

# **PUBLIC SAFETY SALES TAX SUMMARY**

## **Fund 106-000**

The voters of Champaign County approved, by referendum, the establishment of the ¼ Cent Special County Retailers' Occupation Tax for Public Safety, Public Facilities, or Transportation (Public Safety Sales Tax), pursuant to 55 ILCS 5/5-1006.5 on November 3, 1998.

### ***BUDGET HIGHLIGHTS***

The state-imposed collection fee on Public Safety Sales Tax revenue effective July 1, 2017 has cost the County \$246,000 since inception through August 2020.

The ¼ cent Public Safety Sales Tax is the primary source of revenue for this fund. This sales tax has historically grown at a slower rate than the County's general ¼ cent sales tax. The difference between the two is the Public Safety Sales Tax is not assessed on the sale of any vehicles licensed through the State of Illinois. In FY2020, sales tax revenue is projected to decline compared to budget as a result of the COVID-19 pandemic. FY2021 revenues are conservatively budgeted.

In FY2019, the County received \$44,000, which was pledged in 2008 by Jack C. Richmond and Marjorie Laird Richmond for installation of the gargoyles as part of the Clock and Bell Tower Restoration Project (accepted by County Resolution No. 6493). The funds were deposited in the Public Safety Sales Tax Fund in FY2019 and used to defray the debt service payments for the Refunded 2016 (2007A) Courthouse Exterior Renovation & Clock Tower Restoration Bond Issue in FY2020.

The following summarizes expenditure highlights for FY2021:

#### **Debt Service**

- Fifty-two percent, \$2.4 million, of public safety sales tax fund revenue is budgeted for debt service on bonds issued for the construction of the Courthouse and Juvenile Detention Center.

#### **Justice Technology**

- Partial funding for software maintenance for the Courts Technology system (JANO), \$40,000, is paid from this fund.

#### **Delinquency Prevention**

- Five percent of projected FY2020 revenue is designated for delinquency prevention grant funding in FY2021, \$221,354. The Board directed use of the set-aside in the amount of \$21,146, to maintain the level of funding for 2021 at \$242,500.

#### **County Board**

- Funding for the Re-Entry Program is appropriated at \$100,000. The current contract with Rosecrance for Re-Entry programming effective July 1, 2020 through June 30, 2021, at a cost of \$50,000 in FY2021. The remaining \$50,000 appropriation is available should the contract be extended, or the funds are otherwise directed by the County Board.
- A transfer to General Corporate Fund budgets, \$101,815 for the salary and health insurance cost of one lieutenant dedicated to Classification System oversight and development in the Jail.

- A transfer to the Sheriff’s Law Enforcement budget for \$731,308 for METCAD costs and other public safety software and technology expenditures.
- Payment of annual fees on the debt service covered by the Public Safety Sales Tax Fund, \$1,500.
- A transfer of \$800,000 to the General Corporate Fund to offset the utilities and minor maintenance costs of public safety buildings.
- A transfer to the Capital Asset Replacement Fund (CARF) for the technology needs of criminal justice system offices, \$240,437.

**FINANCIAL**

<b>Fund 106 Summary</b>			<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
			<b>Actual</b>	<b>Original</b>	<b>Projected</b>	<b>Budget</b>
318	9	PUB SAFETY 1/4% SALES TAX	\$4,863,990	\$4,910,625	\$4,427,085	\$4,648,439
		PROPERTY TAXES	\$4,863,990	\$4,910,625	\$4,427,085	\$4,648,439
335	60	STATE REIMBURSEMENT	\$0	\$0	\$22,000	\$0
		FEDERAL, STATE & LOCAL SHARED REVENUE	\$0	\$0	\$22,000	\$0
361	10	INVESTMENT INTEREST	\$52,097	\$40,000	\$20,000	\$15,000
369	90	OTHER MISC. REVENUE	\$396	\$0	\$0	\$0
		MISCELLANEOUS	\$52,493	\$40,000	\$20,000	\$15,000
<b>REVENUE TOTALS</b>			<b>\$4,916,483</b>	<b>\$4,950,625</b>	<b>\$4,469,085</b>	<b>\$4,663,439</b>
533	42	EQUIPMENT MAINTENANCE	\$42,530	\$30,000	\$25,644	\$40,000
533	92	CONTRIBUTIONS & GRANTS	\$300,042	\$342,500	\$342,500	\$342,500
		SERVICES	\$342,572	\$372,500	\$368,144	\$382,500
571	14	TO CAPITAL IMPRV FUND 105	\$639,975	\$675,946	\$675,946	\$240,437
571	80	TO GENERAL CORP FUND 080	\$1,483,237	\$1,516,685	\$1,486,685	\$1,633,123
571	87	TO DRUG COURTS FUND 685	\$57,944	\$61,784	\$0	\$0
		INTERFUND EXPENDITURE	\$2,181,156	\$2,254,415	\$2,162,631	\$1,873,560
581	1	GEN OBLIG BOND PRINCIPAL	\$1,375,000	\$1,510,000	\$1,510,000	\$1,650,000
582	2	INT & FEES-GEN OBLIG BONDS	\$947,512	\$857,710	\$857,159	\$756,861
		DEBT	\$2,322,512	\$2,367,710	\$2,367,159	\$2,406,861
<b>EXPENDITURE TOTALS</b>			<b>\$4,846,240</b>	<b>\$4,994,625</b>	<b>\$4,897,934</b>	<b>\$4,662,921</b>

**FUND BALANCE**

<b>FY2019 Actual</b>	<b>FY2020 Projected</b>	<b>FY2021 Budgeted</b>
\$2,583,267	\$2,154,418	\$2,154,936

The decrease in FY2020 fund balance is due to a reduction in sales tax revenues as a result of the COVID-19 pandemic. Due to bond covenants for debt financing paid from the Public Safety Sales Tax Fund, appropriation for the current fiscal year must be 1.25 times the debt service. In conjunction with the

budgeted sales tax revenues, the fund balance reserve for debt service in FY2021 is \$601,840. The General Fund has historically been reliant on borrowing from the Public Safety Sales Tax Fund during the first half of the fiscal year while waiting on the receipt of property tax revenues; therefore, the minimum fund balance recommendation is \$1 million plus the reserve required by the bond covenants, which is \$1.6 million in FY2021.

Included in the fund balance is a set-aside of unspent revenue from previous fiscal years, from Public Safety Sales Tax Fund for Delinquency Prevention Grants of \$67,478. At the beginning of FY2020, the balance increased by \$700 based on the 5% allocation of FY2019 revenues for delinquency prevention funding. The balance will remain in the Public Safety Sales Tax Fund balance until it is appropriated for requested one-time expenditures for the delinquency prevention grant funded programs. Funds are committed to the ongoing development of the Juvenile Assessment Center. The Board directed use of the set-aside in the amount of \$21,146, to maintain the level of funding for 2021 at \$242,500.