



Minutes approved 04-17-12

Finance Committee

McKenzie Building – Jury Commission Room
Monday, March 19, 2012 – 3:30 p.m.

Committee Members Present: Chairman Tim Neuhauser, Russ Crawford, Jim Donahue, Dean Grimm, Mike Harris, Linc Hobson, Carroll Imig, Darrell Meisinger, Jerry Vanderheydt, Terry VonBoeckman

Absent Committee Members: Jim Carius

MOTION **MOTION BY VON BOECKMAN, SECOND BY VANDERHEYDT** to approve the minutes of the February 21, 2012 meeting.

On voice vote, motion carried.

Chairman Neuhauser presented Vickie Clark, President of the Economic Development Council for Central Illinois to the Committee.

Clark stated she would have business activity to distribute. She had provided information to Chairman Neuhauser with a report on their business activity for the year. She will provide the same information to County Board members via email.

There were 40 visits for Tazewell County. There were also 60 new leads attained through outreach at trade shows, person visits, DCEO or people visiting their website.

She reported they had two primary projects for Tazewell County. One was the expansion at Excel Foundry. She sited an example of the activity they were involved in which were meetings with the owner, City, County and the Townships regarding how EDC could work with them on the expansion. They facilitated multiple meetings. They talked with Tri-County Regional Planning Commission to complete a study for Wagonseller Road. They assisted with the CDAP Grant application process as well as the IDOT grant. They are still working with the Economic Development Administration for another grant.

Another project was the Transport Port. Transport is looking into having a port built. EDC comes to the table specifically for economic development purposes. They talked with Transport as well as the City of Pekin to see how EDC could assist with the growth and

infrastructure. They work as the lead in expansion projects and assist in bringing all the players to the table.

Another thing specific to the Region is the facilitation of the Peoria Metro Recruitment Team. There are performance measurements with this group to determine if this function is working properly or what needs to be changed.

They also assist with the Small Business Saturday, which is the Saturday after Thanksgiving, to make communities aware they are the heart of our economy.

They are creating a report at this time that is a Business Outreach report including unemployment activity, EAV, taxes and the general overall economy so activity can be monitored.

Donahue asked if any of the leads that were discussed resulted in any businesses actually coming to Tazewell County. Clark stated that the timeframe for turning a lead from interest into a site visit and then actually producing a business takes from 18 months to three years.

Donahue stated that the information was new to him. He indicated that there may be a lack of communication as several members are concerned about what the County is receiving in exchange for their contract cost. Clark stated she would be happy to provide any other type of information that was requested.

Harris asked if any other agencies in Tazewell County that provide the same services. Clark stated that individual communities work on economic development but there is no agency that facilitates the entire region.

MOTION

F-12-05

MOTION BY IMIG, SECOND BY DONAHUE to recommend to County Board to approve the EDC Agreement.

Chairman Neuhauser stated this has been a very fluid situation. Crawford has put in a lot of hours on our behalf to pull this agreement together. At the last meeting there was discussion of not only our contract, but other counties as well to solidify an agreement. There is also a comprehensive assessment being conducted by Vital Economies of our entire area including every organization involved in economic development. This will hopefully provide a clear picture of how our regional economic development model might look moving forward. With these factors, there has been an issue in coming to an

agreement with EDC. There was hesitancy to commit to anything long term until the assessment has been completed. Neuhauser asked Crawford to share with the Committee how this agreement in its current form came to be, as well as how we intend to partner with Peoria County.

Crawford stated there has been a lot of concern from Board members in Tazewell, Peoria and Woodford with the current economic development delivery model that is currently managed through the EDC. He stated that the assessment being completed will identify the current state and may be helpful in developing the future state.

Seven members of the Board have been very involved with Tri-County Regional Planning Commission to get a model that is accountable for our region. Crawford stated he wanted to point out there are many complaints about EDC. He stated that when he completed his review, there are legitimate issues but some of them are a result of us not making our expectations clear. Crawford stated in the past there was an Economic Development Committee that he chaired. That committee was abolished in an attempt to save per diems. That Committee was dealing with what we now consider to be the most critical issue in the tri-county area. One of the things this agreement calls for is the reinstatement of the Economic Development Committee of Tazewell County.

Crawford stated that in the area of accountability EDC is trying to make some additional gains. He stated in all fairness to EDC we have expected them to do certain things and we have not laid out what our expectations are. They are the service provider and Tazewell County is the customer. The customer needs to provide requirements.

One of the things we want is a regional approach. EDC would need to do unilateral negotiations with the City of Peoria, Peoria County, Tazewell County and Woodford County. The model needs to be consistent throughout and regionally collaborative. The money will be different as the populations differ.

Another decision was when to act. Woodford County cannot address this until April. Peoria County hopes to address this in March. If Peoria cannot complete in March, Crawford will pull the Tazewell County Resolution on County Board night to go another month so all three counties can act on this together.

Crawford stated that in terms of measurement there have been no metrics to show what is happening with the funding from the counties. The new contract has metrics included. The language in the last contract did not adequately address accountability. He stated that language is out of this contract.

He reviewed the contract changes with the Committee. He stated item 1 includes the goals we hope to achieve. Item 2 has requirements of 10 business retention visits per month with feedback. Item 3 deals with the number of professional persons experienced in economic development to assure success for Tazewell County. Item 6 is revised to reinstate the Tazewell County Economic Development Committee.

Crawford stated that all through the agreement is reporting. In the past information was presented to the County Administrator as the contract stated. With the new agreement it will include the Administrator, the Economic Development Committee and the four leaders of economic development departments in East Peoria, Morton, Pekin and Washington. The full County Board will also be updated annually.

Item 10 includes a centralized website with changes to include Tazewell County specific data. Previously it was regional data. Item 13 is regarding the Revolving Loan Program. Another sentence was added regarding the Gap Business Development loan responsibilities. This is clarifying what EDC currently does.

Section III of the Agreement is Consideration. There had been a request by the EDC to increase to \$1 per head. Currently it is approximately 50 cents per head. Tazewell County needs to be prepared in the next 18 – 24 months as we build the future model to spend between 75 cents and \$1 per head. Crawford stated all the leaders agreed that we do not want to spend more money before we get to the future model. He stated Woodford County would spend approximately \$10,000.00 for a six month period, Tazewell County \$34,000.00 and Peoria \$100,000.00.

The compensation to EDC is \$35,412.50 for a period of May 01, 2012 through October 31, 2012. The decision was made to not go lower than last year. The amount paid for the full year was halved. The period was chosen to allow EDC every opportunity to have as long as possible. May was chosen as the starting month as we are already at the end of March. The preliminary assessment report from Vital Economies is due and will show what the current state is.

October 31 is the end of the formulation of the tentative budget for FY13.

Grimm asked if the County was locked into the second payment. Crawford stated no, the contract was written that either party can terminate, which is the same language used before.

Harris asked if Crawford was recommending a reinstatement of the Economic Development Committee. Crawford stated that he is recommending to Chairman Zimmerman for appointments. If no Economic Development Committee, then reports need to go to Executive. Currently, reports are provided to two Committees which are Finance and Executive.

Donahue stated that the last time this was discussed we owed EDC for three months for services rendered. Now we have a brand new contract for consideration. How was the three month period resolved?

Crawford stated the contract that we had with EDC expired on 11-30-11 and there was no contract in place after November 30th. There is no documentation of services provided for that period of time and now there is a new agreement before the Board. Any renewal will need to be done in an integrated way with the future model.

Donahue stated that an annual report to the County Board is insufficient. Crawford stated that this agreement will have more reports to committees on a monthly basis.

Harris asked about the period of time until May 01, 2012. He asked who would be taking the lead and providing follow up. Crawford stated that we are close to having a new County Administrator, so that position will be there. In order to fix the structural deficiency the reinstatement of the Economic Development Committee would also resolve.

Chairman Neuhauser stated that David Zimmerman has taken the lead in the effort to fund the EDC and to continue to be in front and a part of that. Neuhauser stated that this evaluation and assessment will bring all of the pieces together. There are a lot of people involved in economic development. Collaboration is the best key.

Crawford stated that approximately a week ago there was a meeting of Morton, East Peoria, Washington, Pekin, Eureka and Peoria economic development staff along with the Administrators and Tri-County Regional Planning. This meeting began the agreement

details. The mayors of the tri-county region later met and they are also very interested in buying-in to the future model. Crawford stated that the goal is to update East Peoria, Morton, Pekin, Washington and the rural areas to keep everyone connected.

Chairman Neuhauser stated there was a lot of information presented. He stated we definitely need to get this moving forward and to demonstrate collaboration.

On voice vote, MOTION CARRIED.

MOTION
F-12-09

MOTION BY DONAHUE, SECOND BY VON BOECKMAN to recommend to County Board to approve a transfer request for the Auditor.

This is a request for a technology upgrade for ten laptop computers.

Crawford stated he communicated with the Auditor on this item. He stated we have an IT policy. His request is to create a policy so the Board members will be comfortable with security. Chief Deputy Lower stated that these are replacing ten year old laptops.

Chairman Neuhauser stated there is a system in place for securing the property. There is training that occurs. These laptops are used for that training. Crawford again stated he would like to see the policy documented.

On voice vote, MOTION CARRIED.

MOTION
F-12-08

MOTION BY CRAWFORD, SECOND BY HOBSON to recommend to County Board to approve a transfer request for the Auditor.

Auditor Grashoff explained that this transfer was to pay for a required Actuarial Valuation Report for our Health Insurance Plan for retired employees for FY12 which was not in the FY12 budget. (GASB 34)

On voice vote, MOTION CARRIED.

MOTION

MOTION BY IMIG, SECOND BY HARRIS to approve budget line reallocation to offset Placement/Detention costs for Court Services.

Court Services Director, David Mills and Candy Arnold presented information. Mills stated that in 2003 they received a Juvenile Sex Offender grant. They pay a treatment provider for therapy in house.

That firm is paid \$66,000.00 per year. Before that, juveniles were sent to treatment centers in which one juvenile for 12 months cost \$105,000.00. The treatment provider can treat approximately 17 juveniles for the \$66,000.00. This is very cost effective. The recidivism rate for the juvenile sex offenders is under 7%. Numbers have been tracked since 2003.

Mills is asking to provide a program of services for non-sex offender juveniles. They would contract with a local treatment provider. Mills provided handouts to the Committee. He stated that the sex offender line has zero expenses for the last two years. This program has been successful. The same success rate can be provided to other juveniles and cut costs for placement and detention. He stated he would like to redirect Placement and Detention dollars to this program.

Chairman Neuhauser stated the quality of treatment for the juvenile and the whole family unit with the lower recidivism rate would be better use of the money as well as more effective. Mills stated that one of the problems with placement is the child is sent away. They perform well as they are in a structured environment. They return to the home and there are problems again.

Arnold stated that juveniles are not put in placement with a first offense. Normally there are multiple offenses through sentencing options though the State.

Mills stated this will not eliminate the need for juvenile placement. It will allow them to stabilize costs. Crawford suggested working with the Auditor to create a line item so it is not commingled. Mills stated they have worked out an accounting system for themselves and it has worked well.

On voice vote, MOTION CARRIED.

Chairman Neuhauser stated that the normal reports were provided: Revenue Update, Treasurer's Report and Public Safety Sales Tax Report.

MOTION

MOTION BY VON BOECKMAN, SECOND BY MEISINGER to recommend to County Board to approve the bills as presented.

On voice vote, MOTION CARRIED.

Chairman Neuhauser recessed the meeting at 4:25 p.m.

(transcribed by S. Beeney)