

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE

Thursday, August 6, 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, Barbara Wysocki

MEMBERS ABSENT: Giraldo Rosales

OTHERS PRESENT: Kat Bork (Administrative Secretary), Deb Busey (County Administrator), Tony Fabri (Auditor), Michael Moore (Jail Superintendent), Alan Nudo (County Board Member), Duane Northrup (Coroner), Randy Rosenbaum (Public Defender), Dan Welch (Treasurer), C. Pius Weibel (County Board Chair)

CALL TO ORDER

Wysocki called the meeting to order at 7:00 p.m. Wysocki chaired the meeting at McGinty's request because he was going to be late and Vice-Chair Rosales was absent.

ROLL CALL

Bork called the roll. Betz, Doenitz, Jones, Moser, O'Connor, Richards, 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 two addenda; seconded by Richards.

Wysocki stated the request for waivers of the hiring freeze would be moved to directly after public participation and the County Administrator's report would be addressed last.

Motion carried with all ayes.

APPROVAL OF MINUTES

MOTION by Betz to approve the Finance Committee minutes of June 4, 2009; seconded by Doenitz. **Motion carried with all ayes.**

PUBLIC PARTICIPATION

There was no public participation.

BUDGET AMENDMENTS/TRANSFERS

Budget Amendment #09-00073 & Budget Amendment #09-00074

MOTION by Betz to recommend to the County Board approval of Budget Amendment #09-00073 from Fund 075 Regional Planning Commission – Department 728 Safe Routes to School-Even Year for increased appropriations of \$1,000 for the Stationary and Printing line, \$10,000 for the Professional Services line, \$500 for the Computer Services line, \$10,000 for the Legal Notices, Advertising line, and \$4,000 for the Contributions and Grants line with increased revenue of \$25,500 from the DOT-FHWA-Highway Planning line and Budget Amendment #09-00074 from Fund 075 Regional Planning Commission – Department 816 Residential Opportunity/Supportive Services for increased appropriations of \$46,250 for the Regular Full-Time Employees line, \$250 for the Office Supplies line, \$100 for the Postage, UPS, Federal Express line, \$500 for the Gasoline and Oil line, \$1,500 for the Job-Required Training line, \$100 for the Photocopy Services line, \$600 for the Contributions and Grants line, and \$700 for the Conferences and Training line with increased revenue of \$50,000 from the HUD Residential Opportunity/Supportive Services line; seconded by Moser.

Richards inquired if the grants were new. No one from the Regional Planning Commission was present, so Busey explained the first budget amendment concerned a continuation grant from IDOT and the second budget amendment concerned a new residential assistance program.

Motion carried with one vote against by O'Connor.

Budget Amendment #09-00072

MOTION by Betz to recommend to the County Board approval of Budget Amendment #09-00072 from Fund 080 General Corporate – Department 023 Recorder for increased appropriations of \$24,888 for the Regular Full-Time Employees line with increased revenue of \$24,888 from the From Recorder Automation Fund 614 line; seconded by Richards. **Motion carried with all ayes.**

Budget Amendment #09-00076

MOTION by Betz to recommend to the County Board approval of Budget Amendment #09-00076 from Fund 075 Regional Planning Commission – Department 818 Homeless Prevention/Rapid Re-Housing for increased appropriations of \$20,000 for the Regular Full-Time Employees line, \$60,000 for the Emergency Shelter/Utilities line with increased revenue of \$80,000 from the HUD-Homeless Prevention/Rapid Re-Housing line; seconded by Moser. **Motion carried with one vote against by O'Connor.**

Budget Amendment #09-00075

MOTION by Betz to recommend to the County Board approval of Budget Amendment #09-00075 from Fund 081 Nursing Home – Department 410 Administrative for increased appropriations of \$84,048 for the Automobile, Vehicles line with increased revenue of \$84,048 from the DOT-FTA-CAP Assist/Elderly line; seconded by Moser. **Motion carried with all ayes.**

Budget Amendment #09-00077

MOTION by Betz to recommend to the County Board approval of Budget Amendment #09-00077 from Fund 080 General Corporate – Department 075 General County for increased appropriations of \$1,000,000 for the To Nursing Home Fund 081 line with increased revenue of \$1,000,000 from the Other Misc. Revenue line; seconded by Moser.

Moser questioned what would be done with the other \$300,000. Busey explained \$1 million of the settlement was deposited into the General Corporate Fund (GCF) and the other \$225,000 has been deposited into the Nursing Home Construction Fund to continue paying for litigation costs, which pays those costs as directed by a County Board resolution. Jones asked if the Nursing Home was making the bond payments. Busey described how the Nursing Home is planning to assume the bond payment in FY2010 as a transfer to GCF, where the debt service is set up. Jones asked about the outstanding loans to the Nursing Home. Busey stated the outstanding loan from GCF to the Nursing Home was \$333,127 after the \$1 million is paid. Jones asked if the Nursing Home was making provisions to pay back the loan. Busey hoped the County Board would make the assumption that any additional settlement monies would go towards rebuilding the GCF by repaying the \$333,127 loan and also the \$1.5 million that was provided as a grant to the Nursing Home in 2006. With the approval of this budget amendment, the County Board is adopting the first step of that plan. If the budget amendment is approved, she will add documentation that \$1 million of loans has been repaid to the County Board agenda under the Finance Committee.

Richards asked what the settlement had to do with the Nursing Home loans. He questioned whether the Nursing Home operating fund paid any of the legal bills or construction overrun costs associated with Farnsworth. Busey stated the GCF is the source of revenue for the \$4 million debt service issued to pay for additional construction costs at the Nursing Home facility. The GCF now has an annual obligation to make the bond payments. Beginning in FY2010, the plan is to have the Nursing Home assume that debt. This debt carries an annual payment of about \$300,000. The settlement from the litigation is being used to replenish the GCF fund balance instead of repaying the bonds because the GCF was depleted by loans and grants made to the Nursing Home. The replenishment from the settlement in combination with the Nursing Home's assumption of the debt should be considered repayment of the loans. Busey stated it has been the Nursing Home's goal to assume the bond debt payment. The present goal of the County Board, Treasurer, and Busey is to rebuild the GCF balance to manage its cash flow, which it has been unable to do this year because of \$2.8 million in loans that were made to the Nursing Home. The plan when the \$4 million in bonds was issued, prior to the loans being made, was to prepay the bonds with the settlement money. However, it has been decided to take a different approach because there is such an emphasis on replenishing the GCF balance.

McGinty entered the meeting at 7:26 p.m.

Nudo stated the Nursing Home Board of Directors has been working towards that end for the FY2010 budget. Busey said the GCF could effectively be restored through the settlements and being relieved of the debt burden because the Nursing Home operating fund will make the payments.

Motion carried with one vote against by Richards.

REQUESTS FOR WAIVER OF HIRING FREEZE

Sheriff – Master Control Officers

Moore said the Sheriff provided a letter in the agenda packet explaining why the position needed to be filled. The Master Control Officers are responsible for everyone entering and leaving the facility. It is a post that must be staffed 24 hours a day. If not staffed by the Master Control Officers, then Correctional Officers are pulled from their duties to staff the station. Moore stated the Correctional Officers have a starting salary that is substantially higher than one paid to the Master Control Officer. Therefore, filling the Master Controller position instead of having the station staffed by Correctional Officers or overtime Master Controllers will be a more cost effective solution. Busey indicated the request to the committee from the Sheriff's Office was to provide a permanent waiver of the hiring freeze for the Master Control positions. She noted many Master Control positions are part-time, so they are less costly in terms of benefits.

Weibel asked if County employees on military leave are paid their County salaries. Moore stated the employees on military leave are paid the difference between their County salary and the military salary rate. Busey explained the exact amount depends on the individual's military rank. Some employees' salaries are not supplemented by the County because their rank is sufficient to meet their civilian salary. Weibel inquired about salaries paid while employees are on medical leave. Busey explained the employees are paid if they have accrued enough benefit time to cover their absence. Once the benefit time is exhausted, the employee is unpaid.

MOTION by Moser to approve a permanent waiver of the hiring freeze for the Master Control Officer positions only; seconded by Jones.

Richards asked what efforts the Sheriff had made towards trimming his budget, since he was asking the committee to approve these broad waivers. Busey stated the Sheriff presented his FY2010 budget with \$650,000 in budget cuts, which is very close to the 6% request made by to all departments, including staffing cuts. Richards asked if Busey thought filling the Master Control Officer position would create a problem with the hiring freeze and budget cuts. Busey thought at least one Correctional Officer position has been permanently eliminated, so the Sheriff has effectively abided by the hiring freeze by agreeing to permanently maintain one position as vacant.

Betz said he would vote against the motion so it would go before the full Board and not on the consent agenda. Busey corrected Betz that the requests to waive the hiring freeze only require Finance Committee approval. These requests are not presented to the full County Board in accordance with the hiring freeze resolution. Betz stated he would vote against the motion because the County is not following the intention of the resolution.

Motion carried with one vote against by Betz.

Sheriff – Correctional Officers

MOTION by Doenitz to approve a waiver of the hiring freeze for the Correctional Officer

position; seconded by Moser. **Motion carried with two votes against by Richards and Betz.**

Coroner – Chief Deputy Coroner

Northrup stated his Chief Deputy Coroner retired on May 2, 2009 and this position has been vacant for three months, as required by the hiring freeze. The Coroner's Office has struggled to cover the position's duties during this time in the small office, so Northrup was asking to fill the Chief Deputy Coroner position at this time. He has received complaints from relatives of the deceased because it is taking the Coroner's Office a long time to complete the investigations and sign the death certificates. The families have to wait for death certificates to process the wills. Northrup noted that his office will generate savings in its salaries line this fiscal year because the new Chief Deputy will be hired at a lower salary than the predecessor. If he does not fill the position, he has to provide coverage using overtime and this will end up costing the County more money than hiring a new Chief Deputy. The Chief Deputy Coroner also has administrative duties when Northrup is not available, so keeping this position vacant has a significant effect on the office's operations.

MOTION by Jones to approve filling the Chief Deputy Coroner position; seconded by O'Connor. **Motion carried with one vote against by Betz.**

Busey stated the Coroner has abided by hiring freeze resolution by maintaining the position as vacant for three months. It is the decision of the Finance Committee at the conclusion of three months whether the position will be filled. She further noted there are times when the operation of a small office, like the Coroner's Office, is dependent on positions being filled.

Motion carried with no from Betz.

Circuit Clerk – Legal Clerk

The Circuit Clerk was unable to attend the meeting, so Busey presented the request. The Circuit Clerk has one position that has been vacant and this position will be permanently vacant based on the Circuit Clerk's FY2010 budget submission. An additional vacancy will occur when a Legal Clerk retires in August. The Circuit Clerk is requesting to not abide by the hiring freeze at all, including the three-month wait, and fill position when it becomes vacant in August. The Circuit Clerk was making this request because she already one less Legal Clerk position, is faced will two employees on intermittent family medical leave, and another employee who is taking intermittent worker's compensation leave. No motion was made by any committee member.

Circuit Court – Assistant Public Defender

Rosenbaum, representing the Circuit Court, asked to fill an attorney vacancy after the three-month waiting period is over. An attorney left the Public Defender's Office in June and the office is faced with a crushing caseload representing clients free-of-charge who cannot afford attorneys. Rosenbaum was requesting the committee's permission now in order to perform interviews and hire an attorney to start in September as soon as the three-month period is finished. When Rosenbaum performed a caseload analysis two-three years ago, he learned the attorneys in his office handled

two to three times the number of cases the American Bar Association indicated they should. The attorney who left worked in Traffic Court, which has the highest caseload volume. Other attorneys have been covering the traffic cases in addition to managing their own cases. The Public Defender's clients have been upset about being represented by attorneys who do not normally handle traffic cases and it has been incredibly difficult for staff.

MOTION by Richards to allow the Assistant Public Defender position to be filled at the end of the three-month vacancy period; seconded by O'Connor.

Busey stated the Public Defender has achieved the required 6% in budget cuts with his FY2010 budget submission. The budget anticipated this position being filled in FY2010. Betz requested a roll call vote.

Motion carried with a vote of 6 to 1. Doenitz, Jones, Moser, O'Connor, Richards, and Wysocki voted in favor of the motion. Betz voted against the motion.

COUNTY ADMINISTRATOR

General Corporate Fund FY2009 Revenue/Expenditure Projection Report

Busey distributed her reports to the committee. She reported that the projection report continues to look substantially the same as it has in the last several months. Revenue should come in at about 97% of the budget. The county-wide quarter cent sales tax revenue was down 14% and the public safety quarter cent sales tax revenue was down 10% in July. Busey budgeted the FY2009 quarter cent sales tax revenue to come in at 5% lower than FY2008 and she expects it will actually come in at 7% less than last year. This amounts to \$100,000. The State of Illinois did post the August revenues today and both quarter cent revenues are down 6% for the month of May. This is some improvement compared to April. The other downturns in revenue include state reimbursement for salaries and income tax. The General Government revenue is doing fairly well in the fees revenue and local government revenues. The total deficit is anticipated to be \$830,000 in revenue. On the expenditure side, the GCF is fortunately underspending its budget. Busey expects to spend more in Medical Professional Services, which is primarily for the Correctional Centers and all other general commodities. The expenditure budget is projected to be underspent by \$1,052,000. In summary, Busey projected the GCF will end FY2009 revenue positive by \$112,000. Based on the budget, the GCF would have a \$110,000 deficit. This is close to balanced on \$32 million budget. Busey removed the \$1 million of the \$3.3 million in outstanding loans to the Nursing Home on the fund balance report. Based on projections, the GCF will end the year with a fund balance just under 7%.

General Corporate Fund Budget Change Report

The budget change report is substantially similar to last month. There was one change last month for the Coroner. Busey also distributed the legislative budget hearings schedule for August 24th and 25th. She encouraged all Finance Committee members to attend the hearings.

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

Recommendation for Establishment of 2010 IMRF Rate

Busey provided a summary about IMRF rates. The actuarial required contribution would be a substantial increase of 44% on regular IMRF for the County. The IMRF Board allows a phase-in rate, though it would be desirable to adopt the actuarial rate. The actuarial rate would cost the County \$300,000 more than the phase-in rate, so Busey recommended adopting the phase-in rate for 2010.

MOTION by Betz to adopt the IMRF phase-in rate for 2010; seconded by Jones.

Betz inquired how the phase-in rate would impact the ability of any other levies to grow given the tax caps. Busey prepared information about the levy rate calculations. The Social Security levy could loan authority to the IMRF levy and she did not think any loan of the General Corporate levy authority was needed because salaries were brought down through preparation of the FY2010 budget. IMRF has to have the largest appropriated levy growth for 2010, but the County is able to budget for the phase-in rate at this point in time. The Extension Education levy was asked to make a 6% cut because every other GCF department was making a similar cut. The Extension Education levy growth was available to help boost the IMRF levy. The overall growth in the levy ended up being 2.5%. Moser asked about the assessed evaluation of Champaign County. Busey stated it went up 3.23%. Moser found that hard to believe. Busey confirmed there was \$84 million in new construction in FY2009. Nudo asked if a five-year rolling average was used and if the phase-in rate would be adjusted based on the next year's performance. Busey confirmed Nudo was correct. Nudo said it made sense to adopt the phase-in rate because the rate might improve after a good year for the market.

Motion carried with one vote against by Richards.

FY2010 Non-Bargaining Employees Salary Administration

Busey distributed a memorandum for the committee. She recommended a 0% wage increase for non-bargaining employees for FY2010. The GCF departments have made 6% in cuts assuming wages would not increase. Any wage increase would require more budget cuts.

MOTION by Moser to approve the FY2010 non-bargaining employees salary administration recommendation of 0%; seconded by Betz. **Motion carried with all ayes.**

FY2010 Budget Preparation Update

Busey wanted to update the committee on the FY2010 budget process. All GCF departments were requested to present their budget with 6% cuts and this was accomplished. Property taxes are likely to increase 2.2% next year. However, all other revenues are not performing as well as Busey initially anticipated when she came up with the figure of 6% cuts in April. Based on current state-shared revenues and reimbursements, she believed the GCF will still be about \$816,000 short for FY2010 even with the 6% cuts. She met with the department heads yesterday morning and told them the shortfall was about \$650,000, but the Department of Revenue posted the 2010 estimate for personal property replacement tax late yesterday and this was an

additional cut of \$170,000. Another 2.5% needs to be cut across the board in the GCF budget. Busey said they have been trying to come up with global solutions that would not require going back to the departments to cut more from their budgets. One idea that was considered involved changing County offices to a four-day work week. Busey would only propose a four-day work week for the office operations, not the 24/7 operations. The idea was that the office hours would be expanded on the four days the offices were open, so the offices would be open from 8:00 a.m. to 6:00 or 6:30 p.m. This would not cut the employees' hours and could benefit the public with evening hours. The true utilities cost savings are evaluated and it was determined that \$60,000 could be generated in savings. Busey stated this does not seem like terribly significant savings for all of the changes that would be required to change to a four-day work week.

Betz asked if furloughing employees was still up for discussion. Busey said they have reached the point in the discussion where she would request a closed session with regard to collective negotiating matters as they relate to the FY2010 budget.

Jones was aware the elected officials' salaries could not be changed midterm, but he wanted to know if the elected officials could choose to return the raises they will receive in FY2010 to the County. Busey confirmed they could. Fabri said he had volunteered to do so. Busey confirmed Fabri cut his salary increase for next year as part of the 6% department budget cuts. Jones asked when the County Board would next vote on salary increases for elected officials. Busey said it had to be done within 180 days of December 1, 2010.

MOTION by Betz to enter to closed session pursuant to 5 ILCS 120/2(c)2 to consider collective negotiating matters between Champaign County and its employees or their representatives. He further moved the following individuals remain present: County elected officials, County Administrator, and the Recording Secretary. The motion was seconded by Moser. **Motion carried with a vote of 8 to 0.** Betz, Doenitz, Jones, McGinty, Moser, O'Connor, Richards, and Wysocki voted in favor of the motion. The committee entered into closed session at 8:02 p.m. The committee resumed open session at 8:22 p.m.

NURSING HOME

Financial Report on the Nursing Home

No report was provided to the committee. Busey said the Nursing Home is working on the report. There were some issues with the revenue in June, but the report would be ready for next week's Nursing Home Board of Directors meeting. The report will be posted on the website or can be obtained upon request from Busey.

TREASURER

Monthly Report

Welch distributed his report to the committee. He stated the real estate taxes are just under 54% collected, which is right where they should be. He does not expect to know whether the collections will be soft until the second installment comes through in October. He has made three distributions to the taxing districts. Welch continued to express his concern about the GCF cash flow, which has stabilized since June. On Wednesday, his office received the payment on the

Nursing Home settlement. Today's GCF cash balance is \$2.9 million, of which \$827,000 is the Capital Asset Fund housed in the same account. Welch thought the GCF would be in a position to pay back some of the outstanding \$3.3 million loans. Page 2 of the Treasurer's Report shows the GCF moved \$316,000 to cover this year's Nursing Home construction debt service payment that was discussed earlier. Welch set this money aside in June when tax revenue was distributed to ensure all the debt services would be covered in FY2009. On Page 6, Welch showed an interest rate comparison, which demonstrates this is the worst year he has ever seen for interest earnings. The outstanding loans were listed on Page 11. Welch described how he suggested loaning the GCF \$378,000 from the Working Cash Fund to pay back some loans from other departments. The Working Cash Fund exists to hold money that may be needed to cover cash flow problems. The Working Cash was used to partially repay the Probation Services Fund and the Record's Automation Fund loans. He noted the other funds are not earning any interest on their loans to GCF, so he thought it would be nice to give them access to the money again. There was no reason to invest the Working Cash money when interest earnings are so low.

MOTION by McGinty to receive and place on file the Treasurer's July 2009 monthly report; seconded by Jones. **Motion carried with all ayes.**

Resolutions Authorizing the County Board Chair to Assign a Mobile Home Tax Sale Certificate of Purchase for Permanent Parcel Number 02-001-0035, Permanent Parcel Number 02-001-0031, & Permanent Parcel Number 15-025-0396

Welch explained these resolutions concerned mobile homes whose owners did not pay their property taxes and were not purchased at the tax sale. The County became the owner after two and a half years, the back taxes were wiped out, and the properties were auctioned off for a minimum bid of \$625. Three mobile homes received successful bids, so the County will reconvene the certificate of purchase to the new owners. This will get the properties into the hands of someone who will pay taxes on the mobile home.

MOTION by Jones to approve the Resolution Authorizing the County Board Chair to Assign a Mobile Home Tax Sale Certificate of Purchase for Permanent Parcel Number 02-001-0035, Resolution Authorizing the County Board Chair to Assign a Mobile Home Tax Sale Certificate of Purchase for Permanent Parcel Number 02-001-0031, and Resolution Authorizing the County Board Chair to Assign a Mobile Home Tax Sale Certificate of Purchase for Permanent Parcel Number 15-025-0396; seconded by Moser. **Motion carried with all ayes.**

AUDITOR

Purchases Not Following Purchasing Policy

The list of purchases not following the Purchasing Policy was provided for information. Fabri stated the first item was the ILEAS roof repair and it was on the list because no purchase order was submitted. The work has been done, but no quotes were sought for this project. Fabri stated quotes are not required for a firm on the pre-qualified vendor list. The Auditor's Office asked Denny Inman for a copy of the pre-qualified vendor list, but Fabri did not know if the list had been received because one of the accountants in the Auditor's Office has been on vacation.

Therefore, Fabri assumed this firm was not on the pre-qualified vendor list and quotes should have been obtained for the project.

Wysocki asked why an expenditure from the Urbana Park District was on the County's purchases list. Fabri explained the County was paying the Urbana Park District as a vendor.

Monthly Reports May and June 2009

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

CHAIR'S REPORT

There was no Chair's report.

OTHER BUSINESS

Phebus & Koester Unpaid Fees

Wysocki asked Weibel if the committee needed to take any action on the Phebus & Koester bills. Weibel answered no, the invoices were just provided at his request for inspection. Wysocki recommended directing any questions about the invoices to Weibel so answers could be obtained by the County Board meeting.

DESIGNATION OF ITEMS TO BE PLACED ON COUNTY BOARD CONSENT AGENDA

Wysocki designated agenda items 6C&E, 8D, and 10 B-D for the consent agenda.

Weibel stated neither McGinty nor Rosales would be present for the legislative budget hearings. He suggested electing a temporary Chair at start of the hearings. After some discussion, the committee agreed.

ADJOURNMENT

Meeting adjourned at 8:25 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.