

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

FINANCE COMMITTEE MINUTES

Thursday, September 8, 2005

**Meeting Rm. 1, Brookens Administrative Center
1776 E. Washington St., Urbana**

7:00 p.m.

MEMBERS PRESENT: McGinty, Bensyl, Betz, Doenitz, Gross, O'Connor, Tapley, Wysocki

MEMBERS ABSENT: Avery

OTHERS PRESENT: Deb Busey (County Administrator), Denny Inman (County Administrator), Tim Breen (Information Technology Department), Curt Deedrich (Supervisor of Assessments), Barb Frasca (Recorder), Michael Frerichs (Auditor), Susan McGrath (Office of the State's Attorney), Elizabeth Murphy (RPC), Duane Northrup (Coroner), Julia Rietz (State's Attorney), Tiffany Talbott (Recording Secretary), Dan Welch (Treasurer), Steve Ziegler (Office of the State's Attorney)

Call to Order

Chair McGinty called the meeting to order at 7:00 p.m. A roll call confirmed a quorum was present and the Chair proceeded with the meeting.

Approval of Agenda/Addendum

The Chair requested the committee's consent to move agenda item XII to directly after Public Participation. The committee concurred.

MOTION by Wysocki to approve the agenda for the meeting; seconded by O'Connor. Motion carried.

Approval of Minutes

MOTION by Wysocki to approve the regular session minutes of August 3, 2005; seconded by Bensyl. Tapley requested a few minor revisions. Motion carried.

Public Participation

There was no one for public participation.

Budget Amendments/Transfers

MOTION by O'Connor to recommend to the County Board approval of Budget Amendment #05-00083 from Mental Health – Mental Health Board; seconded by Wysocki. Bensyl requested more information about the budget amendment. No further details other than the amendment will cover expenditures in FY2005 could be provided. Busey was sure the funds were available in the Mental Health fund balance. Motion carried.

MOTION by Bensyl to recommend to the County Board approval of Budget Amendment #05-00085 from County Highway – Highway; seconded by Doenitz. Tapley asked why this item was not in the budget. Busey stated it was an oversight due to changing County Engineers at budget time last year. Tapley asked if the Lierman Avenue Project is related to the Nursing Home. Busey stated the Lierman Avenue improvements are related to the Nursing Home because the County requested the improvements be done during this time frame due to the Nursing Home Construction Project. Motion carried.

MOTION by Wysocki for an omnibus motion to recommend to the County Board approval of Budget Amendment #05-00086 from Regional Planning Commission – Scottswood Phase II, Budget Amendment #05-00087 from Regional Planning Commission – Ludlow Public Facilities, Budget Amendment #05-00088 from Regional Planning Commission – Rankin Public Facilities, and Budget Amendment #05-00089 from Regional Planning Commission – Onarga Public Facilities; seconded by Doenitz. Motion carried.

MOTION by Doenitz to recommend to the County Board approval of Budget Amendment #05-00090 from County Motor Fuel – Highway; seconded by Wysocki. Motion carried with two no votes.

MOTION by Wysocki to recommend to the County Board approval of Budget Amendment #05-00096 from Nursing Home Bond Debt Service – County Board and Budget Amendment #05-00097 from Public Safety Sales Tax Fund – Debt Service; seconded by Bensyl. O’Connor asked for the end result of refunding the bonds. Busey explained the County will see around \$1.2 million in savings over the life of these bonds. Motion carried.

MOTION by O’Connor to recommend to the County Board approval of Budget Amendment #05-00099 from Capital Equipment Replacement Fund – Coroner; seconded by Doenitz. Wysocki questioned why there was not enough money in the Coroner’s budget to cover a transfer of \$240. Busey explained this transfer is for the Coroner’s Capital Equipment Replacement Budget. The Coroner’s Capital Equipment Replacement Budget only budgets for exactly what is scheduled to be purchased in a particular fiscal year. The purchases scheduled for this fiscal year have already been made. Therefore, there is no extra spending authority in the Coroner’s Capital Equipment Replacement Budget at this point. Northrup stated he was scheduled to replace a mortuary cot this fiscal year and the money was budgeted for its purchase. The wrong mortuary cot was shipped and had to be returned. Northrup eventually received the cot he originally ordered, but was informed he had been quoted the wrong price. The right cot was actually \$240 more than what he had budgeted, due to the misquotation. Motion carried.

MOTION by Wysocki to recommend to the County Board approval of Budget Transfer #05-00019 from General Corporate to General County; seconded by O’Connor. Tapley asked for a definition of the annual spending account fee. Busey explained this is the fee the County pays for the administration of the employees’ flexible spending accounts. Motion carried.

Treasurer **Monthly Report**

Welch compared the County’s situation a year ago to its current situation in his monthly report. Real estate taxes are 93% collected. This year’s collection is ahead of last year’s collection.

MOTION by Tapley to receive and place on file the Treasurer’s August report; seconded by Bensyl.

Wysocki asked how the remaining 7% of residents are being encouraged to pay their real estate taxes. Welch said the second reminder cards will be mailed in a week. Welch stated the use of reminder postcards saves money because the cards prompt citizens to pay their taxes before the official delinquent tax notices have to be sent. The delinquent notices must be sent by certified mail, at a significantly higher cost than mailing a postcard. Welch estimates the use of reminder cards saves Champaign County about \$5,000 a year in postage.

Motion carried.

Approval of Intergovernmental Agreement for the Calculation and Collection of Payment in Lieu of Taxes From the Champaign County Housing Authority to the Champaign County Collector

Welch stated there are three entities that make payments in lieu of taxes; the University of Illinois, the Champaign County Housing Authority, and the Rantoul Housing Authority. The housing authorities pay 10% of the rents they receive, minus utilities, in lieu of taxes. Welch reviewed the statute and realized he was taking the housing authorities' word that they were paying the correct amounts. He wrote a letter to the director of the Champaign County Housing Authority in February requesting information about the calculation of the payment amount. Welch learned there are not any written agreements between Champaign County and the housing authorities. He felt it would be prudent to have a written agreement that spells out the County's expectations. Welch worked with Joel Fletcher on this intergovernmental agreement with the Champaign County Housing Authority. The agreement addresses issues from the statute and clarifies how the housing authority should prepare its annual report.

MOTION by Bensyl to approve the Intergovernmental Agreement for the Calculation and Collection of Payment in Lieu of Taxes from the Champaign County Housing Authority to the Champaign County Collector; seconded by Tapley. Motion carried.

Resolution Authorizing County Board Chair to Execute Deed of Conveyance Permanent Parcel No. 21-34-34-305-015

Welch stated this resolution was to convey a deed from the County to a tax buyer. Welch gave background on the procedures that come into play if taxes are not paid on a property. The piece of property in question has completed all the stages required by law and the property will be deeded to a tax buyer and entered back on the tax rolls to generate future tax revenue.

MOTION by Wysocki to approve the Resolution Authorizing County Board Chair to Execute Deed of Conveyance Permanent Parcel No. 21-34-34-305-015; seconded by Tapley.

Gross asked how the County's portion of the payment is determined. Welch explained the agreement between the County Trustee and the County Board gives the County a portion of the overall minimum bid. Welch said the minimum bid is often higher than what the property is worth. Welch would like the County Board to reconsider the use of a minimum bid for these properties in the future.

Motion carried.

Auditor
Purchases Not Following Purchasing Policy

Frerichs distributed this report for information only.

Monthly Report

MOTION by Bensyl to receive and place on file the Auditor's July report; seconded by Tapley. Motion carried.

Request to Submit Administrative Secretary Position to Job Content Evaluation Committee for Re-evaluation

Frerichs stated the Administrative Secretary in his office has taken on increased responsibilities to help maintain the accounting system over the last several years. He requested the position be re-evaluated by the Job Content Evaluation Committee.

MOTION by O'Connor to submit the Administrative Secretary Position to the Job Content Evaluation Committee for re-evaluation; seconded by Gross. Motion carried.

State's Attorney

Request Approval of Application for and, if awarded, Acceptance of Renewal of Victim Advocacy Grant

Rietz stated this is a renewal of a grant her office has received for many years.

MOTION by Wysocki to approve the application for and, if awarded, acceptance of renewal of Victim Advocacy Grant; seconded by Tapley. Motion carried.

Supervisor of Assessments

Job Content Evaluation Committee Recommendation Regarding Review of Clerk and Appraiser/Analyst Positions

Deedrich submitted a request to have a Clerk position upgraded to Senior Clerk to mainly handle the exemptions area. The Job Content Evaluation Committee reviewed the proposed position and decided that no change to the current classification of Clerk is required at this time. During the Job Content Evaluation Committee meeting some questions came up about the way the proposed job description was structured and how it should be rewritten to a certain degree. Deedrich will take this under advisement and might resubmit the Senior Clerk position at a later time. Deedrich withdrew his request for an Appraiser/Analyst position.

County Administrator

General Corporate Fund FY2005 Revenue/Expenditure Projection Report

Busey stated the report looks the same as it has in previous months. The projected expenditures continue to predict that additional expenditure authority will be needed for SLEP Overtime, Postage, Purchasing Document Stamps, Commodities, and Gas Service. Many of the other lines look like they will be underspent. The total projected underspending is \$921,000. The end-of-year fund balance appears to be negative by \$400,000, based on 100% receipt and expenditure of the current budgeted amounts. However, the projected end-of-year fund balance is a \$1.2 million surplus.

Gross asked if the projected surplus means something in next year's budget could be funded with the surplus. Busey recommended only funding a one-time expense with the surplus because there is no guarantee the County would have this kind of revenue surplus in the following years. At least \$800,000-\$900,000 of the revenue surplus is from two one-time revenue sources. The committee discussed re-appropriating funding not spent in the FY2005 budget to the FY2006 budget. Busey described how the re-appropriation process would have to be implemented.

General Corporate Fund Budget Change Report

Busey noted the list of budget changes is growing. She pointed out on a list of \$1,264,687 in added expenses, just a little over \$800,000 of that amount is for three one-time areas of expense.

Tapley did not see the inmate phone contract listed under revenue changes. Busey explained only increased revenue changes are listed, not those changes that decrease the revenue. This report reflects how the budget looks on paper. Tapley requested a table be included to show expenditure changes with corresponding revenue changes together. Busey was willing to include the table.

Request for Approval of Purchase of 100 Additional Licenses for Kronos

Busey stated nine hundred employee licenses were purchased with the Kronos system. It was known that more leases might be needed, but it was better to wait until it was definitely known more would be needed and how many. The licenses are for use by both permanent and temporary staff. The recommendation is to purchase 100 additional licenses. This would be a second lease schedule to the master lease agreement the County already entered into. A payment of \$225.33 would be added to the current monthly payments.

MOTION by Tapley to approve the purchase of 100 additional licenses for Kronos; seconded by Wysocki. Motion carried.

Request Approval for Upgrade to Justice Systems Technology AS 400s

Busey stated the Justice Systems Technology Project was initiated in 2002. At that time, the County purchased two IBM AS400s to run the system. One AS400 was for the Jano side of the project and the other AS400 was for the New World Systems, which is the Sheriff's side of the Justice Systems Technology Project. Three years later, these systems are now eligible for upgrade. IBM is currently offering incentives if the County upgrades. The original purchase of the AS400s included the ongoing software and maintenance costs for three years. It was anticipated that the County would have to begin paying for maintenance costs on a monthly basis in October 2005. The AS400 for the New World Systems technology has experienced greater demand than originally anticipated because of the number of agencies accessing and using the information. It frequently experiences slow processing time, which causes an operational difficulty for all those relying on the system to obtain information. The upgrade would allow the system to operate more efficiently and timely. The recommendation is to lease a new, upgraded AS400 for a period of three years. The cost would be \$3,308/month or \$39,696/year. It was already anticipated it would cost \$2,673/month or \$32,077/year to cover the maintenance on the existing AS400s. In addition to the lease, the County would have to provide an upfront payment for the prepaid hardware and software maintenance of \$37,546.40 on the new AS400.

Busey provided the project budget approved by the County Board in 2002. There is still about \$12,000 left in the contingency line of this budget. The committee would need to approve an additional \$25,000 to the total project budget for this upgrade recommendation.

Tapley asked about the Project Manager Cost in Excess of Original Budget line in the project's contingency budget. Busey explained this was because the Project Manager had to stay on an extra year and that came out of the contingency budget. The current go-live date for this project is January 2006. Rietz stated she will attend training for the system next week and will be able to alert the Project Manager to any problems she comes across. She said the Project Manager has been vital in translating the needs of the justice system to the computer people. Busey said the \$25,000 would come from the Public Safety Sales Tax Fund balance. Rietz and Busey answered questions about the Justice Systems Technology Project from committee members who were unfamiliar with the project, because they were not Board members when it was initiated.

MOTION by Gross to recommend to the County Board approval of a lease agreement with Jano Justice Systems for the LPAR upgrade to 520-903 for the justice systems AS400 with a three-year lease in the annual amount of \$39,696 – total amount of \$119,088, and an initial payment for the prepaid hardware and software maintenance on the leased equipment in the amount of \$37,546.40. It is further recommended for the County Board to approve an increase of \$25,000 to the total Justice Systems Technology Budget to accommodate this agreement. Motion seconded by Wysocki. Motion carried with one no vote.

Update Report on FY2006 Budget

Busey stated the update is primarily focused on the General Corporate Fund. The County Facilities Committee presented a program change request for capital improvements at the August 23rd Legislative Budget Hearing. The program change request has been worked on since the hearing and Busey presented the result. The

improvements deemed to be capital improvements, which could be budgeted for on an annual reserve basis are reflected in an attachment passed out to committee members. The cost and schedule of purchase for the improvements are included. The plan brought the cost of the items from \$302,000 to \$113,600 that would need to be appropriated from General Corporate in the FY2006 budget. All but \$49,000 of the \$113,600 would be set aside in reserve for the future expenditure of those items in the year they are scheduled to occur. Other improvements requested in the County Facilities Committee's program change request relate to other existing budgets. The goal is to attempt to accomplish most of those requests within the existing budgets. This amounts to another \$67,675 from the original request from County Facilities that would not need to be added to the FY2006 budget.

Busey prepared a prioritization list the of General Corporate Fund FY2006 program change requests for the Finance Committee's review and determination of how these requests should be handled. Busey gave her recommendations for program change requests to be included in the FY2006 budget.

Wysocki suggested both caucuses will want to review the program change requests and agree on what requests will be funded. The committee concurred. Busey answered questions from committee members about the budget figures. Busey said the committee can adopt the FY2006 Tentative Budget without adopting any of the program change requests at this time. McGinty was extremely pleased with the historical data provided. He noted prioritization is very difficult when there is only so much money to go around and still have a balanced budget.

Deedrich addressed the two program change requests from the Supervisor of Assessments' Office. He said his office has performed with due diligence and met with all nineteen of the Assessors to try and get their arms around the market. He said he is pretty sure this is the amount of publication notices they will be making and it is mandated by statute. The other request was Board of Review envelopes to mail multiplier notices. Deedrich said it is prudent to do proper budgeting and it would be unfortunate to come back to the committee.

Recommendation to Receive and Place on File FY2006 Tentative Budget

MOTION by Tapley to receive and place on file the FY2006 Tentative Budget; seconded by Wysocki.
Motion carried.

Audit Selection Subcommittee

Recommend Approval of Selection of Audit Firm for Financial Auditing Services for Champaign County

MOTION by Wysocki to approve the award of contract for audit services for Champaign County to Bray, Drake, Liles & Richardson LLP; seconded by Bensyl.

Tapley asked if this firm was the lowest bid. Busey confirmed Bray, Drake, Liles & Richardson LLP submitted the lowest bid and she was even able to take \$11,000 out of the FY2006 budget as a result of this response.

Motion carried

Recorder

Request Approval of Resolution Imposing a Tax on the Privilege of Transferring Real Estate and Beneficial Interest in Real Estate

Frasca explained the State of Illinois and the County apply a transfer tax to property transactions. The rate of the transfer tax is \$1.00 per \$1,000.00 to the state and \$0.50 per \$1,000.00 to Champaign County when property is deeded. The Department of Revenue has passed a law concerning certain types of transactions, such as long-term leases, assignments of beneficial interest, and co-op deeds. These types of transactions were not taxed in the past because the documents are not actual deeds. The new law applies the state's portion of the transfer tax to long-term leases, assignments of beneficial interest, and co-op deeds. This resolution is to generate the tax on those documents

for the County. Frasca stated very few of the documents concerned are done each year; the possible revenue is approximately \$1,000.

O'Connor asked if this was an increase on what he would call "a common transaction between family members." Frasca replied the resolution does not change the current status of the transfer tax. The law adds three types of documents to those that can be charged a tax. Tapley asked if anything negative would occur if the resolution is not passed at this meeting. Frasca said it would not negatively impact the County; the County would only be missing out on some revenue.

MOTION by Wysocki to approve Resolution Imposing a Tax on the Privilege of Transferring Real Estate and Beneficial Interest in Real Estate. Motion failed due to lack of a second.

Frasca wanted the committee to understand that when long-term leases, assignments of beneficial interest, and co-op deeds come into her office, the state will collect a transfer tax and the Recorder will not be allowed to charge or collect the County's portion of the transfer tax. The committee understood.

Tapley suggested that someone attempt to quantify the impact of the Resolution Imposing a Tax on the Privilege of Transferring Real Estate and Beneficial Interest in Real Estate. He was hesitant to second or vote on an issue when it is unknown how much money it would raise. He would like to discuss the resolution at a later meeting with more information provided. McGrath thought such a report could be created. The committee concurred with this suggestion.

Chair's Report

There was no Chair's Report.

Other Business

There was no other business.

Designation of Items to be Placed on County Board Consent Agenda

The Chair designated all budget amendments and transfers, except #05-00090, and items VI B & C, X C and XI A for the County Board consent agenda.

Adjournment

Meeting was adjourned at 8:12 p.m.

Respectfully submitted,

Kat Bork
Administrative Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.