

CHAMPAIGN COUNTY BOARD  
**COMMITTEE MINUTES**

---

**BUDGET PROCESS SPECIAL COMMITTEE**

**Thursday, March 9, 2006**

**Brookens Administrative Center, Lyle Shields Meeting Room**

**1776 E. Washington St., Urbana**

3:00 p.m.

**MEMBERS PRESENT:** Busey, Frerichs, Gross, McGinty, Tapley, Welch, Wysocki

**MEMBERS ABSENT:** Knott

**OTHERS PRESENT:** Captain Kris Bolt (Sheriff's Office), Kat Bork (Recording Secretary), Andrew Buffenbarger (Nursing Home Administrator), Jacque Chase (Court Services/Probation), Nancy Crawford (Mental Health), Curt Deedrich (Supervisor of Assessments), Linda Frank (Circuit Clerk), Barb Frasca (Recorder), Joe Gordon (Court Services/Probation Director), Roger Holland (Court Administrator), Stephanie Joos (Animal Control Director), Bill Keller (EMA Director), Duane Northrup (Coroner), Julia Rietz (State's Attorney), Randy Rosenbaum (Public Defender), Teresa Schleinz (Sheriff's Office), Peter Tracy (Mental Health Executive Director), Dan Walsh (Sheriff), Captain Jim Young (Sheriff's Office)

**WELCOME AND CALL TO ORDER**

Chair Wysocki called the meeting to order at 3:02 p.m. The Recording Secretary called the roll. Busey, Frerichs, Gross, McGinty, Welch, and Wysocki were present at the time of the roll call. Wysocki declared a quorum and proceeded with the meeting. Wysocki welcomed the department heads and explained the Budget Process Special Committee was assembled by the Finance Committee in order to look at new ways to produce a more effective County budget.

Tapley entered at 3:04 p.m.

Wysocki noted the committee was comprised of the County Auditor, Treasurer, and Administrator of Finance, as well as County Board members. Wysocki turned the floor over to Busey for a PowerPoint presentation.

**GFOA BUDGETING FOR OUTCOMES OVERVIEW**

Busey explained the presentation was tailored for Champaign County utilizing resources from the Government Finance Officers Association (GFOA). A hard copy of the presentation was distributed to the department heads. Busey began with an overview of the fiscal crisis facing governments of the unstoppable costs (health care, pension obligations, and rising debt) coupled with obsolete revenue systems. Governments do not have sales taxes on most services even, though we have become a service-orientated society, or charges for most internet transactions. The context of the current budget process includes global problems facing most governments: revenues forecasts are limited, departments wanting more and more, escalating costs of pensions, medical, and workers' compensation, and labor contracts negotiated too generously in light of the crisis. These problems are often the result of a lack of strategic planning on the part of government. There are common responses to manage budget gaps in a hurry, which only postpones problems and can create a higher future cost. The goal of budgeting for outcomes is to buy better results with less money to resolve the fiscal crisis.

Budgeting for outcomes asks four basic questions: 1. how much revenue will we have, i.e. what is the price of government, 2. what outcomes matter most to citizens, what services do they expect to receive, 3. how much should we spend to achieve each outcome, and 4. how can we best deliver each outcome that the citizens expect. Budgeting for outcomes can produce a balanced budget, focus on what will be kept, buy results instead of costs, force low-value spending out of budget, ensure priority items receive funding focus, ensure general interest trumps special interest, enable continuous reform and common sense communications. It is important to break down the price of government in Champaign County, which has remained fairly constant for ten years at 1 cent/dollar of income. A nation-wide study of the fifty largest counties in the U.S. determined the average price of county government to be 2.17 cents/dollar, so Champaign County is at the low end. This is what the citizens have come to expect.

### **QUESTIONNAIRE FOR COUNTY ELECTED OFFICIALS AND DEPARTMENT HEADS IN PREPARATION FOR THE FY2007 BUDGET PROCESS**

Busey explained one of the core strategies in a budgeting for outcomes initiative is strategic planning. Strategic planning's basic principles include: 1. broad goals, 2. development of approaches to achieve goals, 3. development of budget consistent with approaches to achieve goals, and 4. evaluation of performance and making any adjustments. The Finance Committee has charged the Budget Process Special Committee to identify broad plans to guide the decision-making of the FY2007 budget process. The Budget Process Special Committee needs the elected officials and department heads to assist in identifying the County's goals. The committee requested the elected officials and department heads fill out the questionnaire in order to give a current assessment of each department's specific programs and services. This includes preparing an organizational chart, an explanation of financial history over the past three years, and a future assessment of the department for the next three to five years. Busey provided a memorandum and questionnaire for the department heads.

Busey requested Welch address the department heads because he has completed the questionnaire and can give his perspective. Welch said filling out the questionnaire was not as difficult as he thought it might be. He has a small department and was surprised by what he learned while gathering information for the three-year budget history. He discovered that his spending and salary costs dropped over the three-year period while his revenues increased. He was then able to analyze the information to see why this happened. Welch said, though he was leery of the questionnaire at first, he finished feeling he had gained something by the experience.

Frasca said her office generates a lot of revenue and is constantly looking for ways to generate more. She was concerned about her office's resources being cut when she has been fighting for years to get these resources. Frasca said she hopes those offices who have been working hard to generate increasing revenues will not be punished by having that money used elsewhere when offices like hers still need it.

Tapley noted he had a similar concern but was won over because budgeting for outcomes is not about quantifying things to pit departments against each other. It is a process of gathering information to have an understanding of the big picture, priorities of the departments, and the desires of the taxpayers. Department heads can make deals with each other for services where both departments can gain something. This process is more about providing cooperation rather than taking something away. Busey added that this is information gathering at this point. She hopes to be able to see some trends which will establish the priorities the County Board will use when reviewing requests for next year's budget. For example, if 70% of the departments list access to technology as a challenge then technology must become a priority when the board is look at funding. Busey encouraged the department heads to not be afraid of this first step because its purpose is to gather as much information possible to establish some broad goals in order to have a better decision-making process in place for the FY2007 budget process.

McGinty said the traditional approach to budgeting is to simply ask for an increase from last year's budget and cut some pieces. This results in haggling over a small percentage of the entire budget. The budgeting for outcomes approach has proven to be able to put into layman's terms the budget itself and the outcomes the public will receive. The first years are daunting, but it is much easier in later years. It is a necessity because the fiscal dilemma will not get easier. Wysocki added that last year multiple department heads submitted numerous program change requests in competition for a small percentage of money. These requests were prioritized by Busey and funded until the money ran out. Wysocki felt this was an arbitrary way of deciding on new programs. She said moving in this direction will help eliminate that kind of situation because it gives the Board the chance to review each request on how it would benefit the taxpayers. It will also allow the Board to look at what is currently done that is not as crucial, but has remained because it has been there a long time. This process could open up more productive dialogue within the departments with common goals.

Frasca stated she did not wish to be negative, but in her ten years of experience in County government every year a department asks for things and gets them taken away. She has moved more of the operations of her office into her automation fund and out of the General Corporate Fund so she can meet the budget requirements. She said she felt she has done everything she can do to try and increase revenue at the same time decreasing expenditures. Frasca said she does not feel her office is rewarded because she never has the chance to get what she needs and is always being asked to give up what she has. She is happy to follow this process if it will help, but she wants to know it will benefit her office since she has limited flexibility due to the state statutes. McGinty explained the process does take into consideration the statutory limitations. The budgeting for outcomes has been beneficial for other governments by helping identify ways to improve efficiencies and interdepartmental cooperation. Tapley stated one of the reasons this approach was appealing is because it would avoid across the board cuts when the County is in a fiscal crisis. Some offices with seasonal workloads might be able to share staff so other requests that are routinely turned down could be approved.

Busey explained that without a plan or goals in place the County is left with making across the board during a fiscal crisis. Those cuts do not evaluate what services are being provided and which departments are highly efficient versus those that are not. Frasca said it made her feel better to know the department's performance and efficiency is what will be evaluated.

Gross reiterated a reason the committee decided to enter into this process was because the County is not presently in a time of fiscal crisis. The budgeting for outcomes process could allow the County to prepare for future issues. Gross said the pension promises made over the last twenty years and the cost of health care have meant enormous expenses for governments that require planning.

Deedrich said he developed a business plan last summer to make goals for the next year. He was not able to accomplish his goals, but the process was useful in showing different ways to accomplish the same result. Deedrich said he thought the budget process was a good idea and would be easier in successive years.

Wysocki provided examples of how this has worked already. Members of the judicial departments have been meeting to discuss the overcrowding in the County Jail. Wysocki said the give-and-take between those departments has been remarkable. The judicial departments recommended moving to the continuous jury system. It was interesting to hear the perspective of the Sheriff's Office in relation to the State's Attorney's Office, the Circuit Court, and the Public Defender's Office. The departments involved with the tax cycle have also been meeting to determine the progress of getting the tax bills out on time. This type of cooperation is constructive for all parties involved.

Welch said the best incentive to try this is avoiding the agony of across the board cuts, such as the departments went through three years ago.

Walsh asked how critical the March 24th deadline is to the process. Several of his management staff are on vacation in the next two weeks. Busey explained the goal of the Budget Process Special Committee is to set some priorities for the FY2007 budget process established by May. She will have to consolidate the materials received from the departments, so she asked Walsh to contact her about when he could have the questionnaire finished.

Wysocki asked if the department heads are willing to complete the questionnaire as Welch has done. It will be a valuable exercise for the department heads and they will not be asked to give up anything at this point. She asked for honesty in answering the questionnaire, there is no reason to pad the individual budgets. It is a listing of the services each department provides and the revenues coming in that support those services.

Rietz asked if the County has any software to create an organizational chart for the questionnaire. McGinty suggested using PowerPoint's organizational chart. Busey said an organizational chart can be developed in with either PowerPoint or Excel. She offered to assist any departments. Wysocki offered to provide any assistance or answer any department heads' questions that she could. Busey requested any department head who could not meet the deadline to contact her in advance.

#### **OTHER BUSINESS**

There was no other business.

#### **ADJOURNMENT**

**MOTION** by McGinty to adjourn the meeting; seconded by Tapley. **Motion carried.** Wysocki declared the meeting adjourned at 4:05 p.m.

Respectfully submitted,

Kat Bork  
Administrative Secretary

*Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.*