

GENERAL COUNTY

General Fund 080-075

This budget, under the authority of the County Board, is not a county department, but is the budget for receipting general revenues and appropriating general expenditures. As such, there is no mission statement or staffing associated with the budget.

BUDGET HIGHLIGHTS

REVENUE ANALYSIS

Property Tax

In FY2017 the County levied for additional property tax revenue associated with a potential ruling in the hospital property tax exemption case. The case was remanded back to the Circuit Court in March 2017; therefore the County did not receive any additional revenue. In June, a budget amendment removing \$511,341 in budgeted revenues was approved by the County Board. In FY2018, the County will again approve its levy to capture new growth in the event of a favorable ruling prior to the Board of Review certifying the books. In FY2018, there is an additional \$474,119 budgeted in property tax revenue. In the event the County receives additional property revenue, it will be utilized to restore the minimum fund balance requirement in the General Fund and move towards the fund balance target of 16.7% of the expenditure budget.

Without the additional property tax revenue, in FY2018 property taxes are budgeted at a 6.8% increase of \$703,495 over FY2017. The increase allowed under the PTELL calculation for the General Corporate Fund property tax is 5%, an increase of \$517,358. The additional property tax increase comes from appropriating levy savings for the IMRF and Social Security levies to the General Corporate Fund Levy for FY2018.

State Shared Revenue

In July 2017, the General Assembly increased the state income tax rate from 3.75% to 4.95%; however, local governments will not receive a share of this additional revenue. Instead, the state legislature imposed a one-year, 10% reduction to Local Government Distributive Fund (LGDF) revenue in conjunction with accelerating the distribution of income tax payments by 60-days. Analyzing the impact of the cut and acceleration of payments is complicated by the extreme volatility in income tax disbursements over the past year. The County estimates that the 10% reduction will result in total revenue loss of \$316,000 in fiscal years 2017 and 2018.

The state's newly imposed 2% collection fee will not have an impact on the county's one-cent and quarter-cent sales tax revenues. One-cent sales tax revenue showed improved performance in FY2016 after a 16% decline in FY2015. However, the Nursing Home was unable to reimburse the County for the principal and second interest payment on the GO bond in FY2016; therefore, pledged sales tax revenues were required to pay for the debt service resulting in the decline of one-cent revenue posted to this budget in FY2016. It is anticipated that the Nursing Home will be unable to reimburse the County for the GO bond in FY2017 and FY2018, and the one-cent pledged revenue will be required to make the debt service payments. Based on the current economic environment and an anticipated impact to revenue due to recent and anticipated annexations by the Village of Mahomet, in FY2018 one-cent sales tax is budgeted at a 5% decrease from

FY2017 projections. The quarter-cent sales tax is budgeted at a 1.2% increase over projected revenue for FY2017.

The Illinois Department of Revenue misallocated Personal Property Replacement Tax (PPRT) revenue in tax years 2014 and 2015, which resulted in overpayments of \$120,729 to Champaign County. IDOR corrected the PPRT formula and suggested that it would recapture the funds over a two-year period beginning in the state's 2018 fiscal year. For the county's FY2017 budget, the County adjusted PPRT revenue to reflect the corrected formula and recapture of a portion the state's misallocation of the tax. In September 2017, the department issued a letter notifying local governments that it would not seek to recoup any of the overpaid amounts from the misallocation. In FY2017, the county experienced extreme fluctuations in both PPRT and Income Tax revenues, which IDOR explained was the result of new accounting software that allocates payments in real time. In MFY2018, the Illinois Municipal League projects that PPRT revenues will decline by \$286 million, partially due to a \$77 million increase in proposed diversions from the fund. In FY2018, the County is projecting a significant decrease in revenue from FY2017 projections. The first \$124,000 in PPRT revenue is obligated to pay for the County's IMRF contribution.

Due to continued growth in online sales, use tax was budgeted to reflect 6% growth in FY2017; however, preliminary numbers indicate that growth may actually be closer to 9%. Based on IML forecasts this revenue stream is conservatively budgeted in FY2018 based on the anticipation that the growth rate will eventually flatten.

Other Revenue

The Justice and Mental Health Collaboration Program grant is scheduled to end September 30, 2017. A grant extension request is under consideration.

County hotel/motel taxes continue to decline since FY2014.

The final payment for the City of Champaign downtown TIF, \$77,025, was received in FY2017. The County received its first surplus payment of \$15,853 for the North Mattis Avenue TIF in FY2017 and will continue to receive the payment throughout the life of the TIF in FY2037.

EXPENDITURE ANALYSIS

Expenses currently included in the FY2018 General County Budget:

1. \$73,000 for Outside Auditor Contract
2. \$20,000 for Attorney Fees
3. \$49,560 in Professional Services for Soil and Water Conservation (\$34,560) and Municipal Advisor Services (\$15,000)
4. \$23,520 for the Urbana Free Library Archive
5. \$2,250 as a grant to the Children First Program
6. \$2,000 for Fees on General Corporate Fund Bond Debt Service
7. \$313,724 to the Capital Asset Replacement Fund for General Corporate capital needs including \$136,000 to pay for 50% of a potential Software as a Services (SaaS) contract for replacement of the County's financial system

8. \$3,413,875 for Employer Contribution to Employee Health and Life Insurance for General Corporate Fund Employees.
9. \$41,000 to County Highway Fund to reimburse salary and fringe benefit costs of the Highway Mechanic responsible for fleet maintenance of the General Corporate fund Vehicles. This amount was reduced by 50% per an agreement between the County Administrator and the County Engineer.
10. \$190,802 in the General Corporate Fund Contingent Line Item.

It is recommended that the \$22,807 grant to the Senior Services Program be discontinued in FY2018. In 2016-2017 the program provided assistance to 201 seniors with the majority of seniors assisted coming from the cities of Champaign, Urbana and Rantoul. The cities of Champaign and Rantoul do not provide funding for the program, and the City of Urbana provides \$700.

FINANCIAL

Fund 080 Dept 075			2016 Actual	2017 Original	2017 Projected	2018 Budget
311	10	CURR PROP TX-GENERAL CORP	\$9,980,773	\$10,905,592	\$10,372,129	\$11,549,743
313	10	RE BACKTAX-GENERAL CORP	\$5,715	\$5,000	\$5,000	\$5,500
314	10	MOBILE HOME TAX	\$8,997	\$8,500	\$8,700	\$8,700
315	10	PAYMENT IN LIEU OF TAXES	\$6,819	\$6,000	\$6,500	\$6,500
318	12	COUNTY HOTEL/MOTEL TAX	\$23,268	\$28,000	\$22,000	\$21,500
318	13	COUNTY AUTO RENTAL TAX	\$32,165	\$30,000	\$32,000	\$32,000
		PROPERTY TAXES	\$10,057,737	\$10,983,092	\$10,446,329	\$11,623,943
331	38	JUST-JUS/MNT HTH CBTN PRG	\$46,604	\$83,135	\$56,762	\$0
335	30	CORP PERSNL PROP REPL TAX	\$806,043	\$798,271	\$935,267	\$678,424
335	40	1% SALES TAX (UNINCORP.)	\$859,692	\$818,230	\$1,106,773	\$1,053,139
335	41	1/4% SALES TAX (ALL CNTY)	\$5,401,388	\$5,582,500	\$5,571,278	\$5,638,133
335	43	USE TAX	\$769,750	\$814,289	\$838,444	\$816,052
335	80	INCOME TAX	\$3,139,832	\$3,354,520	\$3,266,564	\$3,207,336
335	91	CHARITABLE GAMES LIC/TAX	\$69,886	\$77,000	\$69,000	\$60,000
335	93	OFF-TRACK BETTING	\$3,117	\$0	\$0	\$0
336	1	CHAMPAIGN CITY	\$77,025	\$77,025	\$92,878	\$15,853
336	2	URBANA CITY	\$22,788	\$0	\$0	\$0
336	16	VILLAGE OF MAHOMET	\$151,209	\$140,000	\$160,000	\$160,000
		FEDERAL, STATE & LOCAL SHARED REVENUE	\$11,347,334	\$11,744,970	\$12,096,966	\$11,628,937
341	52	TAX SALE FEE	\$33,440	\$31,000	\$31,000	\$33,140
		FEES AND FINES	\$33,440	\$31,000	\$31,000	\$33,140
361	10	INVESTMENT INTEREST	\$9,250	\$3,900	\$8,274	\$4,000
369	16	UTILITY CONSTRUCTION FEE	\$483,800	\$0	\$0	\$0
369	90	OTHER MISC. REVENUE	\$4,705	\$0	\$14,858	\$0
		MISCELLANEOUS	\$497,755	\$3,900	\$23,132	\$4,000
371	6	FROM PUB SAF SALES TAX FD	\$8,260	\$9,728	\$9,728	\$10,308
371	27	FROM PROP TAX FEE FND 627	\$67,108	\$59,205	\$60,705	\$64,050
371	61	FROM WORKING CASH FND 610	\$59	\$200	\$3,600	\$1,900

Fund 080 Dept 075			2016 Actual	2017 Original	2017 Projected	2018 Budget
371	83	FROM CNTY HIGHWAY FND 083	\$79	\$0	\$0	\$0
381	13	AUDIT FEE REIMBURSEMENT	\$19,359	\$30,000	\$20,510	\$21,000
381	16	HEALTH/LIFE INSUR REIMB	\$17,583	\$10,000	\$10,000	\$10,000
		INTERFUND REVENUE	\$112,448	\$109,133	\$104,543	\$107,258
REVENUE TOTALS			\$22,048,714	\$22,872,095	\$22,701,970	\$23,397,278
513	6	EMPLOYEE HEALTH/LIFE INS PERSONNEL	\$2,840,569 \$2,840,569	\$3,249,504 \$3,249,504	\$3,106,347 \$3,106,347	\$3,209,729 \$3,209,729
533	1	AUDIT & ACCOUNTING SERVCS	\$78,750	\$78,000	\$71,000	\$73,000
533	3	ATTORNEY/LEGAL SERVICES	\$4,148	\$35,000	\$20,000	\$20,000
533	7	PROFESSIONAL SERVICES	\$35,835	\$34,560	\$34,560	\$49,560
533	8	CONSULTING SERVICES	\$4,000	\$0	\$4,000	\$0
533	52	OTHER SERVICE BY CONTRACT	\$23,520	\$23,520	\$23,520	\$23,520
533	92	CONTRIBUTIONS & GRANTS	\$74,608	\$108,192	\$84,819	\$2,250
533	99	CONTINGENT EXPENSE	\$0	\$267,000	\$267,000	\$190,802
534	9	R.E. TAX / DRAINAGE ASMNT SERVICES	\$0 \$220,861	\$0 \$546,272	\$375 \$505,274	\$0 \$359,132
571	14	TO CAPITAL IMPRV FUND 105	\$274,172	\$209,919	\$209,919	\$313,724
571	59	TO CHILD ADV CENT FND 679	\$25,000	\$0	\$0	\$0
571	83	TO COUNTY HIGHWAY FND 083	\$80,954	\$82,000	\$82,000	\$41,000
573	55	JMHC GRNT SAL REIM TO 040 INTERFUND EXPENDITURE	\$1,480 \$381,606	\$0 \$291,919	\$1,000 \$292,919	\$0 \$354,724
582	2	INT & FEES-GEN OBLIG BONDS DEBT	\$554 \$554	\$2,000 \$2,000	\$2,000 \$2,000	\$2,000 \$2,000
EXPENDITURE TOTALS			\$3,443,590	\$4,089,695	\$3,906,540	\$3,925,585