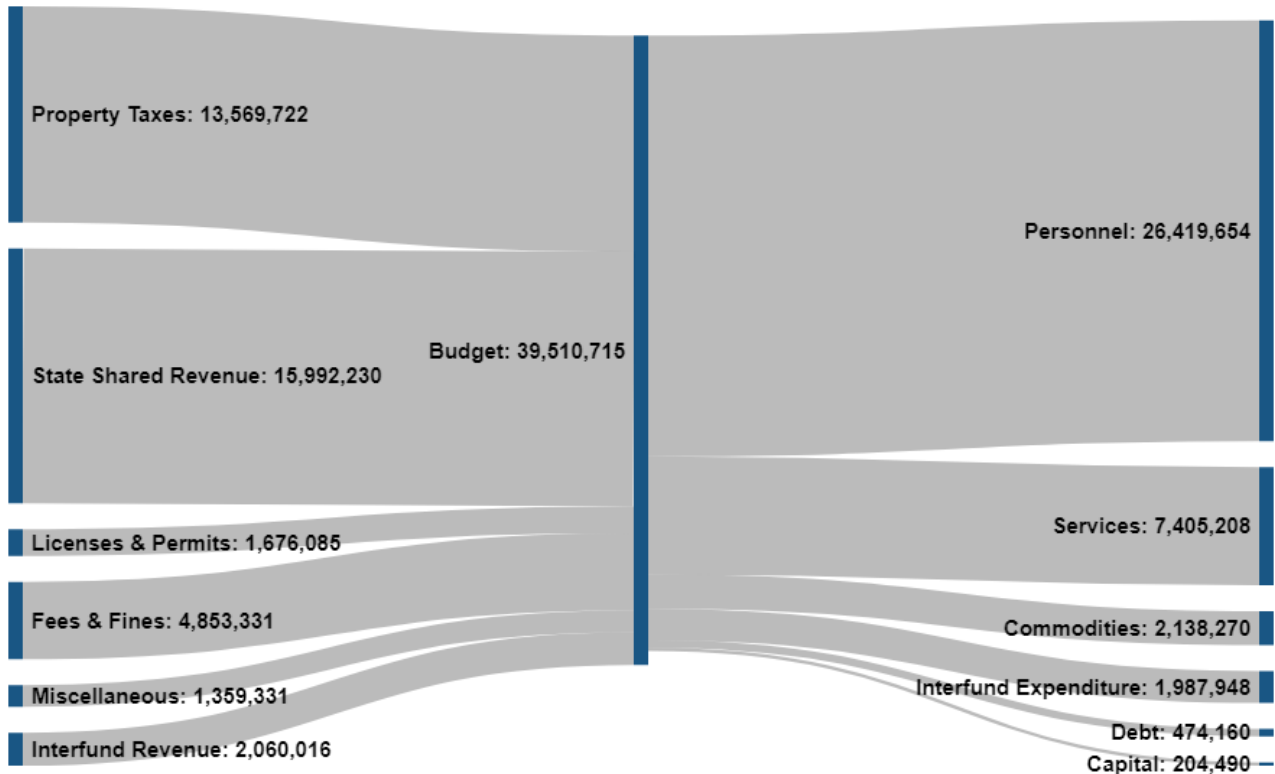


GENERAL CORPORATE FUND BUDGET SUMMARY

Fund 080-000



FY2019 General Fund Budget

Revenue	\$39,510,715
Expenditure	\$38,629,730

The explanation for the FY2019 excess of Revenue to Expenditure is primarily attributable to the following issues. Budgeted revenue includes \$375,252, which reflects amounts owed by the Nursing Home Fund to the General Fund for services provided in prior fiscal years by the Physical Plant, Auditor's Office, and Information Technology departments, and the Home's portion of outside audit billings in prior fiscal years. If the County receives this revenue through the collection of fees for services provided by the Home after the planned sale, it will be treated as one-time revenue and utilized to restore the General Fund Balance which was impacted by the loss of this revenue in previous fiscal years.

Revenues also reflect an additional \$488,364 in property tax that the County is uncertain whether it will receive in FY2019. The property tax levy was prepared in order to capture new growth revenue in the event of a favorable ruling related to the hospital property tax exemption case. If there is a ruling that returns the hospital properties to the tax rolls prior to the Board of Review closing the books for revenue year 2018, under the Property Tax Extension Limitation Law (PTELL), the County may treat the Equalized Assessed Value (EAV) as new growth. 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 taxes it is allowed under the PTELL calculation.

The FY2019 budget is a balanced budget per Champaign County's Financial Policies. A budget is balanced when total appropriations do not exceed total revenues and appropriated fund balance within an individual fund. Revenue will exceed expenditure by \$880,985 if the General Fund collects both the one-time revenue and additional property tax revenue resulting in a fund balance of \$5.8 million or 15% of the FY2019 expenditure budget. Without the additional revenues there is budget surplus of \$17,369, which will result in a fund balance of \$4.94 million or 12.8% of the FY2019 expenditure budget. The County's Financial Policies set the minimum fund balance requirement for the General Fund at 45-days or 12.5% of operating expenditures, with a fund balance target of two months or 16.7% of operating expenditures.

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

General Fund Summary	2017 Actual	2018 Original	2018 Projected	2019 Budget	\$ Variance	% Variance
PROPERTY TAXES	11,437,803	12,685,441	12,183,329	13,569,722	884,281	7.0%
FEDERAL, STATE & LOCAL	16,101,432	15,840,369	15,920,027	15,992,230	151,861	1.0%
SHARED REVENUE						
LICENSES AND PERMITS	1,573,676	1,555,762	1,649,500	1,676,085	120,323	7.7%
FEES AND FINES	4,399,158	4,605,729	4,517,822	4,853,331	247,602	5.4%
MISCELLANEOUS	1,231,179	1,255,631	1,257,976	1,359,331	103,700	8.3%
INTERFUND REVENUE	740,471	1,316,951	1,289,801	2,060,016	743,065	56.4%
REVENUE TOTALS	35,483,719	37,259,883	36,818,455	39,510,715	2,250,832	6.0%
PERSONNEL	24,992,281	25,968,380	25,451,046	26,419,654	451,274	1.7%
COMMODITIES	2,010,186	2,074,178	2,142,984	2,138,270	64,092	3.1%
SERVICES	6,719,133	7,281,064	7,145,441	7,405,208	124,144	1.7%
CAPITAL	325,961	145,000	189,989	204,490	59,490	41.0%
INTERFUND EXPENDITURE	880,614	833,985	1,051,657	1,987,948	1,153,963	138.4%
DEBT	474,576	473,188	471,663	474,160	972	0.2%
EXPENDITURE TOTALS	35,402,751	36,775,795	36,452,780	38,629,730	1,853,935	5.0%

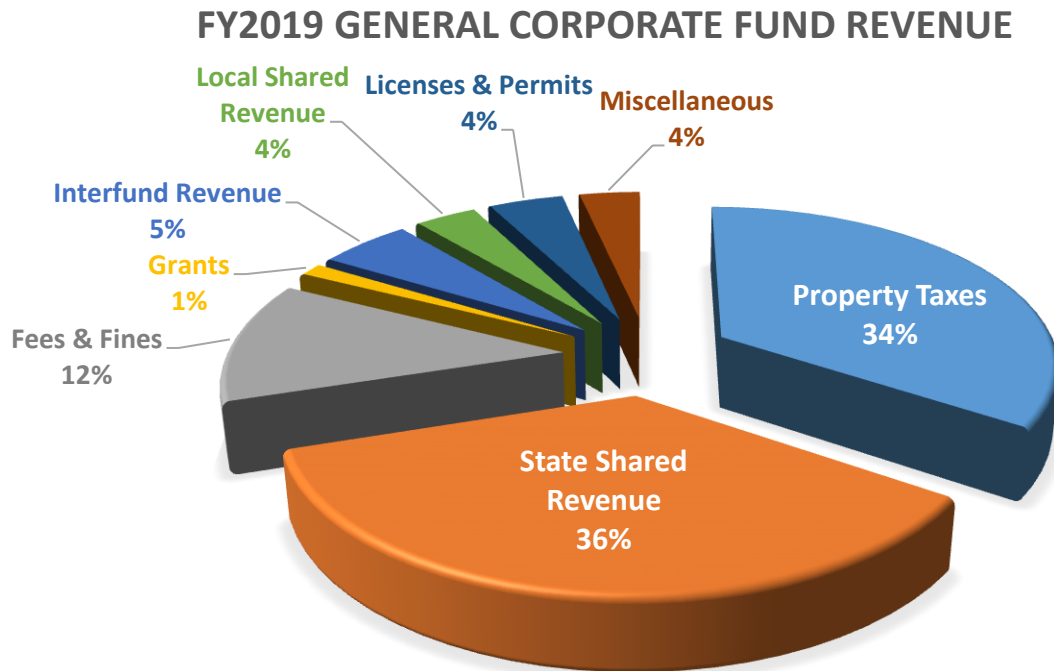
Budget Direction and Planning

In May 2018, the County Board considered two Budget Process Resolutions in conjunction with a Resolution authorizing the sale of the Champaign County Nursing Home. Resolution 'A' gave direction for preparation of the FY2019 budget if the County Board approved the sale of the Home, and Resolution 'B' gave budget preparation direction if the County retained the Home. Both resolutions prioritized facility and technology funding, and required non-personnel expenditures to remain flat against the FY2018 budget except where increases were required based on competitively bid contracts or documented cost increases.

Resolution 'A' required no cuts to programs, services or personnel. Resolution 'B' required the Nursing Home to cut funding and staffing for non-mandated services, and the General Fund to cut non-mandated services and programs in addition to 8.2% from its total personnel budget. In order to enable the continued operation of the Nursing Home, Resolution 'B' provided direction for the General Fund to provide an operating subsidy to the Nursing Home and issue debt to remedy the outstanding accounts payable obligations of the Home. Following a vote to approve the sale of the Champaign County Nursing Home, the County Board approved Budget Process Resolution 'A' with an amendment directing the General Fund budget to include \$50,000 in new allocations for recommendations outlined by the Racial Justice Task Force in its final report.

REVENUE SUMMARY

The budgeted change in revenue for FY2019 reflects an increase of \$2.25 million, 6% growth over the original FY2018 budget. Growth is predominantly attributed to increased property tax, fees, and Interfund revenues further explained in the following revenue categories.



Property Taxes ▲7.0%

This category includes revenue comprised of real estate taxes, mobile home taxes, back taxes, payment in lieu of taxes, interest and costs for delinquent taxes, hotel/motel and auto rental taxes. Total budgeted property tax revenue for the General Fund in FY2019 is \$13.6 million, an increase of \$884,281 over the FY2018 budget.

Both the FY2018 and FY2019 budgets were prepared to capture additional revenue associated with a potential ruling in the hospital property tax exemption case previously explained. There was no ruling in the case prior to the Board of Review certifying the books for revenue year 2017; therefore the County Clerk limited the General Corporate extension of property taxes under PTELL in FY2018 to \$11,063,313. Absent a ruling in the case prior to certification of the books for revenue year 2018, the FY2019 General Corporate extension of property taxes is estimated to be \$11.9 million.

Without the hospital properties, Champaign County's estimated 2018 Equalized Assessed Valuation (EAV) reflects a 4% increase over 2017 EAV, allowing for 4.4% growth under the PTELL calculation. Preparation of the levy to include the hospital properties, reflects a 7% increase in EAV. This new growth and reallocation of some of the levy authority not required for the IMRF levy, permits an increase of 12.2% for the General Corporate levy under PTELL.

Federal State and Local Shared Revenue ▲1.0%

The increase in this revenue category is largely the result of projected sales tax growth, including the County's one-cent and quarter-cent sales taxes, and use tax. Offsetting this growth is the negative impact of legislative decisions at the state level which continue to affect County revenues. The state's continual diversion of Personal Property Tax has resulted in less revenue being distributed to local governments. After implementing a "one-time" 10% cut to Income tax in state fiscal year 2018, resulting in the loss of \$322,000 in County revenue, the legislature extended a 5% cut for a second year.

In FY2019, state reimbursement from the Administrative Office of the Illinois Courts (AOIC) for probation and court services personnel costs was significantly reduced. The County received notice in July 2018, that its reimbursement would be cut \$288,676, making it the fourth straight year of state funding cuts. In State fiscal year 2015, the County received nearly \$2.2 million in reimbursement. The State fiscal year 2019 allocation is just over \$1.5 million.

Grants and/or contracts with federal and state agencies total \$503,965 in FY2019. The County will no longer receive state reimbursement from the Department of Child and Family Services for a parental rights attorney position, nor Victim Advocacy grant funding, which results in a loss of \$70,525 in revenue in the General Fund.

Licenses and Permits ▲7.7%

Growth in this category is a reflection of a budgeted increase in revenue stamps. Sixty-seven percent of the revenue collected for revenue stamps is appropriated as an expenditure and distributed to the State of Illinois. Zoning permit revenues are also budgeted to increase due to anticipated solar farm development.

Fees and Fines ▲5.4%

Amounts owed to the Auditor's Office, Physical Plant, and Information Technology departments for services provided to the Champaign County Nursing Home in prior fiscal years make up \$323,850 of FY2019 budgeted fee revenue. These are one-time reimbursement revenues the County anticipates receiving following the sale of the Home.

After holding its first and second Amnesty Weeks in fiscal years 2017 and 2018, the County anticipates \$50,000 in past due fees and fines to be paid in FY2019. This is the first year the County will budget to receive this revenue. Some fee and fine lines in this category reflect increases, while others reflect decreases, with total revenues increasing by \$248,000. Circuit Clerk fees are expected to increase as a result of civil case totals being slightly increased due to electronic filing; however, court fees and charges, Sheriff's fees and fines and bond forfeitures are projected to decline.

In August of 2018, the state legislature approved the Criminal and Traffic Assessment Act (Public Act 100-0987). The Act significantly changes the collection and distribution of fees and fines effective July 1, 2019, and will have an impact on multiple county funds including the General Fund and some special revenue funds with fee and/or fine revenues. The Circuit Clerk's Office has completed a preliminary analysis of the impact of the legislation on County funds, although the Supreme Court has not yet determined which civil filings will be placed in certain

categories. The FY2019 budget was prepared without consideration for this legislation as the County was not able to fully assess the magnitude of the Act on the last six months of the fiscal year at the time of budget preparation.

Miscellaneous Revenue ▲8.3%

Increases in investment interest due to an expanding economy, and rental income based on lease agreements are driving the growth in this category.

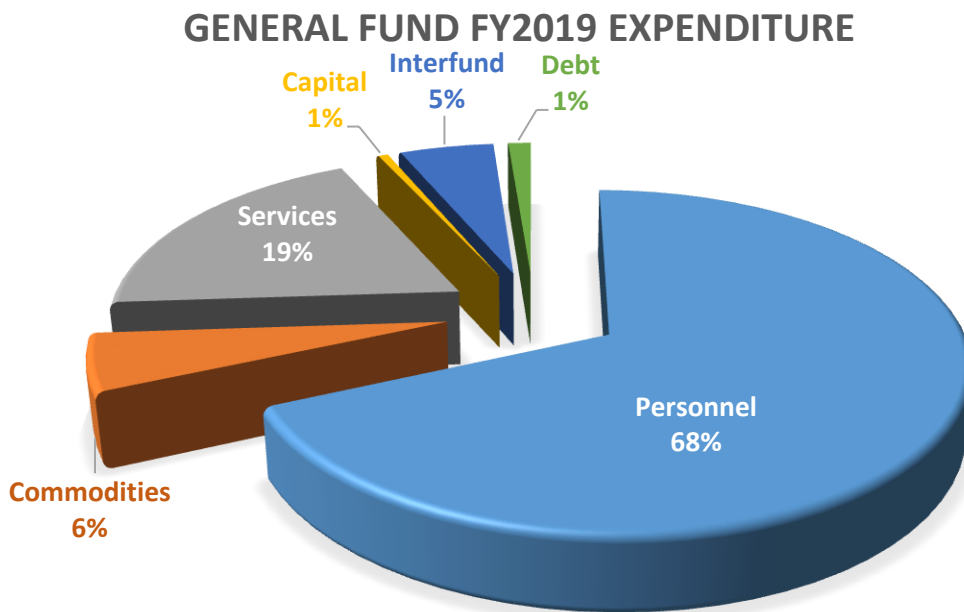
Interfund Transfers ▲56.4%

In FY2019, the County increased the transfer from the Public Safety Sales Fund to the General Fund by \$588,000, offsetting METCAD costs in the Sheriff's Law Enforcement department, in order to increase its transfer to the Capital Asset Replacement Fund (CARF). This "transfer from" (revenue) and subsequent "transfer to" (expenditure) will allow the County to fund the FY2019 facility maintenance projects identified in its 10-Year Capital Facilities Plan. One-time revenue for reimbursement of Audit fees from the Nursing Home is also included in the amount of \$51,402.

A transfer from the Probation Services Fund was increased in FY2019 due to continued reductions in its AOIC salary reimbursement allocation. As mentioned previously, Champaign County has experienced four years of cuts in its annual allocation, and the Probation Services Fund transfer to the General Fund was increased \$140,000 to offset half of the FY2019 cut.

EXPENDITURE SUMMARY

The change in expenditure in FY2019 reflects an increase of \$1,853,935, 5% growth over the original FY2018 budget. Expenditure growth is mainly attributed to increases in personnel expenditures and Interfund transfers further explained in the following expenditure categories.



Personnel ▲1.7%

Personnel expenditures account for the majority of the General Fund budget. Wage increases for non-bargaining employees and Fraternal Order of Police (FOP) contracts in FY2019 range from 1% - 2.5%, not including FOP step increases. The County's American Federation of State, County and Municipal Employees (AFSCME) contracts will be negotiated in FY2019. While there was a 2.0% health insurance premium increase, greater employee contributions towards premiums resulted in a 0.8% increase in the FY2019 budget for health insurance expenditures.

The FY2019 General Fund budget increases the headcount by one full-time employee (FTE). With the reduced salary for the County Board Chair effective following the December 2018 election, the position will no longer be considered full-time. Two positions were added in other county departments, one in Planning and Zoning and one in Law Enforcement. Although the addition of the County Executive position was effective in December 2018, the impact of the additional salary for that position will predominantly impact the FY2019 budget.

The County was notified by the Regional Planning Commission in August 2018 that it would not request the renewal of its Planning Contract. The addition of a Planner position allows the County to continue projects and planning previously covered by this contract. The impact to the General Fund is budget neutral with the addition of salary and health insurance benefits, still allowing for \$10,720 to be budgeted for additional planning services. The additional FTE in Law Enforcement is data analyst position. Funding for the position will come from the \$50,000 allocated by the County Board for recommendations in the Racial Justice Task Force final report. The implementation of Sheriff's operations software in FY2019, along with access to a state-provided open data portal, will allow for data to be collected, combined, analyzed and shared.

The table below shows the staffing history for each department in the General Fund.

Full Time Employee History by Department	FY2015	FY2016	FY2017	FY2018	FY2019 Budget
County Board	2	2	2	2	1
Administrative Services	8	8	8	9	9
Auditor	6	6	6	6	6
Board of Review	3	3	3	3	3
County Clerk	15	15	15	15	15
Recorder	5	3	3	3	3
Supervisor of Assessments	8	8	8	7	7
Treasurer	5	5	5	5	5
Information Technology	10	10	10	10	10
Circuit Clerk	31	30	30	31	31
Circuit Clerk Support Enforcement	1	1	1	1	1
Circuit Court	14	14	14	14	14
Jury Commission	2.2	2.2	2.2	2.2	2.2
Public Defender	18	18	18	18	18
Sheriff Law Enforcement	59	59	59	59	60
Sheriff Corrections	92.5	92.5	92.5	92.5	92.5
State's Attorney	37.4	37.4	37.4	37.4	37

Full Time Employee History by Department	FY2015	FY2016	FY2017	FY2018	FY2019 Budget
State's Attorney Support Enforce.	4.6	4.6	4.6	4.6	5
Coroner	6	6	6	6	6
Emergency Management Agency	2	2	2	2	2
Juvenile Detention Center	32	32	32	32	32
Court Services	30	30	30	30	30
Public Properties	22.5	22.5	22.5	22.5	22.5
Planning and Zoning	5	5	5	6	7
Veterans Assistance Commission	1	1	1	1	1
Total	420.2	417.2	417.2	419.2	420.2

Commodities ▲3.1%

The increase in commodities expenditures is a result of budgeted document stamp purchases from the State of Illinois. This expenditure directly correlates to a budgeted increase in revenue stamps, whereby the County receives this revenue and distributes 2/3 to the state.

Services ▲1.7%

Increases in services costs are largely attributed to an increase in a competitively bid contract for medical/dental/mental health services provided in the correctional centers and JDC, increased METCAD costs, the first year of the County's payment for Area-wide Records Management System (ARMS), and post-closure accounting services for the Nursing Home. Increases in the before mentioned expenditures were partially offset by decreases in election judge expenditures based on the number of elections in FY2019, and equipment maintenance costs being shifted to the CARF for backup services that are now cloud-based.

Capital ▲41.0%

The County Clerk's Office will purchase election/voter registration equipment resulting in an increase in capital expenditures. The replacement of this equipment is planned in conjunction with reduced election judge costs due to the number of elections in 2019. The FY2019 budget includes an appropriation of \$145,000 for squad car replacement; however, an optimal replacement schedule requires an additional \$85,000.

Interfund Transfers ▲138.4%

The transfer to the CARF increases \$1.1 million in order to fund the FY2019 capital projects in the County's Facilities 10-Year Capital Plan and the General Fund's portion of software and equipment budgeted in the CARF, including Real Estate Tax Cycle software and an Information Security Operations Center system. In FY2019, the County was able to fund current items scheduled for replacement as well as provide reserve funding for future items scheduled for replacement.

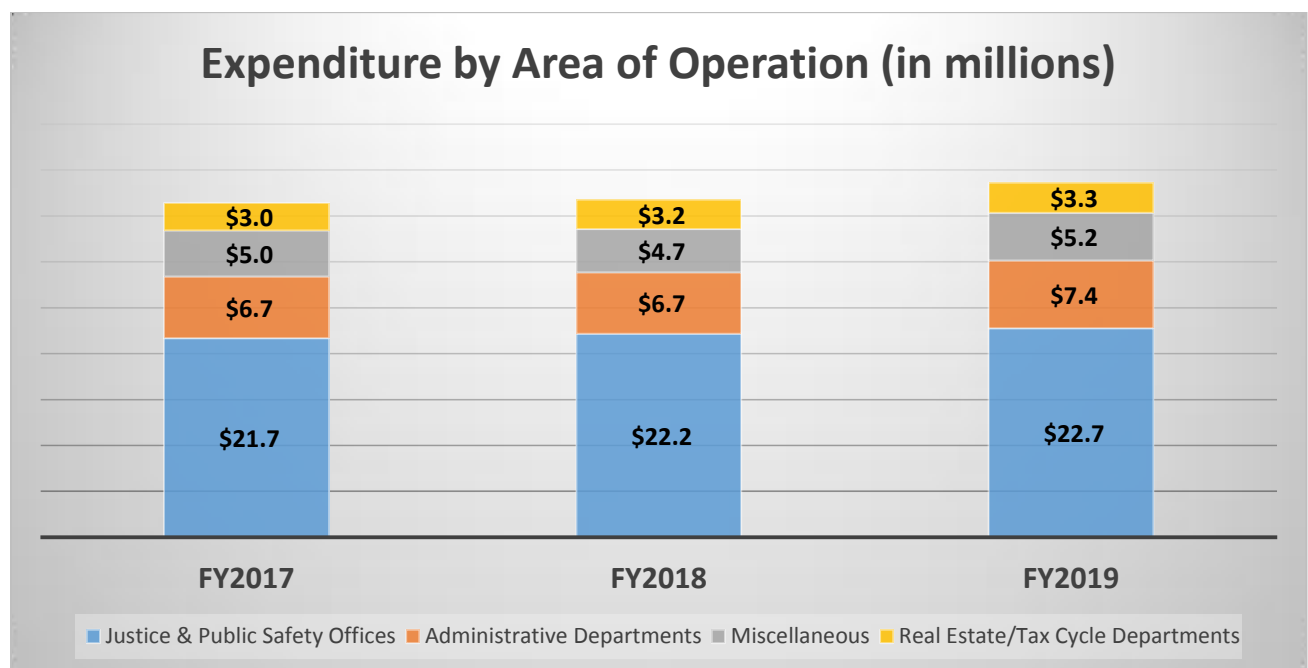
Debt ▲0.2%

Debt Service payments from the General Fund are for the 2010A Debt Certificate issued for the construction of the Coroner's Office, County Clerk Elections Storage, and Physical Plant Operations building. Additionally, the 2015 General Sales Tax Alternate Revenue Source bond for the Nursing Home construction bonds issued in 2006 is paid from the General Fund.

The planned sale of the Nursing Home in FY2018 will result in the redemption of the 2015 bonds, the County is required by the bond covenants to set aside sales tax revenue for the debt service until the bonds are redeemed. At the time of budget preparation, the sale had not been finalized; therefore bond redemption had not occurred and the FY2019 budget was prepared to include the debt service payments for the 2015 Issue. The redemption of the bonds will result in the availability of up to \$282,000 that will be available for other purposes in FY2019.

General Fund Expenditures by Area of Operation

Categorization of General Fund expenditures by area of operation shows that 59% of budgeted expenditure is for the provision of justice and public safety services in FY2019. In future fiscal years, the County needs to explore ways to continue to provide safe and fair justice and public safety services while also experiencing declines in the fees and fines revenues it has historically relied on to support these services. The chart below shows actual spending by area of operation in FY2017, and the budget by area of operation for fiscal years 2018 and 2019. The Miscellaneous category includes funding for Extension Education, Regional Office of Education, Veterans Assistance, and General County receipts and expenditures.



Expenditure Budgets for General Fund Departments

The table on the following page shows actual department expenditures for FY2017, and budgeted expenditures for FY2018 and FY2019. Most expenditure increases are attributed to wage increases. Some of the larger departmental expenditure fluctuations are explained below.

- Administrative Services expenditure increases as a result of a newly added Elected Executive position. At the November 2016 general election, voters approved a proposition to establish the County Executive Form of Government. The individual

elected to the position will take office in December 2018 following the November general election.

- Decreased expenditure in the Information Technology department is the result of backup service expenditures that are now cloud-based being moved to the Capital Asset Replacement Fund.
- The transfer from the Public Properties budget to the Capital Asset Replacement Fund increases to fund projects scheduled in FY2019 per the County's Facilities 10-Year Capital Plan.
- The budgeted expenditure for purchasing document stamps in the Recorder's budget directly correlates to budgeted revenue for Revenue Stamps. Revenue stamps are budgeted at \$1.5 million in FY2019, resulting in a \$1 million expenditure budget for purchasing document stamps.
- The Sheriff's budget increase is attributed to METCAD and ARMS costs, and the addition of a new Data Analyst position.
- The Correctional Center budget includes increases for the medical/dental/mental health contract and food costs.
- In FY2019, the State's Attorney's Office continues to litigate the hospital property tax exemption cases and has requested additional funding for those efforts.
- The transfer from the General County budget to the Capital Asset Replacement Fund is larger due to full funding for future items scheduled for replacement, and the County's investment in technology in FY2019. This budget also includes \$102,000 for post-closure accounting services for the Champaign County Nursing Home.

Expenditure by Department	FY2017 Actual	FY2018 Budget	FY2019 Budget	FY2019 \$ Change	FY2019 % Change
County Board	\$300,054	\$309,253	\$286,165	(\$23,088)	-7.5%
Debt Service	\$282,670	\$280,198	\$282,270	\$2,072	0.7%
Adm. Services	\$723,083	\$732,946	\$852,838	\$119,892	16.4%
IT	\$1,056,397	\$1,098,244	\$1,051,223	(\$47,021)	-4.3%
Auditor	\$383,334	\$389,972	\$395,113	\$5,141	1.3%
Public Properties	\$3,577,926	\$3,429,480	\$4,094,359	\$664,879	19.4%
Planning & Zoning	\$425,360	\$444,491	\$455,987	\$11,496	2.6%
Board of Review	\$130,680	\$132,065	\$135,105	\$3,040	2.3%
County Clerk	\$1,026,481	\$1,147,684	\$1,137,661	(\$10,023)	-0.9%
Recorder	\$1,192,211	\$1,289,888	\$1,357,553	\$67,665	5.2%
Supervisor of Assessments	\$386,648	\$368,775	\$380,428	\$11,653	3.2%
Treasurer	\$272,881	\$274,628	\$277,199	\$2,571	0.9%
Circuit Clerk	\$1,147,121	\$1,294,810	\$1,272,059	(\$22,751)	-1.8%
Courts	\$1,087,713	\$1,080,513	\$1,070,176	(\$10,337)	-1.0%
Public Defender	\$1,129,157	\$1,140,110	\$1,125,051	(\$15,059)	-1.3%
Sheriff	\$5,294,322	\$5,463,093	\$5,645,607	\$182,514	3.3%
Corrections	\$6,379,307	\$6,454,888	\$6,688,078	\$233,190	3.6%
State's Attorney	\$2,561,930	\$2,593,681	\$2,684,740	\$91,059	3.5%
JDC	\$1,763,554	\$1,786,587	\$1,784,179	(\$2,408)	-0.1%
Court Services	\$1,589,872	\$1,618,409	\$1,621,209	\$2,800	0.2%
Coroner	\$552,936	\$571,106	\$579,387	\$8,281	1.4%
EMA	\$152,572	\$164,572	\$167,880	\$3,308	2.0%

Expenditure by Department	FY2017 Actual	FY2018 Budget	FY2019 Budget	FY2019 \$ Change	FY2019 % Change
Extension Education	\$422,183	\$422,498	\$439,412	\$16,914	4.0%
Regional Office Education	\$216,343	\$222,554	\$221,636	(\$918)	-0.4%
VAC	\$125,636	\$124,765	\$125,868	\$1,103	0.9%
General County	\$4,089,695	\$3,925,585	\$4,498,547	\$572,962	14.6%
ADA Compliance	\$150,000	\$15,000	\$0	(\$15,000)	-100.0%
TOTAL	\$36,420,066	\$36,775,795	\$38,629,730	\$1,853,935	5.0%

The following table reflects the per capita cost of each General Fund department budget.

Expense per Capita by Department (Budget in Actual Dollars)	FY2015	FY2016	FY2017	FY2018	FY2019
County Board	\$1.61	\$1.56	\$1.49	\$1.54	\$1.42
Administrative Services	\$3.63	\$3.53	\$3.60	\$3.65	\$4.24
Auditor	\$1.87	\$1.85	\$1.91	\$1.94	\$1.96
Board of Review	\$.62	\$.61	\$.65	\$0.66	\$0.67
County Clerk	\$4.80	\$4.96	\$5.10	\$5.71	\$5.66
Recorder	\$6.04	\$5.56	\$5.93	\$6.41	\$6.75
Supervisor of Assessments	\$1.87	\$1.88	\$1.92	\$1.83	\$1.90
Treasurer	\$1.31	\$1.32	\$1.36	\$1.37	\$1.38
Information Technology	\$4.77	\$5.19	\$5.25	\$5.46	\$5.23
Circuit Clerk	\$5.77	\$5.36	\$5.76	\$5.92	\$5.93
Circuit Court	\$5.28	\$6.06	\$5.41	\$5.37	\$5.32
Jury Commission	\$0.16	\$0.16	\$0.17	\$0.26	\$0.25
Public Defender	\$5.61	\$5.46	\$5.62	\$5.67	\$5.65
Sheriff Law Enforcement	\$67.20	\$64.89	\$66.96	\$69.11	\$71.70
State's Attorney	\$12.38	\$12.51	\$12.74	\$12.90	\$13.40
Coroner	\$2.57	\$2.68	\$2.75	\$2.84	\$2.88
Emergency Management Agency	\$0.75	\$0.74	\$0.76	\$0.82	\$0.83
Juvenile Detention Center	\$8.56	\$9.08	\$8.74	\$8.88	\$8.92
Court Services	\$7.52	\$7.80	\$7.91	\$8.05	\$8.17
Public Properties	\$18.39	\$17.80	\$17.79	\$17.06	\$20.35
Planning and Zoning	\$4.68	\$5.08	\$5.40	\$5.64	\$5.79
Sheriff Corrections	\$30.74	\$30.85	\$31.84	\$32.10	\$33.37
Regional Office of Education	\$1.12	\$1.01	\$1.08	\$1.11	\$1.10
Extension Education	\$2.10	\$2.10	\$2.10	\$2.10	\$2.19
Veterans Assistance Commission	\$0.62	\$0.59	\$0.62	\$0.62	\$0.63

FUND BALANCE SUMMARY

Champaign County's Financial Policies require a General Fund reserve balance of 45-days or 12.5% of budgeted expenditures for cash flow purposes, with a fund balance target of two months or 16.7% of operating expenditure. The Government Finance Officers Association (GFOA) recommends no less than two months of general fund operating revenues or expenditures for general-purpose governments regardless of size. The following table shows the ending fund balance for FY2017, FY2018 based on projected revenues and expenditures, and FY2019 based on the budget.

General Fund	FY2017 Actual	FY2018 Projected	FY2019 Budgeted
Fund Balance	\$4,558,983	\$4,924,650	*\$5,805,635
Expenditure Fund Balance %	12.9%	13.5%	15.0%

* There is a significant increase in the FY2019 budgeted fund balance due to the property tax levy being prepared to secure new growth revenue in anticipation of a potential ruling in the hospital property tax exemption case. That amount is estimated to be \$488,364. Additionally, the budget includes one-time revenue in the amount of \$375,252 for services previously provided to the Nursing Home by General Fund departments. The planned sale of the Home may allow for these obligations to be paid in FY2019 through the continued collection of revenue for services previously provided by the Home. If the General Fund does not receive the additional property tax and one-time revenue, the budgeted Fund Balance for FY2019 will be \$4.94 million, which is 12.8% of operating expenditure.

The liability for the General Fund, if the Court finds for the hospitals, is approximately \$885,000. At present, \$307,000 is reserved to offset the potential liability. These reserve funds are included in the FY2019 budgeted fund balance reflected in the Fund Balance table. An unfavorable ruling in the case will have a significant impact on the fund balance.