

# **GENERAL COUNTY**

## **General Fund 080-075**

This budget, under the authority of the County Board, is not a county department, but is the budget for receipting general revenues and appropriating general expenditures. As such, there is no mission statement or staffing associated with the budget.

### ***BUDGET HIGHLIGHTS***

### **REVENUE ANALYSIS**

#### **Property Tax**

In FY2021, the property tax levy was prepared with reallocation of the former Nursing Home operating levy under PTELL to eliminate the \$1 million loan owed from the Home to the General Fund. The budget reflects forgiveness of this loan by recording it as a transfer. This will necessitate County Board approval of a Resolution to forgive the loan. Some of the General Fund levy growth under PTELL was reallocated in FY2021 to the Liability levy in anticipation of increased expenditures that will be incurred in 2021.

#### **Grant Funding**

The County anticipates an allocation of \$1.33 million from the Local CURE Program, Coronavirus Relief Fund assistance, in FY2020. The General County budget projects receipt of \$1.23 million of this funding with the remaining \$100,000 going to the Capital Asset Replacement Fund. With this additional funding, the originally forecasted revenue to expenditure deficit will be significantly mitigated in 2020. The County has also applied for FEMA funding reimbursement; however, that revenue is not included in FY2020 projections as it is anticipated to be a much smaller amount and recorded as expenditure refunds.

#### **State Shared Revenue**

At the time of budget preparation, it is difficult to forecast the ongoing impact of the COVID-19 pandemic on state shared revenues. According to the Illinois Municipal League (IML), the majority of economists predicted contractions could continue even until the first quarter of 2021 or later. For this reason, state shared revenues have been budgeted conservatively in FY2021.

Beginning in July 2020, the General Assembly discontinued the 5% reduction to Local Government Distributive Fund (LGDF) revenue. Legislators initially imposed a “one-time” 10% cut in July 2017; however, rather than letting the cut expire in July 2018 as planned, the state reduced it to 5%. This cut resulted in the loss of \$690,000 in County revenue between July 2017 and June 2020. In FY2019, stated income tax revenue reflects thirteen distributions as a result of an adjustment to align use tax and income tax distributions in the County books. Income tax revenue is projected to reflect declines in fiscal years 2020 and 2021 as a result of pandemic-related employment impacts.

After a significant decline in FY2015, one-cent sales tax revenues reflected healthy growth in fiscal years 2016 through 2018. Fiscal year 2019 revenues were down 3.5% compared to the prior year. This revenue stream often reflects volatility because 60% of total revenues come from ten sales tax contributors; therefore, a gain, loss, or change in any one of those businesses can cause revenues to fluctuate. Fiscal year 2020 revenues are projected to reflect a 26% decline to budget due to the impact of the pandemic; however, also due to declining revenues of one of the top ten contributors which began several months prior to the pandemic.

Per the Illinois Department of Revenue, the County's top-ten one-cent sales tax contributors in FY2019 are listed below in no particular order.

Negwer Materials Inc.	Richards Building Supply Co.
Illini FS	Prairie Gardens Inc.
LS Building Products	Country Arbors Nursery Inc.
Road Ranger LLC	Flightstar Corp.
DCC Propane, Inc.	CIT Trucks LLC

In June 2019, the Illinois General Assembly passed legislation that changes how sales and use taxes are collected in the state. Both remote retailers and marketplace facilitators will be required to collect and remit state and locally imposed sales tax where the product is delivered starting January 1, 2021. It is expected there will be improved compliance and an increase in both state and local revenues. In FY2020, quarter-cent sales tax revenue is projected to decline compared to budget due to the impact of the pandemic and is budgeted with conservatively in FY2021.

Due to continued growth in online sales, use tax is budgeted to reflect 3.3% growth over FY2020 projected revenues. The *South Dakota v. Wayfair Inc.* decision has resulted in additional tax revenue for Champaign County. Beginning in January 2021, some revenue previously received as use tax will be received as sales tax per the previously mentioned legislation. The impact of this change is unknown at the time of budget preparation.

Personal Property Replacement Tax (PPRT) revenue has reflected extreme fluctuations over the past several years. Annual diversions from PPRT revenues authorized by the state are \$312 million in SFY2021. The first \$124,000 in County PPRT revenue is obligated towards the County's IMRF contribution and is budgeted as revenue in the IMRF fund.

Implementation of the County imposed Cannabis Sales Tax occurred in July 2020, with the first receipt of revenue anticipated in October. Forecasted revenues are based on preliminary estimates received from Champaign and Urbana, adjusted for the County's fiscal year; nevertheless, are uncertain at this time.

## EXPENDITURE ANALYSIS

Expenses currently included in the FY2021 General County Budget:

1. \$100,000 for Outside Auditor Contract (assumes additional work required beyond the scope of quoted services)
2. \$35,000 for Legal Services
3. \$33,524 in Professional Services for Soil and Water Conservation District (a one-time cut of \$1,036)
4. \$23,520 for the Urbana Free Library Archive (County records represent 45% of the Archives space)
5. \$2,250 as a grant to the Children First Program (Provides assistance for court-mandated classes for parents in marriage dissolution or parentages cases involving child custody or visitation issues)
6. \$1,500 for Fees on General Corporate Fund Bond Debt Service, and escrowed Nursing Home Debt Service
7. \$500 for Saline Drainage District assessments
8. \$952,506 to the Capital Asset Replacement Fund for General Fund capital needs (see the Capital Asset Replacement Fund Summary 105-000).

9. \$3.4 million for Employer Contribution to Employee Health and Life Insurance for General Corporate Fund Employees.
10. \$43,500 to County Highway Fund to reimburse salary and fringe benefit costs of the Highway Mechanic responsible for fleet maintenance of the General Corporate fund Vehicles. In FY2018, this amount was reduced to 50% reimbursement per an agreement between the County Administrator and the County Engineer.
11. \$82,394 in the General Corporate Fund Contingent Line Item.
12. Forgiveness of a Nursing Home loan of \$1 million that upon forgiveness will be recorded as a transfer. The County will be made whole through reallocation of the former Nursing Home operating levy to the General Fund levy under PTELL.

**FINANCIAL**

Fund 080 Dept 075			2019	2020	2020	2021
			Actual	Original	Projected	Budget
311	10	CURR PROP TX-GENERAL CORP	\$11,837,456	\$12,760,831	\$11,684,104	\$14,009,983
313	10	RE BACKTAX-GENERAL CORP	\$15,958	\$6,000	\$6,000	\$6,000
314	10	MOBILE HOME TAX	\$9,988	\$9,000	\$9,600	\$9,600
315	10	PAYMENT IN LIEU OF TAXES	\$6,404	\$7,500	\$7,000	\$7,000
318	12	COUNTY HOTEL/MOTEL TAX	\$31,518	\$35,000	\$18,250	\$26,000
318	13	COUNTY AUTO RENTAL TAX	\$35,431	\$33,500	\$26,800	\$30,000
		PROPERTY TAXES	\$11,936,755	\$12,851,831	\$11,751,754	\$14,088,583
332	38	CURE PROGRAM	\$0	\$0	\$1,230,616	\$0
335	30	CORP PERSNL PROP REPL TAX	\$986,093	\$878,438	\$902,993	\$740,000
335	40	1% SALES TAX (UNINCORP.)	\$1,306,490	\$1,390,550	\$1,033,329	\$1,064,329
335	41	1/4% SALES TAX (ALL CNTY)	\$5,744,415	\$5,782,788	\$5,294,634	\$5,559,366
335	43	USE TAX	\$1,071,661	\$1,138,045	\$1,247,770	\$1,290,000
335	45	CANNABIS SALES TAX	\$0	\$0	\$300,000	\$600,000
335	80	INCOME TAX	\$3,764,868	\$3,428,707	\$3,290,010	\$2,967,460
335	91	VIDEO GAMING	\$80,915	\$85,900	\$47,035	\$70,000
336	1	CHAMPAIGN CITY	\$15,853	\$15,853	\$15,853	\$15,853
336	16	VILLAGE OF MAHOMET	\$138,074	\$210,000	\$256,257	\$218,000
		FEDERAL, STATE & LOCAL SHARED REVENUE	\$13,108,369	\$12,930,281	\$13,618,497	\$12,525,008
341	52	TAX SALE FEE	\$19,240	\$31,500	\$30,000	\$30,000
		FEES AND FINES	\$19,240	\$31,500	\$30,000	\$30,000
361	10	INVESTMENT INTEREST	\$59,121	\$60,000	\$50,000	\$20,000
369	90	OTHER MISC. REVENUE	\$7	\$0	\$0	\$0
		MISCELLANEOUS	\$59,128	\$60,000	\$50,000	\$20,000
371	6	FROM PUB SAF SALES TAX FD	\$8,328	\$9,511	\$8,541	\$9,701
371	27	FROM PROP TAX FEE FND 627	\$47,167	\$107,000	\$55,000	\$55,000
371	61	FROM WORKING CASH FND 610	\$6,627	\$10,000	\$4,000	\$10,000
381	13	AUDIT FEE REIMBURSEMENT	\$0	\$25,000	\$25,000	\$25,000
381	16	HEALTH/LIFE INSUR REIMB	\$12,120	\$10,000	\$10,000	\$10,000
		INTERFUND REVENUE	\$74,242	\$161,511	\$102,541	\$109,701

<b>Fund 080 Dept 075</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>
<b>REVENUE TOTALS</b>			<b>\$25,197,734</b>	<b>\$26,035,123</b>	<b>\$25,552,792</b>	<b>\$26,773,292</b>
513	6	EMPLOYEE HEALTH/LIFE INS PERSONNEL	\$2,833,605 \$2,833,605	\$2,967,800 \$2,967,800	\$2,967,800 \$2,967,800	\$3,400,000 \$3,400,000
533	1	AUDIT & ACCOUNTING SERVCS	\$83,659	\$77,000	\$106,610	\$100,000
533	3	ATTORNEY/LEGAL SERVICES	\$7,623	\$35,000	\$35,000	\$35,000
533	7	PROFESSIONAL SERVICES	\$98,505	\$79,560	\$40,320	\$33,524
533	52	OTHER SERVICE BY CONTRACT	\$23,520	\$23,520	\$23,520	\$23,520
533	92	CONTRIBUTIONS & GRANTS	\$2,250	\$2,250	\$2,250	\$2,250
533	99	CONTINGENT EXPENSE	\$0	\$286,000	\$150,000	\$82,394
534	9	R.E. TAX / DRAINAGE ASMNT SERVICES	\$350 \$215,907	\$500 \$503,830	\$350 \$358,050	\$500 \$277,188
571	14	TO CAPITAL IMPRV FUND 105	\$700,948	\$592,129	\$592,129	\$952,506
571	81	TO NURSING HOME FUND 081	\$0	\$0	\$0	\$1,000,000
571	83	TO COUNTY HIGHWAY FND 083 INTERFUND EXPENDITURE	\$42,000 \$742,948	\$43,000 \$635,129	\$43,000 \$635,129	\$43,500 \$1,996,006
582	2	INT & FEES-GEN OBLIG BONDS DEBT	\$950 \$950	\$1,500 \$1,500	\$950 \$950	\$1,500 \$1,500
<b>EXPENDITURE TOTALS</b>			<b>\$3,793,410</b>	<b>\$4,108,259</b>	<b>\$3,961,929</b>	<b>\$5,674,694</b>