

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE MINUTES

Thursday, April 7, 2005

Meeting Rm. 1, Brookens Administrative Center

1776 E. Washington St., Urbana

7:00 p.m.

MEMBERS PRESENT: McGinty, Bensyl, Betz, Gross, O'Connor, Tapley, Wysocki

MEMBERS ABSENT: Avery, Doenitz

OTHERS PRESENT: Deb Busey (County Administrator), John Dimit (RPC), Michael Frerichs (Auditor), Denny Inman (County Administrator), Dan Welch (Treasurer), Judge Holly Clemons (Circuit Court), Judge Thomas Difanis (Circuit Court), Heather Fox (CASA), Judge John Kennedy (Circuit Court), George Miller (CASA), Curt Hochbein

Call to Order

Chair McGinty called the meeting to order at 7:03 p.m. The Recording Secretary called the roll. Declaring a quorum present, the Chair proceeded with the meeting.

Approval of Agenda/Addendum

MOTION by Betz to approve the agenda and addendums for the meeting and that Item V B be the first item of business; seconded by Wysocki. Motion carried.

Approval of Minutes

MOTION by Wysocki to approve the regular session minutes of February 23, 2005 and March 10, 2005; seconded by O'Connor. Motion carried.

Public Participation

Curt Hochbein, new legislative aid in Representative Naomi Jakobsson's office, introduced himself to the committee.

Budget Amendments/Transfers

MOTION by Betz to recommend to the County Board approval of Budget Amendment #05-00039 from Regional Planning Commission – Senior/Disabled Transportation Project; seconded by Wysocki. Motion carried. Tapley asked for an explanation of the budget amendment. Dimit explained there was a consortium operating the Rural Transportation Program for Seniors, including the Red Cross, Family Services, and RPC. The Red Cross pulled out of this program. This budget amendment is to enable RPC to continue to operate the program through the end of the fiscal year. Tapley stated that he hoped RPC was not hiring a consultant for this matter. Dimit stated RPC will hire a mobility consultant at IDOTS direction. It is IDOTS money that will be used to pay for this.

MOTION by Betz to recommend to the County Board approval of Budget Amendment #05-00041 from General Corporate – Circuit Court; seconded by Wysocki. Betz asked for the Chair's consent to have present members of the judiciary address the committee in support of the amendment. The Chair consented. Judge Difanis explained that CASA ran across a budgetary shortfall because CASA budgeted for a grant they failed to receive for the total

amount. CASA is in desperate need of the \$24,000. These funds will enable CASA to function for seven to eight months and work out their financing for the next fiscal year. Judge Difanis stated he was not suggesting this type of action be repeated every year, only for the current emergency situation. The CASA program has been incredibly successful since they were determined the Guardian Ad Litem in abuse and neglect cases by Judge Townsend. Judges Holly Clemons and John Kennedy were also on hand to support the budget amendment. Judge Difanis encouraged the committee members to approve the funding for CASA. George Miller, member of the CASA Board of Directors, spoke in support of the CASA budget amendment. He assured the committee that CASA has not become profligate spenders. There has been a great increase in CASA's work volume. When their contract began on December 1, 2002, they were serving 267 children. CASA is currently serving 491 children. They are handling an average of two determination cases per week and now appear in two courtrooms before two judges. CASA must also provide court-required visits to 360 children who have not been assigned an advocate. There is one part-time employee supervising these visits. CASA is short-staffed due to budgetary constraints. Miller felt CASA is extraordinarily fortunate to have Jack Delamar serving for gratis as CASA's principle attorney.

Gross asked if the increase in cases was because CASA was appointed Guardian Ad Litem or because of more cases in the system. Miller stated there are simply more cases of abused or neglected children in the system. Betz strongly supported the budget amendment funding CASA. Wysocki requested details for CASA's sources of revenue. Fox explained the FY2004 funding came from grants received from local governments (City of Urbana, Cunningham Township, and the County Board), the Court Improvement Project, and different social service clubs. Over 60% of CASA's budget is funded by grants. CASA also receives contributions, both direct and in-kind. Tapley asked if CASA would request additional monies from the other municipalities to help fund the shortfall. Fox stated CASA will request more funding in the next granting period, which is July for several grants. Motion carried.

MOTION by Betz for an omnibus motion to recommend to the County Board approval of Budget Amendments #05-00043 from Capital Equipment Replacement Fund – Administrative Services, #05-00044 from Geographic Information System Fund – County Board, #05-00045 from General Corporate – General County, #05-00046 from General Corporate – General County, #05-00047 from Geographic Information System Joint Venture – Aerial Photography Project, #05-00048 from Regional Planning Commission – Visioning Project, #05-00049 from Regional Planning Commission – Credit Union Administration, #05-00050 from Regional Planning Commission – Transportation-Odd St. Years, #05-00051 from Geographic Information System Joint Venture – Topography Project, #05-00052 from Regional Planning Commission – Membership Fees-Odd Years, and #05-00053 from Regional Planning Commission – Membership Fees-Even Years; seconded by Wysocki.

Tapley asked why Budget Amendments #05-00050 and #05-00053 from Regional Planning Commission were not part of the FY2005 Final Budget. Dimit said RPC is taking on additional work as part of the Visioning Project and they need the ability to transfer money from one fund to another. The Visioning Project was not budgeted in the RPC FY2005 budget. The budget amendments represent funds from membership fees to the Visioning Project. Discussion continued over these budget amendments.

Gross asked why Budget Amendment #05-00049 was not approved as part of the FY2005 Final Budget. Dimit said the Credit Union is a free-standing agency who voted last week to enter into a contract for services with RPC to operate the Credit Union on behalf of the Credit Union Board. Gross asked for reasoning behind Budget Amendment #05-00050 from Regional Planning Commission – Transportation-Odd St. Years. Dimit said RPC did not budget enough for this line item. He has to budget for this line item across two state fiscal years. This project is the CUUATS Transportation Planning Program. Motion carried.

County Administrator
General Corporate Fund FY2005 Revenue/Expenditure Projection Report

Busey reported that revenue projections look to achieve 105% of budgeted revenue for this fiscal year. This would mean \$1,272,431 over the original budgeted revenue. The non-business licenses and permits line is projected to

achieve \$488,535 more than budgeted, largely due to recording fees. Recording fees are far ahead of where they were at this time last year. However, Busey anticipates the fee revenue will slow. The sales taxes are coming in close to on target. Income tax is coming in at slight better growth than was projected.

Busey included a new page of projected expenditures in her report this month. The one line item that looks like it might require a budget amendment is the SLEP Overtime line, which represents Law Enforcement and Corrections overtime. If these departments continue spending at the current rate, they could be about \$280,000 short. In Commodities, postage and purchase documents stamps both look like they may run short. But often times, these shortfalls will be balanced by excess monies budgeted in Services. In Services, both Gas Service and Electric Service are tracking to where there could be a shortfall this year. Busey stated it looked as though the County would spend 98.6% of the entire budget during this fiscal year. Busey anticipated ending this fiscal year with almost a \$1.4 million increase in revenue to the fund balance. This would put the fund balance at about 18.4%.

Tapley asked questions concerning the budget balance. Busey explained she took into account that the budget is not currently balanced due to budget changes since the FY2005 Final Budget was approved. Busey further explained the figures so the committee had a clear understanding of the material.

General Corporate Fund Budget Change Report

Busey stated this report is exactly the same as last month's report.

Report on Tort Immunity and Self-funded Insurance Funds

Busey provided an overview of the Tort Immunity Tax Fund and Self-funded Insurance Fund. The Self-funded Insurance Fund basically operates fairly balanced because it bills other funds for what it actually spends and it bills the Tort Immunity Fund for the General Corporate portion of expenditures for claims and insurance. In FY2000, the County began having a deficit in the Tort Immunity Fund because the revenue stream (property tax and investment interest) did not cover the actual expenses. The deficit continued to grow over the next few years. In FY2003, the County put \$500,000 from the Self-funded Insurance Fund balance into the Tort Immunity Fund because Tort Immunity had a negative fund balance. The actual shortfall in FY2003 was \$348,197. There was almost a \$300,000 shortfall again in FY2004. Busey showed what a drop of \$500,000 into the Tort Immunity Fund from General Corporate in FY2005 would look like if the County Board makes the determination to do so. The fund will go negative this year, so some money will be necessary. Busey projected a very conservative 3% increase in expenditures in FY2007-FY2009. She also projected a 10% growth for this fund in the Property Tax Levy for each of these years. This would result in a balance of revenue and expenditure by FY2009 for this fund. A \$500,000 cushion is needed in this fund, starting this fiscal year, to achieve this goal.

Tapley asked about the actuarials. Busey believed the actuarials were corrected for the present term. Tapley noted if the committee decides to pay off the early retirement incentive with bonds, it would free up some levy money that could be put towards the Tort Immunity percentage increase. Busey agreed and pointed out that the Self-funded Insurance Fund balance is at about \$900,000. Its goal balance is \$1.5 million, but the current amount is okay for now. Wsocki asked about a timeframe for the bond issue. Tapley said the IMRF/ERI Bond Issue Review Subcommittee discovered there was no benefit to issuing the bonds until December, but they are still planning to proceed at a later date. Discussion continued over these funds.

Resolution Establishing the Budget Process and Policies for Fiscal Year 2006

Busey explained this is an annual resolution of definition-based information and setting forth the County's policies regarding the budget process. It also includes direction from the Finance Committee and the County Board regarding how the budget will be prepared and presented. Busey drew the committee's attention to the outline and calendar of the budget process. The fund balance goal for General Corporate is ultimately a ninety day or 25% of

expenditure fund balance. However, the minimum fund balance requirement has been stated at forty-five days or 12.5%. There is direction stating the Contingency Fund will be budgeted at \$100,000 in the FY2006 Budget. The expenditure request anticipates allowing 1.5% growth over FY2005 budget for Commodities and Services. These budgets have not been allowed growth during the budget process for the last two years. The property tax is directed to be prepared so it does not exceed the current rate.

Tapley voiced his opinion that the Contingency Fund should be raised to 1-2% of the budget and the growth in Commodities and Services is fair and appropriate. He thought the general theme of the budget should be to repair some of fund balances that were depleted in the lean years, such as the Tort Immunity Fund. Gross asked about the tax cap on property tax. Busey said it is too soon to tell. She will use the PTELL calculation to prepare the first rate to be presented to the Finance Committee. Gross agreed with Tapley on increasing Commodities and Services to reflect the increase in energy costs. Discussion continued over the preparation of the budget. Busey suggested the committee anticipate serious requests for additional staff next year. A lot of size has been added to the County's facilities with no growth in staff for a number of years. Tapley said he did not want his comments to mean that the budget was not rational or sound; he felt Busey has done a fantastic job managing the budget. Busey stated the idea of contributing a percentage to the Contingency line instead of a dollar amount is a potentially wise idea. Tapley requested Busey categorize revenue items as either recurring or nonrecurring. Busey was willing to do so. McGinty concurred with Tapley's and Gross's comments.

MOTION by Tapley to approve Resolution Establishing the Budget Process and Policies for Fiscal Year 2006 as it appears in the April Finance Agenda booklet with an amendment setting the Contingency Fund at 1% of the total budget instead of the fixed amount of \$100,000; seconded by Bensyl.

Wysocki noted the resolution reads that the contingency amount is stated only as a goal. Both Wysocki and Gross are fine with the Contingency Fund set as a goal of 1% of the budget and at least \$100,000. Busey will set the Contingency Fund at 1% in the Tentative Budget for FY2006 and the County Board will make the decision whether to lower that amount.

Tapley and Bensyl agreed to modify their motion to approve the Resolution Establishing the Budget Process and Policies for Fiscal Year 2006 as it appears in the April Finance Agenda booklet. Motion carried.

Treasurer **Monthly Report**

Welch passed out his monthly report. Investment interest rates continue to go up, he invested some money today at a little over 3.25%.

MOTION by Betz to receive and place on file the Treasurer's monthly report; seconded by Gross.

Tapley asked what would be the approximate impact of a 1% move in interest rates for the County. Welch will return next month with a definitive number. Welch believed his office would realize their goal of mailing the real estate tax bills on May 2nd with a June 2nd and September the 1st due dates.

Motion carried.

Auditor **Purchases Not Following Purchasing Policy**

Provided for information only. Wysocki asked about the Highway item on the report. Frerichs explained the township engineer did not submit the bill until now. It was not a problem from the County Highway Department. Gross asked if there is a consequence for failing to submit a purchase order. Frerichs said the consequence is that the

failure to submit a purchase order is put on this report. Frerichs stated if the committee feels more severe consequences are in order, then they can meet them out. He explained that Highway often doesn't issue a purchase order because they cannot know if a repair will cost over \$1,000 when it is ordered, due to labor.

Monthly Report

MOTION by Betz to receive and place on file the Auditor's monthly report; seconded by Wysocki. Frerichs reported that on Monday, he received the IMRF rates for the next year. The employer rate for the regular IMRF has increased from 8.13% to 9.05%. The SLEP rate increased from 14.87% to 18.05%. These increases are less than they have been in previous years.

County Board

Recommendation for County's contribution to the Visioning Project in the amount of \$30,000 to be appropriated from the Solid Waste Fund

MOTION by Betz to approve the recommendation for County's contribution to the Visioning Project in the amount of \$30,000 to be appropriated from the Solid Waste Fund; seconded by Tapley. Betz requested a roll call vote. Tapley asked for an explanation of this recommendation. Busey explained that it was discussed at last month's Finance meeting to move \$30,000 from the Solid Waste Fund to the General Corporate Fund to provide for the County's contribution to the Visioning Project. This money was not budgeted in the FY2005 Final Budget. Therefore, a budget amendment is required to spend the money in this fiscal year, which will require eighteen votes at a County Board meeting. If the committee wanted to direct the funds to be spent in FY2006, then it should be added to the FY2006 Tentative and Final Budgets as an expenditure. The Final Budget only requires a simple majority to pass. The committee continued discussion concerning the Solid Waste Fund.

MOTION by Tapley to amend Resolution Establishing the Budget Process and Policies for Fiscal Year 2006 to include directing the County Administrator to prepare the FY2006 Budget to include the appropriation of \$30,000 for the Visioning Project from the Solid Waste Fund. No member seconded and the motion failed.

The committee discussed whether to make the appropriation a part of the FY2006 Final Budget or as a budget amendment in FY2005. Dimit explained the origin of the Visioning Project. The Visioning Project is intended to be a grassroots expression of what we desire the future to be in Champaign County, looking at a window of maybe twenty to twenty-five years into the future. It is intended to be a collaborative effort between a wide series of units of government, including the University of Illinois, the County government, the municipal governments in Champaign County (including Rantoul, Savoy, and smaller communities), and a private partnership involving the Champaign County Alliance, the Chamber of Commerce, Farm Bureau, other non-profit, semi-private entities, and representatives of the private sectors such as major employers. An RPC staff person who has been assigned to lead on this project is working with a group of nine, active individuals who represent people from many different entities. Dimit will be materially involved in the project of the way through. He stated it is important to understand that the process of the Visioning Project is a necessary exercise prior to forming a comprehensive plan. By executing the project in collaboration with others, the County does not have to provide the entirety of the funding. The Visioning Project is neither being called a comprehensive plan nor will its outcome be a comprehensive plan. The outcome of this process will help if the County Board chooses to go into a land use planning or comprehensive planning process at some point in the future. This is anticipated to be an eighteen month project. The budget amendment the committee passed tonight is only for those expenditures expected to take place between now and December 1st. The total budget will probably be \$250,000. The committee and Dimit discussed the possibility of a comprehensive plan and clarification of the discussion on this topic at the previous Finance meeting.

Motion passed with a vote of four to three. Betz, McGinty, Tapley, and Wysocki voted aye. Bensyl, Gross, and O'Connor vote nay.

Chair's Report

There was no Chair's Report.

Other Business

Wysocki asked if the County had lately heard from Elizabeth Hennessy of William Blair & Company about the bond issue. Busey reported she hears from Hennessy every week and the situation is being monitored, but the market conditions and rates have not met the County's goal at this point.

O'Connor noted Governor Blagojevich offered high praise to the Fighting Illini Men's Basketball Team from the podium in the stadium the other night.

Designation of Items to be Placed on County Board Consent Agenda

The Chair designated all budget amendments for the Consent Agenda. The Resolution Establishing the Budget Process and Policies for Fiscal Year 2006 passed unanimously, but will be a separate budget amendment on the regular agenda.

Adjournment

Meeting was adjourned at 8:16 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.