

CHAMPAIGN COUNTY BOARD  
**COMMITTEE MINUTES**

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**FINANCE COMMITTEE MINUTES**

**Thursday, October 6, 2005**

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

7:00 p.m.

**MEMBERS PRESENT:** McGinty, Avery, Bensyl, Betz, Gross, O'Connor, Wysocki

**MEMBERS ABSENT:** Doenitz, Tapley

**OTHERS PRESENT:** Deb Busey (County Administrator), Andrew Buffenbarger (Nursing Home Administrator), Curt Deedrich (Supervisor of Assessments), Linda Frank (Circuit Clerk), Michael Frerichs (Auditor), Susan McGrath (Office of the State's Attorney), Duane Northrup (Coroner), Mark Shelden (County Clerk), Dan Welch (Treasurer), Walt Wolfe (Sheriff's Office)

**Call to Order**

Chair McGinty called the meeting to order at 7:00 p.m. The Recording Secretary called the roll. Declaring a quorum present, the Chair proceeded with the meeting.

**Approval of Agenda/Addendum**

**MOTION** by Betz to approve the agenda and addendum for the meeting; seconded by Bensyl. Motion carried.

**Public Participation**

There was no one for public participation.

**Budget Amendments/Transfers**

**Budget Amendment #05-00100**

**MOTION** by Wysocki to recommend to the County Board approval of Budget Amendment #05-00100 from Animal Control – Animal Control; seconded by Betz. Motion carried.

**Budget Amendment #05-00101**

**MOTION** by to Bensyl recommend to the County Board approval of Budget Amendment #05-00101 from General Corporate – Sheriff; seconded by Wysocki. Motion carried.

**Budget Amendment #05-00102**

**MOTION** by to Betz recommend to the County Board approval of Budget Amendment #05-00102 from Nursing Home – Administrative, Nursing Home – Nursing Services, Nursing Home – Maintenance, Nursing Home – Dietary, and Nursing Home – Alzheimer's Unit; seconded by Wysocki.

Betz requested an explanation of this budget amendment. Buffenbarger stated the amendment was in line with the budget presentation he made during the Legislative Budget Hearings at the end of August. He felt the IMRF budget line could be misleading. The Nursing Home Controller combined all of the IMRF lines for the entire budget into one IMRF budget line. It appears there is only \$24,494 within this budget, when the Nursing Home actually needs an additional \$174,560 for IMRF. The actual IMRF budget, for which an increase is requested, is \$315,000, not \$24,494. Buffenbarger continued his explanation by describing how nearly all of the extra expenses have to do with wage expense. The wage expenses for this year were much higher than projected due to overtime expenses. A QA Nurse position was converted into an Assistant Administrator position with a corresponding salary increase. There was an additional expense for some unanticipated diversity training in the Employee Development/Recognition budget line. The increase to the Professional Services budget line relates to the certificate of need for the new Nursing Home.

Busey provided further financial information to the committee. The Nursing Home began this fiscal year with a \$1 million fund balance. The fund balance will likely be completely spent in this fiscal year. Busey has spent a great deal of time reviewing the budget figures with the Nursing Home Controller and Nursing Home Administrator. Busey believes this budget amendment is more than enough to get the Nursing Home through the rest of the fiscal year. The FY2005 ending deficit for the Nursing Home is likely to be between \$750,000 and \$1 million. Projections for future fiscal years lead Busey to believe this situation is not permanent and a rebounding will occur. Later in this Finance meeting, the committee will discuss a loan for the Nursing Home. A special Finance Committee meeting will be requested to review the FY2006 Budget and more specific projections with regard to the Nursing Home will be provided then.

Avery entered at 7:07 p.m.

Bensyl asked if the additional funds requested for the Professional Services budget line were unanticipated expenses for obtaining the certificate of need and if the expense was related to the problems at the new building. Buffenbarger did not know exactly what the money was used for, other than it relates to the certificate of need process. Busey said the extra expense was directly related to legal fees.

Wysocki asked what will be done to correct these financial problems. It was anticipated there would be some additional financial burden during the process of moving into a new facility. Overtime expenses do not seem to apply to the facility move but the use of labor within the current facility. Wysocki said she is not inclined to move into a new facility with the same problems of inefficiency as the old. Wysocki asked if the nursing staff would be better used in the new facility or would current practices be maintained. Buffenbarger described how a couple of problems have attributed to the use of overtime staffing. The old facility is segmented and requires a large amount of staff. The current attendance policy is problematic and is being reviewed.

Motion carried with one nay vote by Avery.

#### Budget Amendment #05-00103

**MOTION** by to Betz recommend to the County Board approval of Budget Amendment #05-00103 from Election Assistance/Accessibility – County Clerk; seconded by Bensyl.

Bensyl requested an explanation for this amendment. Busey stated this is a grant the County Clerk has received to make improvements that are required at precinct polling places, likely to do with accessibility.

Avery stated she would vote against this budget amendment because the County Clerk left the meeting and is not present to answer questions.

Motion carried with one nay vote by Avery.

Budget Transfer #05-00021

**MOTION** by to Wysocki recommend to the County Board approval of Budget Transfer #05-00021 from General Corporate to County Board; seconded by Bensyl.

Avery asked where the funds are transferring from. Wysocki said the funds are coming from the Per Diem line. Avery asked if it would be enough to cover until the end of the year. Wysocki said Mr. Holliday told her it would be enough.

Motion carried with one nay vote by Avery.

Budget Amendment #05-00104

**MOTION** by to O'Connor recommend to the County Board approval of Budget Amendment #05-00104 from General Corporate – Coroner; seconded by Bensyl.

Betz asked the reasoning for the increase. Northrup explained his office has performed seventy-five autopsies this year to date. Last year eighty-six autopsies were performed. His office is averaging eight autopsies per month. According to the number of autopsies already performed and projecting an average of eight autopsies per month for the remainder of the year, there will be a shortfall in the budget line. Northrup arrived at the requested figure based on the estimated cost per autopsy. The Coroner's Office has no way of accurately predicting how many autopsies they will be required to perform in a given year. Northrup is requesting the additional funding with the idea that he can transfer some money into the Laboratory Fee line item if necessary. The cost of laboratory fees depends on what tests are needed for each particular autopsy. Every autopsy requires a toxicology test; the basic fee for this test is \$165. Northrup factored in the \$165 fee for each of the projected autopsies. All of the autopsies are done in Bloomington.

Betz asked if the budget amendment included transportation costs. Northrup stated transportation falls under the Fuel line item and an employee's time for transportation falls under the Wages line item. Betz asked if the Fuel line item was okay. Northrup said yes, but he has already made transfers into the Fuel line from other line items this year.

Motion carried.

Budget Amendment #05-00105

**MOTION** by to O'Connor recommend to the County Board approval of Budget Amendment #05-00105 from Election Assistance/Accessibility – County Clerk; seconded by Bensyl.

Betz asked where the \$223,147 difference between increased appropriations and increased revenue would be coming from in the General Corporate budget. Sheldon said the funding was Busey's responsibility. Busey stated Sheldon had not discussed with her whether he had any grant money available to cover this amount. Sheldon said another state grant might be available to cover the remainder of these costs at some time in the future. Right now there is no funding to cover this gap in appropriations and it would have to come from the General Corporate Fund balance. Betz asked when this second grant process scheduled to begin. Sheldon stated the State of Illinois guaranteed \$5,000 for each of the accessible machines in Title III funds. The State is waiting until every county has received their share of the \$5,000 per machine money until they will release the remainder of the federal funding. The division of the remaining federal funding and what it can be used for is being debated. Betz is concerned taking over \$200,000 out of the General Corporate Fund balance. Busey said the expense is coming from a different fund than General Corporate. Once the General Corporate Fund's contribution is known, a budget amendment will have to be prepared to increase appropriations to the Election Fund. Based on her projection report, Busey said General Corporate could end FY2005 with a \$1 million excess in revenue. One-time revenues in General Corporate have been discussed at past Finance

Committee meetings. Busey would expect part of the one-time excess revenue would be designated to pay for the General Corporate's contribution for the purchase of the election equipment. Betz asked if the contribution from General Corporate would be returned to General Corporate if the County Clerk receives the other grant he mentioned. Shelden said he presumed the funding would be returned to the General Corporate Fund balance. Shelden asked if an interfund loan could be done to his office from General Corporate to make clear the intent to pay back the money. He would also like to be able to purchase another piece of election as well. Betz requested a memorandum of understanding written to reflect that the County Clerk will be repaying General Corporate for the election equipment. Shelden agreed. McGrath recommended including the memorandum of understanding in the motion. Busey said it would be appropriate to prepare the memorandum when it is known how much General Corporate will spend. Betz declined to amend the original motion, but requested the discussion be reflected in the meeting's minutes.

Wysocki asked if the grant money was connected to the HAVA federal money. Shelden stated this is the HAVA money passed through the State Board of Elections to the counties. Champaign County is receiving more than the County Clerk originally anticipated. Many ongoing debates have been held concerning how the money would be divided almost the units of government. Shelden has been a proponent of more funding being allocated to counties.

Busey asked if there was a requirement that the grant money be deposited in a separate fund rather than General Corporate. Shelden said the money could be deposited in General Corporate, but it is being placed in a separate fund to avoid the co-mingling of grant dollars with non-grant dollars.

Motion carried.

Wysocki requested Shelden answer questions the committee had about Budget Amendment #05-00103 since he was not present when that item was discussed. Shelden explained his office received grant money last year to make polling places more physically accessible. Some of the grant money was spent on temporary ramps. The grant money was received around budgeting time last year and Shelden neglected to inform Busey the grant money should go into this fiscal year's budget. The costs of the accessibility projects will be brought up as each project occurs. This amount will cover the remaining projects for this year. The grant money has been appropriated in the next fiscal year's budget. Avery stated she probably would have voted to approve Budget Amendment #05-00103 if Shelden had been present to explain it concerned grant money already received. Shelden apologized and said he wanted to get the contract before the committee. He asked how the contract should be handled because it is not on the agenda, but it is connected to the budget amendment that was approved. McGrath said the contract is an extension of the approved budget amendment. The contract does not have to be executed by the County Board because it is a contract between the County Clerk's Office and ESNS for the purchase of the equipment. Shelden has already been authorized to purchase the equipment.

### **County Administrator**

#### **General Corporate Fund FY2005 Revenue/Expenditure Projection Report**

Busey passed out updated General Corporate Fund reports. She reported the projections continue to look substantially the same as they have throughout the year. The budget has changed so the amount of difference does not appear as great for certain line items. For example, Non-Business licenses & Permits line has been increased and is projected against the new budget figure. Everything remains fairly stable. It is projected the County will achieve 102% of the current budgeted revenue, which is about \$1.6 million more than the original budgeted revenue for this fiscal year. It is anticipated the current expenditure budget will be underspent by about \$970,000. According to this report, the County could end the year with \$1.4 million revenue in excess of expenditure.

#### **General Corporate Fund Budget Change Report**

This report showed the changes to revenue and expenditure throughout the year. Busey reformatted the report at the request of the Finance Committee to reflect if an expenditure change had a corresponding revenue change. The County has added \$1.8 million in expenditure and \$1.6 million in revenue to the FY2005 Budget.

Recommendation Regarding FY2006 Staffing – Elimination of Positions Currently Budgeted at \$0

Busey explained in 2002 the County Board identified positions that had been vacant for twelve months and decided to budget these positions at zero dollars. These positions were not eliminated at that time in the chance the positions would require reinstatement in the future. The County has gone three fiscal years with these positions budgeted at zero dollars. Busey recommended these positions be eliminated for the sake of clarity and a more accurate staffing budget.

**MOTION** by Betz to approve the County Administrator's recommendation to eliminate all staffing positions currently budgeted at \$0, seconded by Avery.

Linda Frank was present to speak about this issue. Frank stated she understood the County Board's budget constraints. She informed the committee of the benefit time her staff earns each year and how it ~~affects~~ *affects* the functioning of her office. Frank stated her staff is largely composed of younger females and most are of child-bearing age. In August and September, Frank had two employees out on maturity leave, one of whom is still on leave. This poses a staffing challenge. The Circuit Court has a full compliment of judges and the Court has accelerated the timeframe of its criminal cases in an attempt to address overcrowding issues in the County Jail. Administrative orders have increased her office's workload; such as delivering files to courtrooms. Frank further stated the installation of the new Jano Justice System would significantly alter the work in her office. How this will affect the staffing in the Circuit Clerk's Office is unknown. Frank would welcome an analysis of her staffing needs after the Jano Justice System is working. She requested the two positions budgeted at zero in her office not be eliminated.

Betz said there was nothing preventing the Circuit Clerk from requesting positions be added to her office at a later date if deemed necessary. Frank said she needs the staffing now to accommodate benefit time, maturity leaves, and give her office flexibility. She said it is not costing the County any additional money. Betz asked why Frank did not request the positions be funded if she felt they were needed to accommodate benefit time. Frank said she submitted a program change requested to the FY2006 Budget for funding the two Legal Clerk positions. She stated having the positions currently unfunded gives her more play with being able to hire enough staff for situations when staff is gone. Betz stated his concern that each of the departments with positions funded at zero could make a similar argument. Busey noted a temporary employee can be hired to fill in for a permanent employee on a leave of absence. Permanent staff are being paid for vacations, sick leave, and personal leave, so the use of temporary staff to cover those absences could overspend the budget. Frank said temporary employees are utilized, but it takes a long time to train someone for the Circuit Clerk's Office. She said there have been at least thirty-one employees on staff in the last six months.

Bensyl asked if the Circuit Clerk's Office currently has filled thirty-two positions at the funding of thirty positions. Bensyl thought it sounded like Frank has filled the unfunded positions. Frank stated as of today all positions are filled, but two regular employees are off on maturity leave. Franks said she needs more staff to cover when employees are on vacation or maturity leave. Bensyl asked if all the Circuit Clerk's staff came to work on a given day, there would be thirty-four employees instead of the thirty-two budgeted positions. Franks said she has never had absolutely every employee come to work on a given day, but if that happened Bensyl is correct. Bensyl asked, for the record, if the Circuit Clerk had thirty-four employees working on a budget that would normally pay thirty-two. Busey clarified that the number of employees referred to should be thirty-two and thirty, not thirty-four and thirty-two.

Betz requested a roll call vote. The Recording Secretary called the roll. Motion carried with Bensyl, Betz, Gross, McGinty, and Wysocki voting aye and O'Connor voting nay. Avery was not in room at the time of the roll call vote at 7:49 p.m.

Later, the committee returned to this discussion when Bensyl had a question. The Circuit Clerk had previously left the meeting. Bensyl asked if the Circuit Clerk would have to terminate two employees because the two positions budgeted at zero dollars have been eliminated. The committee discussed the positions. Busey explained the Circuit Clerk has filled thirty-two positions and only thirty are budgeted. Should eliminating the positions be approved by the County Board, Frank would have to terminate any employees beyond the thirty approved Clerk positions. O'Connor asked how Frank could budget for two extra employees. The Circuit Clerk staffing budget has remained balanced due to employee turnover in the Circuit Clerk's Office.

#### GFOA Training Opportunity

Busey stated the Government Officers Finance Association has a training opportunity through a teleconference on January 25, 2006 about budgeting for outcomes. Budgeting for outcomes has been discussed at the Finance Committee. In order for Champaign County to move forward with this budgeting issue, Busey recommended the Finance Committee be more familiar with it. Busey wanted to know if the Finance Committee would be interested in hosting this teleconference and inviting other County Board members and the Cities of Champaign & Urbana to attend. This teleconference will cost practically nothing and will come out of the current budget. Gross said the use of budgeting for outcomes is a good idea to budget more effectively and she is enthusiastic about the teleconference. Wysocki suggested extending an invitation to the County Board Chair and Finance Chair of Ford County and Vermillion County. McGinty said he shares the enthusiasm of Gross and Wysocki for this topic. It was the consensus of the committee that Busey should proceed with the teleconference. Busey will let all Board members and elected officials know about the teleconference and encourage them to attend.

#### FY2006 Update and Request for Special Meeting

Busey said she wants to confirm personnel (which represents 70% of the General Corporate Budget) with departments after the current pay period ends this week. Busey requested a special Finance Committee meeting to review the General Corporate Fund Budget on October 26<sup>th</sup> or 27<sup>th</sup>. The committee chose October 26<sup>th</sup> at 7:00 p.m. for a special Finance meeting. Wysocki requested the meeting start at 6:00 p.m. and the committee agreed. Busey thanked the committee.

#### Treasurer

##### Monthly Report

Welch said real estate taxes are 98.56% collected. Yesterday over 2,000 delinquent tax notices were sent via certified mail. Today was the last day to pay your taxes and avoid having your name published in the newspapers.

**MOTION** by Betz to receive and place on file the Treasurer's September monthly report; seconded by Wysocki. Motion carried.

#### Auditor

##### Purchases Not Following Purchasing Policy

Frerichs provided this report for information only.

##### Monthly Report

Frerichs brought to the committee's attention that this monthly report was for the period ending August 31, 2005. He stated it takes a while to tie up the books at the end of the month.

Report and Recommendation of Job Content Evaluation Committee Regarding Position of Administrative Secretary

This item was deferred to the November meeting.

**Circuit Clerk**

Communication from Circuit Clerk Regarding Elimination of Positions Currently Funded at \$0

The Circuit Clerk presented her communication regarding the positions at an earlier point in the meeting.

**County Clerk**

Presentation Regarding New Election Equipment

McGrath stated the presentation regarding new election equipment was the contract the County Clerk passed out to the committee during the discussion of Budget Amendment #05-00105, so no further action was needed.

**Sheriff**

Request Approval of Contract for Law Enforcement Services for the Village of Savoy and Contract for Law Enforcement Services for the Village of St. Joseph

**MOTION** by Betz to approve the Contract for Law Enforcement Services for the Village of Savoy and the Contract for Law Enforcement Services for the Village of St. Joseph; seconded by O'Connor. Motion carried.

**Nursing Home**

Request Approval of Loan for Champaign County Nursing Home

**MOTION** by Bensyl to approve the loan for the Champaign County Nursing Home for purposes of discussion; seconded by Betz.

Documents were passed out to committee members about a short-term loan program through the Illinois Funds. Welch led the presentation with information about the loan program. The program is through the Illinois State Treasurer's Office. The State Treasurer's Office places the loan money into a local financial institution, such as Busey Bank, at a below market rate of interest (70% of previous day's T-Bill). On September 30<sup>th</sup> the rate was 2.86%. The other component of the loan interest rate is the rate the local financial institution would charge. The bank can charge up to 2.5% above that rate. The loan is then made by the local bank. Welch provided possible scenarios for a loan of \$400,000 over varying lengths of time. Welch stated this is a program designed for this type of loan. In the past, the Nursing Home has been able to borrow against its funded depreciation account. The Nursing Home's funded depreciation account was zeroed out about a year ago. In Welch's opinion this is a good loan program and a good opportunity. He has spoken with Busey Bank about options.

McGrath stated the loan program is fairly new. She contacted the State to find out what the State or local bank would require in terms of a potential guarantee or collateral. The Nursing Home does not have an answer for this right now because the actual loan documents have not been generated. McGrath also learned the County Board would be required to pass a resolution approving both the completion of the application and participation in the short-term loan program. Such a resolution would have to go before the full County Board this month.

Buffenbarger explained over the last couple of years, the Nursing Home has operated with expenses in excess of revenue. The depreciation fund has been used as a cash source to prop up the facility, but these funds are depleted and the Nursing Home continues to operate with expenses in excess of revenue. The Nursing Home simply does not have the cash to pay its bills. In the middle of FY2005, the Nursing Home went to a thirty-day pay. At the end of the fiscal year, the Nursing Home must pay all the outstanding bills on a thirty-day net. Buffenbarger expects the cash flow situation will change once they move into the new facility. He does not think the repayment of the loan will be a

matter of great concern. There will be a cash shortfall for the first few months of the next fiscal year. Buffenbarger expects the situation to correct in June, approximately.

Gross asked how much money the Nursing Home desired to borrow. Buffenbarger stated the amount was \$400,000. Gross asked why the Nursing Home Administrator thought moving into the new facility would change the revenue situation enough to both meet expenses and pay back a \$400,000 loan. Buffenbarger said the Nursing Home is currently licensed for 243 beds, of which 215 are actually usable. The new facility will enable the use of all the licensed beds. The new kitchen will allow a switchover to homemade preparation style to cut food costs. The staff will be used more efficiently in the new facility because the building is not so segmented. Gross asked if the cash flow problem had any relationship to payments from Medicaid. Buffenbarger said no.

Betz asked if the resolutions for a Nursing Home loan would be submitted to the October or November County Board agenda. McGrath stated the resolutions should go to the October County Board meeting. Busey said the appropriate resolutions could be prepared for the October County Board meeting to reflect the recommendation from the Finance Committee regarding the loan.

**MOTION** by Betz for a friendly amendment to the previous motion to approve enrollment in and submission of application for the Illinois Funds – Local Government Short-Term Loan Program for a loan to the Nursing Home in the amount of \$400,000 for a twelve-month period and forwarded for adoption to the County Board. Amendment approved by Bensyl, who made the original motion.

Busey pointed out the loan would be received in December 2005 and would need to be paid back in November 2006. It is possible the Nursing Home will not be able to fully pay back the loan at the end of twelve months. Busey would probably recommend the Finance Committee authorize a loan from the General Corporate Fund to the Nursing Home to pay the State of Illinois back in full. The Nursing Home could then pay back the loan from General Corporate within six months. Busey wanted the Finance Committee to be aware such a situation might occur.

Bensyl is concerned with the Nursing Home borrowing money to pay expenses after years of deficit spending. He hopes the projections come true. Busey noted this financial information was a part of the campaign when the voters passed the Nursing Home referendum.

Motion carried.

### **Chair's Report**

There was no Chair's Report.

### **Other Business**

Betz stated the Policy, Personnel, & Appointments Committee forwarded a memorandum to the Finance Committee recommending a \$50,000 diversity study be added as an expense to the FY2006 Budget. The memorandum has not been received by the Finance Committee at this time.

### **Closed Session Pursuant to 5 ILCS 120/2 (c) 1 to Consider the Employment, Compensation, Discipline, Performance, or Dismissal of an Employee**

**MOTION** by Betz to enter into closed session pursuant to 5 ILCS 120/2 (c) 1 to consider the employment, compensation, discipline, performance, or dismissal of an employee. He further moved that the following individual remain present: the Recording Secretary. Motion seconded by Bensyl. Motion carried.

Recording Secretary called the roll. The Chair declared closed session at 8:23 p.m. The committee resumed open session at 8:55 p.m.

**Designation of Items to be Placed on the County Board Consent Agenda**

The Chair designated agenda items IV A, B, F, and G for the consent agenda. Both items from the Sheriff's Office and the Nursing Home listed on the addendum were designated for the consent agenda.

**Adjournment**

Meeting was adjourned at 8:57 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.*

*Changes approved by committee on 1/12/06 are noted in italics.*