

CHAMPAIGN COUNTY BOARD  
**COMMITTEE MINUTES**

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**FINANCE COMMITTEE**

**Thursday, February 8, 2007**

**Lyle Shields Meeting Room, Brookens Administrative Center  
1776 E. Washington St., Urbana**

7:00 p.m.

**MEMBERS PRESENT:** Doenitz, Gross, Jones, McGinty (Chair), O'Connor, Weibel, Wysocki

**MEMBERS ABSENT:** Tapley

**OTHERS PRESENT:** Kat Bork (Recording Secretary), Deb Busey (County Administrator of Finance & HR Management), Tony Fabri (Auditor), Denny Inman (County Administrator of Facilities & Procurement), Susan McGrath (Senior Assistant State's Attorney), Dan Welch (Treasurer)

**CALL TO ORDER**

Chair McGinty called the meeting to order at 7:00 p.m. The Recording Secretary called the roll. Doenitz, Gross, Jones, McGinty, O'Connor, Weibel, and Wysocki were present at the time of roll call. McGinty declared a quorum and proceeded with the meeting.

**APPROVAL OF AGENDA/ADDENDUM**

**MOTION** by Jones to approve the agenda and addendum; seconded by Weibel. **Motion carried.**

**APPROVAL OF MINUTES**

**MOTION** by to Doenitz approve the regular session Finance Committee minutes of January 11, 2007; seconded by Wysocki. **Motion carried.**

**PUBLIC PARTICIPATION**

There was no public participation.

**BUDGET AMENDMENTS/TRANSFERS**

Budget Amendment #07-00017

**MOTION** by Gross to recommend to the County Board approval of Budget Amendment #07-00017 from Fund 081 Nursing Home – Department 410 Administrative for increased appropriations of \$3,240,000 for the Grant Match line with increased revenue of \$3,240,000 from the Medicaid Title XIX (IPA) line; seconded by Wysocki.

Weibel asked about the procedural change that necessitated the budget amendment. No one from the Nursing Home was present, so Busey said the state has changed their procedures regarding intergovernmental transfers. It is effectively based on the number of Medicare beds filled in the facility and the federal dollars that now come directly to the Nursing Home, which are then turned over to the state for Medicare funding.

O'Connor asked if the County was still waiting on state reimbursement. Busey said the County is not waiting on state reimbursement for the Nursing Home.

**Motion carried.**

Budget Amendment #07-00019

**MOTION** by Wysocki to recommend to the County Board approval of Budget Amendment #07-00019 from Fund 090 Mental Health – Department 053 Mental Health Board for increased appropriations of \$10,900 for the Professional Services line and \$10,682 for the Contributions & Grants line with no increased revenue; seconded by Weibel. **Motion carried.**

Budget Amendment #07-00020

**MOTION** by O'Connor to recommend to the County Board approval of Budget Amendment #07-00020 from Fund 075 Regional Planning Commission – Department 680 Shelter Plus Care 1 – Odd Year for increased appropriations of \$10,000 for the Regular Full-Time Employees line and \$70,000 for the Emergency Shelter/Utilities line with increased revenue of \$80,000 from the HUD-Shelter Plus Care line; seconded by Wysocki.

Weibel asked what is covered by the shelter care program. No one from RPC was present. Busey said it is a HUD grant that provides funding for low income housing assistance.

**Motion carried.**

Budget Amendment #07-00021 and Budget Amendment #07-00022

**MOTION** by Wysocki to recommend to the County Board approval of Budget Amendment #07-00021 from Fund 080 General Corporate – Department 075 General County for increased appropriations of \$39,370 for the Consulting Fees line and \$17,800 for the Capital Improvement Fund 105 line with increased revenue of \$3,124 from the Regional Planning Commission Fund 075 line and \$8,141 from the Reimbursement from Nursing Home line and Budget Amendment #07-00022 from Fund 105 Capital Equipment Replacement Fund – Department 016 Administrative Services for increased appropriations of \$17,800 for the Furnishings, Office Equipment line with increased revenue of \$17,800 from the General Corporate Fund 080 line; seconded by Weibel.

Weibel asked why an additional server was needed since the Kronos System is new. Busey pointed out that a revised version of Budget Amendment #07-00021 was distributed to the committee. She explained that Kronos originally recommended just one server was needed for the County to operate and run the system. The County experienced a situation in the second week that the system was live and Timekeeper was running payroll. The County employee who is responsible for the hardware network side of the Kronos System applied a patch that came from Kronos, but for some reason did not download properly, so when the patch was applied it took out all of the Timekeeper data for that day. The County had to recreate all the time punches for nine hundred employees for that day. Kronos never told the County this would happen and Busey does not think the County did anything terribly inaccurate, yet it occurred. So Kronos's recommendation after the fact was for the County to have a second server to create a testing environment. Kronos is a software provider who is probably upgrading their software twice a year. Kronos will only support software that is two versions old. Busey stated she did not anticipate a software upgrade being necessary this year because the County had not gone completely live with Kronos last year. But the version the County went live with is now two iterations back, so the next upgrade must be applied or the County will not get the updates it needs from Kronos to keep its system accurate

with regard to legislative updates and taxes. Busey said the County will need to budget at least \$20,000-\$30,000 each year to do an annual upgrade of Kronos.

Doenitz asked if we knew this was going to happen. Busey stated Kronos told the County that they did upgrades about once every two years when the system was purchased. Since the County purchased the system, Kronos has done upgrades twice a year. Busey originally anticipated having to upgrade, but she anticipated updating every other year or once every three years. This is quite a different situation. McGinty stated that this is the part of the software business he is not thrilled with because the maintenance agreement that the County arranged with Kronos does not include this sort of upgrade because it is considered a significant upgrade. Busey clarified that the cost related to the upgrade is not for the software itself, it is for the consulting hours for Kronos to apply the upgrade to the County's system. The County was told by Kronos when the system was purchased that the upgrades would be provided at no cost. The upgrade itself is not the expense; it is the implementation by Kronos. O'Connor said it is possible the County is being a pick-pocketed, but there is nothing we can do about it. Busey confirmed the County is trying to take as hard a line approach with Kronos as possible in terms of billing and asking for a discount on consulting hours being used now because of mistakes made by Kronos in the early part of the project. McGinty was displeased with a company charging for the implementation of an upgrade.

**Motion carried with one no vote by O'Connor.**

Budget Transfer #07-00002

**MOTION** by O'Connor to recommend to the County Board approval of Budget Transfer #07-00002 from Fund 080 General Corporate – Department 075 General County for a transfer in the amount of \$13,578 to the Flexible Spending Account Fees line from the Health Insurance Fund 620 line; seconded by Doenitz.

**Motion carried.**

**COUNTY ADMINISTRATOR**

General Corporate Fund FY2007 Revenue/Expenditure Projection Report

Busey distributed her reports to the committee. Based on the trend analysis methodology used for these calculations, Busey reported the FY2007 revenue should come in at 102% of budgeted revenue and expenditures should come in at 99.3% of budgeted expenditures. This is fairly good news. Projections indicate the General Corporate Fund will end FY2007 with a \$795,000 revenue positive budget. This is consistent with the last two fiscal years.

General Corporate Fund Budget Change Report

The FY2007 Budget has not been dramatically changed yet. The \$5,500 expense for the increased per diems for the Zoning Board of Appeals was added. Gross asked if this report reflected the additional expenditures for the Kronos System that were just approved. Busey said those will be included in next month's report.

Nursing Home Report

Busey prepared a profit/loss report on the Nursing Home for FY2003-FY2006. The 2006 figures are for the calendar year. The report does not include any transfers to the Nursing Home from the General Corporate Fund. The Nursing Home shows a loss of over \$1.7 million in FY2006. The General Corporate Fund transferred \$1.2 million to the Nursing Home in FY2006. In December 2006, the General Corporate Fund transferred the full \$328,000 that was budgeted in FY2007 for additional funding of the Nursing Home. The General Corporate Fund has covered \$1.5 million of the Nursing Home's loss in FY2006. In previous years, the

Nursing Home had a substantial fund balance drop in November and an increase in December. That did not happen this year because the Nursing Home was not forced to catch up with their FY2006 payments as they have had to in past years. The Nursing Home was paying FY2006 expenses in January 2007 and their accounts payable remains sixty days out. The County Board allowed this to occur last year so the Nursing Home would not have the significant impact on their cash flow that happened when they have had to catch up at year's end.

Weibel asked what happened in June of each year that positively affected the Nursing Home's fund balance. Busey answered this was the influx of property tax revenue. McGinty noted, for the benefit of the new committee members, that the Finance Committee requested a monthly report on the Nursing Home's financial standing. McGinty has requested that Busey continue to provide the report in this fiscal year. Busey offered to format the report differently if so requested by committee members.

#### Tort Immunity and Self Funded Insurance Funds Update

Busey provided a report on the Tort Immunity and Self-Funded Insurance Funds because these funds have been an area of difficulty in the last couple years. Busey provided an overview of the Tort Immunity Fund in FY2006 and FY2007. She reminded the committee that \$758,000 was moved into this fund in FY2006, which is why the fund recovered from the \$211,013 deficit it had at the beginning of FY2006. The projected expenditure for the Tort Immunity Fund in FY2007 is probably \$240,000 more than what has been budgeted. Therefore, the FY2007 Tort Immunity Fund balance is projected to have a deficit of \$280,908. Busey also provided an overview of the Self-Funded Insurance Fund in FY2006 and FY2007. Self-Funded began FY2006 with a fund balance of \$860,000, which dropped by over \$100,000 in that year. The FY2007 ending fund balance does not anticipate a further drop in the fund balance. Busey observed that the Self-Funded Insurance Fund balance should be at least \$1 million to cover future known claims. Rebuilding these funds is a priority area.

#### Resolution for the Abatement and Reduction of Taxes Heretofore Levied for the Payment of Bonds

Busey stated this resolution is passed every year at this time for the County's bond issues with alternative revenue sources. This resolution abates the general obligation backing for the property taxes so the County Clerk knows not to levy those taxes because the County will pay those obligations with other sources of revenue.

**MOTION** by Doenitz to approve the Resolution for the Abatement and Reduction of Taxes Heretofore Levied for the Payment of Bonds; seconded by Jones. **Motion carried.**

#### TREASURER Monthly Report

Welch distributed his monthly report and offered to answer any questions.

**MOTION** by Gross to receive and place on file the Treasurer's January 2007 monthly report; seconded by Doenitz. **Motion carried.**

#### Resolution Authorizing the County Board Chair to Accept Payment and Execute Deed of Conveyance or Cancel the Tax Certificate, Permanent Parcel No. 91-21-05-277-011

Welch explained when no one purchases a property's taxes at the tax sale, the County purchases it through a trustee. The County holds the property for two and a half years. If the back taxes remain unpaid by the end of this period, the County takes deed of the property and wipes out the back taxes. The property is

auctioned and conveyed to the buyer. This property has been auctioned and will become a tax producing property in the future.

**MOTION** by Doenitz to approve the Resolution Authorizing the County Board Chair to Accept Payment and Execute Deed of Conveyance or Cancel the Tax Certificate, Permanent Parcel No. 91-21-05-277-011; seconded by Wysocki. **Motion carried.**

#### **ADDENDUM**

##### **Resolution Authorizing a Loan to the General Corporate Fund from the Public Safety Sales Tax Fund**

Welch stated this resolution is typically brought before the committee in March of each year in anticipation of a potential situation where the General Corporate Fund has a cash flow problem prior to the first distribution of real estate money in May. Welch was concerned because the first payroll in February put the General Corporate Fund in a negative position. The General Corporate part of payroll amounts to about \$650,000 every two weeks. The General Corporate Fund is in a combined bank account with the Capital Improvement Fund, so the bank account did not go negative when the fund did. This resolution gives the General Corporate Fund the ability to borrow up to \$1.5 million from the Public Safety Sales Tax Fund to be repaid by the end of June. Welch is submitting this resolution early this year because of the General Corporate Fund's negative position.

**MOTION** by Doenitz to approve the Resolution Authorizing a Loan to the General Corporate Fund from the Public Safety Sales Tax Fund seconded by Wysocki. **Motion carried.**

#### **AUDITOR**

##### **Purchases Not Following Purchasing Policy**

Fabri distributed the list of purchases not following purchasing policy for information only. All the items except one are FY2006 expenditures paid in FY2007. This one exception is from the Highway Department, because the shipping cost for an order of signposts was \$100 more than usual. This put the order above \$1,000.

##### **Monthly Report – December 2006**

**MOTION** by Jones to receive and place on file the Auditor's December 2006 monthly report; seconded by O'Connor. **Motion carried.**

#### **CHAIR'S REPORT**

McGinty said Gross requested the March Finance Committee meeting be moved to a week later because she will be out of town on March 8<sup>th</sup>. McGinty asked if any committee members knew of any conflict on March 15<sup>th</sup>. No committee members indicated any known conflict. Doenitz requested an email reminder. McGinty announced the next Finance Committee meeting would be held on March 15, 2007.

#### **OTHER BUSINESS**

There was no other business.

#### **DESIGNATION OF ITEMS TO BE PLACED ON COUNTY BOARD CONSENT AGENDA**

McGinty designated agenda items V A-C, V F, VI E, and VII B-C for the consent agenda.

**ADJOURNMENT**

McGinty adjourned the meeting at 7:26 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.*