

FINANCE AND PROCUREMENT COMMITTEE STATED MEETING - MONDAY, JULY 9, 2007

DRAFT



The stated meeting for the month of July was held in the Stephenson County Board Room on the above date with Mr. Graham, the Chairman, presiding. The meeting was called to order at 6:30 p.m. Committee members present were Mr. Graham, Mr. Boomgarden, Ms. S. Hooper, Ms. V. Hooper, Ms. Kubatzke, Mr. Mikkelsen and Mr. Kuhlmeier. County Board Chairman Blum was also present. Other County Board members present were Mr. Détente and Mr. Kuhlemeier.

Minutes of the stated meeting of Monday, June 11, 2007 and the joint meeting of Monday, June 18, 2007 were approved, without reading, on a motion by Mr. Mikkelsen, seconded by Mr. Boomgarden.

COMMUNICATIONS:

None.

OLD BUSINESS:

There were no representatives of the "Vets for Veterans" group present, for an update on their veterans in transition project.

NEW BUSINESS:

In May, the County Administrator explained that the County would not be able to make the November payment on the Jail Bond. In order to relieve pressure on the County's cash flow and budget, he initiated conversation with a bond underwriter, Thomas Chapman from Raymond James and Associates. Mr. Chapman explained that the current bond issue matures in 2013. New debt would be issued to repay the old debt. With repayment of the old debt, the County would own the Jail this year, rather than in 2013. The annual debt payment would be reduced from \$1,080,000 to \$515,000. The present value of this refinancing is a negative \$58,202, based on a tax exempt interest rate of 4.4%. The County Board is still considering a referendum to raising the limiting rate on property taxes. Mr. Chapman said that no referendum was required to issue this debt. Also, when this debt was issued, the previous debt was retired so the transaction has no impact on the County's debt limitations. There was a discussion on the uses of the Public Safety Sales Tax. On a motion by Mr. Mikkelsen, seconded by Ms. V. Hooper, the Committee recommended approval by the County Board, after a layover to the August meeting.

Mr. McLeRoy reported that there has been very little legislative action in Springfield. There have been a number of legislative conferences, in an effort to get the necessary votes for the State budget.

Mr. McLeRoy explained that the UCCI Executive Board is still working on a possible health insurance product. The consultants have issued a report covering their five regional meetings. One more meeting is planned with the consultants and selected representatives from the five regions. Mr. McLeRoy noted that there is still no settlement on how to distribute the rebate funds from the Nationwide Section 457 retirement program.

Mr. Snavely explained that there are some trees down at the Kent Monument site. He is getting estimates for their removal. He has received a request for the steps from the damaged swing set. He called the State Comptroller's Office looking for financial help for the old cemetery; he is waiting for an answer. The developer has offered to provide the dirt necessary to level the depressions within the cemetery. He plans to ask for landscaping donations from the local garden centers.

The Committee reviewed the June 2007 revenue and expense amounts in the Employee Health Insurance Fund. There was a \$25,961.87 surplus in June. After the first seven months of the current fiscal year, revenues have exceeded expenses by \$33,920.68. The County Administrator noted that most of the funds shown as the month ending balance have been lent out to other funds.

The Budgetary Status, Major Revenue Tracking, General Fund Cash Flow, Nursing Center Cash Projection, and Interfund Loan reports for June 2007 were distributed and reviewed. There was a discussion on the Nursing Center report and how it was being updated. It appears the County is being charged by the food vendor for residents that are not able to eat. If this is true, the Nursing Center will seek a billing adjustment. Mr. Détente explained how he restates the Nursing Center reports so they are easier to track.

The County Administrator distributed and reviewed the 2008 budget calendar and draft instructions for the department heads. As part of the budget process, department heads are being requested to separately list their IT plans for 2008. The July month-end reports will be used as the year-to-date base for the budget worksheets. Budget presentations to the oversight committees will begin in September and this Committee will have the budgets in October.

The IT subcommittee is looking to further consolidate the County's purchasing of equipment and services. There should be a standardized method for reporting departmental IT plans for 2008. There was a discussion on whether the IT subcommittee should become a standing committee of the County Board. It was suggested that each standing committee could provide a representative to an IT committee or subcommittee. This topic will be considered further next month. The IT subcommittee should be asked to discuss "What help do they think they need?" The question was raised on whether the County should have an IT department.

COMMITTEE REPORTS:

Public Property – Mr. Boomgarden reported on the cash flow problem in the Emergency Management Agency Fund. His committee approved a budget amendment transferring \$10,000 from the Contingency Account of the Public Safety Fund to the

Emergency Management Agency Fund. On a motion by Mr. Boomgarden, seconded by Ms. V. Hooper, the Finance Committee concurred in recommending adoption of the budget amendment, transferring \$10,000 from the Contingency Account of the Public Safety Fund to the Emergency Management Agency Fund.

Administration – Ms. S. Hooper reported that her committee is dedicating 30 minutes of each meeting to reviewing the assigned County Code Book chapters. She recommended that the Finance Committee also dedicate 30 minutes, each month, to Code Book review. The City is doing their recodification in-house.

Court Services – Ms. V. Hooper reported that her committee approved a budget amendment transferring \$5,500 within the State's Attorney's budget. On a motion by Ms. V. Hooper, seconded by Mr. Mikkelsen, the Finance Committee concurred in recommending adoption of the budget amendment, transferring \$5,500 within the State's Attorney's budget. The current court filing fee supporting the Law Library is \$10. Judges Ursin and Jeffrey have asked that this fee be raised to the statutory maximum of \$13, effective August 1, 2007. On a motion by Ms. V. Hooper, seconded by Mr. Mikkelsen, the Finance Committee concurred in recommending an increase in the Law Library fee to \$13. It was noted that the State Statutes could be interpreted to authorize the Circuit Clerk to collect two library fees, one imposed by the State and one imposed by the County Board. The State's Attorney will be asked for an interpretation regarding the collection of Law Library fees. There was a discussion on the on-line services provided by the Law Library and the potential for abuse. Ms. V. Hooper explained that her committee approved transferring \$4,500 from the General Fund to the Law Library Fund to cover a deficit. The County Administrator reported that there is \$5,700 in the Law Library bank account and the year-to-date budget indicates a \$4,900 surplus. Ms. V. Hooper said that she would discuss this further with the judges.

Nursing Center - Ms. Kubatzke reported that her committee recommended modifying the UAW union contract to eliminate the two maintenance positions. A motion by Ms. Kubatzke, seconded by Mr. Kuhlmeier, to eliminate the two maintenance positions from the UAW contract, was rescinded. There was a discussion on whether the Finance Committee even needs to vote on the contract recommendation. Mr. Kuhlmeier did not rescind his second because he wants to move this process forward. On a motion by Mr. Kuhlmeier, seconded by Mr. Mikkelsen, the Finance Committee concurred, on a roll call vote, to eliminate the two maintenance positions from the UAW contract. (Aye: Mr. Kuhlmeier, Mr. Mikkelsen, Ms. Kubatzke, Mr. Graham; Nay: Ms. V. Hooper, Ms. S Hooper, Mr. Boomgarden.) Ms. Kubatzke reported that an alarm system is being installed outside the windows in the Alzheimer unit. The Coventry Health Insurance Personal Care contract starts August 1, 2007. Her committee does not believe it should be responsible for recommending a tax increase referendum because it would not be in the name of the Nursing Center. They do have the names of people who could help get a referendum passed. Mr. Kuhlmeier pointed out some of the positive moves that have been made by the Nursing Center. Ms. Kubatzke plans to review the food service invoices to make sure the County has been properly billed and getting the appropriate discounts.

Planning and Development – Mr. Mikkelsen reported that did he not have any financial action items.

Public Works - Mr. Kuhlmeier reported that his committee approved a resolution for a temporary loan from the County Bridge Fund to the County Highway Fund.

Mr. Kuhlemeier expressed his concern that the Treasurer moves funds among the various accounts, without prior approval. There was a discussion on the source of the Treasurer's authority. Highway Department funds were used to pay interest on the Jail bonds. Mr. Mulnix related the story of how Edith Dadez, former County Treasurer, was asked to move funds around to cover routine expenses.

Chairman Blum reported that he has met with Mr. Kane regarding the 2010 census. The County plans to use GIS to help with the redistricting process. Two more members are being appointed to the Nursing Center Committee: Mr. Graham and Mr. Hilton. The Veterans in Transition group is looking to form an exploratory committee. The taxing bodies are meeting tomorrow at 10:00 a.m. at City Hall.

The County Administrator noted that in February the Committee was assigned parts of the County Code Book for review. Mr. Graham said that the Committee would spend 30 minutes next month reviewing the assigned chapters.

Since the Administration Committee had its July meeting in late June, they asked the Finance Committee to handle any raffle applications that were submitted subsequent to their meeting. The raffle license application for the Children's Home and Aid Society (1418) was approved, on a motion by Mr. Kuhlemeier, seconded by Mr. Mikkelsen.

On a motion by Mr. Mikkelsen, seconded by Mr. Kuhlmeier, the Committee went into Executive Session, on a roll call vote, for Employment/Appointment Matters and Business Matters. (Aye: Mr. Boomgarden, Ms. S. Hooper, Ms. V. Hooper, Ms. Kubatzke, Mr. Mikkelsen, Mr. Kuhlmeier, Mr. Graham; Nay: None.) On a motion by Mr. Mikkelsen, seconded by Mr. Kuhlmeier, the Committee came out of Executive Session. Mr. Graham announced that Employment/Appointment Matters and Business Matters were discussed, but no action was taken.

Claims of \$487,496.28 were approved, on a motion by Ms. S. Hooper, seconded by Mr. Boomgarden.

The Committee adjourned at 10:28 p.m., on a motion by Mr. Mikkelsen, seconded by Ms. Kubatzke.

Approved: August 13, 2007

Next Stated Meeting of the Committee:
Monday, August 13, 2007 6:30 p.m.
Stephenson County Board Room