Ogle County Finance & Insurance Committee Meeting
Tentative Minutes
Wednesday September 9, 2009

1. Call to Order – by Chairman Hopkins at 2:35. Members present: Hopkins, Diehl, Kenney, Gronewold, White, Rice, Saunders. Also present: Lynne Kilker, Ron Colson, Jim Barnes, Larry Boes, Bob DeArvil, Becky Huntley, Greg Martin, Steve Rypkema, Lou Finch, Meggon McKinley, John Coffman, Greg Query, other county employees and members of the public.

2. Approval of Minutes: Kenny motioned to approve the August 12, 2009 minutes and August 26, 2009 meeting minutes. 2nd by Rice. Motion carried.

3. Approval of Bills -
   - Treasurer – Motion by White to approve bills in the amount of $541.46. 2nd by Diehl. Motion carried.
   - Finance & Administrator – Motion by Kenney to approve bills in the amount of $7,255.89. 2nd by Rice. McKinley clarified that this amount pulls out the 24.5 hours of Dynamic Horizons support in question due to the recent network outage. Motion carried.

4. Public Comment – none

5. Insurance Report –
   - Property/Liability – Query reports a quiet month, highlighting that they have begun the renewal process on the Workers Compensation policy.
   - Health Insurance – Coffman noted we received notice to make changes based on new legislation that does not allow any limits on mental health that are different than the health policy limits. We can adopt it, or opt out of the mental health coverage entirely, which is probably not a good idea. Coffman also noted ECHO was looking at a new prescription provider. Group Admin is running comparisons, and it appears our Walgreens is a better deal than other options.

6. Finance Report
   - Revenues – Coffman notes we've had more property tax distributed at this time because Excelon paid earlier than normal, so it made it into this tax distribution, inflating our numbers. In looking at the current General Fund Expense report, White noted that we have asked departments to hold to a 3% cut in 2009, which means we want to be at $945,000 now, but we're at $970,000. He noted we need to keep pushing for savings in these next 2-3 months.

7. Administrator Report –
    - Long Range Planning Fund Report- McKinley distributed the updated LRP fund report and highlighted what still needs to be spent for the final CAD payments and software licenses for Probation and the States Attorneys needs. She asked the committee to confirm that because the original $625,000 budget for the CAD project was approved, it is okay to move forward with the final payments to close out the project. The committee indicated yes, this is fine, noting they still have to approve the final invoices when presented. The committee then asked why the Pines Road cold storage item was there, and the response was that Jim Mielke had arranged for that. McKinley noted she will make some calls to understand the needs and expenses for Pines Road cold storage. She also reported that some of the $45,000 jail study budget won't be needed since we just received the recent jail analysis for no cost. White asked for revenue projections to be added to this form, which Coffman agreed to do. McKinley will also noted she and the Sheriff are working to quantify the technology investment needed to improve network security, email back processing, and reduce annual support costs.

8. New Business – Discussion & Possible Action:
    - 2009 & 2010 Revenue Assumptions – Coffman reported he does not see much change from last month's revenue projections. He added a column to the right to show difference between 2010 projected and 2009 budgets. He noted property taxes are likely to be up a little next year; Jim Harrison said 2.5% and John estimated it at 2.% McKinley noted that we are feeling double amounts of pain by having to first pull expenses down from the overly optimistic revenue projections of last year, and then down to match actual revenues, which are less than normal. Coffman also noted he pulled out the normal carry over amount in the projections so as not to double count it with the budget estimates the Finance Committee is striving towards. He clarified that the $1,735,086 does include the expected 2 pilot payments for Excelon, but it's spread over two years of revenues. Coffman notes the 2010 budget indicates a $250,000 drop in the probation reimbursement, but it could come up if the governor responds to current pressures. Greg Martin clarified the states we could have 40-60% cuts from what we got last year, so it could be worse or could be better. We just don't know. Coffman also noted that White asked for an explanation of the cash flows as discussed in prior meetings, and he passed out a summary sheet of this information. Coffman went back 5 years and highlighted the cash flow position of 6/30, which is when we have the greatest cash shortfall (right before the property taxes). Highlighting the general fund and county officer fund, which has the biggest fluctuation, you can see the progression of how the deficit of revenue vs. expenses have expanded over the year, particularly this past

year. He noted that this year you can see we may likely be $700,000 – $1,000,000 negative in cash flow. White asks what the recommended balances are, and Coffman notes the County policy is to keep 25% on reserve of the General Fund. Saunders notes the deficit has almost tripled and Coffman notes that as you increase your budgets, it takes more money to cash flow it. Sickich recommends anywhere from 25% - 40% fund balance at the end of the fiscal year, so we're on the low end of what they are recommending.

- 2010 Department Budget Summaries – McKinley explained the format of the current Excel spreadsheet that totals department budgets showing where we are today. All non-union departments have submitted budgets with $0 wage increases for non-union, as many operational reductions as possible, and a reduction amount equivalent to 5 furlough days for all of their people. Because we haven't yet approached any unions to ask for concessions, the spreadsheet budgets include salary amounts that honeor the union contracts. This will be reviewed at the Board meeting Tuesday, and then we'll drop all the budgets into the New World system for line item detail review at the next Finance Committee meeting. White noted he'd like to see different options on the table for how to fund the $655,000 amount, e.g. a loan option. Coffman notes that he doesn't see the general fund having enough money to ever repay it. Hopkins asked if we can move money from one fund to other without audit problems, and Coffman says yes, indicating the Board can structure any loan option they wish. White notes concern about purchasing power, and what would be needed to clean up a problem today vs. what might have been required when the fund was set up. He doesn't believe $2mm would cover it now. Saunders thinks loan option is good, but only if we have a repayment plan. She asks if we don't repay it from the general fund, can we repay it from the solid waste fund? White noted that in Lee County, they have tapped their fund, and it's gone. He reminded the committee we have infrastructure we all want to see done and is concerned the money won't be there if we tap the funds now. Gronewold notes the higher our building plans, the higher the operations costs to run them. Gronewold asks why buildings and grounds budgets are not down, and McKinley indicates that the Sheriff's biggest operational savings come from his other departments, and we're waiting to drop the salary line items if the unions agree. If you net all 5 Sheriff budgets together, you'll see they are all down a total of about 4% before wage concessions. Hopkins expressed concern about doing away with Planning Commission, and asked if there is any stipulation where we have to pay per diem to those people, especially on the insurance end of it? McKinley then noted that the numbers she ran for an equivalent of asking all employees for 5 furlough days added up to roughly $150,000 but it looks like that may only be about $130,000. It also appears that some of the Sheriff budget items went up vs. the Power Point assumptions, and that she'll be working with the Sheriff to clarify an accurate understanding of the numbers. Saunders noted that the GIS specialist salary might be able

to be covered 100% by the GIS fund since we provide the office and equipment and it would be an estimated $30,000 general fund contribution. McKinley will talk with Cook about this option. Gronewold asked if they'd be would we be voting on a budget that could allow unions to give raises while non-unions wouldn't get them, and McKinley clarified the intent is for all employees, union and non-union alike, to keep wages at $0 as a minimum concession. White asked if the Highway Department kicked in money last year and Coffman said yes by lowering the levy. More discussion followed with the committee agreeing they will be asking the Board for a resolution on releasing the $655,000 of solid waste funds to cover the buildings & grounds non-salary expenses, plus Focus House utilities, for the 2010 year only, IF the unions can help get the targeted budget reductions. They decided not to craft specific language until the board meeting to ensure the board has time to discuss and recommend their desired solutions. Gronewold asks if we are okay without having a specific number on the table in our resolution. White and Kenney say yes, that the Finance Committee's recommendation will get the discussion on the table for further refinement in a motion from the Board. Greg Martin then asked the Finance Committee where they want the Probation Detention fees because it's an uncontrollable expense that tends to inflate the Probation Dept budget in a time when everyone wants decreases. McKinley and Rice indicate a desire to keep it there, knowing we've managed it appropriately, supporting any necessary overages.

- Workshop offered from U of I Institute of Government and Public Affairs- Sept 25. Sauk valley College, this will be in the board packets.
- Special Finance Committee Meeting – Wednesday September 23, 10:00 a.m. at Sheriff's office.

9. Old Business – none

10. Adjournment – 4:10 by Chairman Hopkins.

Respectfully Submitted,
Meggon McKinley, Ogle County Administrator