

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

**April 5, 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 9:34 a.m.

**ROLL CALL**

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

**Absent were Members:** Wilhelmi.

**Also Present:** County Board Chief of Staff Bruce Friefeld, County Board Deputy Chief of Staff Melissa Johannsen, Finance Director Paul Rafac, Deputy Chief Nate Romeo, Chief Felony Defender Greg DeBord, Court Administrator Kurt Sangmeister, Chief Deputy Treasurer Sue Hart, County Executive Chief of Staff Nick Palmer, Health Department Executive Director John Cicero, Financial Analyst Karen Hennessy, Resource Recovery and Energy Division Director Dean Olson, Investment Manager Brian McDaniel, Beth LaPlante and Nancy Kuhajda of the University of Illinois Cooperative Extension.

**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 Mr. Gould, to approve the minutes from the March 1, 2011, meeting. All in favor. MOTION CARRIES.

## **OLD BUSINESS**

### **Capital Asset Policy**

Mr. Rafac stated the policy was similar to the one distributed in March with the exception of a few changes. The changes were indicated in red ink and included the effective date of fiscal year 2010 and the adoption date of April 21, 2011.

A motion was made by Ms. Seiler, second by Mr. Maher, to place a Resolution on the County Board agenda to establish the Capital Asset Policy. All in favor. MOTION CARRIES.

## **NEW BUSINESS**

### **Update on County Finances**

Ms. Hennessy stated the year-to-date revenue as of Feb. 28, 2011 is \$12.9 million. Adjusted for accruals, it is \$23.5 million, or roughly 14% of what was budgeted for the year. It is trending with what happened in prior years, and in some categories looks a little better. The year-to-date expenses are \$32.8 million. Adjusted for accruals, it is \$36 million, or roughly 21% of the year's budget. With the first three months of the year over, the department expected to have spent roughly 25% of the year's budget. The cash balance at the end of February is \$32.8 million, and that will be increased by about \$4 million because FICA and IMRF have not been transferred. That will bring it to \$37.2 million, an increase over the prior year.

Ms. McPhillips arrived at this juncture.

Mr. Rafac noted an in-depth quarterly payroll analysis was distributed to the committee members at the beginning of the meeting. It detailed accrued expenses for the first three months of the year. One column showed step raises given under the union contract and most of the variances are explained here. For example, in the Purchasing Department, the step movement in the union contract was not funded. As it stands today, the Finance Department would project a year-end shortfall of \$345 for Purchasing, and it will be made up by Finance or the County Executive. The next group is related to union contracts and under the Chief Judge: Probation, Public Defender and Juvenile Detention. The Public Defender's number is large because the step raises were done last year and at the beginning of this year under a memorandum of understanding with the union. Under the Sheriff's operations, the Finance Department's projections are in line with internal projections. There probably will be a \$1.2 or \$1.3 million shortfall. That also is related to the lack of funding for step movement or overtime. On the positive side, the Sheriff's administration, Enforcement and County Board Security also have a surplus.

### **Request for Year End 2010 Budget Clean Up #4**

Mr. Rafac explained the committee members had all the available information except for the Highway Department. Overlays are being reclassified, and some other adjustments also are

being made, so the numbers have not been finalized yet. When the numbers are finalized in the next week to 10 days, the information will be e-mailed to the members of the committee.

A motion was made by Mr. Maher, second by Mrs. Dralle, to place a Resolution on the County Board agenda transferring and increasing appropriations in various county budgets to fund year end shortfalls. All in favor. MOTION CARRIES.

**Request for Resolution Authorizing Temporary Loan from Corporate Fund to the County Tort Immunity Fund**

Mr. Rafac stated \$500,000 was loaned to the fund. There still is \$1 million in authority available. At the end of last year, there was a payout related to the Riley Fox settlement, so there wasn't the cash flow to cover the fund in an ongoing operational level this year.

A motion was made by Mr. Gould, second by Ms. Seiler, to place on the County Board agenda a Resolution authorizing a temporary loan from the Corporate Fund to the County Tort Immunity Fund. All in favor. MOTION CARRIES.

**Request for Resolution Amending 2011 Budget to Accurately Reflect Changes in Real Estate Tax Revenues**

Mr. Rafac noted an updated version of the levy spreadsheet had been distributed to the members of the committee. The darker salmon color on the spreadsheet indicated the direction of the board. The targeted levy was \$111.5 million. About \$143,000 more can be collected for a total of \$111.643 million. Relative to the tax cap, the county is down \$2.9 million. The major reason for the change is adjustments to the new property levels. Over \$700,000 is related to the new property figures being higher than last year's anticipated numbers. The lighter pink column includes the Finance Department's recommendation that all levies stay at the calculated rate with one exception: County Bridge and Federal Matching should be lowered by a tenth of a percent, and the corporate fund should be increased by a corresponding \$42,000. The difference between the columns colored light pink and darker pink – or the light pink columns and the yellow columns indicating the numbers from last year – are relatively in line. The distribution by fund is relatively even. This level of funding means the typical taxpayer had an \$8.69 savings relative to taxing at the full cap.

Mr. Gould asked which line reflected the \$700,000 increase in new property.

Mr. Rafac answered there wasn't a line. The calculations were based on the most recent new property number versus the earlier number.

Mr. Gould asked if that accounted for the \$140,000 difference.

Mr. Rafac replied yes.

Mr. Maher asked if the allowable maximum tax rate indicated what the County Board could have done with the rate, and what actually was done with the rate.

Mr. Rafac explained the maximum tax that could have been taken by the county was highlighted in pink. The most that could have been collected was .5411%, or \$114.5 million. The county will be collecting .5274%. The numbers highlighted in light pink indicated the cumulative tax rate. They can be found in the column just below the second summation. That generates \$111.6 million. That is what the county could be collecting, and is \$2.9 million less than the tax cap. The county essentially loses the tax cap authority going forward. In bonding terms, that is about \$36 million in bonding capability.

A motion was made by Mr. Maher, second by Ms. Seiler, to place a Resolution on the County Board agenda to amend the 2011 budget to accurately reflect changes in real estate tax revenues. All in favor. MOTION CARRIES.

**Request to Provide University of IL Coop Extension Update**

Mr. Kusta moved this item to the end of the agenda.

**Request to Designate William Blair & Company as County Depository**

Mr. McDaniel stated William Blair is a Chicago-based firm dealing with asset management such as fixed-income securities and is predominantly an investment firm. The department would like to work with the company on the Treasurer's Class C Fund, the Road and Bridge fund. That is where the Motor-Fuel Tax funds and money yet to be spent on bonds are held. William Blair would work with the Treasurer's office in an advisory capacity.

Mr. Gould asked if William Blair was a bank and if it was FDIC insured.

Mr. McDaniel answered it was not a bank. The funds are under FSLIC and William Blair has a \$250 million surety bond.

Ms. Seiler explained FSLIC is for savings institutions. Will the company still collateralize deposits?

Mr. McDaniel answered yes. The instruments they would be working with would be government-backed securities and Fannie Mae. The Treasurer's office has security relationships with the brokerage arms of many of the major banks such as Fifth Third Bank. This is just an investment advisory providing the Treasurer with services.

Mr. Kusta asked how the Treasurer chose William Blair & Company.

Mr. McDaniel stated the Treasurer could chose professional services by statute. The Treasurer's office interviewed three firms: William Blair, Northern Trust and Fifth Third Securities, a company that already has a brokerage relationship with the Treasurer. The department looked at the financial numbers, interviewed several of their references and considered the impact to the Treasurer's office and the county's funds. William Blair would be the best business decision for the tax payer. Counties across the country have bond portfolios, and the Treasurer wants to make that move to gain a return yield.

Ms. McPhillips asked where the funds currently were held.

Mr. McDaniel stated the office would be revising its allocation mix. Most of the funds were held now in certificates of deposit or money market accounts. This should provide a better return.

Mr. Rafac stated he was involved in one of the interviews with William Blair. The company is a well-recognized firm. It will improve the rate of return for the county. It is also a stable and conservative approach to investing.

Ms. Seiler asked if there was historical information on the performance of other investments.

Mr. McDaniel stated the current portfolio is worth about \$162 million. Two-thirds is invested in certificates and the rest is in cash reserves and money markets. As of the beginning of the month, the fund was earning 42 basis points, or a return of .42%. The expected income will be a little bit greater than 1%. The expected return will be in the 3% range.

Mr. Maher asked how frequently the Treasurer reviewed the investments.

Mr. McDaniel replied there was a monthly analysis.

A motion was made by Mrs. Dralle, second by Ms. McPhillips, to place a Resolution on the County Board agenda designating William Blair & Company as County Depository. All in favor with Mr. Gould voting no. MOTION CARRIES.

**Request to Distribute Financial Reports in Electronic Format & Request for Feedback for Improvements**

Mr. McDaniel stated the Treasurer's office would like to provide their reports to the County Board in an electronic format as opposed to a paper format. It would save money while improving the process of reporting.

A motion was made by Mr. Gould, second by Ms. Seiler, to approve the request to distribute financial reports in electronic format. All in favor. MOTION CARRIES.

**Request to Present Quarterly Report at April County Board Meeting**

A motion was made by Mr. Gould, second by Ms. Dralle, to place the auditor's report on the agenda for the April County Board meeting. All in favor. MOTION CARRIES.

**Request to Appropriate H1N1 Grant Funds in Health Department Budget**

Mr. Cicero stated the money was part of the funds distributed by the state for education during the H1N1 outbreak. A motion was made by Mrs. Dralle, second by Ms. Seiler to appropriate the H1N1 Grant Funds in the Health Department budget. All in favor.

MOTION CARRIES.

**Request to Appropriate Tobacco Free Communities Grant Funds in Health**

**Department Budget**

Mr. Cicero stated the money was part of a \$22,000 grant from the tobacco settlement money. It would be used for outreach efforts in the Hispanic community. A motion was made by Mr. Gould, second by Ms. McPhillips to appropriate the Tobacco Free Communities Grant funds in the Health Department budget. All in favor. MOTION CARRIES.

**Request to Appropriate Breastfeeding Peer Counseling Program Grant Funds in Health Department Budget**

Mr. Cicero stated there is \$25,000 from WIC to fund a peer counseling program to promote breast feeding. A motion was made by Ms. Seiler, second by Mrs. Dralle, to appropriate the Breastfeeding Peer Counseling Program Grant Funds in the Health Department Budget. All in favor. MOTION CARRIES.

**Request to Appropriate West Nile Virus Grant Funds in Health Department Budget**

Mr. Cicero stated there was \$27,000 from the state to help purchase larvacide for the municipalities. A motion was made by Ms. McPhillips, second by Ms. Seiler, to appropriate West Nile Virus Grant Funds in Health Department Budget. All in favor.

MOTION CARRIES.

**Request to Revise 2011 Budget for Energy Efficiency & Conservation Block Grant Program and Revenue & Expenditures for FY11**

Mr. Olson explained he needed to make an adjustment to a budget that already had been sent to the committee. An adjustment had to be made to the IMRF. A motion was made by Ms. McPhillips, second by Mr. Maher, to place a Resolution on the County Board agenda revising 2011 Budget for Energy Efficiency & Conservation Block Grant Program and Revenue & Expenditures for FY11. All in favor. MOTION CARRIES.

**Request to Provide University of IL Coop Extension Update**

Ms. LaPlante explained she was the county director for the newly combined unit of the University of Illinois Cooperative Extension. The local Extension and others across the state recently were reorganized to save \$5 to 7 million, and most units now are comprised of three to seven counties. The budget for each unit was cut to about \$350,000. The Kankakee County unit was combined with the units from Will and Grundy counties. In July 2010, there were 72 county directors across the state, and now there are 27. The bulk of the financing is coming from Kankakee County and more of the programming now will be focused on that area.

Mr. Maher asked the results of the fundraiser.

Ms. LaPlante answered the final numbers weren't available but it seems to be between \$15,000 and \$16,000. Any funds received locally are eligible for a 65% County Board match that is available legislatively from the state.

Mr. Gould asked if the office on U.S. 52 in Joliet would remain open.

Ms. LaPlante stated the space might have to be downsized.

Mr. Gould asked how Kankakee County was able to provide more funding.

Ms. LaPlante explained the county ran a successful referendum in 1992 to fund the extension.

Ms. Seiler asked how many people from Will County used the Extension's services as opposed to the numbers from Grundy and Kankakee counties.

Ms. LaPlante answered she did not know.

Ms. Kuhajda stated there were about 154 master gardeners in Will County, about 50 in Kankakee County and four in Grundy County.

Ms. LaPlante stated there were 400 children involved in 4-H programs in Kankakee County, 380 in Will County and a little more than 200 in Grundy County.

Mr. Kusta stated the county would like to provide funding for the Extension this year if it is possible.

Ms. Johannsen stated last year the county provided \$25,000 in funding to the Extension. The money came from the Laraway Road host fee agreement with Waste Management.

#### **ADJOURNMENT**

A motion was made by Mr. Gould, second by Mr. Maher, to adjourn the meeting at 10:31 a.m. All in favor.

MOTION CARRIES.