

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE MINUTES

Wednesday, October 26, 2005

**Meeting Rm. 1, Brookens Administrative Center
1776 E. Washington St., Urbana**

6:00 p.m.

MEMBERS PRESENT: McGinty, Bensyl, Betz, Doenitz, Gross, Tapley, Wysocki

MEMBERS ABSENT: Avery, O'Connor

OTHERS PRESENT: Deb Busey (County Administrator), Denny Inman (County Administrator), Curt Deedrich (Supervisor of Assessments), Joel Fletcher (Office of the State's Attorney), Michael Frerichs (Auditor), Susan McGrath (Office of the State's Attorney), Julia Rietz (State's Attorney), Steve Ziegler (Office of the State's Attorney)

Call to Order

Chair McGinty called the meeting to order at 6:01 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 for the meeting; seconded by Wysocki. Motion carried.

Public Participation

There was no one for public participation.

FY2006 Budget

Overview of Outstanding Finance Issues

Documents were distributed to the committee members. Busey started with a statement of outstanding issues for the General Corporate Fund. Busey provided a list of one-time expenditures that have just been or will be included in the General Corporate Fund Budget. One of the items is an anticipated \$400,000 to be moved to Self-Funded Insurance. This fund is operating at a deficit. The \$400,000 is to provide a correction. It is anticipated after next year the levy will be able to match the appropriation and move out of the deficit position. Busey stated we have been moving into the deficit position over the last two fiscal years and next year will also be a deficit year.

Another item is the cost to relocate the Children's Advocacy Center because of the construction of the Highway Fleet Maintenance Facility. The cost is \$63,000. Betz asked what is included in the relocation costs. Busey answered the cost includes taking some space the County currently owns and making it similar to the current CAC space so they move into like accommodations. The general estimate for demolition of the existing CAC building is \$40,000. Busey continued with the overview of expenditures. The total of all the items is \$2,166,525. Busey encouraged Board members to ask whether a financial issue is funded if they are unsure.

Excessive one-time revenues in FY2005 are Recording Fees (\$516,520) and Inheritance Tax (\$432,327). The sale of the old Nursing Home is a potential revenue source for General Corporate. It has the assessed value of \$1,925,000.

Concerning Public Safety Sales Tax; the Exterior Renovation Project, including the Clock & Bell Tower Project, is estimated at \$6.6 million. The Clock & Bell Tower Citizens Fundraising Committee will fund the Clock & Bell Tower Project at about \$1 million. Busey explained that \$400,000 of the \$1 million Clock and & Bell Tower money is a gift that will not be realized until the donors are deceased. The County will need to bond for \$6 million. This amount amortized over twenty years has an annual payment of \$491,714.

Long-Term Budget Projection Reports
General Corporate Fund

Busey provided a five-year revenue and expenditures projection report for the General Corporate Fund and explained the projections. Gross asked how the Recording Fees are anticipated, since that revenue was high this year. Busey said the fees revenue is budgeted on ten-twelve year average. The report showed the FY2005 Budget as it is today. If 100% of the budgeted revenue and expenditures were realized, FY2005 would end with a \$206,000 deficit. However, it is very rare that 100% of the expenditures are spent. If 98% of the budgeted expenditure is realized, FY2005 will end with a revenue positive budget of \$369,498. Tapley asked if that budget figure included the costs of asphalt for Art Bartell Road and the Nursing Home Re-Use Study that were approved at the last County Board meeting. Busey said those items were not included in the figure. Personnel costs are projected at a growth of 4%. Commodities and Services costs are projected at a growth of 2%. With a 3% projected revenue growth and other expenditure assumptions, General Corporate Fund maintains a revenue positive balance on future budgets through FY2009, based on today's operating expenses being budgeted. Busey also reviewed the FY2005 projected end year budget. Busey offered to answer any questions from committee members.

Tapley asked for a net figure of the one-time revenue. Busey stated the one-time revenue totals \$950,000. The one-time expenditures will be subtracted from this amount.

Public Safety Sales Tax Fund

Busey reviewed the long-term projections for the Public Safety Sales Tax Fund. In FY2007, this fund picks up the Exterior Renovation Project bond payment of \$491,714. The Public Safety Sales Tax Fund can absorb all of its expenses and will continue to grow over time.

Inter-Committee Memo From Policy, Personnel, & Appointments Committee Regarding Budget for Disparity Study

Busey stated the next document is not an actual memo, but an action report from the October 5th Policy, Personnel, & Appointments Committee meeting. The Policy, Personnel, & Appointments Committee recommended to the Finance Committee the appropriation of \$50,000 to be included in the FY2006 Budget to fund the Champaign County Disparity Study.

Betz, Chair of the Policy, Personnel, & Appointments Committee, stated that based on what he knows, the disparity study can be done for less than \$50,000. A study was done in Peoria for \$30,000 and some local people might be able to do it for substantially less. If the study does cost substantially more, the budget can be amended.

MOTION by Betz to adopt and include an appropriation of \$25,000 in the FY2006 Budget to fund a Champaign County Disparity Study. Tapley offered to second the motion if the amount were changed to \$10,000 because government generally spends as much as it budgets. Motion seconded by Gross.

Betz stated, because this item has been discussed by several committees, he does not think the County has internalized and grasped its own workforce. The County has just received a two-year study on its own workforce. Betz does not see anyway an RFP on this particular issue could be ready in the next five to six months. Betz wanted

the funding reserved because the previous County Board made a commitment and he thinks it is an important issue, but he does not want to spend this money for the sake of spending it.

McGinty asked Betz to comment on the potential thoughts of the other Policy Committee members because the recommendation is \$50,000 from the Policy Committee and tonight the Policy Chair is recommending \$25,000 instead. Betz thought the amount was set at \$50,000 because that was in last year's budget and he does not think anyone thought the amount had to be \$50,000. McGinty asked if others may be hung up on that number. Betz said he did not know whether they are or not, but he is not. Betz said if anyone was hung up on numbers, they did not say anything at the Policy meeting. McGinty stated his curiosity from a Finance standpoint is that the Policy Committee recommended one amount and the Finance Committee might approve half of that amount. From a budget standpoint, McGinty wants to come together and not be apart.

Tapley understood both points made by Betz and by McGinty. He noted the Finance Committee could receive a recommendation from a department head and the committee could only approve half the requested amount due to budgeting constraints. He is concerned about the process of reaching a reconciled budget. A list has already been made of priorities that need the limited funding available. Adding the disparity study cost to the FY2006 Budget will mean some item will have to be taken out and Tapley is concerned about this. He would like further discussion about this issue. McGinty said Tapley has a valid point because the disparity study did not appear at the Legislative Budget Hearings when the other program change requests were submitted. Betz said that is true, but he assumed funding for the disparity study was a part of the FY2006 Budget. McGinty pointed out the disparity study never appeared on any of the budget documents for FY2006.

Gross asked why would the Policy Committee send one requested amount for appropriation and then the Chair of the Policy Committee move half of the requested amount. Betz said he made the motion for a \$25,000 appropriation because he thinks it is enough money to do such a study. Gross asked if it would be a problem with the Policy Committee. Betz said he had no doubt it would be a problem with some members of the Policy Committee.

McGinty asked Busey about the expropriation of unused funds. Busey was going to ask the Finance Committee to consider treating the disparity study similar to the Kronos Project. This would mean the cost of the disparity study would come from the one-time excess revenue from FY2005. Paying for the disparity study by this method, instead of appropriating funds from the FY2006 Budget, would mean no FY2006 operating expenses would have to be cut to fund the disparity study.

Bensyl entered the meeting at 6:27 p.m.

Wysocki asked if it is known how many actual dollars would be carried over from FY2005 to FY2006. Busey stated the dollar figure would not be known until January. Based on the projections, it looks like the one-time excess revenue should be at least \$900,000. Half of this amount has already been spent by the County Board's decisions to purchase voting equipment, asphalt for Art Bartell Road, the disparity study, and other one-time projects.

Betz requested to amend his motion to have the funding for the disparity study come from the one-time excess revenue in FY2005. Gross agreed to the friendly amendment.

The Chair declared a roll call vote. Motion carried with a vote of 4 to 3. Betz, Gross, McGinty, and Wysocki voted aye. Bensyl, Doenitz, and Tapley vote nay.

Closed Session Pursuant to 5 ILCS 120/2(c)1 to Consider the Employment, Compensation, Discipline, Performance, or Dismissal of Specific Employees

MOTION by Wysocki to enter into closed session pursuant to 5 ILCS 120/2(c)1 to consider the employment, compensation, discipline, performance, or dismissal of specific employees. She further moved the following

individuals remain present: Recording Secretary, County Administrators, and the County's Legal Counsel. Motion seconded by Gross. The Recording Secretary called the roll. The Chair declared a closed session at 6:31 p.m.

The committee resumed open session at 6:42 p.m.

Approval of Salary Administration Recommendation for Zoning and Enforcement Positions

MOTION by Betz to adopt and include the Salary Administration Recommendation for Zoning and Enforcement Positions for FY2006; seconded by Doenitz. Motion carried.

Report of Changes to Budget Since Acceptance of Tentative Budget

Busey reported changes since the FY2006 Tentative Budget was approved and provided a list to the committee members. The County was able to save on employee health insurance rates from what was originally anticipated. Personnel expenditures increased. There was an increase in capital lease principle payments. The expense for automobile maintenance for the Sheriff's Office was able to be adjusted down by \$10,000. Since September, an additional one hundred licenses with Kronos were approved, so that contractual amount increased. The list of changes includes the salary administration recommendation for the Zoning & Enforcement positions that was just approved. Revenues have also been adjusted. The Sheriff's Local Government Reimbursement line reflects the increases in contracts with villages, which the Sheriff has negotiated. This revenue line item increased by \$53,300.

The adjusted General Corporate Fund revenue balance for FY2006 is \$180,656. This does not include the disparity study cost.

Review of Outstanding Program Change Requests for FY2006 Budget

Busey presented a chart of the program change requests for FY2006 still outstanding with her recommendations for funding. Originally, the Inmate Mental Health Contract request was for an additional \$137,538. This amount has been changed to \$108,371 because it is anticipated the Mental Health Board is going to be appropriating \$70,000 for this expenditure with their next fiscal year, which begins July 1st and will help offset the cost. Busey made her recommendation based on maintaining the status quo. Busey recommended approving the budget change requests for the Sheriff – Inmate Mental Health Contract, Public Properties – Utilities Costs of Old Nursing Home, Public Properties – Repair/Maintenance Costs in Downtown Facilities, State's Attorney – Domestic Violence – Assistant State's Attorney Position, and State's Attorney – Domestic Violence – Domestic Violence Advocate Position. The repair costs in the downtown facilities are to cover contracts on elevators and other issues. The positions in the State's Attorney's Office are current positions that were funded by a grant that was not renewed.

MOTION by Betz to adopt and include in the FY2006 Budget the program change requests as recommended by the County Administrator; seconded by Tapley.

Betz stated he personally has other priorities, but he can live with this proposal because budgeting is a compromise. Gross asked about the capital improvement request from Public Properties. Busey explained the list of capital improvements was sorted out and amortized when each could be done. The improvements were scheduled and budgeted the best way possible. The committee discussed the program change requests. McGinty noted there is no contingency fund in the FY2006 Budget.

Doenitz asked if the exterior painting of the Brookens Building was one of the capital improvements scheduled. Busey said it was not. Doenitz stated he thought things could be trimmed to better maintain the buildings. The estimated cost of painting Brookens was \$42,000 – \$47,000. Wysocki asked when the building was last painted. Inman said it still has the original paint job and has never been repainted. McGinty asked what Doenitz would suggest cutting from the budget to accommodate the painting expense. Doenitz did not have any suggestions. Betz asked if

the excess one-time revenue money could be used to pay for the exterior painting of Brookens. Busey said one of capital improvement issues could be treated in such a manner. She recommended the County develop a capital improvement plan for the facilities where regular capital improvements are budgeted and money is set aside each year for them. The first year of such a plan is the most expensive, but the Capital Equipment Replacement Fund has worked very well. This item would have to be a part of the operating budget. Doenitz agreed with Busey.

Busey turned the committee's attention to the five-year projection report. In FY2007, the County's debt repayment drops from \$215,165 to \$61,691. Busey suggested FY2007 would be a good opportunity to establish a capital improvement plan for the buildings.

Deedrich gave input about the two program change requests from his office. He stated the requests were statutory in nature. The Required Mailing envelopes are purchased every two-three years. These will need to be purchased in February. He said he would have to come to the County Board in the summer with a budget amendment for these items if they are not funded now.

Betz requested a roll call vote. Motion carried with a vote of 7 to 0. Bensyl, Betz, Doenitz, Gross, McGinty, Tapley, and Wysocki voted aye.

Betz when the final version of the FY2006 Tentative Budget would be ready. Busey said the final version of the Budget will be ready for Finance Committee approval on November 10th and will be based on the decisions made tonight.

Adjournment

Meeting was adjourned at 7:05 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.