

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE

Thursday, November 6, 2008

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

MEMBERS PRESENT: Chris Doenitz, Claudia Gross, Brad Jones, Brendan McGinty (Chair), Alan Nudo, Steve O'Connor, C. Pius Weibel, Barbara Wysocki

MEMBERS ABSENT: Michael Richards

OTHERS PRESENT: Carol Ammons (County Board Member), Jeff Blue (County Engineer), Kat Bork (Recording Secretary), Andrew Buffenbarger (Nursing Home Administrator), Deb Busey (County Administrator of Finance & HR Management), Tony Fabri (Auditor), Denny Inman (County Administrator of Facilities & Procurement), Elizabeth Murphy (RPC Chief Financial Officer), Julia Rietz (State's Attorney), Peter Tracy (Mental Health Board Executive Director), Dan Welch (Treasurer)

CALL TO ORDER

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

ROLL CALL

Bork called the roll. Doenitz, Jones, McGinty, Nudo, O'Connor, and Wysocki were present at the time of roll call establishing the presence of a quorum.

APPROVAL OF AGENDA/ADDENDUM

MOTION by Wysocki to approve the agenda and addendum; seconded by O'Connor.

Weibel entered the meeting at 7:01 p.m.

McGinty reordered the budget amendments and transfers to accommodate the department heads who were present to answers questions about their budget requests.

Motion carried.

Gross entered the meeting at 7:02 p.m.

APPROVAL OF MINUTES

MOTION by Wysocki to approve the Finance Committee minutes of October 9, 2008; seconded by Gross. **Motion carried.**

PUBLIC PARTICIPATION

There was no public participation.

STATE'S ATTORNEY

Renewal of Victim Advocacy Grant

MOTION by Weibel to approve the renewal of the Victim Advocacy Grant; seconded by Wysocki.

Wysocki inquired if there was anything different in the grant from previous years. Rietz informed the committee that the County is not being asked to do anything differently from last year, but the grant amount is less. The amount of money being provided in grants is decreasing. Her office is making up the difference in other ways. The State's Attorney's Office has received the Victim Advocacy Grant for at least 15 years. Rietz's office reports to the grant provider with statistics on how many victims are served as well as other information. The grant proceeds partially fund the salary of the Victim Advocacy Program Director, who has been a County employee for 20 years. Rietz noted the Director's salary increases each year as the grant continues to decrease, thereby increasing the County's portion for funding the position. Wysocki asked if the person administering the grant could report to a County Board committee about the effectiveness of the grant, including statistics, and Rietz agreed it could be done. Wysocki thought the Justice & Social Services Committee would be interested in those statistics, as would she. Rietz explained the Director position partially funded by the grant provides victim advocacy for felony cases, murders, and sexual assaults; as well as managing the other Victim Advocates.

Motion carried.

BUDGET AMENDMENTS/TRANSFERS

Budget Amendment #08-00111

MOTION by Weibel to recommend to the County Board approval of Budget Amendment #08-00111 from Fund 080 General Corporate – Department 042 Coroner for increased appropriations of \$479 for the Temporary Salaries & Wages line with increased revenue of \$479 from the Court Fees and Charges line; seconded by Gross. **Motion carried.**

Budget Amendment #08-00112

MOTION by Wysocki to recommend to the County Board approval of Budget Amendment #08-00112 from Fund 475 RPC Economic Development Loans – Department 723 CSBG Pass-Through Loans for increased appropriations of \$7,500 for the Remit Loan Payments line and \$5,000 for the To Regional Planning Commission Fund 075 line with increased revenue of \$35,000 from the HHS-Community Service Block Grant line and \$1,500 from the Interest on Loans line; seconded by Weibel.

Wysocki, who serves on the RPC loan disbursement committee, expressed that the RPC Economic Development Loan Program is a worthwhile project in Champaign County. She is

constantly amazed at the number of start-up businesses and existing, expanding businesses asking for assistance. She indicated this fund meets a particular niche in granting loans, has good cooperation with local banks, and is the kind of program that encourage entrepreneurs to develop business plans while dialoging with people in a given field. Many of the loans go to minority and female-owned businesses.

Ammons asked if the budget amendment would create a new department to manage separately from RPC. Murphy explained the RPC already receives community service funds and the funds are kept in a revolving loan portfolio. All the CSBG loan capacity has been exhausted, so RPC has approached Danville and Decatur about using those entities' unused CSBG economic loan allocation instead of having it returned to the State of Illinois. RPC will arrange for a memorandum of understanding with Decatur and Danville to return a portion of the principle. Then RPC would keep a portion of the principle as well as all of the loan and investment interest. The separate department is necessary because must be accounted for separately from Champaign County's CSBG funds in reporting to the state. Ammons wanted to know if these loans are only used for rural areas. Murphy stated CSBG funds can be used both in the cities and the county areas.

Motion carried.

Budget Amendment #08-00113

MOTION by Weibel to recommend to the County Board approval of Budget Amendment #08-00113 from Fund 075 Regional Planning Commission – Department 733 Administration for increased appropriations of \$10,000 for the Insurance line, \$25,000 for the Brookens Building Construction/Improvement line, and \$15,000 for the Furnishings, Office Equipment line with no increased revenue; seconded by Wysocki. **Motion carried.**

Budget Amendment #08-00110

MOTION by O'Connor to recommend to the County Board approval of Budget Amendment #08-00110 from Fund 084 County Bridge – Department 060 Highway for increased appropriations of \$30,000 for the Engineering Fees line and \$579,000 for the Bridges & Culverts line with no increased revenue; seconded by Weibel.

Nudo had spoken to Busey about this budget amendment. The FY2009 Highway Department projected fund balance has been reduced to show the expenditure of over \$600,000 because the federal government pulled its funding when the ethanol plant was not constructed. He inquired if there was any mechanism the County could use to determine whether the federal funding is secure before proceeding with such a project. Blue explained these were state economic development program funds and all agreements with IDOT decrees a county is responsible for payment if promised state dollars are withdrawn, even if the construction is complete. This is the chance one takes with these types of grant dollars, which do come through 99% of the time. An agreement was made with Illini Ethanol to be an economic development in Champaign County by building an ethanol plant. Then economic times changed and Illini Ethanol did not construct the plant. The County Highway Department had finished construction on the road, but not the bridges. The money for the road was paid through the economic development funds and the state has not requested the money be returned. The state withdrew funding

for the bridges and the County has to pay for those costs. The bridges would have been reconstructed within the next 5-10 years, so the Highway project schedule has been adjusted.

Gross stated the approval for the Highway 22 construction was another example of jumping at developers' good statements. She asked where the money was coming from. Busey answered the funding from coming out of the County Bridge Fund. Ammons wondered if this impacted other areas in County that should have been repaired in FY2008 or FY2009. Blue stated one project that was planned to be bid in FY2008 that was pushed back to FY2009. There is a domino effect when \$600,000 is taken away that was tagged to pay for a project. This amount is one bridge less the department can build until it catches to when the bridges were supposed to be replaced. Nudo pointed out the property is more marketable for development with the road and bridge improvements. In Blue's opinion, the 80,000 pound truck route will not be wasted in the long-term with potential developments.

Motion carried.

Budget Amendment #08-00114

MOTION by Wysocki to recommend to the County Board approval of Budget Amendment #08-00114 from Fund 080 General Corporate – Department 071 Public Properties for increased appropriations of \$10,000 for the Main Street Jail Repair-Maintenance line, \$10,000 for the Court Facility Repair-Maintenance line, and \$7,650 for the Brookens Building Repair-Maintenance line with no increased revenue; seconded by Gross.

Nudo asked if the cameras were a part of the videotape system added to the Main Street Jail. Inman said these cameras are replacements on the security system. The other camera issue concerned video arraignment and is separate from this matter. Nudo asked why there was a purchase if the camera issue was listed as unexpected repairs. Inman stated the security cameras are removed when they go out and a replacement camera is sent. Three or four cameras costing about \$1,500 apiece had to be replaced. Nudo was curious why the security cameras were so expensive, because he has purchased other security cameras for much less. Inman explained the cost depends on which cameras are purchased. The cameras can have night adaptability, zoom, or other features.

Ammons asked about the ILEAS condensate unit. Inman explained the condensate unit was not in the original scope of the ILEAS remodel project. The unit helps in taking moisture from the air and failed after the remodel project started. The unit was probably 25 years old. Ammons did not know if some of the repairs were necessary with a budget crisis. Inman confirmed the repairs were absolutely necessary and have already taken place. Ammons asked if this request was just to pay the bills, not to approve the repairs. Inman confirmed that was accurate.

Gross asked if Inman was asking to have more money put into the budget to cover expenses already incurred so that the Physical Plant could spend more money. Inman said the additional money was to cover expenses to the end of the year. Gross suggested waiting until the committee knows what the expenses will be to the end of the year before adding money to the budget. Busey explained the Physical Plant line items have been exhausted by these unanticipated expenses. The Physical Plant is requesting additional funding to continue to pay for the County's regular building bills, such toilet

paper, can liners, utility bills, etc. through the end of the fiscal year. Gross wanted confirmation that the additional money was not being used to fund additional repairs. Busey did not think the Physical Plant was anticipating any other major repairs; this money was just to pay its bills through November.

Motion carried.

ADDENDUM

Budget Amendment #08-00117

MOTION by O'Connor to recommend to the County Board approval of Budget Amendment #08-00117 from Fund 090 Mental Health – Department 053 Mental Health Board for increased appropriations of \$10,027 for the Contributions & Grants line with increased revenue of \$10,028 from the Other Miscellaneous Revenue line; seconded by Weibel. **Motion carried.**

Budget Amendment #08-00118

MOTION by O'Connor to recommend to the County Board approval of Budget Amendment #08-00118 from Fund 108 Developmental Disabilities Fund – Department 050 Developmental Disabilities Board for increased appropriations of \$105,601 for the Contributions & Grants line with no increased revenue; seconded by Weibel.

Wysocki questioned if the \$105,601 was coming out of the developmental disabilities levy. Busey stated it was coming out of the Developmental Disabilities Fund balance. Nudo asked if any specifics could be given about the expenses. Tracy explained the Developmental Disabilities Board contracts using the state fiscal year to match its contracts against the agencies audits. This sometimes puts the board in the position of running short at end of the County's fiscal year. Tracy apologized for lateness of the budget amendment.

Motion carried.

Budget Amendment #08-00101

MOTION by Wysocki to recommend to the County Board approval of Budget Amendment #08-00101 from Fund 080 General Corporate – Department 043 Emergency Management Agency for increased appropriations of \$13,293 for the Radio Equipment line with increased revenue of \$13,293 from the Homeland Security-State Homeland Security Program line; seconded by Weibel. **Motion carried.**

Budget Amendment #08-00119

MOTION by Weibel to recommend to the County Board approval of Budget Amendment #08-00119 from Fund 080 General Corporate – Department 041 State's Attorney for increased appropriations of \$2,579 for the Elected Official Salary line with increased revenue of \$2,228 from the State Salary Reimbursement; seconded by Wysocki.

Weibel asked if the County was being compensated by the state for the State's Attorney salary increase. Busey noted the state was covering most of the increase, as seen in the amendment.

Motion carried.

Budget Amendment #08-00120

MOTION by Wysocki to recommend to the County Board approval of Budget Amendment #08-00120 from Fund 080 General Corporate – Department 036 Public Defender for increased appropriations of \$2,322 for the Appointed Official Salary line with increased revenue of \$1,548 from the State Salary Reimbursement; seconded by Gross. **Motion carried.**

Nudo worried about setting a precedent of 3.8% salary increases in today's economic climate. It concerned him that the County was expected to absorb the state mandated salary increases into its budget. Wysocki understood that the County Board does not have a choice in the matter. Busey clarified that the Board does not have a choice in regard to the State's Attorney's salary increase, but it does have a choice with regard to the Public Defender's salary increase. The County Board passed a resolution setting the Public Defender's salary at a comparable level to the State's Attorney. This action is the action that should be taken according to that resolution. Busey pointed out the salary increase is basically for FY2009 and all other employees are receiving 4% increases or more in FY2009 because of the bargaining contracts that were negotiated two years ago. A COLA increase of 3.5% was approved for the non-bargaining employees with 0.5% for merit. She expects salary increases for employees will look quite different a year from now.

Budget Transfer #08-00018

MOTION by Gross to recommend to the County Board approval of Budget Transfer #08-00018 in Fund 076 Tort Immunity Tax Fund – Department 075 General County for a transfer of \$4,494 to the Insurance line from the Unemployment Insurance line; seconded by Jones. **Motion carried.**

REGIONAL PLANNING COMMISSION

Request for Additional Budget to be Added to FY2009 Budget

MOTION by Weibel to add Department 723 CSBG Pass-Through Loans to Fund 475 Regional Planning Commission in the FY2009 budget document; seconded by Wysocki

Wysocki requested summary of the additional department. Murphy explained that RPC will be receiving CSBG money from Danville and Decatur, therefore, a new department needs to be added to the FY2009 budget because these areas are outside of Champaign County. Busey explained it is necessary because anything in the final budget that differs from the budget the County Board received and placed on file has to be approved by the Finance Committee.

Motion carried.

COUNTY ADMINISTRATOR

General Corporate Fund FY2008 Revenue/Expenditure Projection Report

Busey distributed her reports to the committee. She reported that the state shared revenues are holding fairly steady, but the state still owes the County \$175,000 in the State Reimbursement line. The Circuit Clerk's Office is making an effort to catch up on inputting the received fees, though the General Government line where this revenue appears is shown at being \$390,000 less than budgeted. She was not sure if the deficit was attributable to a slowdown in the Circuit Clerk's processing. The Personnel expenses are holding consistently. The fewer real estate transactions will result in less revenue being received, but the Purchase Document Stamps will spend less as a result. Busey projected the General Corporate Fund will spend 97.5% of its budget. With the outstanding loans to the Nursing Home, the budget shows a deficit of \$521,890. This brings the projected General Corporate Fund balance to between \$1.4 and \$1.5 million.

Nudo remarked on the recent *News-Gazette* article concerning the slowing of retail sales and anticipated a corresponding slowing of the County's sales tax revenue. He encouraged the Finance Committee to develop an emergency plan to be ready should finances further decline.

General Corporate Fund Budget Change Report

Busey reported the County Board added 6% in expenditures and 1.5% in revenue to the General Corporate Fund budget during FY2008. She advised the committee that the General Corporate Fund could not absorb this level of added expenditures next year.

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

FY2009 Annual Budget and Appropriation Ordinance

MOTION by Wysocki to approve the FY2009 Annual Budget and Appropriation Ordinance; seconded by Weibel. **Motion carried.**

FY2009 Annual Tax Levy Ordinance

MOTION by Gross to approve FY2009 Annual Tax Levy Ordinance; seconded by Weibel. **Motion carried.**

FY2009 Budget Change for the State's Attorney's and Public Defender's Salaries

Busey stated FY2009 needed to be changed as a result of budget amendments approved earlier in the meeting increasing the State's Attorney's and Public Defender's salaries. She recommended matching revenue to the expenditures by taking \$2,000 from the Contingent line so the FY2009 Budget remains balanced.

MOTION by Weibel to change the FY2009 budget document to reflect a 3.8% increase to the State's Attorney's and Public Defender's salaries. The salary increases will be offset with increased

revenue received from the State of Illinois in the State Salary Reimbursement lines and an expenditure from the FY2009 Contingent Expense line to maintain a balanced budget. Motion second by Gross.

Motion carried.

NURSING HOME

Financial Report on the Nursing Home – Current Outstanding Accounts Payable

The financial report from the Champaign County Nursing Home (CCNH), a management update, and a tax anticipation warrant request were distributed. Buffenbarger stated that CCNH's accounts payable has been mostly kept at 60 days out or less. In the next fiscal year, CCNH will be in a tight cash position, so Buffenbarger would like to match the timing of CCNH's property tax income with its greatest need at the beginning of the next fiscal year. CCNH has IMRF and FICA obligations in the amount of \$750,000 that have to be paid at the end of FY2008. Buffenbarger proposed that tax anticipation warrants be issued so CCNH would in effect borrow money against its anticipated FY2009 revenue to close out FY2008. He reported operations at CCNH are getting better and it received a 90% satisfaction rating in the last resident satisfaction survey. The census is growing steadily and is up to 183, although Management Performance Associates wants to reach 200 by the beginning of the next fiscal year. The table on Page 2 of the report shows CCNH's healthier finances, yet Buffenbarger clarified that the September revenue includes property tax income that was borrowed from other County funds earlier this year so the actual position was not as positive. Welch put together an RFP for borrowing \$805,000 from a private bank in tax anticipation warrants. Welch included this RFP on last page of his monthly report. CCNH is able to get a loan of 85% of its property tax levy. The money is planned to be received at the beginning of December and repaid in September. Welch will send it out to every local financial institution. Buffenbarger stated the plan is for CCNH to not lean on the County next year for loans.

Weibel asked about the possible rate of interest for the tax anticipation warrants. Welch could not estimate about rates because this is his first time with such warrants. Wysocki wondered if CCNH would get a loan given the tight credit in the economic climate. Welch has looked into banks and Busey Bank was willing to loan the County money last year, so he expects to receive 3-4 responses from institutions. The County remains a good bet in a loan with its tax revenue.

McGinty questioned if the CCNH accounts payable list included the IMRF & Social Security payments. When Buffenbarger answered that those liabilities were not included on the list, McGinty indicated it would be better to include those expenses to show a truer picture of CCNH's finances. Buffenbarger said they do not traditionally incorporate IMRF and Social Security liabilities, but they could do so. Nudo asked who would absorb the interest payments on the loan. Welch said the interest would be charged back to CCNH, as far as he knew. Busey said the 85% of the levy amount that can be borrowed must include the principle, costs of issuing warrants, and the interest. All will be repaid out of CCNH's FY2009 property tax revenue. The committee discussed the CCNH finances and operations detailed in the reports.

MOTION by Wysocki to receive and place on file the Champaign County Nursing Home management reports; seconded by Weibel. **Motion carried.**

Wysocki requested the reports about CCNH be sent to the County Board members not present at the Finance Committee meetings.

Authorization for the Issuance of Tax Anticipation Warrants

MOTION by Weibel to authorize the issuance of tax anticipation warrants for the Champaign County Nursing Home; seconded by O'Connor. **Motion carried.**

TREASURER
Monthly Report

Welch reviewed his report for the committee and pointed out the state investment rates included on Page 5 so the committee could understand how much lower the rates are now compared to last year. The inter-fund loans to date are listed on Page 10, including the reauthorization of loans to CCNH from the General Corporate Fund. The request for bids for the tax anticipation warrants issuance will be put out on Monday. The tax sale was held on October 24th at which 721 properties were sold bringing the real estate taxes to being 99.3% collected. Welch stated this collection percentage is low for Champaign County, but he has but issued Provena Hospital's property tax bills. Provena has asked Judge Jones to stay the current tax bills and repayment of back taxes while the hospital is appealing the ruling. Welch was disappointed that Judge Jones issued a stay because the County made a similar request a year ago when Provena insisted the County return the tax revenue while the case was still under appeal and the request was denied. The Supreme Court will decide when it will hear Provena's appeal. Welch noted that because two newspapers failed to publish the notice about the delinquent properties offered at the tax sale, 164 properties could not go to the tax sale. The Treasurer's Office will hold another tax sale in December for these properties and send out the notice for publication again.

Weibel asked if the number of properties sold at the tax sale had increased. Welch acknowledged the number was up a little. Wysocki inquired as to what reason the newspapers gave for not publishing the delinquent properties notice. Welch was told by the newspapers, both of which are owned by the *News-Gazette*, that a low level staffer dropped the ball. The ramifications to the tax payers is that the December sale will likely attract fewer buyers, meaning less competition for the properties and lower sale prices.

MOTION by Doenitz to receive and place on file the Treasurer's October 2008 monthly report; seconded by Wysocki. **Motion carried.**

Resolution Authorizing the County Board Chair to a Assign Mobile Tax Sale Certificate of Purchase on Permanent Parcel No. 30-059-0011

Welch described the process by which a delinquent mobile home is acquired by the County and sold to become a revenue generating property again.

MOTION by Weibel to approve the Resolution Authorizing the County Board Chair to an Assign Mobile Tax Sale Certificate of Purchase on Permanent Parcel No. 30-059-0011; seconded by Gross. **Motion carried.**

AUDITOR

Purchases Not Following Purchasing Policy

Fabri distributed the list of purchases not following the Purchasing Policy.

ANTICIPATED ACTION FROM POLICY, PERSONNEL, & APPOINTMENTS COMMITTEE

Recommendation to Approve Re-Evaluation of Law Library Clerk Position

MOTION by Wysocki to approve the reclassification of the Law Library Clerk position.
Motion failed for lack of a second.

Recommendation to Approve Re-Evaluation of Auditor's Office Accountant Position

No action was forwarded from the Policy, Personnel, & Appointments Committee regarding the Accountant position.

CHAIR'S REPORT

Resolution Establishing Mileage Reimbursement Rate for County Board Members

MOTION by Gross to approve the resolution decreasing the County Board's mileage rate to match the juror mileage rate; seconded by Weibel.

Weibel asked for the County Board's current mileage rate. Busey stated the County Board receives the federal rate set by the IRS. Gross felt the Board members' rate should match the rate given to jurors. Nudo did not see the correlation and would rather the County Board remove the \$100 per diem if savings money is the issue. McGinty commented that he sees both sides of the argument, but mileage reimbursement should be consistent with other entities at the IRS rate. Jones thought the new per diem rate should be changed, but understands the legal reasons why it cannot. He point out that some County Board members have to drive much farther to attend meetings, so the mileage rate should continue at the IRS rate.

Motion failed with six votes against by Doenitz, Jones, McGinty, Nudo, O'Connor, and Wysocki.

Discussion of County Board Members' Per Diem

McGinty stated the County Board has received a legal opinion that the per diem cannot be altered at this time according to state statute. Busey confirmed the state statutes governing County officials compensation state that changes to compensation must be set 180 days the start of the officials' term and shall not take effect during a County Board member's term. The County was not aware that the state statute had altered the deadline for changes to compensation to 180 days before a term. It was thought the \$100 per diem would affect all County Board members equally, but new statute that was overlooked prohibits this. Any County Board member elected in November 2006 cannot have their \$45 per diem changed until the beginning of their next term, if they are re-elected.

Nudo suggested the Board vote to rescind the resolution increasing the per diem to \$100 for the next term and those members receiving it now could voluntarily return \$55 out of each per diem back to the County. Busey stated the County Board cannot change the per diem of those members who were elected earlier this week. A Board member at any time can remit part or all of their compensation back to the County. Weibel explained that other counties have experienced this predicament. Rock Island is dealing with different County Board members receiving different salaries.

OTHER BUSINESS

There was no other business.

APPROVAL OF CLOSED SESSION MINUTES

MOTION by Weibel to approve the Finance Committee closed session minutes of October 9, 2008; seconded by Wysocki. **Motion carried.**

DESIGNATION OF ITEMS TO BE PLACED ON COUNTY BOARD CONSENT AGENDA

McGinty designated agenda items 6A, 7A-K, 9C-D, 10B, and 11B for the consent agenda.

ADJOURNMENT

Meeting adjourned at 8:06 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.