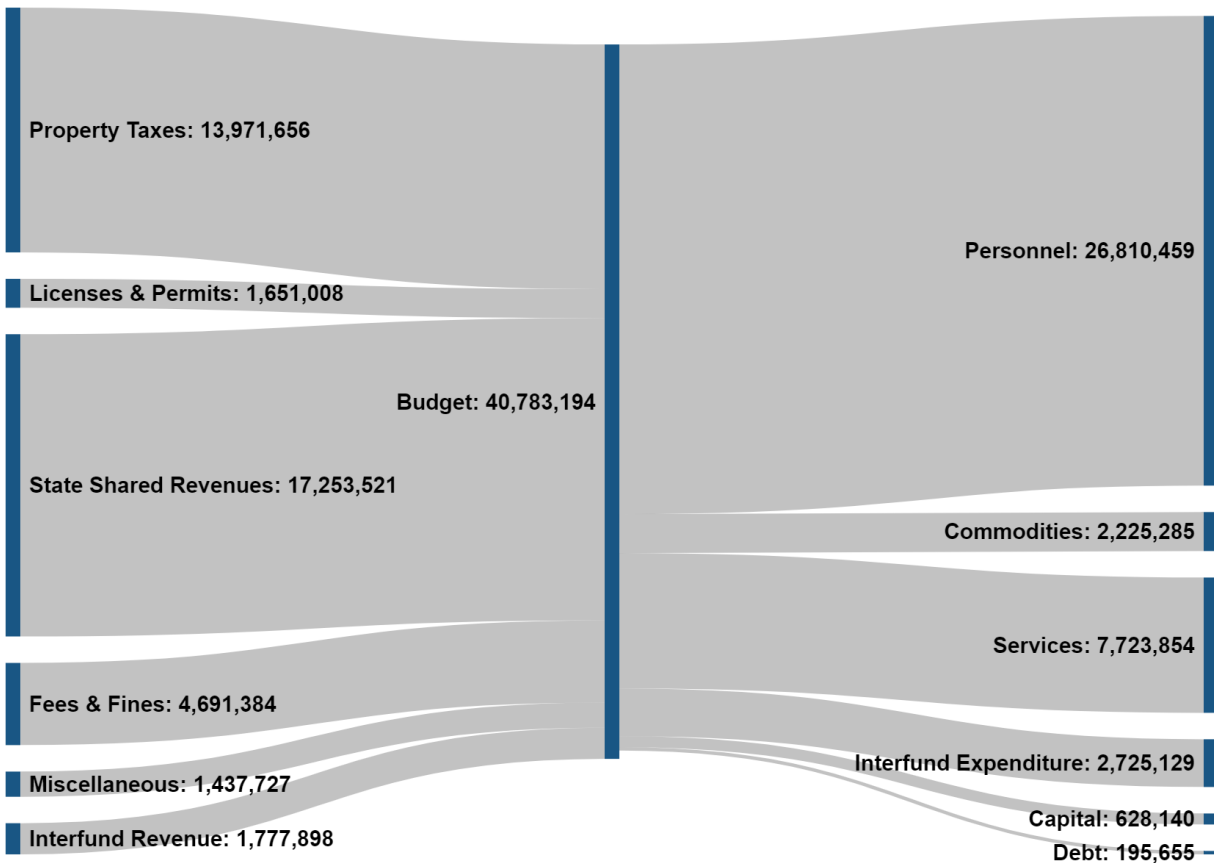


GENERAL CORPORATE FUND BUDGET SUMMARY

Fund 080-000



FY2020 General Fund Budget

Revenue	\$40,783,194
Expenditure	\$40,308,522

Budgeted revenue includes \$474,000 in property tax revenue the County is uncertain whether it will receive in FY2020. The property tax levy was prepared in order to capture new growth revenue in the event the OSF and Carle properties are assessed as non-exempt in the upcoming levy year. The Board of Review will make the initial determination as to whether this happens, based upon the submissions of each hospital and the state of the law at the time the Board of Review acts. If the EAV associated with the hospital properties is included in the extension and the properties are treated as non-exempt, the Property Tax Extension Limitation Law (PTELL) will not prevent the County from capturing new revenue associated with them.

The FY2020 budget is a balanced budget per Champaign County's Financial Policies. If additional property tax revenue is not collected, the budget surplus is \$726. The County's Financial Policies establish a minimum fund balance recommendation 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. The anticipated fund balance at the end of FY2020 is projected at \$6.93 million or 17.2% based on receipt of additional property tax revenue. Without the

additional revenue, the fund balance projection is \$6.46 million or 16% of operating expenditures.

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

	FY2018 Actual	FY2019 Original Budget	FY2019 Projected Budget	FY2020 Budget	\$ Variance	% Variance
Property Taxes	12,142,719	13,569,722	13,161,202	13,971,656	401,934	3.0%
Federal, State and Local Shared Revenue	16,541,687	15,992,230	16,389,280	17,253,521	1,261,291	7.9%
Licenses and Permits	2,095,356	1,676,085	1,639,175	1,651,008	(25,077)	-1.5%
Fees and Fines	4,523,542	4,853,331	4,278,864	4,691,384	(161,947)	-3.3%
Miscellaneous	1,331,447	1,359,331	1,424,731	1,437,727	78,396	5.8%
Interfund	1,268,772	2,060,016	7,845,782	1,777,898	(282,118)	-13.7%
TOTAL REVENUE	37,903,523	39,510,715	44,739,034	40,783,194	1,272,479	3.2%
Personnel	25,421,062	26,419,654	25,991,131	26,810,459	390,805	1.5%
Commodities	2,398,624	2,138,270	2,145,603	2,225,285	87,015	4.1%
Services	6,934,781	7,405,208	7,045,370	7,723,854	318,646	4.3%
Capital	268,934	204,490	243,125	628,140	423,650	207.2%
Interfund	3,756,776	1,987,948	2,001,519	2,725,129	737,181	37.1%
Debt	471,663	474,160	4,062,716	195,655	(278,505)	-58.7%
TOTAL EXPENDITURE	39,251,840	38,629,730	41,489,464	40,308,522	1,678,792	4.3%

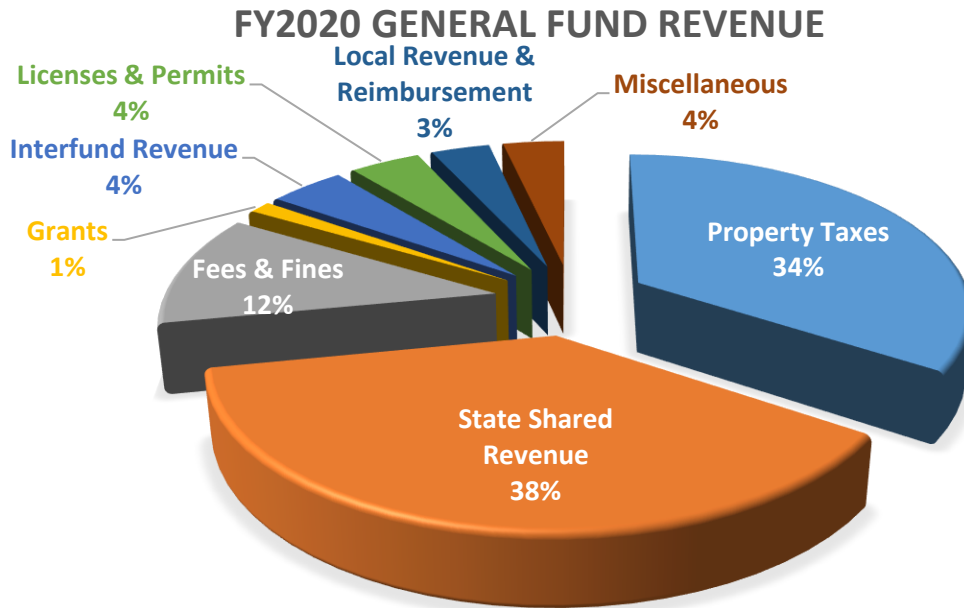
Budget Direction and Planning

For FY2020 the County Executive directed General Fund departments to prepare their budget requests holding non-personnel expenditures flat against the original FY2019 budget, with the exception of allowable increases based on competitively bid contracts or documented cost increases.

In May 2019, the County Board approved a Resolution establishing the budget process for FY2020 to include funding for projects scheduled in the County Facilities Capital Plan, Enterprise Resource Planning (ERP) to replace the in-house financial system, and CARF equipment and items previously scheduled for replacement in FY2020. Additionally, the Board recognized the need to appropriate for the necessary equipment and software for an accessible, safe and secure election in 2020.

REVENUE SUMMARY

The budgeted change in revenue for FY2020 reflects an increase of \$1.3 million, 3.2% growth over the original FY2019 budget. Growth is predominantly attributed to increased state shared revenues further explained in the Federal State and Local Shared Revenue section of this document.



Property Taxes ▲3.0%

This category includes revenue comprised of real estate taxes, mobile home taxes, back taxes, payment in lieu of taxes, delinquent taxes interest, hotel/motel and auto rental taxes. Total budgeted property tax revenue for the General Fund in FY2019 is \$14 million, an increase of \$402,000 over the FY2019 budget. An increase in the County's IMRF rates effective January 1, 2020, required reallocation of a portion of the General Fund levy to the IMRF levy. Both the FY2019 and FY2020 budgets were prepared to capture additional revenue associated with a potential ruling in the hospital property tax exemption case previously explained.

Federal State and Local Shared Revenue ▲7.9%

The increase in this revenue category is largely the result of the full allocation from AOIC to offset personnel costs in the Probation and Court Services Department. The County has not received full allocations since 2015; however, was notified in August 2019 its salary reimbursement for State FY2020 was set at \$2.2 million. This is an increase of \$682,000 (44%) over the SFY2019 allocation and represents the restoration of full allocations for probation salary reimbursement.

Increases in Corporate Personal Property Replacement (PPRT), Use, and Income taxes are also reflected in FY2020 as compared to the FY2019 original budget. The State's continued diversion of PPRT has caused County revenue to decline in prior years; however, in FY2019

there was a considerable increase in allocations. The Illinois Department of Revenue's explanation of the increase is due to the reconciliation of tax payments resulting in a transfer from Income tax to PPRT, a transfer from the Income Tax Refund Fund to PPRT due to estimated deposits exceeding payments, and legislative changes passed as part of the federal Tax Cuts and Jobs Act. A modest increase is budgeted for FY2020 PPRT revenue.

The South Dakota v. Wayfair Inc. decision resulted in strong growth in Use tax in FY2019, which is anticipated to continue in FY2020. Some revenue previously receipted as Use tax will be receipted as sales tax per new legislation that requires the collection and remittance of sales taxes for the jurisdiction where the product is delivered, effective July 1, 2020. Even with the continuation of the legislature's 5% cut in State FY2019, there was notable Income tax growth due to a strong stock market and federal tax law changes. The FY2020 budget reflects an increase in Income tax revenue despite the State's extension of the 5% cut in State FY2020.

Licenses and Permits ▼1.5%

The decrease in total licenses and permits revenue is attributed to a decrease in zoning permit fees, which were budgeted higher in FY2019 due to anticipated solar farm permit applications.

Fees and Fines ▼3.3%

The FY2019 budget included outstanding 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. It was anticipated these obligations may have been paid to the General Fund through Nursing Home sale proceeds; however, the continued operation of the Home in 2019 increased pressure on other County funds therefore the General Fund was not paid for these services. The FY2020 budget does not include payment for these services.

In August of 2018, the state legislature approved the Criminal and Traffic Assessment Act. The Act significantly changes the collection and distribution of fees and fines effective July 1, 2019. In FY2020 fee and fine revenues are budgeted conservatively as the County is unable to fully assess the impact of allowable fee waivers based on the financial ability of an individual to pay.

Miscellaneous Revenue ▲5.8%

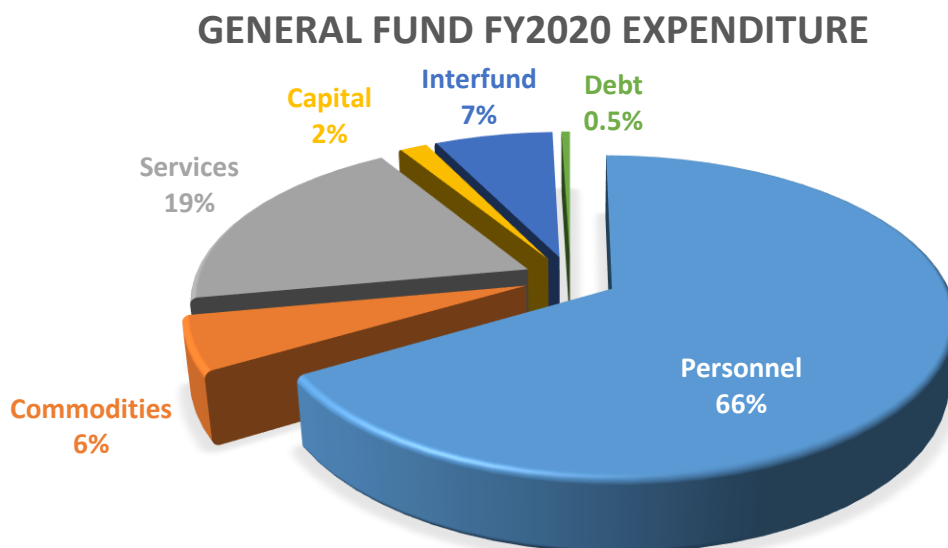
The increase in miscellaneous revenue is the result of budgeting for anticipated investment interest in FY2020.

Interfund Transfers ▼13.7%

A transfer from the Probation Services Fund was discontinued in FY2020 due to the full allocation from AOIC to offset personnel costs in the Probation and Court Services Department. In order to mitigate the General Fund impact of previously declining state reimbursement, the Probation and Court Services Fund transferred funds in fiscal years 2016-2019. The FY2019 transfer was budgeted at \$323,500.

EXPENDITURE SUMMARY

The change in expenditure in FY2020 reflects an increase of \$1.7 million, 4.4% growth over the original FY2019 budget. Expenditure growth is attributed to increases in all expenditure categories with the exception of debt.



Personnel ▲1.5%

Personnel expenditures account for the majority of the General Fund budget. Wage increases for non-bargaining employees and the American Federation of State, County and Municipal Employees (AFSCME) contracts in FY2020 are 3.1% and 3.3% respectively. Fraternal Order of Police (FOP) contracts will be negotiated in FY2020. Health insurance expenditures in the General Fund are budgeted to decrease based on employee utilization and prior year expenditures, resulting in a total increase in personnel costs of \$391,000.

During the budget process, the Sheriff and Coroner requested funding for new positions in FY2020. The Sheriff requested four new positions including one Correctional Officer, one Court Security Officer and two Deputy Sheriff positions. The Coroner's request was for a Deputy Coroner Investigator. Due to budget restrictions, no new positions were funded in FY2020.

The table below shows the staffing history for each department in the General Fund. Fulltime equivalents in FY2020 remain unchanged from FY2019.

General Fund Full Time Employee History by Department	FY2016	FY2017	FY2018	FY2019	FY2020 Budget
County Board	2	2	2	1	1
Administrative Services	8	8	9	9	9
Auditor	6	6	6	6	6
Board of Review	3	3	3	3	3
County Clerk	15	15	15	15	15

General Fund Full Time Employee History by Department	FY2016	FY2017	FY2018	FY2019	FY2020 Budget
Recorder	3	3	3	3	3
Supervisor of Assessments	8	8	7	7	7
Treasurer	5	5	5	5	5
Information Technology	10	10	10	10	10
Circuit Clerk	30	30	31	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	60	60
Sheriff Corrections	92.5	92.5	92.5	92.5	92.5
State's Attorney	37.4	37.4	37.4	37	37
State's Attorney Support Enforce.	4.6	4.6	4.6	5	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	6	7	7
Veterans Assistance Commission	1	1	1	1	1
Total	417.2	417.2	419.2	420.2	420.2

Commodities ▲ 4.1%

The increase in commodities expenditures is predominantly the result of replacing body worn cameras for the law enforcement division. The County's current body worn camera provider was sold and it has been difficult to obtain service; therefore, the County negotiated a new contract for equipment and service.

Services ▲ 4.3%

Increases in services costs are largely attributed to increases in computer/information technology services for body worn camera SaaS, election judge expenditures based on anticipated FY2020 election turnout, and increases in general service costs.

Capital ▲ 207.2%

The County Clerk's Office will purchase new election tabulators in FY2020 resulting in an increase in capital expenditures. Production and software for the County's current tabulators has been discontinued. The County will purchase new DS200 tabulators, which are safer and more secure as well as compatible with the pollbook software purchased in FY2019.

Interfund Transfers ▲ 37.1%

The transfer to the CARF is budgeted at \$2.64 million in FY2020, and reflects an increase for capital projects in the County's Facilities 10-Year Capital Plan, as well as the General Fund's

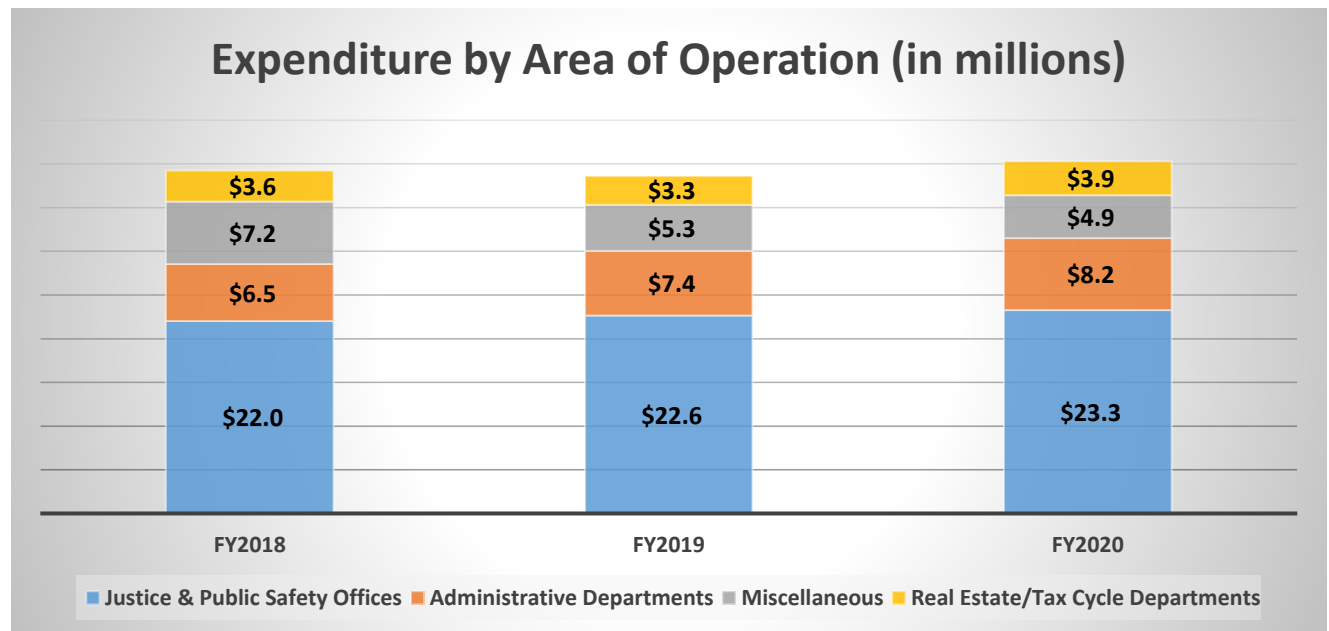
portion of software and equipment budgeted in the CARF. More information about the FY2020 facilities, software, and equipment budget can be found in the Capital Asset Replacement Fund summary.

Debt ▼ 58.7%

The sale of the Nursing Home in FY2019 resulted in the redemption of the 2015 bonds, thereby reducing the debt service obligations of the General Fund. At the end of FY2019, the County intends to refinance the 2010A Debt Certificate issued for the construction of the Coroner's Office, County Clerk Elections Storage, and Physical Plant Operations. This refunding is expected to generate approximately \$48,000 in savings over the remaining term of the loan.

General Fund Expenditures by Area of Operation

Categorization of General Fund expenditures by area of operation shows that 58% of budgeted expenditure is for the provision of justice and public safety services in FY2020. The chart below shows actual spending by area of operation in FY2018, and the budget by area of operation for fiscal years 2019 and 2020. 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 following table reflects actual department expenditures for FY2018, and budgeted expenditures for FY2019 and FY2020. Increases attributed to wage adjustments are reflected in nearly every department. Some of the larger departmental expenditure fluctuations are explained below.

- Debt Service declines due to the redemption of the Nursing Home bond.
- The transfer from the Public Properties budget to the Capital Asset Replacement Fund increases to fund projects scheduled in FY2020 per the County's Facilities 10-Year Capital Plan.
- Increases in the County Clerk's budget reflect the purchase of new election equipment.
- The Sheriff's budget increase is attributed in part to body worn camera equipment and software replacement.
- A decrease in the General County budget reflects a reduced health insurance expenditure budget based on utilization and prior year expenses, and a smaller transfer from General County to CARF due to budgeting for current only funding.

EXPENDITURE	FY2018 Actual	FY2019 Budget	FY2020 Budget	FY2020 \$ Change	FY2020 % Change
County Board	\$200,656	\$286,165	\$286,165	\$0	0.0%
Tornado Sirens	\$0	\$0	\$3,750	\$3,750	-
Debt Service	\$280,198	\$282,270	\$0	(\$282,270)	-100.0%
Adm. Services	\$818,995	\$852,838	\$864,660	\$11,822	1.4%
IT	\$1,062,997	\$1,051,223	\$1,099,816	\$48,593	4.6%
Auditor	\$384,386	\$395,113	\$402,379	\$7,266	1.8%
Public Properties	\$3,306,231	\$4,094,359	\$5,100,313	\$1,005,954	24.6%
Planning & Zoning	\$453,691	\$455,987	\$482,312	\$26,325	5.8%
Board of Review	\$127,146	\$135,105	\$138,969	\$3,864	2.9%
County Clerk	\$1,158,342	\$1,137,661	\$1,724,538	\$586,877	51.6%
Recorder	\$1,643,051	\$1,357,553	\$1,343,643	(\$13,910)	-1.0%
Supervisor of Assessments	\$356,279	\$380,428	\$400,013	\$19,585	5.1%
Treasurer	\$271,758	\$277,199	\$284,720	\$7,521	2.7%
Circuit Clerk	\$1,228,685	\$1,272,059	\$1,358,176	\$86,117	6.8%
Courts	\$1,081,427	\$1,070,176	\$1,116,688	\$46,512	4.3%
Public Defender	\$1,112,554	\$1,125,051	\$1,216,627	\$91,576	8.1%
Sheriff	\$5,786,081	\$5,645,607	\$5,809,856	\$164,249	2.9%
Corrections	\$6,143,289	\$6,688,078	\$6,767,113	\$79,035	1.2%
State's Attorney	\$2,649,340	\$2,684,740	\$2,816,371	\$131,631	4.9%
JDC	\$1,656,959	\$1,784,179	\$1,757,351	(\$26,828)	-1.5%
Court Services	\$1,641,053	\$1,621,209	\$1,652,760	\$31,551	1.9%
Coroner	\$572,769	\$579,387	\$597,020	\$17,633	3.0%
EMA	\$157,960	\$167,880	\$172,603	\$4,723	2.8%
Extension Education	\$417,997	\$439,412	\$438,825	(\$587)	-0.1%
Regional Office Education	\$222,553	\$221,636	\$236,612	\$14,976	6.8%
VAC	\$129,229	\$125,868	\$128,983	\$3,115	2.5%
General County	\$6,379,246	\$4,498,547	\$4,108,259	(\$390,288)	-8.7%
ADA Compliance	\$8,968	\$0	\$0	\$0	-
TOTAL	\$39,251,840	\$38,629,730	\$40,308,522	\$1,678,792	4.3%

This table shows the per capita cost of each General Fund department budget.

Expense per Capita by Department (Budget in Actual Dollars)	FY2016	FY2017	FY2018	FY2019	FY2020
County Board	\$1.56	\$1.49	\$1.54	\$1.42	\$1.42
Administrative Services	\$3.53	\$3.60	\$3.65	\$4.24	\$4.30
Auditor	\$1.85	\$1.91	\$1.94	\$1.96	\$2.00
Board of Review	\$.61	\$.65	\$0.66	\$0.67	\$0.69
County Clerk	\$4.96	\$5.10	\$5.71	\$5.66	\$8.58
Recorder	\$5.56	\$5.93	\$6.41	\$6.75	\$6.68
Supervisor of Assessments	\$1.88	\$1.92	\$1.83	\$1.90	\$1.99
Treasurer	\$1.32	\$1.36	\$1.37	\$1.38	\$1.42
Information Technology	\$5.19	\$5.25	\$5.46	\$5.23	\$5.47
Circuit Clerk	\$5.36	\$5.76	\$5.92	\$5.93	\$6.49
Circuit Court	\$6.06	\$5.41	\$5.37	\$5.32	\$5.55
Jury Commission	\$0.16	\$0.17	\$0.26	\$0.25	\$0.27
Public Defender	\$5.46	\$5.62	\$5.67	\$5.65	\$6.05
Sheriff Law Enforcement	\$64.89	\$66.96	\$69.11	\$71.70	\$73.51
State's Attorney	\$12.51	\$12.74	\$12.90	\$13.40	\$13.98
Coroner	\$2.68	\$2.75	\$2.84	\$2.88	\$2.97
Emergency Management Agency	\$0.74	\$0.76	\$0.82	\$0.83	\$0.86
Juvenile Detention Center	\$9.08	\$8.74	\$8.88	\$8.92	\$8.74
Court Services	\$7.80	\$7.91	\$8.05	\$8.17	\$8.22
Public Properties	\$17.80	\$17.79	\$17.06	\$20.35	\$25.36
Planning and Zoning	\$5.08	\$5.40	\$5.64	\$5.79	\$6.12
Sheriff Corrections	\$30.85	\$31.84	\$32.10	\$33.37	\$33.65
Regional Office of Education	\$1.01	\$1.08	\$1.11	\$1.10	\$1.18
Extension Education	\$2.10	\$2.10	\$2.10	\$2.19	\$2.18
Veterans Assistance Commission	\$0.59	\$0.62	\$0.62	\$0.63	\$0.64

Summary of Requests

As explained previously, General Fund departments were instructed to prepare their budgets with non-personnel expenditures flat against the original FY2019 budget, with the exception of allowable increases based on competitively bid contracts or documented cost increases.

Departments were also afforded the opportunity to request funding for budget increases. A summary of those requests is provided below in addition to the FY2020 funding status.

Request	Explanation Provided by Department	FY2020 Budget Status
<u>Sheriff</u> Body Cameras	<p>Current body camera company has been bought out by another company. This means it is getting difficult to service our current body cameras. Illinois law essentially states that if a law enforcement agency has a body camera program, then all sworn officers of that agency need to have a functioning body camera. If one does not, then no sworn officer at the agency can.</p> <p>After negotiations with the new company, we can purchase new body cameras under a contract for \$116,316 per year for five years. This will help ensure that our body camera program continues, which will lead to continued transparency within the community.</p>	Funded
<u>Sheriff</u> Corrections (1) and Court Security (1) Officers	<p>Correctional Officer reasoning - the majority of the county's liability generally stems from our correctional centers. We are obligated by law to provide for the health and safety of our inmates as well as staff. As we are seeing an increase in the number of violent and "special needs" inmates coming to the correctional centers, as well as an increase in the number of transports of inmates to local hospitals and other correctional facilities, additional staff is needed to ensure a safe and secure environment. When an inmate is transported from our facility, but still in our custody, they are required to be supervised 100% of the time, including 24 hours a day when admitted to a hospital. To do this we pull from an already minimal correctional staff, usually resulting in overtime. An additional correctional officer will help with this frequent burden.</p> <p>Court Security Officer reasoning - the Sheriff is required by law to not only provide for a safe Courthouse, but also to have a Court Security Officer present during every court proceeding. Court Security Officers are sometimes required to cover two courtrooms because of inadequate staffing. An additional Officer at the Courthouse will help ensure we are in compliance with the law and help provide for a more safe, secure and professional facility. Because there are only 13 court security officers who work during the same general time period, when there are unexpected absences we have to temporarily pull from the already strained divisions of corrections or patrol. Adding an additional court security officer will help mitigate this burden.</p>	Not Funded

Request	Explanation Provided by Department	FY2020 Budget Status
<p><u>Sheriff</u> Deputy Sheriffs (2)</p>	<p>In 2008, we agreed to eliminate two deputy positions because of the county's bad financial status. As we re-evaluate today, it will be beneficial to have these two positions reinstated in order to better provide public safety to the county. In late 2018, Sheriff's Office administration and the FOP union mutually agreed to switch deputy shifts from 8 hours to 12 hours. This was to help with retention of deputies and provide for a better work-life balance.</p> <p>The addition of these two deputy positions will allow for more flexibility in providing proactive public service throughout the entire county and will help reduce the amount of mandatory overtime due to illness, injury and vacations. It will also help reduce the amount of "burn out" from deputies, resulting in a more professional, healthy and safe patrol division. Additionally, deputies are increasingly called upon to travel to other counties to pick up arrestees on Champaign County warrants. These transports take away from the number of deputies who can respond to calls for service in the community. Deputies are also increasingly checking offenders on electronic home detention (EHD) to ensure compliance with conditions. These two additional deputy positions will help ease this burden.</p>	<p>Not Funded</p>
<p><u>Circuit Clerk</u> Support for the salary and fringe benefit costs for the Financial Manager position</p>	<p>The Circuit Clerk Operations & Administrative Fund has absorbed commodities, services and personnel costs that - prior to the existence of this fund - were General Corporate Fund expenditures. We have now reached a point where the fees revenue does not cover the level of expenditure that has been assigned to the Fund. This request is that the General Corporate Fund provide a 50% contribution to the salary and fringe benefit costs for the Financial Manager position paid out of the Operations & Administrative Fund with a transfer from General Corporate Fund Circuit Clerk Budget to the Circuit Clerk Operations and Administrative Fund.</p> <p>An alternative that could help this Special Revenue Fund would be to treat the positions in the fund as if they were General Corporate Fund employees for the purpose of fringe benefits costs so that fringe benefits are paid directly out of the IMRF, Social Security and General Corporate Fund.</p>	<p>Partially funded</p>
<p><u>Coroner</u> Deputy Coroner Investigator</p>	<p>Request an additional full-time Deputy Coroner Investigator position. We currently have 4 full-time staff covering 24 hour shifts seven days per week. The total number of calls in a 24 hour period averages 7-9 per shift with multiple overlapping call outs on multiple shifts per week. We currently do not have enough staff to adequately cover all of the shifts in a week when all staff are working. We have inadequate staffing during vacations and sick leave. This is causing higher overtime costs and increased staff burnout and turnover.</p>	<p>Not Funded</p>

Request	Explanation Provided by Department	FY2020 Budget Status
<u>State's Attorney</u> Digital Evidence Management System (DEMS)	Technology to properly receive, store, and distribute digital evidence, such as body cameras, squad car cameras, surveillance cameras, etc.	Funded (in CARF)
<u>County Clerk</u> Election Equipment DS200	<p>Currently, the majority of the County's tabulators are M100s.</p> <ul style="list-style-type: none"> • Production of M100s and their software operating system have been discontinued by the County's elections equipment vendor, ES&S. • The Election Services Building is currently housing dozens of M100s in need of repair and there is no vendor to fix them. • The County does not currently have enough working M100 tabulators to have one at each polling location and M100s are no longer available for purchase. <p>DS200 Tabulators are more secure and safer.</p> <ul style="list-style-type: none"> • Currently, the County owns 16 DS200 tabulators, 12 of them are 6 years old, and 4 are 4 years old. • The DS200 has software capabilities to handle all the ballot configurations in the county, the M100 can process up to two different precinct ballot configurations. • The DS200s are the preferred tabulator for the pollbook software purchased in FY19 that is replacing the 13-year-old software. 	Funded
<u>County Board</u> From Charles Young	<p>Recommendation from Mr. Young to review and update money allotted for travel purposes:</p> <p>I am recommending that the board review and hopefully approve more money allotted for travel purposes for conferences and/or training events from the \$2,000 FY19 amount to \$10,000 for the FY20 amount.</p> <p>By increasing this amount for travel, meals and lodging purposes significantly, would make our County government travel money allotment more comparable to other inside and outside state counties government practices, as well as to other local businesses, companies and institutions such as the University of Illinois just to name one.</p>	Not Funded

FUND BALANCE SUMMARY

Champaign County's Financial Policies recommend 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 FY2018, FY2019 based on projected revenues and expenditures, and FY2020 based on the budget.

General Fund	FY2018 Actual	FY2019 Projected	FY2020 Budgeted
Fund Balance	\$3,210,666	\$6,460,236	*\$6,934,908
Expenditure Fund Balance %	8.2%	15.6%	17.2%

* The FY2020 budgeted fund balance reflects preparation of the property tax levy to secure new growth revenue in anticipation of a potential ruling in the hospital property tax exemption case. That amount is estimated to be \$474,000. Without the additional revenue, the fund balance projection is \$6.46 million of 16% of operating expenditures. At present, \$307,000 is reserved to offset the potential liability in the event of an unfavorable ruling. These reserve funds are included in the fund balances in the table above.

In FY2018, the General Fund transferred \$1.98 million to the Nursing Home allowing for the payment of the Home's outstanding accounts payable prior to the sale. This transfer resulted in the low General Fund balance in FY2018. In order to manage cash flow, the General Fund subsequently issued a Promissory Note for an equal amount in FY2019. The FY2019 projected fund balance anticipates the Nursing Home fund will reimburse the General Fund for the full amount of the transfer prior to the end of the fiscal year, thereby allowing for the repayment of the Note. In September 2019, a transfer from the Nursing Home fund to the General Fund for \$1.03 million allowed for prepayment of the Note's first principal installment and accrued interest. Careful monitoring of the ongoing financial obligations of the Nursing Home Fund will determine whether there is capacity to transfer additional cash to the General Fund allowing for the remainder of the Note to be paid prior to the end of FY2019.

Aside from the Promissory Note, the Nursing Home fund has a \$1 million outstanding loan payable to the General Fund. The loan originated from recurring borrowing for the ongoing accounts payable obligations of the Home in November 2018 through March 2019. The loan is reflected as a balance sheet transaction; therefore, the \$1 million is included in the FY2020 General Fund balance. The FY2020 budget does not include repayment of the loan.