

**WILL COUNTY BOARD**  
**FINANCE COMMITTEE MEETING**  
**MINUTES**

**March 1, 2011**

Will County Office Building  
County Board Committee Room  
302 North Chicago Street  
Joliet, IL 60432  
9:30 a.m.

**CALL TO ORDER**

Mr. Kusta called the meeting to order at 9:32 a.m.

**ROLL CALL**

**Present were Members:** Maher, Dralle, Gould, McPhillips, Seiler, Wilhelmi and Kusta.

**Absent were Members:** None.

**Also Present:** County Board Chairman Jim Moustis, Denise Winfrey, Jackie Traynere, County Board Deputy Chief of Staff Melissa Johannsen, Finance Director Paul Rafac, Clerk of the Circuit Court Clerk Chief Deputy Chuck Squires, County Executive Chief of Staff Nick Palmer, Will County Treasurer Steve Weber, Financial Analyst Karen Hennessy, Purchasing Director Rita Weiss, Sheriff Department IT Projects Manager Don Piwowarski and First Midwest Bank President Jim Roof.

**Present from State's Attorney's Office:** ASA M. Tatroe.

**PLEDGE OF ALLEGIANCE**

Mr. Maher led the committee in the Pledge of Allegiance.

**APPROVAL OF MINUTES**

A motion was made by Mr. Maher, second by Ms. Seiler, to approve the minutes from the February 1, 2011, meeting. All in favor.

MOTION CARRIES.

**OLD BUSINESS**

None.

## **NEW BUSINESS**

### **Update on County Finances**

Ms. McPhillips and Mr. Wilhelmi arrived at this juncture.

Ms. Hennessy stated she was working on a more detailed payroll analysis to be done on a quarterly basis. The first one should be ready for the committee's April meeting.

Mr. Wilhelmi commented the sales tax figures seemed fairly high compared to the budget and wondered if the numbers might indicate a trend.

Mr. Rafac indicated the numbers included the holidays.

### **Request for Assignment of Tax Sale Certificates**

Mr. Weber stated the list was condensed. Last year there were 77 parcels; this year's list has four. A motion was made by Mr. Wilhelmi, second by Ms. McPhillips, to approve the assignment of tax sale certificates as presented. All in favor. MOTION CARRIES.

### **Request to Award ATM Bid for Treasurer's Office**

Ms. Weiss stated originally she was going to request an award. After more research, it was determined the lower cost to the county did not meet the bid specifications. Mr. Weber has asked to have the bid removed.

Mr. Weber explained the lone bidder was First Midwest Bank and it would result in a cost to the county.

A motion was made by Mr. Gould, second by Mr. Maher, to void the bid. All in favor.

MOTION CARRIES.

### **Request for Year End 2010 Budget Clean Up #3**

Mr. Rafac stated there were two items on the list that are reclassifications of capital assets. There should be one more cleanup in April. A motion was made by Ms. Dralle, second by Ms. Seiler, to place a resolution on the County Board agenda to transfer and increase appropriations in various county budgets to fund year end shortfalls. All in favor.

MOTION CARRIES.

### **Request for Creation of New Special Electronic Citation Fund for Circuit Clerk**

Mr. Rafac stated new legislation was passed. The fund wasn't established during the budget process, so the committee must establish one.

Mr. Squires explained the money would accumulate in the fund and would not be appropriated. It is a \$5 fee on guilty verdicts and supervisions in traffic misdemeanors and other types of cases. From the \$5 fee, 60% percent of the money would go to the clerk's office, or \$3, and \$2 would go to the arresting agency. The money will support the electronic citation project.

Mr. Kusta asked when the collection would begin.

Mr. Squires indicated the collection already had started. Several different law enforcement agencies including the Sheriff's department and Joliet police have installed the equipment in their squad cars.

Mr. Kusta asked if Bolingbrook was part of the project.

Mr. Squires replied yes, noting he did not know how many vehicles had the equipment.

A motion was made by Mr. Wilhelmi, second by Ms. McPhillips, to place a resolution on the County Board agenda to create a new special electronic citation fund for the Circuit Court Clerk. All in favor. MOTION CARRIES.

### **Request to Update Capital Asset Policy**

Mr. Rafac stated the policy last was updated 8 to 10 years ago. The policy now has been completely rewritten. The old version contained quite a bit of technical operational information such as the accounting codes. The policy is being changed because GASB has new requirements. As part of the request, the update should be retroactive to November, but the board should approve the policy in April. The red type in the hand out indicates the changes made to the policy. The overview indicates GASB 51 is requiring the county to account for intangible assets. On page 2 of the policy, the tangible assets are listed: land; infrastructure; buildings and improvements; and furniture and equipment. One of the major changes involves software. In the past, it was considered a tangible asset. Now GASB 51 classifies it as an intangible asset. In relation to infrastructure, road overlays have not been formally capitalized. When a major overlay is completed, it extends the life of the road for 7 to 15 years, depending on traffic and other conditions. Now overlays will be capitalized.

Ms. Johannsen asked for a time frame on how far back the finance department would go regarding overlays.

Mr. Rafac answered 10 years. Road right-of-way also is considered to be an intangible asset. Right-of-way can be transferred, so it is subject to GASB 51 and must be recorded. Because right-of-way is land and doesn't degrade in value, it is not amortized. Computer software also is broken out in terms of what is purchased or licensed and internally generated. Internally generated is an entirely new area; in the past, it was capitalized and depreciated. Now it will be capitalized and amortized. The real estate system, for example, was an in-house system. Now the department must record the useful life of that product and value it on the books. Because the county has been paying to enhance the JANO court system, the work being done to enhance that particular system might have to be capitalized. Only the development of the new software would be capitalized -- not the planning or the training involved. In the past, \$5,000 had been used as a capitalization threshold. That won't change. There is a new recommended threshold for internally generated computer software: \$50,000. The work during the past year on JANO might or might not qualify for that level.

The improvements made to the real estate tax system have not hit the \$50,000 mark. Other counties are using \$50,000 as a benchmark, and the number seems to be reasonable.

Mr. Maher asked how the value was being determined.

Mr. Rafac answered the amount of money paid to the person developing the software had to be recorded. With the real estate system, for example, if the county moves forward to develop it internally, an architect will be hired. Or it could be a third party.

Mr. Maher asked for a list of pros and cons related to reaching the \$50,000 mark.

Mr. Rafac replied when the county starts moving forward with the real estate tax system, everything that is done will be over the \$50,000 threshold. The threshold would have to be 2 to 4 times that figure in order to avoid not capitalizing the real estate tax system. If the threshold were set that high, the county might be skirting the intent of the legislation.

Mr. Maher asked for an explanation of the intent of the legislation.

Mr. Rafac answered it was for the county to reflect the true value of its assets on the books.

Ms. Johannsen noted that fact might become important if there was an issue of liability.

Ms. McPhillips asked if the policy could be back dated.

Mr. Rafac answered yes. GASB 51 goes into effect retroactively on Dec. 1, 2009 for the county.

Mr. Maher asked if the software would be removed as an expense from the line items.

Mr. Rafac answered yes. The depreciation thresholds are the same as have been used in the past. Buildings and improvements have been expanded to include roofs and parking lots so there is the option to break those items out later. Roofs and parking lots have different useful lives than buildings. If there is a major overlay on a parking lot it would be depreciated. Purchased software is typically treated under five years. If the software is licensed, it will be determined by the contract. Internally generated software will be amortized over five years. The Highway Department does maintain the record keeping for the infrastructure. The Sheriff's Department will track their own numbers for vehicles.

#### **Request to Discuss Funding for JMS System & New World Contract**

Mr. Piwowarski stated the process of replacing the outdated jail management system began about eight years ago. The department now has a new vendor and is negotiating pricing for the system. In the beginning, the department expected to spend \$900,000. Over time, the available funds have dwindled, but the project still will cost about \$840,000. The department is short about \$160,000.

Mr. Moustis noted the \$680,000 was part of the jail bond issue but not part of the original project.

Mr. Rafac stated the jail's radio system also was upgraded.

Mrs. Dralle stated the jail management system is for the entire operation of the jail and is related to the movement of inmates. More funds are needed for this important and necessary project. Additionally, the county's judicial needs must be integrated so that extensive information will be available at the press of a button. A few years ago, a warrant and order of protection system was purchased with federal funding. The JMS System cannot integrate that information.

Mr. Piwowarski stated the system can be integrated for an additional cost or it can take over those functions.

Mrs. Dralle asked how much it would cost to integrate and which would be the better option.

Mr. Piwowarski answered it would be \$21,000. Instead of taking the exchange, the county should do a detailed analysis of New World and determine if it would be a valid replacement for the current system. The warrants and orders of protection aren't interfaced in the current JMS system, and the jail staff doesn't have any problems working under those conditions. If it can be incorporated into the application, then there would be a time savings and a better sharing of information.

Mrs. Dralle asked if he had spoken to the clerk's office and reached a consensus.

Mr. Piwowarski stated it could be brought over to current vendor Visionaire and still would be applicable to New World. It does create a challenge for another federal grant-related initiative on data exchange; if New World is likely to take over the entire process, it wouldn't be advisable to spend more on a Visionaire data exchange system. Additionally, there is another reason to delay the data exchange between Visionaire and New World: if New World can handle both functions, the other vendor could be eliminated. That would save \$38,000 a year.

Mr. Maher asked if the county would own the software, where would it reside and which servers would be used.

Mr. Piwowarski stated the software would be on the servers at the jail. The software is owned by the company, but if it goes out of business or into bankruptcy, the county would be given the source code. The county would pay an annual maintenance fee of \$108,000 yearly. That will cover annual updates, minor fixes, software glitches, issues related to changes in state law and live tech support by telephone. There also is an annual conference offering users the opportunity to help choose the enhancements to the software. The IT department will be trained to provide internal support, primarily on the hardware side. Staff also will be trained to do some support functions and training. Some of the training is web based, but for a fee, there also is a training facility in Troy, Mich.

Mr. Maher commented the price seemed high.

Mr. Piwowarski agreed. If the county implements the program, the fees will cover the JMS, warrants and orders of protection. If warrants and orders of protection aren't included, the county might be able to negotiate the maintenance fee. That might cut the price by as much as \$15,000.

Mr. Maher suggested perhaps the county could negotiate a contract that would allow for services to be purchased as needed with a cap on the amount that could be spent.

Mr. Piwowarski stated that scenario might cost more than the actual maintenance contract.

Mr. Wilhelmi asked if a lease option had been priced.

Ms. Johannsen stated there was not a lease option.

A motion was made by Mrs. Dralle, second by Mr. Wilhelmi, to approve the additional funding for the software. On a roll call vote, Dralle, Gould, McPhillips, Seiler, Wilhelmi and Kusta voting yes. Maher voting no.

MOTION CARRIES.

**Other New Business**

None.

**ANNOUNCEMENTS BY THE CHAIRMAN**

None.

**EXECUTIVE SESSION**

None.

**ADJOURNMENT**

A motion as made by Ms. Seiler, second by Ms. McPhillips, to adjourn the meeting at 10:20 a.m. All in favor.

MOTION CARRIES.