

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE MINUTES

Wednesday, November 17, 2004

Meeting Rm. 1, Brookens Administrative Center

1776 E. Washington St., Urbana

7:00 p.m.

MEMBERS PRESENT: Wysocki, Betz, Brumback, Fabri, Hambrick, Moser, Tapley

MEMBERS ABSENT: Avery, Busboom

OTHERS PRESENT: Deb Busey (County Administrator), Denny Inman (County Administrator), Curt Deedrich (Supervisor of Assessments), Joel Fletcher (State's Attorney's Office), Michael Frerichs (Auditor), Mark Shelden (County Clerk), Dan Walsh (Sheriff), Dan Welch (Treasurer), Catherine Hogue

Call to Order

Chair Wysocki called the meeting to order at 7:04 p.m. Declaring a quorum present, the Chair proceeded with the meeting.

Approval of Agenda/Addendum

MOTION by Betz to approve the agenda and addendum for the meeting; seconded by Hambrick. Motion carried.

Approval of Minutes

MOTION by Hambrick to approve the Regular Session minutes of October 20, 2004; seconded by Betz. Motion carried.

Public Participation

None.

Budget Amendments/Transfers

Budget Amendment #04-00044

MOTION by Betz to recommend to the County Board approval of Budget Amendment #04-00044 from RPC Homeless Management Information – Odd Years; seconded by Brumback. Motion carried.

Budget Amendment #04-00045

MOTION by Betz to recommend to the County Board approval of Budget Amendment #04-00045 from RPC – Savoy Corridor Study; seconded by Moser. Motion carried.

Budget Amendment #04-00050

MOTION by Hambrick to recommend to the County Board approval of Budget Amendment #04-00050 from General Corporate – Public Properties; seconded by Brumback. Motion carried.

Budget Amendment #04-00056

MOTION by Moser to recommend to the County Board approval of Budget Amendment #04-00056 from General Corporate – County Clerk; seconded by Betz. Betz asked if this amendment was for the election held in November 2004 or for a future election. Shelden stated the amendment is to cover costs for the November 2004 election. Additional costs included an incredible amount of overtime, \$7,000 more on ballots due to the high number of registrations, and a number of other areas where it cost more to run the election than anticipated a year ago. Shelden noted the election budget has been frozen for several years. In 2000, \$214,000 was spent on election supplies; the amount budgeted for election supplies in 2004 was \$187,000. An additional 15,000 pieces of mail were sent out in 2004. This additional postage was due to increased registration and 8,000 cards sent to all first time registered voters who were required to present ID at the polling place. Betz asked how much of the budget amendment was to cover actual overtime. Shelden answered about \$20,000-\$25,000. Betz asked if next year's election budget is sufficient. Shelden said he does not anticipate this type of budget problem until the next presidential election in 2008. He does think the 2006 election budget will have to be examined for ongoing expenses because the optical scan equipment could cost the County more money to run an election due to the expense of the ballots that have to be printed. Betz asked if reducing the number of precincts would save money. Shelden said they have discussed reducing the number of polling places to reduce capital expense, but two sets of election judges will still be needed. Shelden stated Champaign County has the largest average precinct size in Illinois. There are few other counties in Illinois that have precincts close to our size. There cannot be any reduction in the number of election judges. Shelden thought the cost of the judges is worth it to have the election run smoothly. Betz recommended having the additional cost of the election, during a presidential election year, built into the budget rather than handling it as an amendment afterwards. Betz commends the County Clerk on the handling of the 2004 election because he has not received complaints from any constituents. Motion carried.

Budget Amendment #04-00057

MOTION by Betz to recommend to the County Board approval of Budget Amendment #04-00057 from Tort Immunity Tax Fund – General County; seconded by Moser. Motion carried.

Budget Amendment #1146

MOTION by Fabri to recommend to the County Board approval of Budget Amendment #1146 from the Mental Health Board; seconded by Betz. Motion carried.

Budget Amendment #1156

MOTION by Hambrick to recommend to the County Board approval of Budget Amendment #1156 from General Corporate – Correctional Center; seconded by Fabri. Betz asked for an explanation of this amendment. Sheriff Walsh stated the County gets money from the federal government for housing aliens. The actual revenue was higher than the anticipated revenue, but a 22% percent fee is required to be paid to a professional service that deals with the federal government. Motion carried.

Budget Amendment #1157

MOTION by Hambrick to recommend to the County Board approval of Budget Amendment #1157 from General Corporate – Sheriff; seconded by Brumback. Sheriff Walsh explained Casey's, one of the primary gasoline suppliers prior to Walsh's term as Sheriff, was not deducting the federal highway tax from the cost of gas purchased by Sheriff's Office vehicles. Walsh discovered his office did not need to pay this tax and the refund was finally granted. Due to high gas prices, Walsh will be short on gas funds this year so he would like the refund put into the gas line item. Motion carried.

Budget Transfer #04-00012

MOTION by Moser to recommend to the County Board approval of Budget Transfer #04-00012 from Tort Immunity Tax Fund – General County; seconded by Fabri. Motion carried.

Budget Transfer #04-00014

MOTION by Fabri to recommend to the County Board approval of Budget Transfer #04-00014 from Community Gun Violence Prosecution – State’s Attorney; seconded by Brumback. Motion carried.

Chair Wysocki noted that all budget amendments and transfers approved tonight are on the County Board Agenda for tomorrow night.

County Administrator

General Corporate Fund Revenue/Expenditure Report

Busey reported that the fund projections continue to look the same; this projection is that the County will receive 105% of the budgeted revenue, but she doesn’t think we will receive all of the federal grants. If the grant money is not received, then it will not be spent, so this does not significantly affect the projection outcome. If the County spends 100% of the budget with the projected revenue, there will be a slight deficit. If only 98% of the budget is spent, which is a more realistic figure, the ending fund balance could be \$400,000 positive. This would put the fund balance at about 12%.

General Corporate Fund Budget Change Report

Busey distributed a document of all approved changes to the General Corporate Budget to date. The revenue and expenditures remain close, with 5.34% in expenditure changes and 5% in revenue changes since the adoption of the original budget.

FY2005 Budget

General Corporate Fund

A. Summary of General Corporate Fund Program Change Requests for FY2005

Busey provided a summary of the remaining change requests that have not been funded for the committee’s information. She also included the additional expenditure items of the request from the County Assessor’s Office that will be discussed tonight and the disparity study that is being forwarded to the County Board tomorrow night from the Justice & Social Services Committee.

B. Report of Changes to General Corporate Fund Budget Since Acceptance of Tentative FY 2005 Budget

Busey reported that since 11/15/04 there have been additional personnel changes as a result of confirming and verifying staffing. These changes have produced saving in the amount of \$9,949. Busey asked if the committee wanted this money budgeted in the contingent line item, which would bring the contingent line item to \$70,638 and the General Corporate Fund would remain balanced. Fabri concurs that this money should be put into the contingent line item.

MOTION by Betz to designate the personnel savings of \$9,949 to the General Corporate General County Professional Services line item; seconded by Fabri. Motion carried.

C. Request Approval and Funding of Program Changes from Chief County Assessment Officer

Deedrich spoke on this issue. The county is at a watershed moment in farmland assessment due to changes in the law and GIS capabilities. The new farmland assessment law will require the County to step up to a new level of resources. Deedrich is aware the assessment issue can be confusing for some, but the program changes are

necessary for his office, especially the upgrade of software. Discussion was held on Deedrich's future plans for assessing land that crosses multiple drainage districts and how to determine production loss due to flooding. Betz asked what could happen if the funding for the program changes is not approved. Deedrich explained that failure to implement the necessary changes could result in the Illinois Department of Revenue interrupting the tax cycle in Champaign County by withholding the state equalization factors which would stop the tax cycle in its tracks. Such measures have been taken against counties in the past who have failed to comply with assessment standards.

MOTION by Fabri to amend the GIS Fund Budget to increase the expenditure in the contractual services line item by \$20,500 and increase capital outlay line item by \$5,000; seconded by Brumback. Moser asked if the Deedrich is updated on which drainage districts are active and how they are assessing ground. Deedrich plans to work on outreach with drainage districts. He needs a database in his office of all drainage districts, if they are active, and if they do special assessments. Motion carried.

D. General Corporate Fund Budget History

Provided for information.

Non-General Corporate Fund Summary Updates

With the exception of the update of the GIS Budget that was just approved, Busey presented the total budget of \$101,741,047 in expenditure and \$83,579,829 in revenue. This is expenditure in excess of revenue of \$18,161,218. Busey listed the individual budgets with expenditure in excess of revenue. The excess expenditures are spending revenues that have previously been received by the County. This is effectively a balanced budget.

Busey provided a graph regarding the Tort Immunity Tax Fund. An amendment and a transfer was approved at this meeting in regard to this fund. In the FY2005 Budget, this is the one fund that the Finance Committee and County Board need to be aware that there is a problem. The property tax that is being collected to cover General Corporate Fund expenses for workers' compensation, unemployment insurance, and liability insurance payments and claims is no longer keeping up with the actual cost. In 1998 and 1999, the property tax collected exceeded the actual cost for those items. In 2000, the cost started slipping ahead of the revenue. The rise in cost continued and in 2003, there was a substantial increase. The cost in 2004 looks to be just slightly less than in 2003. In 2001 the fund balance was about \$1.8 million, at the end of 2004 the fund balance will have been spent down by 50% to just about \$900,000. Busey stated this issue must be addressed next year. Fabri asked why the expenditures increased. Busey believed the County was working from an actuarial study that proved to be inaccurate. The County has an updated actuarial study which is proving to be more realistic. The County has also experience some bad years in terms of claims experience that will probably correct itself. Busey said the County Board may have to tell other levy receivers that they will have to have a no growth year in their levy so more growth can be budgeted to this particular levy unless another source of revenue is found. Busey was not requesting any action at this time, she just wanted to Finance Committee to be aware of this issue.

2005 Annual Budget & Appropriation Ordinance

MOTION by Betz to adopt the 2005 Annual Budget & Appropriation Ordinance; seconded by Fabri. Motion carried.

2005 Annual Tax Levy Ordinance

MOTION by Betz to adopt the 2005 Annual Tax Levy Ordinance; seconded by Brumback. Busey informed the committee that the Board for Care and Treatment of Persons with a Developmental Disability budget request was approved at their meeting held earlier tonight. The request they approved was slightly different than what had previously been forwarded and it does alter the ordinance in the Finance agenda packet. The 2005 Annual Tax Levy

Ordinance should say that \$2,597,552 is levied to grants for services providers. There is nothing levied in the FY2005 budget for professional services with the Mental Health Board.

Betz amended his motion to reflect that \$2,597,552 is levied to grants for services providers; Brumback approved as second. Motion carried with two no votes.

Budget for Remodel for Animal Services Facility

Busey stated the budget to remodel the Animal Services Facility has been approved by the Facilities Committee. The County Board has approved funding and staffing for the Animal Services Facility. The money for the remodel construction of the Animal Services Facility will be obtained through the issuance of debt certificates and paid back out of the Animal Control Budget. However, the revenue and expenditure would come out of the General Corporate Fund Budget for the Physical Plant because they are responsible for the maintenance and construction with regard to the County's buildings. This request would be that the Physical Plant's budget be amended to show an additional \$232,100 in both revenue and expenditure in FY2005.

MOTION by Betz to amend the Physical Plant's budget to show an additional \$232,100 in both revenue and expenditure in FY2005 to provided for the remodel of the Animal Services Facility; seconded by Fabri. Betz asked if this item affects how the General Corporate Fund Budget is balanced. Busey said it does not. Moser asked how much of the work is going to be done in-house. Inman stated 95% will be done in-house, the other 5% is the architect portion of the plumbing that is required by law to be done by an architect.

Fletcher addressed the committee that when he spoke at last night's County Board meeting, he might have overstated the conflict of interest rules as it applies the budget vote. He has been talking to the Attorney General's Office and reviewing pertinent case law today, and it appears that the statutory conflict of interest rules do not apply to the budget. The common law conflict of interest rules do apply to the budget. He is awaiting more information to provide more guidance to those County Board members who have questions tomorrow. Fabri asked if a large number of Board members are impacted by the conflict of interest rules. Fletcher said not every Board member with a potential conflict has contacted him. He estimated 3-5 Board members are impacted by the conflict of interest rules. Betz asked if the vote of a Board member who abstains due to conflict of interest is recorded as an abstention or a non-vote. Fletcher said it is recorded as an abstention.

Motion carried.

Treasurer Monthly Report

Welch recapped the real estate year. The last day of collections was November 3rd. At the end of that day, the taxes were 99.36% collected. On November 4th, Welch took 606 unpaid parcels to the tax sale. All parcels were sold, bringing the collection percentage to 99.96%. That figure means out of the total of \$194,000,000 in taxes the Treasurer tried to collect, only \$71,000 was lost. The breakdown of that \$71,000 is: \$40,000 in bankruptcies, \$20,000 in lease holes, and \$11,000 in other things. This was a very good year for tax collection.

MOTION by Betz to receive and place on file the Treasurer's monthly report for October 2004; seconded by Hambrick. Motion carried.

Resolution Designating Depositories for Funds

One of the functions of the County Board to designate depositories for funds. Welch presented a list of depositories. Changes from the previous year included names changes of banks and the additional of two banks.

MOTION by Moser to approve Resolution Designating Depositories for Funds; seconded by Fabri. Motion carried with Tapley abstaining due to a possible conflict of interest.

Resolution for Authorization to Borrow and Loan Funds Within Combined Bank Accounts

Welch presented the annual renewal for authorization to borrow and loan funds within accounts. This usually comes into play with grant funds.

MOTION by Betz to approve Resolution for Authorization to Borrow and Loan Funds Within Combined Bank Accounts; seconded by Tapley. Motion carried.

Auditor

Purchases Not Following Purchasing Policy

Provided for information.

Monthly Report

MOTION by Hambrick to receive and place on file the Auditor's monthly report for October 2004; seconded by Fabri. Motion carried.

Chair's Report

Chair Wysocki encouraged committee members to attend tomorrow's County Board meeting because the Board would be voting on the FY2005 Budget. As this was the last meeting of this Finance Committee, the Chair thanked retiring members Hambrick and Brumback for their service. The Chair thanked all members for their service to the committee. Betz thanked Wysocki for her excellent job as Chair.

Other Business

Fletcher clarified the matter of an abstention from the vote on the budget. An abstention does have the legal effect of a no vote because the member abstaining is counted as present and it takes a majority of those present to pass the budget. He will provide further details on this issue tomorrow.

Designation of Items to be Placed on County Board Consent Agenda

Not items were placed on the Consent Agenda.

Adjournment

Chair Wysocki declared the meeting adjourned at 8:11 p.m.

Respectfully submitted,

Kat Bork
Administrative Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.