****SPECIAL JOINT MEETING****

Ogle County Finance & Insurance Committee
AND
Ogle County Judiciary & Circuit Clerk & Juvenile & Probation Committee
Special Meeting Tentative Minutes
Wednesday February 3, 2010

1. Call to Order by Personnel Committee Chairman Skip Kenney at 3:03
    - Members present: DeArvil, Gronewold, Rice, Hopkins, Kenney, White, Messer, Stahl, Saunders , Gouker, Colbert
    - Members Absent: Nye, Diehl
    - Others Present: Eric Morrow, Don Kenn, Nancy Williams, Debbie Billman, Mike Dale, Greg Martin, Marcia Heuer, Lynn Kilker, John Coffman, Meggon McKinley, Vinde Wells

2. Public Comment - none

3. Focus House Foundation Land Purchase & Facility Needs Assessment
    - Meggon McKinley stated the purpose of the meeting is to open a new dialogue between the County Board and the Focus House Foundation regarding the Foundation's plans to purchase land and examine future facility needs. Due to the economic down turn, we want to revisit the long range plan set in motion years ago by the County Board with open lines of communication regarding needs, timing, and funding options to ensure we work towards common objectives and outcomes.
    - Eric Morrow distributed the 2003 objectives of the County's long term planning for Focus House, which included forming the 501c3, non-profit foundation and purchasing additional land for expansion. At the time, the hand shake agreement was for purchasing up to 10 acres adjacent to the current location. The Foundation would like to begin joint discussions on this topic again, exploring options for the Foundation to purchase land and the county to fund a new facility in the future. Other items to consider include things like applying proceeds from the sale of current dormitories to a building project and having the Foundation hold the property until building a new facility, then deeding it all to the county.
    - Greg Martin reported a recent appraisal of the current dormitories took out roughly $100k-200k in repairs, noting the value could be higher in the future. White asked what type of savings would be anticipated by moving to one location and Dale noted there would be some anticipated staffing, maintenance, and utilities reductions, although specific numbers have not been run yet. Messer noted there might be a zoning change away from the current special use upon the sale, which could impact the appraisal. Martin reported Probation & Focus House are still responsible for the current loan balance of $108,000, spread over another 5 years, and that he doesn't want any new debt added. The Foundation has $70,000 for land purchase at this time.
    - Rice asked if the drive for new space is due to any current space crises or operational needs, to which Dale responded no. The primary focus is to create a facility that allows for better supervising of the youth placed there. The current facilities require many extra steps and processes to properly supervise since everything is laid out in a home-type environment. A new facility would be constructed to create both a homey atmosphere for the year and better line of sight supervision, allowing fewer staff to supervise more kids. Dale also reported they could increase funding options to the program if they could

become licensed through the state, which would require a new facility. The current operation is grand fathered in, and does not require licensing like other programs of this magnitude. Martin also noted transporting kids back and forth on 251 would be eliminated, and that while there is no crisis today, the life span of these older homes and their maintenance costs will become an issue in the future. Martin's desire is to set a strategy for 5 or more years out that plan for crossing this bridge before it's a crisis. He confirmed the mission remains focused on serving Ogle County youth, however, housing out of county youth remains a successful model for covering many expenses that would fall to the county if there were no out of county revenues coming in.

- Martin reported that land purchase is likely within the year, but understands a building project would be years off. White stated that with revenues staying flat and current reserves depleted, the County Board would have to see a detailed business plan projecting all anticipated costs and savings of the project based on various scenarios of occupancy. Martin confirmed the size would be slightly bigger, but the population capacity of 40 would remain the same (current occupancy is low with 15 Ogle County kids and 7 out of county kids; the high has been 39; the average is 27-30 depending on juvenile crime rates, treatment philosophies, and out of county placement budgets.) Programs would remain the same, but the facility would be designed to better manage the current programs. A small wing would be added segregate the younger kids a little better than is possible now to help preserve their younger life style currently lost when blended with older Focus House kids. Separate space for the more troubled kids would also better support their unique needs.
- Morrow said the Foundation is confident they could fund the land purchase after talking with lenders, and while they don't expect a commitment from the County Board today, they request continued communication to ensure common goals. The Foundation confirmed the land would be bought at no cost to the County. Gouker agreed buying contiguous land is always good for future expansion, but stated there is no way to say whether the board would or wouldn't build a new facility. Colbert asks if there would be further expansion ideas on the land beyond just one facility. Martin says the one new main facility is the focus, although it would be a large enough spot for something like a recreational center also.
- Kenney asked what happens in the worst case scenario of revenues, e.g. what if Focus House folds? Martin reported that because the county will never get out of placing kids, the county would have to create a placement budget based on average program rates of $300-$400 per kid per day. With Focus House we can control costs (avg cost is $100 per kid per day) and generate revenues for the programs. Dale also noted with a pure placement budget, school districts get hit with fees too, which doesn't happen in Ogle County today with Focus House.
- Next Steps – Gronewold states he cannot support anything new that will cost the county more money, and needs more details. Saunders and White confirm they find it reasonable to assume the sale of the dormitories could be reallocated back to a Focus House capital project. White asked for a presentation answering detailed questions of costs and savings as the next steps. He would also like to see a detailed revenue projection from the Solid Waste department. McKinley suggested bringing the business plan to the County LRP committee and including this, as well as other building project considerations, in updating the County's current long range facilities plan. Rice states he'd like to see this happen under the County's new leadership structure that will take place December 2010.

4. Adjournment by Chairman Kenney 4:20

Respectfully submitted,
Meggon McKinley, Ogle County Administrator

Lyle Hopkins – Finance Committee Chairman
Maggie Nye – Probation Committee Chairman
Kim Stahl – Probation Committee Vice Chairman

Sheriff's Department Training Room
103 Jefferson St in Oregon, Illinois
Public Entrance – gated entrance off Jefferson Street – use East door of building

Ogle County Finance & Insurance Committee Meeting
Wednesday February 10, 2010
Tentative Minutes

1. Call to Order by Chairman Hopkins at 2:30
   - Members present: Hopkins, Saunders, Rice, White, Kenney
   - Members absent: Gronewold, Diehl
   - Others present: McKinley, Coffman, Don Conn, Heuer, DeArvil, Boes, Colson, Welty, Barnes, Kilker, Steve Rypkema, Doreen O'Brien, Marty Typer, Kevin Unzicker.

2. Approval of Minutes: January 13, 2010
   - Motion to approve by Kenney
   - 2nd by Rice
   - Motion carried

3. Approval of Bills -
   - Treasurer- Motion to approve bills in the amount of $874.25 by Rice 2nd by White. Motion carried.
   - Finance & Administrator - Motion to approve bills in the amount of $18, 941.67 by Kenney. 2nd by White. Coffman said RCD billing of $5,589.32 was the first half of their payment, and when the remaining fees come in, we need to confirm where it will be paid since it will be over budget. The committee recalls approving the remaining amount to come from LRP, and McKinley will confirm for next meeting. Motion carried.

4. Public Comment - none

5. Insurance Report –
   - Property/Liability – Query reported a settlement from 3/15/06 inmate claim. $2,000 paid out, but $19,600 in defense costs. This is officially closed, and goes against the Traveler's policy. Also, Rice, Brett Webb, and Query met last week regarding preliminary ideas on group health renewal, which will happen in August. We should have some information ready for the next meeting. White asked how often we review with the department heads what the employee insurance classifications would be because Highway found $10,000 savings because employees were not properly classified. He suggests a review of all departments and employees to see if there are other savings opportunities. Rice said this is usually done during the audit, and we don't always win when we challenge the classifications. Coffman said, for example, Probation is charged law enforcement rates, and we've lost that appeal every time even though they don't carry guns.
   - Health Insurance- none to report

6. Finance Report –
   - Coffman commented that as an elected official, he has concerns about the Long Range courthouse project that he wants to bring to the attention of the Finance Committee. He distributed and discussed a summary of his concerns regarding the recent furniture bid controversy. He stated that this board is more polarized than any board he's experienced in his 12 years at the county level. He stated his support of the Board's authority and responsibility to ask questions and challenge status quo, stating he knows not all decisions will be easy or popular, but he questions the motives behind some of these issues because it appears to have more to do with who is in charge and not what's in the best interest of

the board. He thanked the committee for their time. Hopkins stated in LRP, he felt like we were recreating the wheel by bringing up all these things that had been previously voted on. Hopkins stated the project has been slowed down and that the cost of doing so is evident. He would like the project to move forward, acknowledging that no project in the world is perfect, but wanting the main objective to remain the success of the total project. Kenney stated his appreciation for Coffman's time in putting this information together. Kenney stated he believes this project is going better than the Judicial Center, which is hard for him to say since he was against the renovation project to begin with, but has chosen to support it once the decision was made.

- White said Coffman's term "polarization" of the board is a key issue. He'd like to consider for 2012 a November referendum on the ballot asking for the Board Chairman to be elected believing this might take care of some of the polarization. He has talked with board members and some think this might work well, and others do not, but White would like to see it discussed. He stated it takes majority of board to put it on the ballot and must be filed mid-August, or you can go out and collect signatures. White would like to discuss this at the next Executive Committee meeting.
- Hopkins reviewed the financials stating 16% of revenue appears good. He asked why labor costs in County Clerk are $1,500 higher this year. Kenney stated Huntley reported to the Personnel Committee in the morning that she did give raises because a committee member had said if she had the money she should give the raises. Discussion followed. White says dept heads are doing good job holding this budget, but we have seen lagging in the revenue. Coffman says the state is slow at paying and doesn't see any vast improvement any time soon. McKinley expressed concern that she wasn't copied on the County Clerk salary increases and asked the committee what the implications are to a department head who doesn't do what they say they will do during the budget planning process. McKinley stated this type of thing is very demoralizing to those department heads who held raises at $0 and did what they said they'd do for the benefit of the county budget. Rice says our hands are tied until next year, unless we want to start amending budgets, which the committee agreed we don't. White said in the long run, this may come around and force reductions if revenues remain down. Saunders expressed concern that one committee member would say such a thing to imply individual authorization of a raise.
- White said he has not felt comfortable with budgeting since it has run through the Administrator, whether it was Mielke or McKinley because it provides only 4 eyes on the process instead of many. White stated he doesn't want to go back to the old days of how Bill Spencer ran the budget process, but he liked the budget hearings with the department heads that allowed the committee to be more familiar with each budget line item. He'd like to suggest this process for the coming year, with budget meetings with each department head, the Finance Committee, and the administrator. The department heads and the administrator would then finalize the budget together after the initial hearing. White acknowledged this would be more expensive because of the extra meetings. Rice agreed it has been a learning experience because the county has only had an administrator for 3 years. Rice says the last budget meeting when we sat for 4 hours and banged the budget out was one of the best budget meetings and the best outcomes he's seen since being on the board. He agrees with White that a next step to continue improving the process may be these joint meetings to give more input and fact finding and less rumor at the beginning of the process. Hopkins agrees. Saunders suggests a one day budget meeting or work shop, but reminds the committee that the administrator brings consistency in approach, which has been the goal since the board members rotate. McKinley says anything to bring more communication, support, and understanding for everyone to get on the same page early on would be welcomed to better serve the board

and the department heads. Saunders suggests looking at the state report done years ago about how to approach budgeting with the administrator.

7. Administrator Report –
   - Long Range Planning Fund Reports – McKinley notes her monthly budget spreadsheet shows a $50,000 overstated amount and will be revised for the board meeting. John Coffman runs concurrent reports to help ensure the numbers are accurate, and he identified this duplication based on the way McKinley reported plaster repair work done in the historic renovation project allowance line. This entry was duplicated with amounts paid in RJC payments.
   - Kenney asked about project completion dates, and McKinley reported the current projection is June 30. She also noted the storm sewer project could be delayed if we have a wet spring, but RJC said they could work on it outside even when employees have moved back in. Rice reported that some outside building sand stone is fragile and crumbling and may have caused the water damage on the 3rd and 4th floors.
   - White asked for clarification on the Oregon police department CIS licenses and Rice said this was from when we negotiated the lease for the tower. We don't get charged for the land the tower sits on and we agreed to fund the CIS access to us for our radio system in exchange. The Sheriff will explain this at the Board meeting. McKinley will check with County Clerk's office to get a copy of the agreement. White also asked for clarification on the CAD expenses, which McKinley explained was the last payment due against the approved budget for the whole Sheriff's department data conversion project to CIS.

8. New Business –
   - Focus House Foundation Meeting Update – Hopkins reported on the joint Probation Committee, Finance Committee, and Focus House Foundation meeting to review the Foundation's opportunity to purchase land. The Foundation explained that in the future they would like to build dormitories on the property and sell the two homes in town to consolidate the Focus House location to one place. The goal is to save on mileage, insurance, upkeep, travel, staffing, and provide overall more efficient, effective supervision of the youth there. The Foundation would like to know if the County would some day be able to help put a building up on the property, and then deed it back to the county. The Foundation would also like to know if when the properties are sold in town, they could have the funds allocated back to the capital project. Coffman said typically it goes back into the fund that purchased it. Saunders said the goal is open communication so everyone is aware of the plans. White stated we asked them for a detailed business plan to identify what we will be spending and saving in order to justify the initiative.
   - IT/Network Cost Assessment- McKinley recapped the information she shared at the Sheriff/Buildings & Grounds/IT committee meeting in the morning focusing on the timeline to date and possible cost savings of changing how we provide email, internet security, and anti-virus software management. With internal IT resources inserted into the picture, we have significant cost savings opportunities. The committee agreed the recent project should rebid because the first proposal's scope was too broad for an apples-to-apples comparison of the responses, and not all items requested are actually needed upon further review. White asked about security if Microsoft is chosen. McKinley clarifies this is something we should ask the vendors to address in their presentations. Hopkins confirmed the committee moved to rebid the project, will allow 30 days for responses, will open the bids in an open meeting setting, then hold meetings to qualify and select the vendor.

9. Old Business –

- Tools for 2011 Budget Planning
    i. Staffing Plans
    ii. Service Levels
    iii. Job Levels
    iv. Market Data
    v. Salary Administration Policies

    McKinley reported all these items are in process and handed out an informative brochure from the AGA regarding the successful implementation of metrics and measurements to improve state and local government services. She encouraged the committee to read through this as a reference for what is being done nationwide on this topic. She will also distribute it to all board members. Kenney reported we are working on EA data for support on how to set salary budgets for 2011. Saunders asked if the whole finance committee needs to join in on the review, and Kenney indicated he'd follow up with Saunders on this subject. Kenney also reported on the recent FMLA training session to help manage risk and costs.
- Early Retirement / Buy Out Strategies – McKinley passed out a sample program from the Kane County website noting how they've chosen to hold all retired positions open for 6 months as part of the program requirement in saving money.

10. Possible Closed Session - Collective Negotiating Matters (5 ILCS 120/2 (c) (2)) – No data to review in closed session today.

11. Adjournment by Chairman Hopkins at 4:02

Respectfully submitted,
Meggon McKinley, Ogle County Administrator

Lyle Hopkins – Chairman