

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE

Thursday, January 11, 2007

**Lyle Shields Meeting Room, Brookens Administrative Center
1776 E. Washington St., Urbana**

7:00 p.m.

MEMBERS PRESENT: Doenitz, Gross, McGinty (Chair), O'Connor, Tapley, Weibel, Wysocki

MEMBERS ABSENT: Jones

OTHERS PRESENT: Kat Bork (Recording Secretary), Deb Busey (County Administrator of Finance & HR Management), Frank DiNovo (RPC), Tony Fabri (Auditor), Linda Frank (Circuit Clerk), Denny Inman (County Administrator of Facilities & Procurement), Susan McGrath (Senior Assistant State's Attorney), Dan Welch (Treasurer)

CALL TO ORDER

Chair McGinty called the meeting to order at 7:00 p.m.

ROLL CALL

The Recording Secretary called the roll. Doenitz, Gross, McGinty, Tapley, Weibel, and Wysocki were present at the time of roll call. McGinty declared a quorum and proceeded with the meeting.

APPROVAL OF AGENDA/ADDENDUM

MOTION by Gross to approve the agenda and addendum; seconded by Wysocki. **Motion carried.**

APPROVAL OF MINUTES

MOTION by Wysocki to approve the regular session Finance Committee minutes of November 9, 2006; seconded by Doenitz. **Motion carried.**

PUBLIC PARTICIPATION

There was no public participation.

CHAIR'S REPORT

2007-2008 Finance Committee Introduction

McGinty welcomed all the committee members. McGinty encouraged members to express any thoughts about the direction of the committee and improvements that could be made. Tapley said he thought steady improvements have been made to the budget process every year thanks to Busey's efforts. He recommended the committee continue to follow Busey's advice and encouraged her to continue to further develop the budget process because improvements can always be made.

O'Connor entered the meeting at 7:01 p.m.

Gross appreciated that Busey has included new material in her reports when it has been requested by committee members. Gross looks forward to working with the new Auditor.

BUDGET AMENDMENTS/TRANSFERS

Budget Amendment #07-00011, #07-00012, #07-00013, #07-00014, #07-00015, and #07-00016

MOTION by Weibel for an omnibus motion to recommend to the County Board approval of:

Budget Amendment #07-00011 from Fund 075 Regional Planning Commission – Department 759 CSGB New Economic Development Awards for increased appropriations of \$44,650 for the Contributions & Grants line with no increased revenue;

Budget Amendment #07-00012 from Fund 075 Regional Planning Commission – Department 697 Urbana Bikeways Plan for increased appropriations of \$24,000 for the Regular Full-time Employees line, \$2,000 for the Temporary Salaries & Wages line, \$2,000 for the Office Supplies line, \$6,000 for the Professional Services line, and \$1,000 for the Job-Required Travel Expenses line with increased revenue of \$35,000 from the Urbana City line;

Budget Amendment #07-00013 from Fund 075 Regional Planning Commission – Department 695 GIS Local Contract Services for increased appropriations of \$35,000 for the Regular Full-time Employees line, \$5,000 for the Temporary Salaries & Wages line, \$2,500 for the Office Supplies line, \$250 for the Postage, UPS, Federal Express line, \$500 for the Gasoline & Oil line, \$1,000 for the Equipment Less Than \$1,000 line, \$1,500 for the Job-Required Travel Expenses line, \$300 for the Telephone Service line, \$700 for the Equipment Rentals line, \$250 for the Photocopy Services line, and \$3,000 for the Furnishings, Office Equipment line with increased revenue of \$50,000 from the Technical Service Contract line;

Budget Amendment #07-00014 from Fund 075 Regional Planning Commission – Department 696 Human Services Transportation Planning for increased appropriations of \$35,000 for the Regular Full-time Employees line, \$500 for the Stationary & Printing line, \$2,500 for the Office Supplies line, \$250 for the Postage, UPS, Federal Express line, \$500 for the Gasoline & Oil line, \$1,000 for the Equipment Less Than \$1,000 line, \$1,500 for the Job-Required Travel Expenses line, \$300 for the Telephone Service line, \$700 for the Equipment Rentals line, \$250 for the Photocopy Services line, \$5,000 for the Contributions & Grants line, and \$2,500 for the Furnishings, Office Equipment line with increased revenue of \$50,000 from the DOT-FTA-FRMLA Grant Non-Urban line;

Budget Amendment #07-00015 from Fund 075 Regional Planning Commission – Department 692 Weatherization-HHS-Odd Year for increased appropriations of \$40,000 for the Regular Full-time Employees line, \$500 for the Stationary & Printing line, \$500 for the Office Supplies line, \$500 for the Copier Supplies, \$250 for the Postage, UPS, Federal Express line, \$250 for the Gasoline & Oil line, \$500 for the Job-Required Travel Expense line, \$500 for the Computer Services line, \$500 for the Telephone Service line, \$250 for the Legal Notices, Advertising line, \$250 for the Photocopy Services line, \$500 for the Conferences & Training line, \$376,020 for the Weatherization line, and \$2,000 for the Furnishings, Office Equipment line with increased revenue of \$422,520 from the HHS-HM Energy Assistance Program line; and

Budget Amendment #07-00016 from Fund 075 Regional Planning Commission – Department 694 Weatherization Support-Odd Year for increased appropriations of \$14,000 for the Regular Full-time Employees line, \$100 for the Office Supplies line, \$100 for the Copier Supplies, \$100 for the Postage, UPS, Federal Express line, \$100 for the Gasoline & Oil line, \$176 for the Job-Required Travel Expense line, \$200 for the Computer Services line, \$100 for the Telephone Service line, \$100 for the Photocopy Services line, \$129,265 for the Weatherization line, and \$1,000 for the Furnishings, Office Equipment line with increased revenue of \$145,241 from the IDHFS-Weatherization Program line.

Motion seconded by Wysocki.

Wysocki noted DiNovo was present and inquired if he was here to provide any more explanation for the budget amendments from RPC. DiNovo said he was present to answer any questions about the amendments. Tapley noted most of the amendments involved a pass through of funds with increased revenue matching the increased appropriations.

Motion carried.

ADDENDUM

Budget Amendment #07-00007

MOTION by Tapley to recommend to the County Board approval of Budget Amendment #07-00007 from Fund 080 General Corporate Fund – Department 030 Circuit Clerk for increased appropriations of \$1,400 for the Stationary & Printing line with no increased revenue; seconded by Weibel.

Frank said she submitted the budget amendment because this is the first meeting since she received the order. She stated that she spent all of her non-personnel budget last year. She currently has money in her budget to cover this expense, but she does not know if she will have money at the end of the year. She felt the budget amendment is a way to inform the County Board about program changes in her office.

Busey stated Frank brought the budget amendment because it is a new expenditure and the Circuit Clerk has spent her entire Stationary & Printing budget in previous fiscal years. The total budget of this line item is about \$45,000. However, as of today, only \$2,400 has been spent out of this line item for FY2007. The line item still has a substantial balance and Busey reviewed the statute regarding amendments to the budget. The statute language states amendments are done “in order to meet an immediate emergency.” Busey did not think this qualifies as an immediate emergency. She said this budget line might need a budget amendment in October or November for more money for file folders for FY2008, which Frank purchases in the preceding fiscal year. It is also possible that the Circuit Clerk’s Office will not need to spend as much money on file folders because the number of criminal filings was down by 12% in FY2006. The Jano System will have an impact when all court offices begin using the system this year. The Circuit Clerk spends over \$20,000 annually on printed forms from this line item that might not be needed due to the Jano System. Busey respectfully requested the Finance Committee not approve Budget Amendment #07-00007, but that they remember tonight’s discussion should Frank submit a budget amendment in October or November if she is not able to absorb the additional cost in the Stationary & Printing line item budget.

Tapley commented that he had similar thoughts to Busey’s because it seems early in the year to ask for a budget amendment that might not be necessary. Wysocki asked for the line item balance. Busey explained the Stationary & Printing line has a current balance \$44,780 and half of the line item is spent in the last month of the fiscal year when next year’s file order is placed.

The motion was withdrawn by the Tapley and Weibel.

Frank asked for direction on keeping the committee informed about changes in her office. Tapley said he would prefer periodical updates on program changes during the year instead of it being sprung on the committee at the year’s end with a budget amendment. McGrath remarked several General Corporate departments will be affected by the implementation of the Jano System during the course of the year. Busey has previously suggested the Finance Committee be given periodic updates from the affected departments regarding how Jano is affecting their budgets during the course of the year. McGrath said the update process following by necessary budget amendments would be the proper way for the committee to act. Busey pointed out departments tend to inform the committee when they know there is a serious problem with a trend issue and have reached the point at which they know it cannot be absorbed into the budget. The General Corporate Fund Projection Report prepared by Busey does anticipate expenditures for the entire General Corporate Fund and is

presented to the Finance Committee every month. A trend problem would begin showing up on the General Corporate Fund Projection Report.

COUNTY ADMINISTRATOR

General Corporate Fund FY2006 Revenue/Expenditure Final Report

Busey distributed her reports to the committee. This is the final revenue/expenditure report for FY2006. The General Corporate Fund ended FY2006 very close to where Busey has been projected it would for the last six months. The total revenue received was \$29,191,415 or 102% of budgeted revenue. The actual ending revenue budget was \$29,036,334. The total expenditures were \$30,732,761 or 97% of budget expenditures. The actual ending expenditure budget was \$31,776,006. The General Corporate Fund ended FY2006 with a \$1.5 million deficit. Busey reminded the committee that \$1.2 million was transferred to the Nursing Home and \$786,000 was transferred to the Tort Immunity Fund from the General Corporate Fund, for a total of \$2 million in transfers out of General Corporate. If these transfers had not occurred, the General Corporate Fund would have ended the fiscal year with a \$475,000 revenue positive position. This reflects that the General Corporate Fund itself is appropriately budgeted with revenues covering expenditures. With the transfers out, the General Corporate Fund ended FY2006 with a fund balance under \$3 million. This is a \$1.5 million drop in the fund balance. The current fund balance is less than 10% of the FY2007 Budget. Busey advised the Finance Committee that this is the lowest they ever want the fund balance to be. Because of last year's transfers, the General Corporate Fund does not have the flexibility this year to support other funds. Tapley asked if the Tort Immunity transfer only kept that fund balance at \$0. Busey confirmed that was correct.

General Corporate Fund Budget Change Report

The report showed all changes to the General Corporate Fund budget for FY2006. Expenditures increased by almost 12% and revenue increased by 3%.

Busey included a document in her reports showing the annual profit/loss for the Nursing Home from 1993 through 2006 to give the Finance Committee a better perspective on the Nursing Home's position. A monthly report on the Nursing Home will be included in the future. Busey advised the committee to ignore the transfers from the General Corporate Fund to the Nursing Home when looking at the FY2006 figures to get an accurate picture of the Nursing Home's finances. On paper, the Nursing Home appears to end FY2006 with about a \$300,000 revenue positive balance, but this is only due to the \$1.2 million in transfers from the General Corporate Fund. In actuality, the Nursing Home ended FY2006 with a loss of \$912,233. This is slightly better than FY2005, but still remains in a dangerously negative position. Busey based the figures on where the Nursing Home truly is in regard to revenue and expenditures. The Nursing Home still has accounts payable 60 days out, so the Finance Committee will see a lot of purchases not following purchasing policy for the next month regarding the Nursing Home because it will be paying FY2006 expenses out of its FY2007 budget. The Nursing Home's finances remain a problem for the Finance Committee, Administrators, and staff to continually work on to move it in the right direction.

MOTION by Wysocki to receive and place on file the County Administrator's reports; seconded by Tapley. **Motion carried.**

Zoning Board of Appeals and Public Aid Appeals Committee Member Per Diems

Busey presented a memorandum to the committee regarding the Zoning Board of Appeals and Public Aid Appeals Committee Member per diems. After the County Board member per diem was increased in November, though it does not go into effect until December 1, 2008 due to statutory reasons, the issue was raised about the per diem amount paid to Zoning Board of Appeals (ZBA) and Public Aid Appeals Committee (PAAC). These per diems have historically been the same amount as the County Board's per diem. The County

Board is not statutorily limited from increasing these per diems at any time. Busey's memorandum provided a comparison of the per diems paid to ZBA in four comparable counties (Sangamon, Rock Island, Peoria, and McLean). None of the four other counties have Public Aid Appeals Committees for a comparison. Sangamon County pays a \$250 per diem and does not provide mileage. Peoria County and McLean County both pay a \$60 per diem plus mileage. Rock Island County pays a \$40 per diem and mileage. Busey also included figures on the annual increased costs, based on the average number of meetings, involved in raising the ZBA and PAAC per diems to \$60, \$80, or \$100. A budget amendment would need to be prepared to change the ZBA and County Board budgets if the County Board decides to increase the per diems for this fiscal year.

Weibel noted ZBA members have put in a lot of work in the last few years both in and out of meetings. Weibel asked about the amount of work done by PAAC members. McGrath stated the functions of the two entities are very different. The PAAC exists to hold hearings and the members work outside of these hearings consists of reading the agenda packet materials. This work is sporadic throughout the course of the year. The ZBA members typically function more like the County Board, in that the public calls them at home with questions and they receive a lot of correspondence. The ZBA works on the Zoning Plan and the Zoning Ordinance, as well as working on complicated zoning cases.

MOTION by Weibel to increase the per diems for the Zoning Board of Appeals to \$100 and increase the per diems for the Public Aid Appeals Committee to \$60, effective February 1, 2007. He further moved the County Administrator be directed to prepare the appropriate budget amendment to be presented to the County Board simultaneously with the resolution to crease the per diems. Motion seconded by Tapley.

The Finance Committee discussed the per diems. It was noted that one Public Aid Appeals Committee member, John Schmidt, declines to take a per diem for the meetings. If Schmidt ever steps down the County would be paying per diems to four members instead of three. Busey figures are based on the amount of per diems that have been paid.

Motion carried with one no vote from O'Connor.

FY2007 Budget Overview

The Final FY2007 Budget Books were distributed to the committee. Busey said County Board members could return prior budget books to Administrative Services.

TREASURER Monthly Report

Welch distributed his monthly report and annual report to the committee. Welch described his reports and how the accounts are listed for the benefit of the new Finance Committee member. He noted the General Corporate Fund balance listed is the balance for this fund on one date at one point in time. This fund balance fluctuates significantly because the General Corporate Fund's monthly payroll alone costs \$1.3 million. Welch's report shows the negative fund balances and the true transfers from General Corporate Fund to the Nursing Home. Busey stated an extra \$327,000 was budgeted for the Nursing Home from the General Corporate Fund in FY2007. The entire \$327,000 had to be sent to the Nursing Home on the second day of the fiscal year, so the Nursing Home's current fund balance reflects that it has all the monies budgeted in FY2007. Welch continued to describe the data contained in his reports, including comparisons to this month in the previous year. Welch presented the real estate collections. The final distribution has been made. Some advance real estate payments were made in December to the tune of over \$900,000. This is a nice jump start on the FY2007 collections.

MOTION by Tapley to receive and place on file the Treasurer's December 2006 monthly report; seconded by Doenitz. **Motion carried.**

Welch's annual report was a recap of all the fund balances at the beginning of the year, the end of the year, and the average for the year. Interest earnings from last year to this year were also compared. Last year's total interest earnings were \$1.4 million. This year's total interest earnings were \$2.3 million, an increase of 61%. The last page of the report was graph showing an overview of interest earnings since 1983.

MOTION by Tapley to receive and place on file the Treasurer's annual report from December 1, 2005 to November 30, 2006; seconded by Wysocki. **Motion carried.**

AUDITOR

Purchases Not Following Purchasing Policy

Fabri distributed the list of purchases not following purchasing policy for information only. The majority of the list is FY2006 expenses that are being paid in FY2007.

Monthly Reports for October 2006 and November 2006

MOTION by Tapley to receive and place on file the Auditor's October 2006 and November 2006 monthly reports; seconded by Doenitz. **Motion carried.**

OTHER BUSINESS

There was no other business.

DESIGNATION OF ITEMS TO BE PLACED ON COUNTY BOARD CONSENT AGENDA

McGinty designated agenda items VII A-F for the consent agenda.

ADJOURNMENT

McGinty adjourned the meeting at 7:37 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.