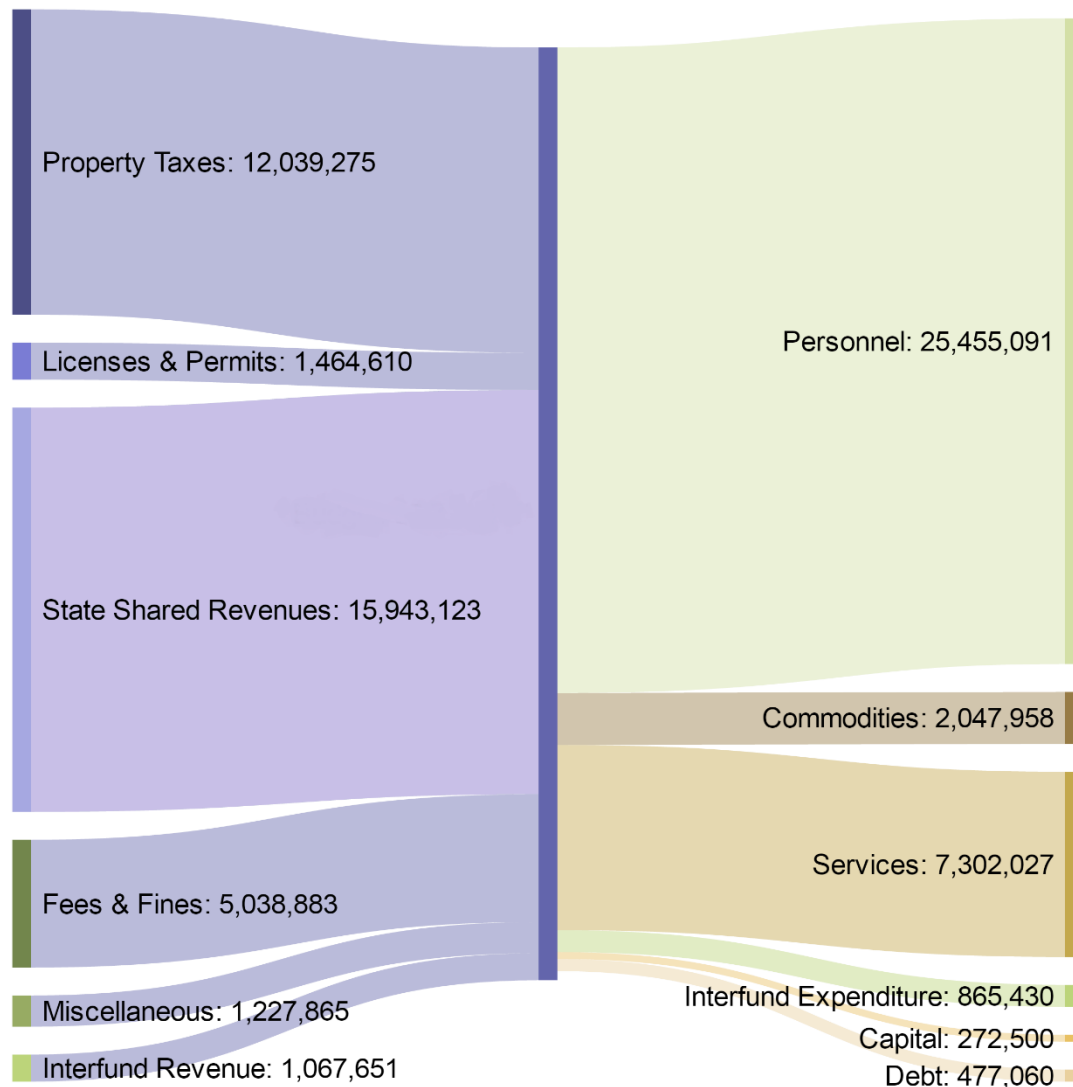


GENERAL CORPORATE FUND BUDGET SUMMARY

Fund 080-000

The FY2017 General Corporate Fund Budget is presented with **\$36,781,407** in projected revenue and **\$36,420,066** in budgeted expenditure.

FY2017 General Corporate Fund Budget



General Corporate Fund budgeted revenue includes \$511,341 in property tax revenue that the County is uncertain whether it will receive in FY2017. The levy was prepared in order to capture potential new growth revenue associated with an anticipated ruling by the Illinois Supreme Court in the hospital property tax exemption case. Although there is no indication as to when the Court will render its decision, should a ruling occur prior to the closure of the books by the Board of Review that returns the hospital properties to County's tax rolls for revenue year 2016, the County may treat the Equalized Assessed Value (EAV) as new growth under the Property Tax Extension Limitation Law (PTELL).

If there is no change in the exemption status of the hospital properties prior to the books being closed, the County Clerk will limit the total extension and the County will receive the property tax it is allowed under the PTELL calculation. In this case, projected revenue will total \$36,270,066.

Expenditures were not increased in the General Corporate fund in conjunction with the potential increased property tax revenue because of the uncertainty of the revenue receipt. There will be a revenue to expenditure deficit of **\$150,000** if the County does not receive the additional property tax revenue. The County Board is aware of the potential deficit and has directed the use of fund balance to cover the deficit should it occur. The FY2017 budget includes \$150,000 in budgeted capital expenditures for facility improvements in order to comply with its settlement agreement with the Department of Justice under the Americans with Disabilities Act (ADA).

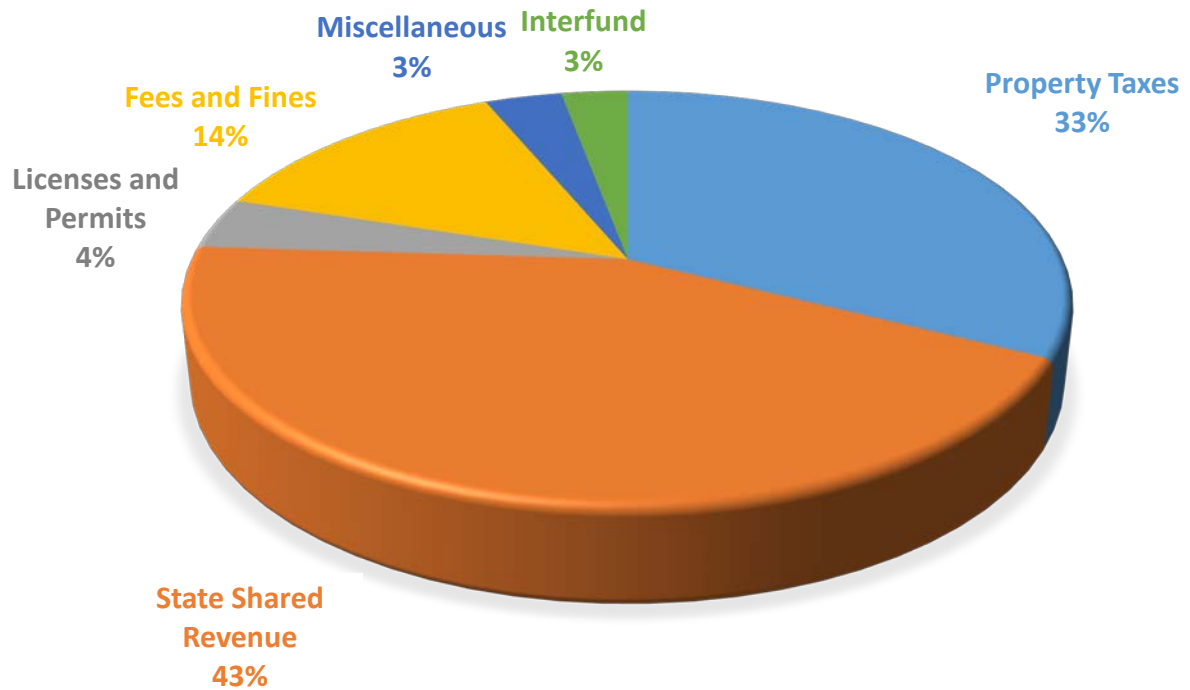
Whether or not the County receives all of the property tax revenue that it levies for, the FY2017 budget is a balanced budget per Champaign County's Financial Policies as follows: A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

The County's short-term financial forecast presented to the County Board in April 2016, projected that expenditure growth would exceed revenue growth in FY2017. For this reason, the County Board's direction to General Fund departments was to prepare departmental budgets with the total of non-personnel expenditure reflecting a **0% total change** from their original FY2016 budgets. Exceptions were allowed for 1) contractual increases for competitively negotiated contracts for services, and 2) the documented need for an increase in commodities based on FY2016 utilization or cost.

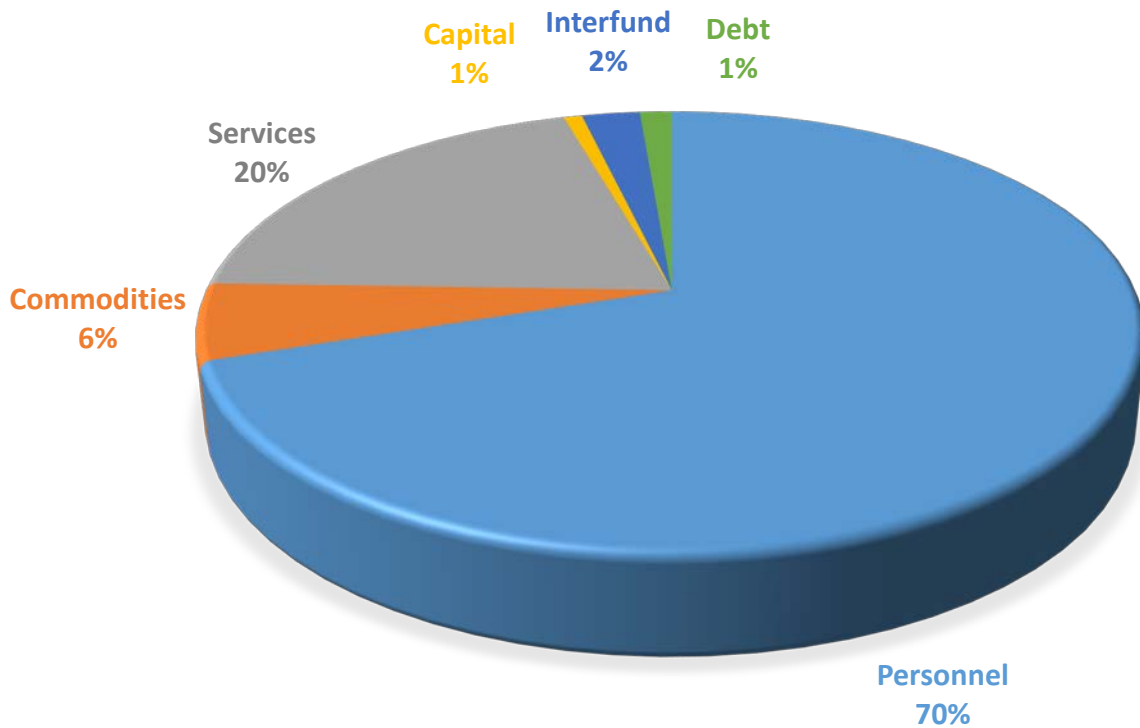
This table reflects an aggregated roll-up of the FY2017 budget for all departments in the General Corporate Fund.

	FY2015 Actual	FY2016 Original Budget	FY2016 Modified Budget	FY2017 Budget	\$ Variance	% Variance
Property Taxes	10,321,398	10,859,572	10,850,139	12,039,275	1,179,703	10.9%
State Shared Revenue	16,486,912	16,161,397	15,930,373	15,943,123	(218,274)	-1.4%
Licenses and Permits	1,548,926	1,353,782	1,517,576	1,464,610	110,828	8.2%
Fees and Fines	5,048,061	5,231,403	4,851,165	5,038,883	(192,520)	-3.7%
Miscellaneous	1,430,899	1,214,977	1,691,279	1,227,865	12,888	1.1%
Interfund	3,687,657	1,060,428	1,100,907	1,067,651	7,223	0.7%
TOTAL REVENUE	38,523,853	35,881,559	35,941,439	36,781,407	899,848	2.5%
Personnel	24,393,357	25,004,293	25,098,734	25,455,091	450,798	1.8%
Commodities	2,086,350	1,966,850	1,962,113	2,047,958	81,108	4.1%
Services	6,710,048	7,289,841	7,212,426	7,302,027	12,186	0.2%
Capital	362,517	57,500	115,154	272,500	215,000	373.9%
Interfund	998,168	986,733	1,030,834	865,430	(121,303)	-12.3%
Debt	3,056,650	530,427	500,105	477,060	(53,367)	-10.1%
TOTAL EXPENDITURE	37,607,090	35,835,644	35,919,366	36,420,066	584,422	1.6%

GENERAL FUND FY2017 REVENUE



GENERAL FUND FY2017 EXPENDITURE



GENERAL CORPORATE FUND REVENUE SUMMARY

THE BUDGETED CHANGE IN REVENUE FOR FY2017 REFLECTS AN INCREASE OF \$899,848, 2.5% GROWTH OVER THE ORIGINAL FY2016 BUDGET.

Revenue	FY2016 Budget	FY2017 Budget	\$ Variance	% Variance
Property Taxes	10,859,572	12,039,275	1,179,703	10.9%
State Shared Revenue	16,161,397	15,943,123	(218,274)	-1.4%
Licenses and Permits	1,353,782	1,464,610	110,828	8.2%
Fees and Fines	5,231,403	5,038,883	(192,520)	-3.7%
Miscellaneous	1,214,977	1,227,865	12,888	1.1%
Interfund	1,060,428	1,067,651	7,223	0.7%
TOTAL REVENUE	35,881,559	36,781,407	899,848*	2.5%*

**If the County does not receive additional property tax revenues associated with an exemption status change for the hospital properties, then the total revenue increase will be \$388,507, 1.1% growth over the FY2016 budget.*

▲ Property Taxes – 33% of Total Budget

The total increase in budgeted property tax revenues for the General Corporate Fund is \$1,179,703. As explained earlier, it is uncertain whether the County will receive \$511,341 of the budgeted property tax revenue. Including the hospital properties, Champaign County's estimated 2016 Equalized Assessed Valuation (EAV) reflects a 7.8% increase over 2015 EAV (without the hospital properties, the 2016 EAV reflects a 4.5% increase over 2015 EAV).

The Property Tax Extension Limitation Law (PTELL) calculation for the General Fund levy allowed growth of 6.52% or \$636,744. Re-appropriation of some of the levy growth not required for the IMRF and Social Security levies lead to actual growth of 11.7%, an increase of \$1,144,324. The additional increase in budgeted revenue is primarily due to an increase of \$35,000 for interest on delinquent taxes.

▼ State Shared Revenue – 43% of Total Budget

State Shared Revenue includes \$637,831 in grants. The decrease in State Shared Revenue is mainly attributed to a substantial decline, \$410,604, in the allocation from the Administrative Office of the Illinois Courts (AOIC) for Juvenile Detention Center and Court Services salary reimbursements. An additional impact on State Shared Revenue is due to the Illinois Department of Revenue's misallocation of Personal Property Replacement Tax (PPRT) revenue in tax years 2014 and 2015 which resulted in overpayments to the County. The FY2017 budget reflects a decrease of \$121,729 in PPRT revenues due to corrections to the PPRT formula and the anticipated recapture of a portion of the state's misallocation of the tax. Budgeted increases in the ¼ cent sales tax, income tax, use tax, video gaming tax and grants helped offset some of the loss in State Shared Revenue; however, the total decrease in this revenue stream is \$218,274.

▲ Licenses and Permits – 4% of Total Budget

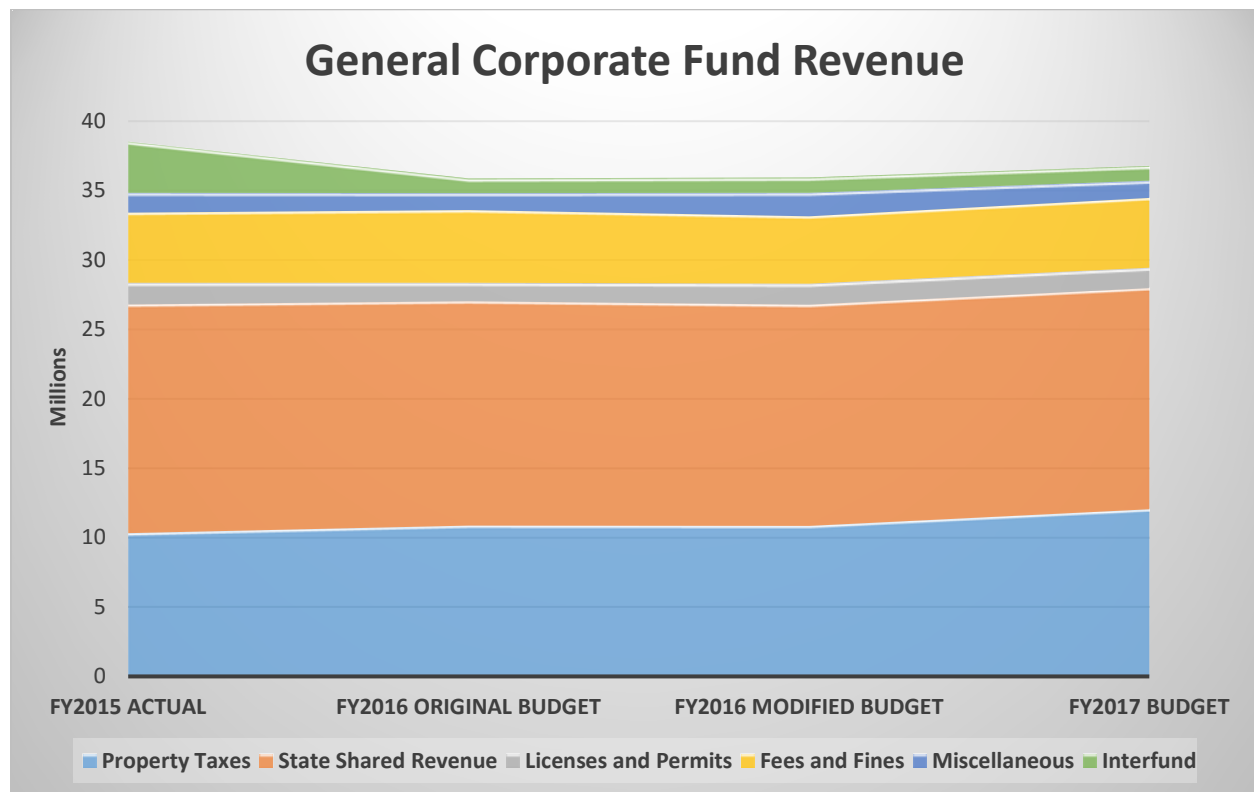
Growth of 8.2% for licenses and permits is a reflection of budgeted increases in revenue stamps and zoning use permits.

▼ Fees and Fines – 14% of Total Budget

The overall decrease in fees and fines revenue is largely attributed to budgeted decreases in fines and bond forfeitures, electronic home detention program and court fees and charges.

▲ Miscellaneous Revenue and Interfund Transfers – 6% of Total Budget

This revenue represents a small fraction of the total budget and reflect minimal growth in FY2017.



The County has limited control over the majority of its revenue sources. Most revenues are set by state formula, legislatively limited, or a reflection of the economy. The chart above demonstrates the General Fund's revenue streams for the FY2015 Actual, FY2016 Original and Modified Budgets, and the FY2017 Budget. Due to a bond refunding that occurred in FY2015, there is a significant decrease in Interfund revenue in FY2016. When the proceeds from the bond refunding are excluded from FY2015 Interfund revenue total revenue growth over the 3-year period is limited, with the exception of property taxes in FY2017 which as stated earlier may not be received in full.

Limited total revenue growth poses a significant challenge for the County's General Fund because the increasing cost of services, commodities and personnel expenditures are projected to annually outpace revenue increases.

GENERAL CORPORATE FUND EXPENDITURE SUMMARY

THE BUDGETED CHANGE IN EXPENDITURE FOR FY2017 REFLECTS AN INCREASE OF \$584,422 1.6% GROWTH OVER THE ORIGINAL FY2016 BUDGET.

Expenditure	FY2016 Budget	FY2017 Budget	\$ Variance	% Variance
Personnel	25,004,293	25,455,091	450,798	1.8%
Commodities	1,966,850	2,047,958	81,108	4.1%
Services	7,289,841	7,302,027	12,186	0.2%
Capital	57,500	272,500	215,000	373.9%
Interfund	986,733	865,430	(121,303)	-12.3%
Debt	530,427	477,060	(53,367)	-10.1%
TOTAL EXPENDITURE	35,835,644	36,420,066	584,422	1.6%

▲ Personnel – 70% of Total Budget

Employee turnover has generated savings in total salaries in a number of General Corporate Fund departments in FY2017. Wage increases for non-bargaining employees and negotiated contracts in FY2017 range from 2% - 2.25%. The County has five FOP labor contracts to be negotiated in FY2017. Health insurance costs for FY2017 reflect a budgeted increase of 6.1%, although premium increases are anticipated to be approximately 11.6%. The difference between the budgeted increase and the premium increase is the result of incremental increases for health insurance premium costs being shifted to employees, and the FY2016 health insurance expenditures being over-budgeted.

▲ Commodities – 6% of Total Budget

Departments were essentially successful in holding commodities expenditures flat as directed by the County Board. The total increase in commodities is largely due to an increase of \$68,000 budgeted expenditure for the purchase of document stamps. This expenditure directly correlates to a budgeted increase in revenue for revenue stamps. When you exclude the expenditure increase for purchasing document stamps, the total increase in commodities is 0.67%.

▲ Services – 20% of Total Budget

Due to a Supreme Court ruling that struck down a 2015 Public Act that reduced the size of a civil jury and increased juror pay, the County was able to reduce budgeted expenditures for juror pay in FY2017 by \$182,000. This reduction helped offset other budgeted service expenditure increases.

▲ Capital – 1% of Total Budget

The significant increase in capital expenditures is attributed to re-establishing appropriations for the replacement of squad cars, and ADA facility improvements required by the County's Settlement Agreement with the Department of Justice. The FY2016 budget included no funding for squad car replacement due to budget cuts. The FY2017 budget includes \$145,000 for replacement; however, an optimal replacement schedule would require an additional \$85,000.

▼ Interfund Transfers – 2% of Total Budget

The decrease in Interfund transfers is the result of a \$27,000 decrease in the transfer to the Capital Improvements Fund and the elimination of the transfer to the Highway Facility Bond Fund. The Highway Facility Bond was retired in FY2016.

▼ Debt – 1% of Total Budget

In FY2016, the County made its final loan payment to the Regional Planning Commission for the Brookens Administrative Building. This represents a \$24,062 reduction in debt in FY2017. Due to the refunding of the Nursing Home bond in FY2015, a savings of approximately \$29,000 was achieved in FY2017. The Nursing Home reimburses the County for the debt service on the bond obligation through a transfer to the General Fund; however, the County is required by the bond covenants to set aside sales tax revenue for the debt service.

Departmental Budget Direction and Planning

As stated earlier, the County Board directed General Corporate Fund departments to prepare budgets with total non-personnel expenditures reflecting a 0% total change from the original FY2016 budget with limited exceptions.

The following budget increases were requested by departments and granted by the County Board. The budget increases associated with these requests are included in the FY2017 budget.

Budget Increase	Department	Documented Need
\$1,200	Board of Review	The Property Tax Appeal Board will no longer meet locally which will require travel to Springfield for hearings as needed. The increase is for travel and meal reimbursement to attend PTAB hearings.
\$145,000	Sheriff-Law Enforcement	Due to budget cuts, there was no appropriation for squad car replacement in FY2016. This appropriation does not fully restore funding for the optimal replacement of squad cars.
\$23,000	Sheriff-Corrections	Increase in outside prisoner boarding appropriation due to requirements for separation of prisoners.
\$12,272	Regional Office of Education	Increases in the employer contribution for the Illinois Municipal Retirement Fund and health insurance.
\$7,963	Physical Plant	Additional juror parking appropriation due to increases in trial weeks.
\$3,020	County Board	Increase for membership dues and mileage reimbursement for County Board members based on FY2016 expenditures.
\$192,455	TOTAL	

The departmental requests on the following page were made to the County Board during the budget process; however, funding was not available for these optimal operations at the time of the requests and they are not included in the FY2017 budget.

Projected Cost	Department	Optimal Operations Request
\$64,045 (includes benefits)	Planning and Zoning	Addition of 1 FTE in order to implement MS4 Storm Water Program requirements. The MS4 program is an unfunded federal regulation under the Clean Water Act, and is administered by the Illinois Environmental Protection Agency. The County Board did authorize an increase of \$16,770 to the department's Temporary Wages appropriation to assist with meeting the program requirements; however, this is not the most optimal solution.
\$81,737 (includes benefits)	County Clerk	Transfer of 1 FTE from IT to the County Clerk's Office for maintenance of in-house software. In FY2017, the appropriation for the vacant PC Applications Programmer position is being used to pay for consulting services for several projects. Therefore, this request would require additional appropriations. Maintaining in-house software provides a significant cost savings over vendor provided software. The office is currently using a contractor for maintenance; however, this arrangement is not optimal due to limited availability and long-term sustainable.

Unbudgeted Needs Due to Budget Shortfall

Facilities Maintenance and Replacement

In FY2015 the County contracted with Bailey Edward to conduct a Facilities Condition Assessment which projected the annual cost of maintaining County facilities to be \$3 million to \$4.5 million. Since FY2014 the General Fund has budgeted \$532,261 for capital facilities projects. The FY2017 budget for facilities projects is status quo; however, due to inadequate funding the extensive deferred maintenance backlog continues to grow. Deferred maintenance is estimated to be \$22 million excluding remedial work at the downtown law enforcement building and the Brookens Administrative building due to potential relocation.

Financial System or Enterprise Resource Planning System (ERP) Replacement

In FY2016 the County utilized the services of the Government Finance Officers Association (GFOA) to assist with Enterprise Resource Planning for the replacement of its primary financial system which is antiquated and unsustainable. System replacement is anticipated to cost between \$1.2 and \$2 million; however, replacement is not included in the FY2017 budget due to the lack of funding.

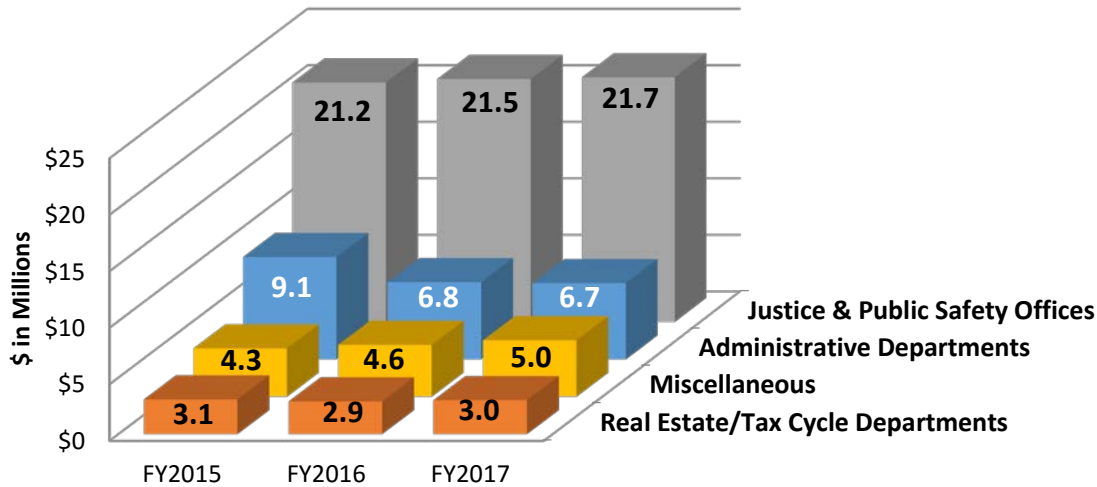
Capital Asset Replacement Reserve Funding

The County's Capital Asset Replacement Fund (CARF) for the replacement of technology, vehicles, furnishings and office equipment has not been fully funded since 2008. In FY2017, \$579,182 was required to fund both current and future General Corporate Fund capital asset needs. The General Fund budgeted expenditure for FY2017 is \$209,919 and is for current replacement only.

General Fund Expenditures by Area of Operation

Categorization of General Fund expenditures by area of operation shows that 60% of budgeted expenditure is for the provision of justice and public safety services in FY2017. The Miscellaneous category includes funding for Extension Education, ADA Compliance, Regional Office of Education, Veterans Assistance, and General County receipts and expenditures.

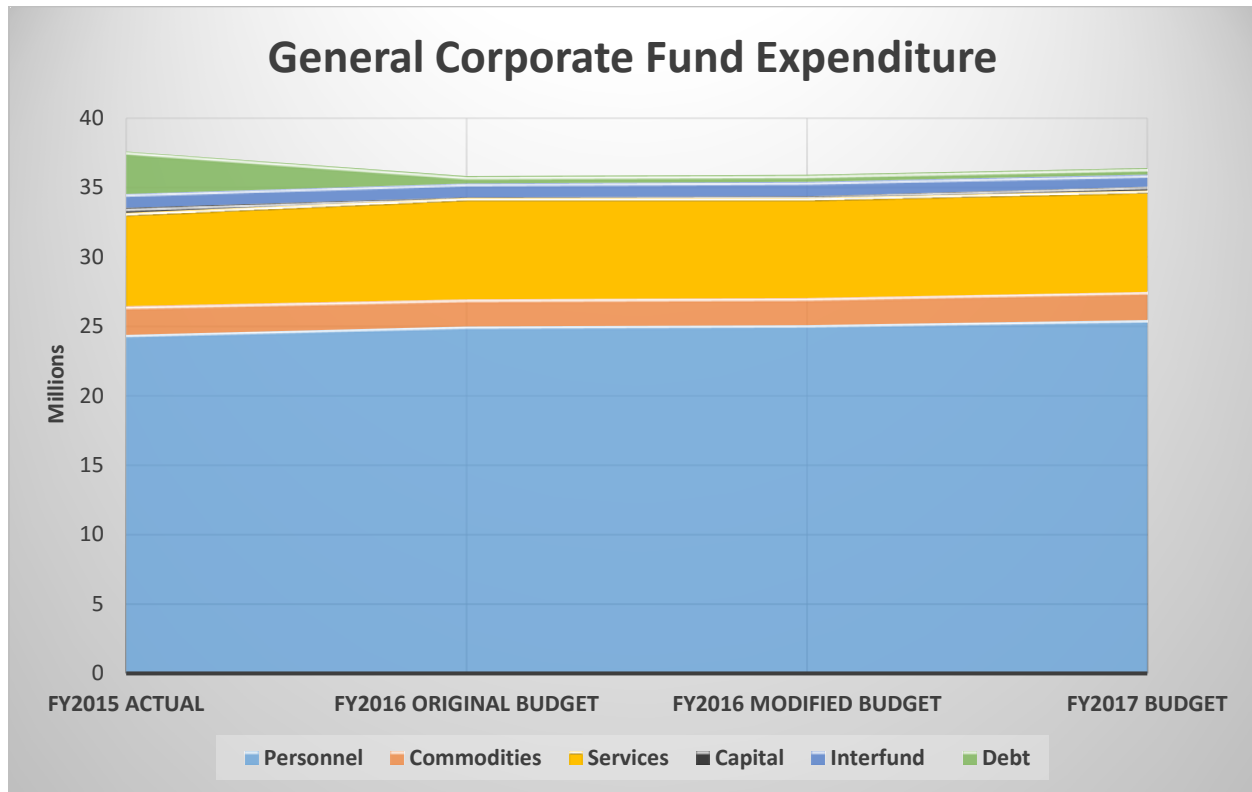
General Corporate Fund Expenditure by Area of Operation



Expenditure Budgets for General Corporate Fund Departments

EXPENDITURE	FY2015 Actual	FY2016 Budget	FY2017 Budget	FY2017 - \$ Change	FY2017 - % Change
County Board	\$337,780	\$319,239	\$300,054	(\$19,185)	-6.01%
Debt Service	\$2,937,629	\$407,925	\$282,670	(\$125,255)	-30.71%
Adm. Services	\$624,991	\$716,092	\$723,083	\$6,991	0.98%
IT	\$960,788	\$1,052,161	\$1,056,397	\$4,236	0.40%
Auditor	\$369,061	\$375,640	\$383,334	\$7,694	2.05%
Public Properties	\$3,415,206	\$3,560,814	\$3,577,926	\$17,112	0.48%
Planning & Zoning	\$408,378	\$404,036	\$425,360	\$21,324	5.28%
Board of Review	\$118,799	\$124,146	\$130,680	\$6,534	5.26%
County Clerk	\$974,446	\$1,012,379	\$1,026,481	\$14,102	1.39%
Recorder	\$1,344,199	\$1,118,543	\$1,192,211	\$73,668	6.59%
Super. Assessments	\$373,136	\$380,542	\$386,648	\$6,106	1.60%
Treasurer	\$266,018	\$265,645	\$272,881	\$7,236	2.72%
Circuit Clerk	\$1,157,956	\$1,160,357	\$1,147,121	(\$13,236)	-1.14%
Courts	\$1,153,665	\$1,236,418	\$1,087,713	(\$148,705)	-12.03%
Public Defender	\$1,118,261	\$1,113,307	\$1,129,157	\$15,850	1.42%
Sheriff	\$5,382,623	\$5,143,316	\$5,294,322	\$151,006	2.94%
Corrections	\$5,963,456	\$6,209,706	\$6,379,307	\$169,601	2.73%
State's Attorney	\$2,461,974	\$2,541,383	\$2,561,930	\$20,547	0.81%
JDC	\$1,730,211	\$1,820,978	\$1,763,554	(\$57,424)	-3.15%
Court Services	\$1,535,506	\$1,584,272	\$1,589,872	\$5,600	0.35%
Coroner	\$527,128	\$540,652	\$552,936	\$12,284	2.27%
EMA	\$161,871	\$150,423	\$152,572	\$2,149	1.43%
Extension Education	\$420,661	\$422,183	\$422,183	\$0	0.00%
Reg. Office Education	\$212,533	\$204,032	\$216,343	\$12,311	6.03%
VAC	\$124,756	\$124,944	\$125,636	\$692	0.55%
General County	\$3,437,796	\$3,671,735	\$4,089,695	\$417,960	11.38%
ADA Compliance	\$88,262	\$174,776	\$150,000	(\$24,776)	-14.18%
TOTAL	\$37,607,090	\$35,835,644	\$36,420,066	\$584,422	1.63%

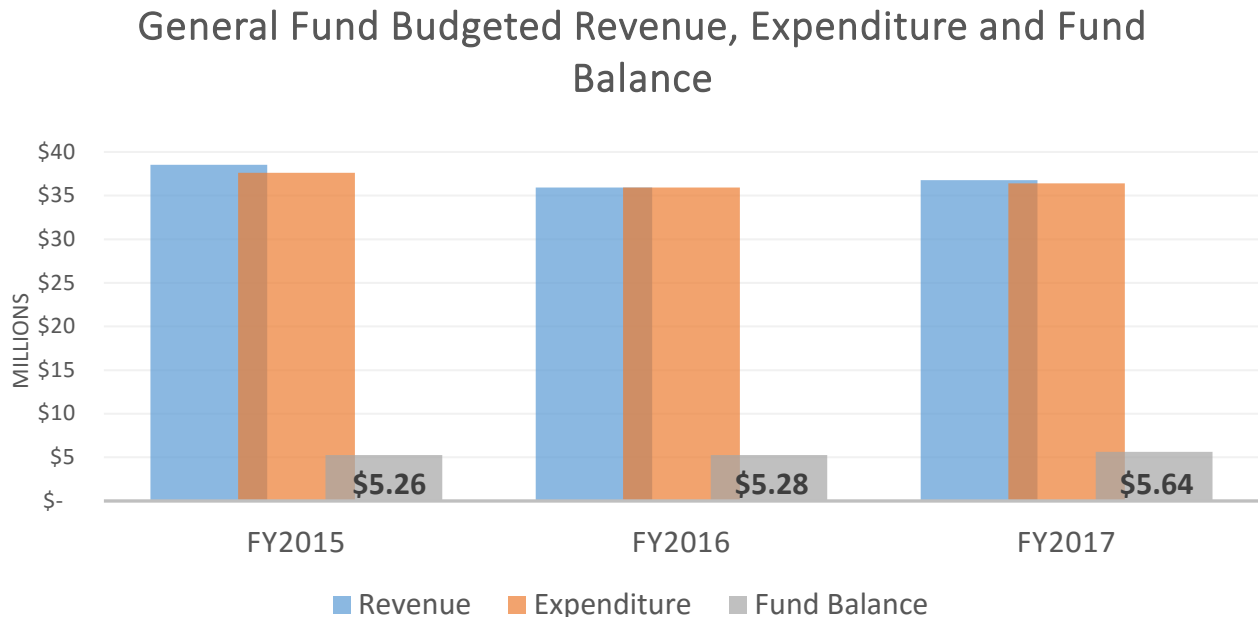
The chart below demonstrates combined General Fund expenditures for the FY2015 Actual, FY2016 Original and Modified Budgets, and the FY2017 Budget. Due to a bond refunding that occurred in FY2015 there is a significant decrease in Debt expenditure in FY2016.



Personnel expenditures account for the majority of the General Corporate Fund budget and increase at a rate greater than inflation each year. Additionally, unfunded mandates, the increasing costs of commodities and services, and the necessary investment in facilities and technology pose a significant challenge for the General Fund due to the County's limited revenue growth.

FUND BALANCE SUMMARY

Champaign County's Financial Policies require a General Corporate Fund balance of 45-days or 12.5% of expenditure fund balance for cash flow purposes. The following bar chart shows budgeted revenues, expenditures and fund balance for fiscal years 2015-2017.



There is a significant increase in the FY2017 budgeted fund balance due to the property tax levy being prepared to secure potential new growth revenue in anticipation of the Illinois Supreme Court ruling in the hospital tax exemption case. If the General Corporate Fund does not receive the additional \$511,341 in property tax revenue, then the Fund Balance for FY2017 will be approximately \$5.13 million, a 14.1% expenditure fund balance.

General Corporate Fund Budgeted Fund Balance

	FY2015	FY2016	FY2017
Fund Balance	\$5,259,532	\$5,281,605	\$5,642,946
Expenditure Fund Balance %	14.0%	14.7%	15.5%

In FY2016 revenues for state reimbursement, fees and fine were not performing as budgeted; however, the County received a one-time disbursement from Ameren in the amount of \$483,800 as a construction fee for an electric transmission line constructed in the County. This additional revenue helped offset any potential impact to the fund balance in FY2016 as a result of underperforming revenues.

The General Fund loaned the Nursing Home Fund \$282,802 in FY2016 for the emergency replacement of its four boilers. The loan terms require repayment within 12-months. Based on

the financial condition of the Nursing Home, it is uncertain if repayment will be possible in FY2017 in which case the County Board could either extend or forgive the loan. Forgiving the loan could impact the fund balance as it must be recorded as an expenditure in the General Fund.

The County is challenging a tax objection from Carle Foundation Hospital and Provena Health which will be determined by the Illinois Supreme Court. The county-wide potential liability is approximately \$2.6 million. If the Court finds for the hospitals, there would be a significant impact to the General Corporate fund balance. The County received a surplus TIF distribution in the amount of \$946,063 in FY2015, which is presently recorded as a liability and reserved to offset the potential liability. Therefore, the net potential liability to the County is approximately \$1.65 million with a significant portion of this liability belonging to the General Corporate Fund.