

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE

Thursday, May 7, 2009

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

MEMBERS PRESENT: Thomas Betz, Chris Doenitz, Brad Jones, Brendan McGinty (Chair), Steve Moser, Steve O'Connor, Michael Richards, Giraldo Rosales, Barbara Wysocki

MEMBERS ABSENT: None

OTHERS PRESENT: Kat Bork (Administrative Secretary), Deb Busey (County Administrator of Finance & HR Management), Linda Frank (Circuit Clerk), Roger Holland (Courts Administrator), Denny Inman County Administrator of Facilities & Procurement), Alan Nudo (County Board Member), Dan Welch (Treasurer), C. Pius Weibel (County Board Chair), Tom Berns, Nelson Cuevas, Karl Drake

CALL TO ORDER

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

ROLL CALL

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

APPROVAL OF AGENDA/ADDENDUM

MOTION by Betz to approve the agenda and addendum; seconded by Rosales. **Motion carried with all ayes.**

APPROVAL OF MINUTES

MOTION by Rosales to approve the Finance Committee minutes of April 9, 2009; seconded by Moser. **Motion carried as amended with all ayes.**

PUBLIC PARTICIPATION

There was no public participation.

SHERIFF

Amendment to the Agreement for the Provision of Inmate Health Services at the Champaign County Adult Correctional Center & Satellite Jail

The Amendment to the Agreement for Inmate Mental Health Services was distributed to the committee.

MOTION by Doenitz to approve the Amendment to the Agreement for Inmate Mental Health Services and the Amendment to the Agreement for the Provision of Inmate Health Services at the Champaign County Adult Correctional Center & Satellite Jail; seconded by Rosales.

Richards asked about the contracted rate. Busey pointed out the sections of the amendments that showed a 0% increase for the inmate health services and a decrease in the rate for inmate mental health services due to the elimination of a part-time position.

Motion carried as amended with all ayes.

STATE'S ATTORNEY

Renewal of Intergovernmental Agreement Between the Department of Healthcare & Family Services & the Champaign County State's Attorney

Richards wanted to know what the agreement was for and Busey explained it is an intergovernmental agreement with the state annually brought before the County Board. The agreement has been in place for years and the funding is used to off set the salary of a position in the State's Attorney's Office.

Motion carried as amended with all ayes.

BUDGET AMENDMENTS/TRANSFERS

Budget Amendment #09-00049

MOTION by Betz to recommend to the County Board approval of Budget Amendment #09-00049 from Fund 080 General Corporate – 071 Public Properties for increased appropriations of \$15,000 for the Engineering Fees line and \$3,800 for the Landscaping Service and Maintenance line with increased revenue of \$18,800 from the Local Government Reimbursement line; seconded by Wysocki. **Motion carried as amended with all ayes.**

Budget Amendment #09-00051

MOTION by Moser to recommend to the County Board approval of Budget Amendment #09-00051 from Fund 075 Regional Planning Commission – 726 Danville Corridor Study for increased appropriations of \$50,500 for the Regular Full-Time Employees line, \$1,900 for the Temporary Salaries and Wages line, \$2,500 for the Stationary and Printing line, \$500 for the Office Supplies line, \$250 for the Postage, UPS, Federal Express line, \$600 for the Gasoline and Oil line, \$500 for the Telephone Service line, \$1,000 for the Job Required Travel Expense line, \$750 for the Computer Services line, \$1,000 for the Legal Notices, Advertising line, and \$500 for the Photocopy

Services line with increased revenue of \$60,000 from the City of Danville line; seconded by Doenitz.

Wysocki asked why this project involved the County. Busey said the Regional Planning Commission was recruited to do this work.

Motion carried as amended with all ayes.

Budget Amendment #09-00050

MOTION by Richards to recommend to the County Board approval of Budget Amendment #09-00050 from Fund 104 Early Childhood Fund – 863 Working Capital Reserve for increased appropriations of \$35,000 for the School Supplies line, \$50,000 for the Facility/Office Rentals line, and \$10,000 for the Office Supplies line with no increased revenue; seconded by Moser.

Richards asked for more information about this budget amendment. Liffick explained the reasons for the amendment included a dramatic increase in food costs, an increase from a vendor due to high fuel costs, and an increase classroom supplies. Richards wanted to know more about the facility expenses. Liffick stated Head Start leases two buildings and is responsible for repair costs up to a certain amount. Head Start has a small working cash fund balance accumulated from parent co-payments to cover these expenses. Busey stated the Head Start Fund has a fund balance of about \$1 million.

Motion carried as amended with all ayes.

Budget Amendment #09-00047

MOTION by Doenitz to recommend to the County Board approval of Budget Amendment #09-00047 from Fund 677 Juvenile Intervention Services – 052 Court Services/Probation for increased appropriations of \$10,000 for the Conferences and Training line with no increased revenue; seconded by Wysocki.

Richards asked why the expense was for conferences and training. Busey speculated the Court Services Department was providing training for staff. Wysocki had heard of the Parenting With Love & Limits program as the County's liaison to the Developmental Disabilities Board. At the last meeting the Developmental Disabilities Board talked about adopting this program as part of the new fiscal year, but this amendment implies it is already in place. Busey was aware this program was operating out of the Juvenile Detention Center. The Mental Health Board and Developmental Disabilities Board's fiscal year differs from the County's fiscal year. This budget amendment is for the FY2009 fiscal year for Court Services.

Motion carried as amended with all ayes.

Budget Amendment #09-00048

MOTION by Betz to recommend to the County Board approval of Budget Amendment #09-00048 from Fund 106 Public Safety Sales Tax Fund – 010 County Board for increased appropriations of \$2,916 for the To Delinquency Prevention Fund 109 line with no increased revenue; seconded by Richards. **Motion carried as amended with all ayes.**

Budget Amendment #09-00052

MOTION by Wysocki to recommend to the County Board approval of Budget Amendment #09-00052 from Fund 080 General Corporate – 042 Coroner for increased appropriations of \$302 for the Indigent Burial line with increased revenue of \$302 from the Court Fees and Charges line; seconded by Richards. **Motion carried as amended with all ayes.**

COUNTY ADMINISTRATOR

General Corporate Fund FY2009 Revenue/Expenditure Projection Report

Busey distributed her reports to the committee. Busey reported the General Corporate Fund projections are trending the same way they has been the past few months. The GCF continues to see significant reductions in non-business licenses and permits revenue. That revenue budget was cut by about \$400,000 in February and it is still tracking to produce \$450,000 less than even the amended budget amount. The state shared revenues, sales taxes, and the corporate/personal property taxes are projected to be \$57,000 less than budgeted. The one cent sales tax is projected at an increase over the budget and the quarter cent is projected to come in at 99% of the current budget. Busey stated the February figures, which will be received later in May, for the quarter cent sales tax will be down 5.25%. She did not have the February numbers for the income tax. Overall revenue is projected to come in at 98% of the budget or \$32,112,000. The general government revenue is doing a little better. She explained the County Clerk has not posted any of his fees yet this fiscal year due to accounting difficulties. That revenue would have amounted to \$65,000 so far this year. Betz inquired about the problem. Busey said the County Clerk went to new accounting system before the start of the fiscal year and his office is still working through some fine-tuning. On the expenditure side, the GCF is tracking at about 97.4% of the budget. Busey predicated the Personnel line would be underspent because the departments are doing a good job of holding the line in every way they can. The expense for purchase documents stamps will lessen to corresponding to the revenue. The budgets for gas, oil, and commodities are projected to be underspent. Busey stated the GCF needs to stay on track with bringing in as much revenue as it has in expenditures and it is on track right now.

General Corporate Fund Budget Change Report

There were two revenue neutral changes to the budget last month. Wysocki said she gets the sense that home sales are moving a bit. Busey remarked some refinancing activity has started, which would result in revenue from recording fees for the County.

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

Resolution Approving Extension for the FY2008 Separate Annual Audit for the Circuit Clerk of Champaign County

MOTION by Betz to approve the Resolution Approving Extension for the FY2008 Separate Annual Audit for the Circuit Clerk of Champaign County; seconded by Rosales.

Richards asked why the audit was being pushed back six months. Busey thought the audit was only being pushed back for one month as a result of what the Circuit Clerk has dealt with in converting to JANO last year. Fabri clarified was a request from the outside auditor. Betz how JANO was working. Busey said the County submitted almost the entire last payment for the JANO contract last week. The County has everything except for two last issues that have to be resolved to meet the scope of work. Betz asked if the implementation phase is ongoing. Busey believed the implementation phase was complete.

Motion carried with all ayes.

Resolution Establishing the Budget Process for FY2010

MOTION by Jones to approve the Resolution Establishing the Budget Process for FY2010; seconded by Wysocki.

Busey pointed out that on Page 2 there is a two-phase preparation of budgets from the General Corporate Fund departments. The departments are directed to submit their FY2010 budget requests with no increase in expenditure and a second budget statement with a 6% total decrease in their budgets. In looking at preliminary projections, she believed it will be necessary that the County Board anticipate the GCF budget may have to be cut by 6% over what it was on December 1, 2009. Wysocki asked why Busey anticipated that level of needed cuts. Busey stated she has done projections on all revenues and expenditures and this what the County Board would face. She noted this compares the FY2010 budget preparation to the December 1, 2009 budget. It gives back all of the temporary butts made in February 2009. Based on expected shortfalls in revenues, she needs the departments to make permanent cuts in expenditures. Some departments will make the same cuts they made in February. She needs every department to participate in getting the cost of the budget down.

Wysocki asked if Busey was not anticipating the general economy will be significantly improved and whether the temporary cuts could be made for another year. Busey anticipated flat or 1-2% growth on some of the tax revenues and acknowledged that some departments would be able to make the same cuts in FY2010. She warned that building back the revenues will take time. Wysocki asked about retirements and Busey said she would be working with departments to look at a number of issues. There will be a meeting next week with the justice system officials to look at revenue generation and improving revenue collection. In the department heads meeting on Wednesday, two department heads wanted to start charging fees for their offices' services; but that cannot be done without legislation. Betz inquired about the County's underfunded IMRF position in FY2010. Busey is taking that into consideration with the budget projections. She will probably bring something next month. The IMRF actuarial required contribution would be a 44% increase for the County, which it cannot afford. The IMRF phase in rate for the regular IMRF is a 23%

increase and she would likely recommend this approach. The phase in rate will cost an additional \$300,000 and the actuarial rate would cost \$612,000. Based on her projections, the entire property tax growth for all levies is right at \$300,000. Betz asked if all the growth would have to be appropriated for IMRF. Busey stated it would be the County Board's decision. Betz wondered where else they could go if the GCF budget is as tight as it can get. He noted labor contracts have built-in salary increases. Busey stated the FOP Law Enforcement, FOP Court Security, and FOP Court Services contracts already have the salaries built-in for FY2010, which she has taken into consideration in the budget. All the other General Corporate labor contracts expire after November 30, 2009.

Busey directed the committee's attention to Page 3 which listed the budget priorities and goals. She wanted to make sure the Finance Committee agreed with the fine-tuned priorities and goals. The third bullet point of evaluation of services will be reviewed with tools like job audits to make sure we are maximizing staffing and evaluation of workloads. Betz asked about the annual discretionary funding given to entities outside of regular County operations, such as the Urbana Library Archives and Soil & Water Conversation. Busey answered that funding comes from the GCF and she meets with the entities during the budget process to develop those budgets. She anticipates telling those entities to expect a 6% funding cut unless the Finance Committee directs her to do this in another way. The discretionary amounts funded total about \$70,000. The County Board of Health has already been told it would not receive any extra funding next year. With regard to the budget preparation, the non-GCF departments will be told to present balanced budgets.

Motion carried with all ayes.

NURSING HOME

Financial Report on the Nursing Home

There was no financial report from the Nursing Home. Busey stated there would be a quarterly report from the Nursing Home Board of Directors at the May County Board meeting.

TREASURER

Monthly Report

Welch distributed his report to the committee. To put a 6% budget cut in perspective, a 6% cut to his office budget would mean affecting personnel. He has an automation fund where he can move some salaries, but other departments do not have that option. Regarding his monthly report, tax bills went out May 1st and 1.5% has been collected as of today. To make payroll today, Welch had to take \$500,000 from early distribution. He noted the GCF payroll is \$750,000-\$780,000 and GCF also had a high amount of accounts payable last week. It looks like GCF will make the next payroll in May. Welch expressed his concern because the fund has no cushion and no more borrowing authority during these trying economic times. The GCF has borrowed \$3.3 million from other funds this year and took \$500,000 from early distribution. He was worried about a continual cycle of borrowing to maintain GCF cash flow for years to come and how GCF would repay its loans. He drew the committee's attention to the last page of his report where he documented the potential liability of \$1 million in Carle wins its property tax case.

MOTION by Betz to receive and place on file the Treasurer's April 2009 monthly report; seconded by Jones.

Jones asked if the GCF would repay its \$3.3 million in loans and then be in a position where it would have to turn around and borrow the money again from other funds. Welch acknowledged this is a long-term problem. The GCF does not have any fund balance and it needs a 12.5% fund balance to maintain cash flow. The \$3 million that County Board gave the Nursing Home come out of the GCF balance. Welch projected it would take at least 4-5 years to rebuild the GCF balance.

Moser described how NACo called him for a survey and they were shocked Champaign County still operated a 5-day work week. Moser was told many county governments have gone to a 4-day work week, in effect a rolling furlough. Busey said that would be close to 20% of the payroll. The 24-7 operations like the jail and Nursing Home would have to keep going without closure. She is collecting information and it would be difficult enact a 4-day work week with the criminal justice system. Welch stated a 4-day week could be devastating to some of his employees, who thought the initial proposal of 7 furlough days was tough to swallow. Wysocki noted that the Urbana school districts operated on a 4-day work week in the summer and wondered if it would work in Administrative Services. Busey said it might work in Administrative Services, but pointed out that summer is often the busiest time in some offices. O'Connor stated they would be asking employees to take a 20% pay cut and doubted if that would be accepted. She added that such a change would have to be negotiated with the bargaining agents and they would not be in favor of a reduced week. She wants the department heads to be as creative as possible. Fabri said the previous County Auditor spoke to the Will County Auditor, whose office went to a 4-day work week. Fabri's staff has indicated there was no way they could get the necessary work done with a 4-day week.

Motion carried with all ayes.

AUDITOR

Purchases Not Following Purchasing Policy

The list of purchases not following the Purchasing Policy was provided for information.

Monthly Report for March 2009

MOTION by Betz to receive and place on file the Auditor's March 2009 monthly report; seconded by Richards. **Motion carried with all ayes.**

CHAIR'S REPORT

There was no Chair's report.

OTHER BUSINESS

Busey distributed a handout on Champaign County's proposed projects for the American Recovery and Reinvestment Act funding. Busey explained this information became available earlier this week. She advised that this is estimate of costs for projects the County could apply for

under the act on the first page and the numbers would change. In order to apply for the grants, the assistance of an engineer is required because the County cannot write the grant applications itself. Busey reviewed the estimates and recommended appropriating money for engineering fees. She said there are sufficient funds in the Courthouse Construction Fund to pay the Courthouse portion of the engineering services, but there is nothing budgeted for Brookens or the Correctional Center. The Capital Asset Replacement Fund has money set aside for a counter to be constructed in the Treasurer's Office and for waterproofing and tuck-pointing the exterior brick of the downtown Correctional Center. Busey recommended appropriating that money to pay for the engineering fees for Brookens and the Correctional Center. If it receives the grants, it would cover the engineering fees and she would recommend replenishing those items in the Capital Asset Fund. She asked if it was acceptable to place a budget amendment totaling \$28,000 and a resolution authorizing the application for the grants for this issue on the May County Board agenda.

Richards stated the Facilities Committee passed this on Tuesday and they are moving quickly to not miss the deadline. Betz inquired about the likelihood of the County receiving the grants. Busey explained this is second time the grants are being issued due to the complexity involved in applying for them. Busey said if the committee authorizes this tonight, then Jim Gleason would start work before the County Board meeting to meet the deadline. Betz suggested contacting its Congressional representatives to help.

Doenitz asked why the contingency was so high. Busey said the estimates were put together by Denny Inman and were giving the worst case scenario. Betz suggested the Board Chair write Durbin, Johnson, and Burris to use their influence in a proper and constructive fashion. The committee took a straw poll that supported placing the Budget Amendment #09-00053 directly on the May County Board agenda for consideration.

DESIGNATION OF ITEMS TO BE PLACED ON COUNTY BOARD CONSENT AGENDA

McGinty designated agenda items 6A, 7A, 8A-F, and 9 C & D for the consent agenda.

ADJOURNMENT

Meeting adjourned at 8:02 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.