necessary.

Ms. McNeil reported that the total cash on hand is \$40,0008,661.65.

Ms. McNeil reviewed the State of Illinois Receivables, which are currently at \$1.9 million due from the State. She indicated that \$500,000 of that is Health Department money, and the rest of it is primarily locked up for Probation. Ms. McNeil added that the State of Illinois is running about four months behind in payment for Income Tax, which was previously received within two weeks. She advised that the July Income Tax was received. Currently, August through October is due. Ms. McNeil noted that this can impact how the Fund Balance looks at the end of the year.

Ms. McNeil advised that McLean County is in very good shape compared to other counties.

Motion by O'Connor/Rankin to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending November 30, 2011, as submitted.

Motion carried.

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

Mr. Bill Wasson, County Administrator, presented the request for approval of the Critical Personnel Hiring Requests. He noted that the following is a list of critical personnel position requests which have been received by the County Administrator's Office through November 28. All positions listed below are budgeted and funded through the end of FY 2011 and FY 2012.

Sheriff's Department

- 1) Request to Fill a 1.0 FTE Patrol Deputy position that has been recently vacated

The Sheriff's Department has two open deputy positions that are half funded and we are planning on staying in compliance with the 2012 budget. However, a Deputy retired effective on November 25th, making a third open position. The Sheriff's Office is requesting to fill the open position left by this Deputy's retirement.

- 2) Request to Fill a 1.0 FTE Corrections Officer position that has been recently vacated
- 3) Request to Fill a 1.0 FTE Control Operator position that has been recently vacated

In reference to the Jail staffing, in the last month and a half, two females resigned their positions with the Sheriff's Office. In order to alleviate the overtime, the Sheriff's Office transferred a Control Operator to a Corrections Officer, making an open Control Operator position. So at this time the Sheriff's Office is requesting to fill the open positions left for the position of Control Operator and Corrections Officer positions.

These positions are required to meet minimum staffing requirements. It is more economical to replace these positions than to pay overtime.

Mr. Wasson stated that Chief Deputy Thomas and Mr. Allen are available to answer any questions. There were no questions.

The following is a list of critical personnel position requests which fall under the “critical patient care exemption” section of the hiring freeze guidelines.

Nursing Home

- 1) Fill 1.0 FTE Certified Nursing Assistant Position which have been vacated
- 2) Fill 1.0 FTE Domestic Services Assistant Position which has been vacated

The Nursing Home has filled 1 Certified Nursing Assistant and 1 Domestic Services Assistant position which have been vacated and filled to provide sufficient personnel to meet critical minimum staffing levels required to meet state guidelines.

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

Mr. Wasson presented a request for approval of the Fiscal Year 2012 Compensation Plan Merit Schedule. He reminded the Committee that during the budget process, some modifications were made to the General Compensation Plan, including a review of the Merit Schedule for 2012. Mr. Wasson stated that he had further discussions with Department Heads and it is evident more time is needed before major modifications to the Plan can be made. He noted that setting up a system will require departments to review their programs on an annual basis to identify their top performers and the least performers and balance those.

Mr. Wasson recommended that the current Compensation Plan be followed in 2012 but with a reduction of one half of one percent, or one step of the available merit across the board. He explained the merit system is being reinstated after a two-year absence. When the merit system was active on a yearly basis, it was possible to anticipate the merit increases. Mr. Wasson noted that merit is driven by scores and if any department exceeds that merit standard over a one calendar year period, it shall, for the next calendar year, be limited to the following maximum number of merit steps for each employee: ½ (one-half) of the number of steps indicated in Section VI of the Compensation Plan. He added that this would be watched closely in 2012.

Ms. O’Connor recommended that the new Compensation Plan be completed before the budget process begins for next year. Mr. Wasson replied that he expects the Plan will be ready for evaluation and adoption within six months. He stated that his goal is a merit system that will show some rationale between program performance and base some of the available merit on the overall performance of each program and, additionally, to be able to require those programs to assess their personnel to determine those employees with the highest performance.

Finance Committee
December 7, 2011
Page Eleven

Mr. Wasson pointed out that there are some department with over 100 people and other departments with only three or four people, which create a challenge in attempting to balance those evaluations.

Motion by Wollrab/Rankin to Recommend Approval of the
Fiscal Year 2012 Compensation Plan Merit Schedule.
Motion carried.

Chairman Owens presented the November 30, 2011 Finance Committee bills for review. The Finance Committee bills include a Prepaid Total of \$1,216,847.38 and a Fund Total that is the same.

Motion by O'Connor/Rankin to recommend approval of the
Finance Committee bills as of November 30, 2011 as
recommended by the County Auditor.
Motion carried.

The Nursing Home bills include a Prepaid Total of \$239,929.36 and a Fund Total that is the same.

Finance Committee
December 7, 2011
Page Twelve

Motion by Wollrab/Rankin to recommend approval of the Nursing Home bills as of November 30, 2011 as recommended by the County Auditor.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the Finance Committee at 5:26 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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