

**FINANCE COMMITTEE MEETING
OCTOBER 29, 2012
5:15 P.M.**

MEMBERS PRESENT

Chair Keith Ashby
Tim Dudley
Jay Dunn
Kevin Greenfield
Susanna Zimmerman
Mark Wicklund

COUNTY PERSONNEL PRESENT

Daysa Miller, SOFA
Julie Aubert, Health Department
Randy Waks, Asst. State's Attorney
Amy Stockwell, Auditor
Ed Yoder, Treasurer
Josh Tanner, GIS
Max Austin, Sheriff's Office
Lori Long, Probation
Bruce Bird, Highway Dept
Rodney Forbes, Public Defender
Judge A. G. Webber
Jeannie Durham, County Board Office

CALL TO ORDER

Meeting was called to order by Chair Ashby at the Macon County Office Building.

APPROVAL OF MINUTES

Motion to approve the minutes of prior meeting made by Mark Wicklund, seconded by Susanna Zimmerman and the motion carried 6-0.

CLAIMS

Motion to approve the claims made by Tim Dudley, seconded by Mark Wicklund, and the motion carried 6-0.

REPORTS

Audit Sub-Committee –

Auditor, Amy Stockwell, reported that the Audit Sub-Committee has sent a letter to officeholders on comments from last year's audit. Of course, that brings up the topic of this year's audit, which we are only 6 weeks away from starting. We will have a list of tasks for you connected to that. We appreciate everyone's cooperation as usual.

Auditor

Report will be presented under New Business along with Display Budget.

Board of Review

No report

Supervisor of Assessments

Daysa Miller reported that she is still discussing the multi-township assessment districts. After the last meeting, Daysa contacted the Department of Revenue and they have accepted Whitmore-Oakley as a multi-township. The Illinois Administrative Code shows that it is one of those listed on there. However, what they did tell me was that in 2015, Whitmore-Oakley should do another resolution to be a multi-township for the 2017 assessment year. So, if they do that in 2015, it will be for the elections in 2016 and will go forward in 2017.

Treasurer

Ed Yoder presented the Macon County Board Resolution to Execute Deeds to Convey Property on which Taxes were Delinquent. Motion to approve was made by Mark Wicklund, seconded by Jay Dunn, motion carried 6-0.

State's Attorney

Randy Waks presented the Macon County Board Resolution Approving Amendment in the Child Advocacy Center's Safe from the Start Budget of the State's Attorney's Office for FY 2012. This comes from state grants that run from July 1 to the end of June. We always have to come every year and do a cleanup budget amendment. It includes some minor modifications on mileage, building lease, postage, office supplies & the purchase of some equipment. We are actually offsetting that with Circuit Clerk's fees that have an excess budget that we are pulling from the next resolution that you will be seeing in just a moment. Motion to approve was made by Mark Wicklund, seconded by Jay Dunn, motion carried 6-0.

Next presented was the Macon County Board Resolution Approving Amendment in the Child Advocacy Center Budget of the State's Attorney's Office for FY 2012. Again, this is a cleanup of the budget based on the fact that the state's fiscal year runs from July through June. There are a couple of changes. The Circuit Clerk's fees of \$144,000 were only partially used. The budget approved for the present year, excess revenue over expenses, was \$29,800. So, we transferred \$2,900 of it to the other resolution and we are going to use up \$21,747 on this one. Motion to approve was made by Jay Dunn, seconded by Mark Wicklund, motion carried 6-0.

EEHW Committee (Health Department)

Julie Aubert presented four resolutions:

First, Increase in Appropriations for Diabetes Self Management Program (DSMP). This is a new program we just received in October. Motion to approve was made by Tim Dudley, seconded by Susanna Zimmerman, motion carried 6-0.

Second, Increase in Appropriations for Coordinated Point of Entry (CPOE). We received new grant money with no local match to purchase scanners and upgrade our computer equipment for our case managers that go out into the field and serve seniors. Motion to approved was made by Tim Dudley, seconded by Kevin Greenfield, motion carried 6-0.

Next, Transfer in Funds for the Health Fund FY 12 Budget. This is a "Bucket Transfer". Motion to approve was made by Tim Dudley, seconded by Mark Wicklund, motion carried 6-0.

Last, Increase in Appropriations for the Health Fund FY 12 Budget. We have three programs described in this resolution. West Nile Virus – what we need to do is have \$7,000 listed in expenses. There is always an issue with the West Nile Virus grant, only because of the grant timing. So, basically we are expending the money this year and we will be paid next FY. The second portion is the WIC and basically, we have increased our lead screenings, so we have to increase the revenue and increase the supplies. So, that is a wash. The third is money management and it is also a wash. We are increasing the revenue because we are serving more private pay clients. It's just kind of a cleanup. Motion to approve was made by Kevin Greenfield, seconded by Tim Dudley, motion carried 6-0.

Justice Committee

Commander Max Austin, Sheriff's Department, presented the Macon County Board Resolution Approving Increase in Appropriations in FY 2012 Sheriff's Budget for Vehicle Purchase. There is

a scribe's error on paragraph 3. It says that the Macon County GIS Department purchased a 2001 Dodge Dakota for \$6,450. That is incorrect. They actually purchased a 2011 Chevy Impala from the Sheriff for \$6,450. The 2001 Dodge Dakota was sold at an auction. The 2011 Impala did not sell at auction. We had a reserve. So, it was brought back to us and we ended up selling it to the GIS department for \$6,450. The 2001 Dodge Dakota actually did sell at the auction. Motion to approve was made by Mark Wicklund, seconded by Jay Dunn, motion carried 6-0.

Transportation Committee

Bruce Bird presented a Macon County Board Resolution to Amend the FY12 Matching Budget Line Item 031-000-7780 (project expense). We had 2 projects that involved grant money. They were the Country Club Road project and the County Highway 30 West of Owen project. The main reason is the County Highway West of Owen project. Both projects were around three million dollars. We got money from the state for that. It got put in the matching fund. When we first started the project, it looked like we were going to get two million dollars to spend out of this budget and a million out of next year's budget. They are done with the project down there. I am not asking to spend any more money that has not already been appropriated by separated resolution. I just want to move it from next year's budget into this year's budget. Motion to approve was made by Mark Wicklund, seconded by Susanna Zimmerman, motion carried 6-0.

Circuit Court

Judge A. G. Webber presented the Macon County Board Resolution Approving Increase in appropriations in the Circuit Court's budget for Expenses / Fees in Certain Appeals. This is a request to increase one line item in the court's budget by \$2,588. This would pay for a psychiatric examination for a person found to be a sexually dangerous person. This is in the court's budget simply for convenience. Since these cases come up irregularly, we decided in consultation with the board leadership at some earlier date to handle these on an ad hoc basis. No one has a budget line for them, so we simply add these to my Juvenile Appeals line. Motion was made to approve by Mark Wicklund, seconded by Jay Dunn, motion carried 6-0.

Chair Ashby questioned whether any more of these requests for this year are anticipated. Judge Webber indicated that he does not, however Public Defender Rodney Forbes stated that he had recently received two bills that he was planning to present to the court within the next month or so. So, probably in FY 2013, each one was approximately \$4000 for a total of about \$8000.

Jay Dunn stated that he thought the state used to pay for these exams. Judge Webber said we try, but the statute says that the Circuit Court shall appoint a psychiatrist in cases like this, and the psychiatrist shall be paid from the County's general fund. And so, we have tendered some appeals to the state in the past which they have also rejected. But, this is actually for the psychiatrist fees in these cases and these fees have always been, by statute, imposed on the county. We have fought the good fight on the attorney's fees in these cases and lost it on several occasions.

Question to the Public Defender's office: Are these fees for psychological evaluations that you are talking about? Rodney Forbes replied, Right, in a petition defining somebody as sexually violent, the issue is whether or not they suffer from a mental defect that predisposes them to commit sex offenses and then whether or not they have actually committed the sex offenses. So, the two major issues in these types of cases are: 1) do they have a mental defect or disorder, and then 2) whether any sex offenses have been committed. In order to determine whether or not a person has a mental defect, the statute requires that an expert be appointed by the court to examine the defendant. The state will have their expert and the defense or the defendant, or in this case, the Respondent is entitled to have an expert appointed to evaluate them. We never know what the Respondent's

exam is going to be. Sometimes they come back and make a recommendation that the person is in fact sexually violent and that is their opinion. Those types of cases are usually resolved because the respondent has nowhere to go. Both experts have recommended, or that their opinion, is that they are sexually violent. In cases where the expert says that they are not sexually violent, they do not suffer from a mental defect, though we have a tryable issue for the court. Then a jury would decide whether or not they have that mental defect. So, they are a critical part of the case and if somebody is found to be sexually violent, they are then committed to a facility that houses sex offenders – potentially for the rest of their lives. So, the potential for incarceration and the length of incarceration is as serious as it gets.

Question from Mark Wicklund: Through the Justice Committee last year, we had an understanding that there were three of these types of cases that were pretty close to coming up for evaluation. I think the dollar amount that was put out there was somewhere between \$2,200 and \$3,400. Is this \$4,000, which is kind of on the high side of that, for two of these evaluations or just for one? Judge Webber replied that what is being reflected upon from last year were appeals in juvenile cases and those were for the attorney's fees of Monica Hawkins. Those were cases involving termination of parental rights. Those are appealed and she does them on a contract basis with the county for \$2000 per appeal plus expenses. We have already had the 3 and an additional 2 for this year, but these are entirely different from what we are talking about tonight. I put these on my appeals line because I do not have a budget line for these – nor does anyone else. So, these are entirely unrelated to those increases I had last year on my appeals line which actually was for Ms. Hawkins' fees. Those were cases involving termination of parental rights. These are cases that the Public Defender has no control over. These evaluations are done after petitions are filled out either by the State's Attorney or the Attorney General. These are for persons who have served their DOC sentence and are ready to be released through DOC custody. This is a civil matter which, as Mr. Forbes said, could result in the individual being in a secure facility until they are deemed no longer dangerous, which could be for the rest of their lives.

Mark Wicklund stated that he was wondering how we were going to pay for cases such as these down the road because we know that there are a few more still out there that will be coming up in the next few years. Judge Webber stated that those were juvenile appeals which we have tried to get the appellate defender to take in the past. However, they will not take them. They say it is a civil matter and these are ones that the state statute simply gives the county an unfunded mandate saying there shall be an examination and that it shall be paid for by the county.

County Board

Jay Dunn presented a Macon County Board Resolution Approving Transfer of Funds for the FY12 County Board Budget. We had an executive secretary retire which resulted in having to payout for unused vacation time which resulted in insufficient funds in that salary line. We also had a Board Member who was eligible for the board insurance elect to take it this year. There were insufficient funds in the insurance line to cover that. So, this is a "Bucket Transfer", not an increase in the total budget. We are just trying to transfer some money to cover those payouts and also the additional insurance. Motion to approve was made by Mark Wicklund, seconded by Jay Dudley, motion carried 6-0.

NEW BUSINESS

Cable / Video Service Provider Fee & PEG Access Support Fee

Comcast Contract

Randy Waks explained the Ordinance to Approve a Cable / Video Service Provider Fee and a PEG Access Support Fee. Copies were not made available to committee members. This is an ordinance to approve a fee for a cable provider, AT&T. They provide a cable service to the members of the

unincorporated county through a state franchise. So, they don't have to ask Macon County for approval of their franchise agreement. There is a state statute that allows them to do that. However, one of the good things that the legislature did is to say that even though the franchise agreement is going through the state, the county can pass a fee and get a portion of basically, the tax remitted to Macon County. This ordinance is to approve the fee for the cable provider to send to Macon County. Also, there is a second portion to that. The PEG act (Public Education in Government) says that we are able to collect a fee off of the support fee, accumulate those funds and potentially put on programming in the future once we get sufficient funds on hand. This is what the City of Decatur uses for their cable channel where they broadcast city council meetings and administrative hearings. Not that we are going to broadcast county board meetings. That was not anything we discussed. But, we did discuss potentially having public service programs put together by the Health Department that might be beneficial to the community. That is what this ordinance is about – to allow the fee to be charged. Mr. Ashby questioned the amount that could be generated with this fee and what line it would be going on. Jay Dunn stated that Comcast fees come to about \$12,000, and the AT&T fees would be much less. Amy Stockwell stated that she would make a new special revenue fund for it so it will be separately reported. It would not be part of the general fund. It would be its own special revenue fund that would only be spent on programming. Combined with Comcast money, and possibly Suddenlink at some time in the future once we get the funds built up, we could be doing some programming from the Health Department, Workforce Investment, potentially EMA and maybe the Sheriff's Office. Comcast may also supply some grant money to help kickstart this. Jay Dunn stated he has spoken with City Manager before about access to the city channel to educate at least the people with Comcast.

Mark Wicklund requested copies of both the AT&T & the Comcast agreements.

Jay Dunn commented that Josh Tanner, Amy Stockwell, Randy Waks and he have been working on the Comcast agreement for 4 or 5 years. Comcast has been very difficult to work with, but we have finally gotten this resolved and I think we have a win/win situation. Next, our other carrier, Suddenlink, who have not answered our original letter, just notified us that they are selling and need a resolution passed. So, I am sure we will work out our agreement a little quicker if they want that sale to go through. It has been a long process and Josh did a good job on the groundwork to get this agreement passed. Randy Waks agreed to the difficulty.

Chair Keith Ashby stated that the Finance Committee would like to be able to move both the AT&T & Comcast agreements on to the Board for approval without the Finance Committee approval due to the unavailability of copies today. Copies will be supplied to the full Board prior to the Board Meeting on Nov 8. Jay Dunn made a motion to move both agreements on to the Board, seconded by Tim Dudley, motion carried 6-0.

Millikin University

Mr. John Cobb, representing Millikin University, explained that the County has been a great partner in acting as a conduit financier for the University. The capacity for the county where it issues its bonds then turns around and loans the proceeds to Millikin University for different projects. This is done under the industrial revenue Bond Act which says that the county has absolutely no liability for the bonds that are issued. In 1998, the County was kind enough to act as conduit financier for a public issue and the rates on that issue were about 4 ½%. Millikin has been approached by PNC Bank and has been offered rates that are approximately 2.39% to 2.35% to refinance up to \$10,000,000 of the 1998 issue. So, we are here today without a resolution, but just to ask for your recommendation to the County Board that it act as conduit financier for a new bond issue of up to ten million dollars. It will be purchased by PNC Bank. There will be one bond/one

purchaser. No public issue. The 1998 bonds were refinanced 1995 bonds which built Brooklyn Hall and remodeled the Richard Trade Center. The original amount was ten million dollars. The original bonds were not subject to optional redemption until about last year. The issue will probably come in at 9.4 to 9.6 million. That will make them bank qualified so that when PNC purchases these bonds, they're given an extra tax break for buying the bonds. Mr. Cobb will return with a resolution to the 12/3 Finance Committee meeting. It will then go before the 12/13 Board Meeting.

Auditor's Report & Approval of Display Budget

Amy Stockwell distributed 2 packets and reported that the first packet contained new material as of today.

Probation Department modifications contain information about how Lori Long recently heard from the state on what the allocation would be on the key revenue sources from the state to help support our probation program. That number was down, but not down as much as expected. The number was made up from reimbursement probation fees. Revenue is exactly the same as you saw before – just distributed on different lines. There is no change on the expenses. The official communication from the state is attached.

The Public Defender report includes the additional \$10,000 of revenue for Adult Redeploy and spending in the same amount. This paper also includes all the changes made at the last meeting. So, there is no change in the bottom line from the last meeting – just slightly different revenue & expense to reflect the new revenue source. It will have a number assigned and will not be misc as shown on this report.

The next page contains all the new material. The general department is within the General Funds. It is that general department that is partially controlled by the county board and partially controlled by the Auditor. The main thing is that this is where we take care of health insurance. An assumed increase in July on the health insurance is being reflected. Telephone came down because it is running lower than expected. Network EDP went up because with the change in Josh's responsibilities, we are going to need more outside services to make sure that our server backbone, email service is working well and continues to be protected. That is a high priority item and we are working with our vender to sign that contract. There is a slight reduction in revenue and the net increases on the bottom line for the GIS department. On percentage terms, it is very small, but it is an increase.

The next page is the retirement fund. This is a special revenue fund. This, of course, has its own IMRF levy. After extensive figuring, based on both the increase in the rates due to a pretty bad year on investments for IMRF (although it could have been much worse) and the timing of payroll, we're increasing expense by \$20,000 and also increasing the levy to keep that fund in balance. Payroll, in total, from the budget does not look like it went up by very much. Of course, we expected it to go up by 2.5% since that is sort of the target raise number, but because we saw declines in personnel in many offices, the extent of the payroll increase was not that great. But, there are some payroll timing issues that enter into it and then there's this rate thing. So, our best estimate is \$320,000 above the prior budget and therefore an increase in the levy.

The next page we went through the same analysis on SS. Of course, the rates did not change and we are basically saying that we need the expense to go up by that increase in payroll, but we did not have to increase the levy because fund balances are healthy in that fund.

The next page is the insurance fund and Mr. Ted Miller is here to help on this. In the 5000 series, those increases are contractual increases at 2.5%. No increase in fringes and we are expecting an increase in our property and inland marine policy because the market is tightening. We are expecting an increase in the insurance premium for our workers comp which is our excess workers comp carrier, but that is offset by reductions in our fees that we pay to our third part producer to help us look at the submitted health claims for workers comp and they're being more efficient about that in that we have seen a reduction there. There is a big number that is the increase in the general liability insurance. We do not have the number yet from our carrier. We do know that they are cutting our coverage and that we, therefore, will have to go to another supplier to get the same coverage we have now, which I am extremely interested in having. It is an unknown number. We expect to hear at the end of this week. The current schedule is that we will have the proposal in hand and you will be acting on that proposal at the special meeting. So, should we need to adjust the budget, I would suggest we do that on the floor as an amendment. We will know that number when you approve the budget.

Mr. Ted Miller stated that the committee members have a pretty solid understanding of what we are up against from the communications with the attorneys that have been defending the county. As soon as we have more concrete information, it will be passed along. We are confident that the \$450,000 figure is a reasonable estimation.

Amy thanked everyone for their help in putting together the application. It was well received by the carrier. Everyone was very thorough.

When we look at self insurance, which is where we pay the claims for both workers comp and general liability, the general liability claims include both the physical damage for auto repairs before our deductible and the insurance fees for all the attorneys who are defending us against potential liability. We had a very high year this year on our general liability claims, but that was offset by a really great year on our workers comp claims. So, together, the total was OK, even though it was on the wrong lines. At Mr. Miller's suggestion, I took a 5 year look at both of those claims numbers - threw out the high & low - and took the average of the three intermediates. With that, we should be solidly good in keeping the claims numbers the same. Therefore, what we need from property taxes is the same and that does not contribute to the increase in the levy on insurance. It is just really the premium increase.

The next page is the Capital Projects Fund. This was created a number of years ago as a financing vehicle so departments would have a lease option that did not involve commercial financing. We are essentially lending ourselves money so that copiers can be purchased and we can pay ourselves now less than ½% interest vs the 25% or 30% interest that was imbedded in commercial lease costs. Although, this started slow and people were a little reluctant to do it, people have communicated among themselves that this is a great deal. We continue to see people using it for copier purchases, we are buying a car with it. That is what it is there for - so we don't have to pay commercial lease rates.

Now, the lease bond. This is more money on fewer lines than on any other fund. This is where taxes are levied to pay the Building Commission for the principal and interest on bonds that were issued in the past and for operations, maintenance, utilities, repairs - everything on the three buildings down here plus animal control. This fund is different than other funds. In other funds, we are always really looking at cash flow when we set the levy. The number you all write down for the levy is the number that gets put on the property tax bills. It is a little different on this fund because Mr. Bean needs an actual resolution if there are any amendments to the resolution that he

has which is the multi-year inner fund loan. The lease document has us owing \$5,921,262. That is right off the lease document which is mostly O&M, but some principal and interest. We know we can offset that with the reduction in city occupancy because next year the city is still going to be in the law enforcement center. This continues to be a year to year thing as the city continues to deal with their plans for police facilities, but we believe that this is very likely. We need to come up with \$5,751,000. We first use the surplus generated by the Building Commission. We give them the money up front, they don't spend it all, then they tell us how much is left at the end. They have been very good at returning very substantial surpluses over the last few years. Although, we don't know what the number is yet, I am projecting it to be the same as this year. At the building commission meetings that I have attended, they have been saying that they are on track for this year and maybe even a little better.

The second number on this chart is a resolution I am going to bring you next month. Detailed cash flow analysis of this fund indicates that we have generated interest in the fund. We have received rental income – none now, but in the past. We probably have too much money held in the fund. This is an accumulation of surplus that has developed over many years. Since we actually have to go through the resolution process, we can't keep on top of it every year, so we have to do it in big lumps. I am proposing that I bring you the abatement resolution this time so it can go on the levy for next summer. That means that we need \$475,104 which would go on the top line as the levy.

What does it mean?

The Revenue in the General Corporate Fund is easiest to look at as three big pots of money: The Property taxes which we have 100% control over, Sales & Income Tax which we have 0% control over, and Fees collected by offices which we have about 50% control over. The bottom line is that given the Board's statement earlier about desiring to reduce the general fund levy by one million dollars, I have done that. We have projected all the other items. Sales & Income taxes are both watched via a 12 month moving graph and are possibly a little up. The things that look a little low are offset by things that might be a little high so the bottom line is correct. LEST will be up modestly according to the trend we are seeing.

Summary Page: Some things went up / some down. Revenue is not down as much as the million dollars because some things increased. For the budget, the general fund revenue minus expense minus 1.1 million. What that means is that to operate the county, we will remove \$1.1 million from our ending fund balance because we believe that the fund balance is higher than we need for operations. We are running at more than 4 months. By taking the million dollars out, we will get closer to that 4 months. It looks like, based on Sept results, that we are once again going to have a positive number in the general fund at the end of this year. And, remember, at the end of last year, we had approximately \$10,000,000 in the general fund, which is what all this analysis was based on. I think we are going to actually add to that again this year because of great work by everybody.

The last page of the reports shows the BIG picture. It includes all the levies on all the funds. General Fund is down one million; retirement is up slightly; SS – no change; Insurance – up \$300,000 for expected increase in premium; Judgment – up some; Health – down a little; Three Highway department funds are even; Building Commission lease – down because of taking advantage of excess cash in fund; Historical – down a little; VAC – even; Mental Health – up 150. The net effect is that Macon County will give the tax payers \$700,000 off their bills which includes a million dollar reduction on the general fund levy and an increase on insurance. With that, I would like to ask your approval to proceed with these numbers to publish the Display Budget in the next couple of days. Motion was made by Tim Dudley, seconded by Jay Dunn, motion carried 6-0.

Discussion: Jay Dunn questioned whether it would be possible to raise the general fund \$1,000,000 to \$1.3 million and would there be ramifications? Amy stated she thought it would be possible. If we increase it by 3, we would still have a ten million or nine plus which is what you expected. Jay replied that we told our taxpayers we were going to cut the general fund, which we have, but unfortunately we have run into some liability issues with the insurance. I would still like to make the bottom line a million dollars. So Jay would like to increase the general fund cut to 1.3. Kevin Greenfield stated that Amy Stockwell was quickly persuaded to go to 1.3 and wondered if it would be possible to go more, possibly 1.7. Amy replied that now you are getting into mult year planning, so you are going to have the same trouble with the general fund that you have with the other funds where you take big decreases in the levy. You still have to make that up. However big the decrease is, it is a one time thing. It is not permanent reduction in funding. You have to bring it back up. Whatever you decrease it by, you have to increase it at some point in the future. Mr. Greenfield suggested that you would not have to if the economy picks up. Amy said it won't increase that much and she is really not comfortable going there. Jay commented that several months ago, they talked about going one million this year and then possibly a million next year provided the economy comes back for us. Keith Ashby felt the conservative way would be best. He would rather not see us get into problems where we have to increase the levy. Jay made a motion to amend the motion to increase the general fund cut to 1.3 million or whatever is necessary to give an overall levy reduction of \$1 million, seconded by Tim Dudley, motion carried 6-0.

Keith Ashby took a moment to thank Amy Stockwell, the office holders and department heads for all the work they've done to be able to reduce the levy. It is a step in the right direction. We have come a long way in the last 8 years.

Lori Long reported that we have received two proposals in response to our requests for proposals for the detention bed space. Our contract with Sangamon County is ending at the end of November. They are good proposals. We will continue to review and negotiate and I expect to present FY13 budget modifications in the next 1 ½ to 2 months. Chair Ashby thanked Lori for her hard work.

NEXT MEETING

Monday, December 3, 2012 @ 5:15 p.m.

ADJOURNMENT

Motion to adjourn made by Tim Dudley, seconded by Jay Dunn, motion carried 6-0, and meeting adjourned at 6:35 p.m.

Minutes submitted by Jeannie Durham
Macon County Board Office