



AGENDA
Budget Committee
Wednesday, June 26, 2019
@ 3:00 PM
Peoria County Courthouse, Room 402

1. **Call to Order**
2. **Approval of Minutes**
 - May 29, 2019
3. **Informational Items / Reports / Other Minutes / Updates**
 - Monthly Financial Report (*to be distributed separately*)
 - FY20 Revenues
4. **Joint Resolution**
 - Additional Appropriation to FY 2019 Budget – Emergency Telephone System Board (*joint with Public Safety and Justice Committee*)
5. **Committee Action**
 - Review of Executive Session Minutes
6. **Miscellaneous**
7. **Adjournment**

DRAFT
Minutes
BUDGET SUBCOMMITTEE
May 29, 2019
@ 3:00 p.m.

MEMBERS PRESENT:	James Fennell - Chairman; Rachel Reliford – Vice-Chairman; Jennifer Groves Allison, Rachael Parker, Rob Reneau, Steven Rieker, Paul Rosenbohm, Phillip Salzer, Sharon Williams
MEMBERS ABSENT:	James Dillon, Kate Pastucha, Andrew Rand
OTHERS PRESENT:	Scott Sorrel – County Administrator; Shauna Musselman - Assistant County Administrator; Larry Evans - State's Attorney's Office; Julie Ciesla, Paul Letcher – Finance; Angela Loftus – Asst. Director of Human Resources; Jessica Thomas – County Auditor; Monica Hendrickson – Health Department; Karen Raithel – Sustainability & Resource Conservation; Mike Deluhery – County Clerk; Kathi Urban – Planning & Zoning; Rena’ Parker, Jennifer Shadid – Courts Administration; Nicole Bjerke – Treasurer; Doug Gaa – Sheriff’s Office

Call to Order

Chairman Fennell called the meeting to order at 3:00 p.m.

Approval of Minutes

A motion to approve the minutes of April 24, 2019 was made by Ms. Parker and seconded by Mr. Rosenbohm. The motion carried unanimously.

Informational Items/Reports/Other Minutes/Updates

- **Monthly Financial Report**

Ms. Ciesla advised summarized financial information for the period ending March 31, 2019, noting that the three months activity represents 25% of the fiscal year.

General Fund Revenue

Ms. Ciesla advised that General County revenues represent 18.8% of budget, stating that property tax distributions will not occur until June 2019. She also noted that there are revenues which are not recognized until Period 13.

General Fund Expenditures

Ms. Ciesla advised that General County expenditures represent 23.6% of budget.

Major Revenue Analysis

Sales Tax Combined –Ms. Ciesla noted that revenues, with the exception of Local Use Tax, are below budget, mostly due to the impact of inclement weather and decreasing population. She advised that although Charges for Services are down, although trending higher than 2018.

- **FY 2020 Budget Kick-Off**

Mr. Sorrel outlined the 2019 budget calendar, noting a revenue submittal deadline of June 14, 2019 and expenditure submittal deadline of July 15, 2019. He stated that the adoption of the FY 2020 budget is tentatively scheduled for November 14, 2019.

Mr. Sorrel advised that due to policy direction set by this committee and the County Board, and implementation of that policy directive by elected and appointed offices, the budgetary gap in future years has been reduced by \$12 million due to better financial performance in the General Fund.

Mr. Sorrel stated that across all funds, the County has seen a 20% decrease in budgeted full-time positions since the onset of the Great Recession, routinely operating with approximately 80 vacant positions. He commented that the General Fund has seen a 16.3% reduction in budgeted positions in the past ten years.

Mr. Sorrel advised that the FY2018 budget for All Funds exceeded the adopted budget by nearly \$2 million, the majority of which was Miscellaneous Revenues. He stated that Property Taxes were low partially due to decreased assessed valuation, and Charges for Services fell short due in most part to Heddington Oaks census and a decrease in Circuit Clerk court related fines and fees. He commented that due to the Treasurer's Office's investment strategies and increased interest rates, an \$650,000.00 of additional interest income was realized.

Mr. Sorrel advised that expenditures in the FY2018 budget for All Funds came in \$1.2 million under budget. He stated that upon adoption of the budget, a strategic spend down of reserves of \$4.287 million was anticipated; however, the actual spend down was only \$1.124 million in reserves.

Mr. Sorrel advised that the General Fund adopted budget totaled \$42.4 million in revenues, with actual revenues being \$41.75 million. He advised that the General Fund adopted budget totaled \$42.1 million in expenditures, with actual expenditures totaling \$40.6 million. He stated that upon adoption of the FY2018 budget, a \$407,000.00 surplus was assumed, and a \$1.1 million surplus was achieved.

Mr. Sorrel advised that a balanced budget of \$16.5 million was adopted for Heddington Oaks with actual revenues of \$14.5 million realized. He stated that expenditures of \$17.6 million included \$1.4 million in depreciation. He advised that the operating performance is \$276,000.00 under budget before depreciation.

Mr. Sorrel advised that the FY2019 budget for All Funds adopted revenues of \$235.3 million, with 1/3 of that figure General Fund dollars. He stated that the FY2018 budget for the General Fund adopted revenues of \$42.13 million.

Mr. Sorrel advised that the FY2019 budget for All Funds adopted expenditures of \$132.3 million, with 1/3 of that figure General Fund dollars. He stated that the FY2018 budget for the General Fund adopted expenditures of \$42.1 million.

Mr. Sorrel advised that FY2019 year-to-date activity (unaudited numbers through period 4) for All Funds shows a revenue shortfall of \$3.77 million and \$7.2 million under budget in expenditures. He noted that the County has received only two months of Sales Tax revenues. He advised that FY2019 year-to-date activity (unaudited numbers through period 4) for the General Fund shows a revenue shortfall of \$1.5 million and \$893,000.00 million under budget in expenditures.

Mr. Sorrel advised that based upon the implementation of County Board fiscal policies, the General Fund is anticipated to stay within the reserve policy until late 2022/early 2023, with reserves anticipated to go negative in 2028/2029. He stated that the FY 2020 budget process will begin with a \$210,000.00 deficit in the General Fund.

Mr. Sorrel advised that future discussion topics related to budget include a flat EAV and the need to be more diverse in the mix between residential, industrial and commercial properties, and addressing the role of Peoria County in stemming EAV losses in Peoria's Southend and the management and control of expenditures of several General Fund departments specifically related to that area of the community. He stated that an internal work group has been assembled to discuss, gather data and recommend policy initiatives on issues related to the Southend of Peoria.

Mr. Letcher summarized Heddington Oaks financial information through March 31, 2019. He advised that revenues are up compared to 2018, while expenses are down in all categories as compared to 2018.

Mr. Letcher advised that over \$500,000.00 in Medicare payment was received in April 2019, and remarked that the effects of an initial round of write-offs will be seen in upcoming months.

Adjournment

The meeting was adjourned by Chairman Fennell at 4:00 p.m.

AGENDA BRIEFING

COMMITTEE: Budget Subcommittee & Public Safety & Justice Committee **LINE ITEM:** 55109
MEETING DATE: June 25, 2019 **AMOUNT:** Net \$314,476

ISSUE:

For RESOLUTION: Additional Appropriation to FY 2019 Budget – Emergency Telephone System Board (ETSB)

BACKGROUND/DISCUSSION:

The ETSB’s overall adopted budget for FY 2019 was \$2,089,284

The ETSB capital funds budget for FY 2019 was \$823,000; of that amount \$795,000 was specifically designated for Public Safety Answering Point (PSAP) improvements and updates.

The breakdown of PSAP related capital expenditures budgeted for FY 2019 are as follows:

003-2-056-3-820-55107	Building Improvements	\$ 400,000
003-2-056-3-820-55109	Radio & Telephone Equipment	\$ 95,000
003-2-056-3-820-55111	Office (PSAP) Furniture	<u>\$ 300,000</u>
Total		<u>\$ 795,000</u>

In FY 2018, the ETSB went through the Peoria County procurement process for a Next Generation 9-1-1 Telephone System (NG9-1-1) through RFP #56-01-18. In March 2019, Solacom Technologies and Peoria County entered into an agreement for \$775,026.53 for the purchase of new equipment.

The ETSB anticipated and budgeted for this procurement for several years prior to FY 2019; the project was delayed due to the consolidation requirement made by the State of Illinois with Public Act 099-0006. The ETSB, along with the affected PSAPs and agencies, had to make difficult and time-consuming decisions related to the closure of two (2) Peoria County PSAPs. It was fiscally irresponsible to move forward with NG9-1-1 equipment for four (4) PSAPs when only two (2) would remain. Consolidation requirements were completed on June 1, 2018; this final consolidation allowed the ETSB to move forward with the NG9-1-1 project.

The ETSB was awarded a State of Illinois grant for Next Generation 9-1-1 i3 capable call handling equipment. The ETSB was awarded \$460,550.70 to be reimbursed after expenditure.

The ETSB requests the following budget amendment for FY2019; to include additional appropriations of funds for the total cost of the equipment purchase and the funds to be received from the NG9-1-1 Grant award.

003-2-056-820-55109	\$ 775,027
003-2-056-820-33400	<u>\$ 460,551</u>
Total net budget amendment	<u>\$ 314,476</u>

COUNTY BOARD GOALS:



Financial Stability

STAFF RECOMMENDATION:

APPROVAL

COMMITTEE ACTION:

PREPARED BY: Amy Marion, Peoria County ETSB 9-1-1 Coordinator

DEPARTMENT: ETSB

DATE: June 19, 2019

**PEORIA COUNTY ETSB
MEMORANDUM**

DATE: November 12, 2018

TO: Emergency Telephone System Board Members

FROM: David Tuttle, ETSB Chairperson

SUBJECT: RFP 56-01-18, NG9-1-1 Phone System Recommendation

The Peoria County ETSB, in cooperation with Peoria County Purchasing, issued RFP 56-01-18 on August 28, 2018. A mandatory pre-bid meeting was held on September 11, 2018 with site visits following the pre-bid meeting. Proposals were due in Purchasing on October 8, 2018; at that time there were five proposals received for review by the ETSB. During the next few weeks, a working group made up of select ETSB Technical Committee members and the ETSB Staff, reviewed the RFP responses individually.

On October 24, 2018, the working group met to review and discuss the proposals. On that date, for scoring purposes, a high level evaluation was completed on all the responses. ETSB staff put together an evaluation score based on the responses provided by individual vendors and/or the consensus review discussed during the evaluation. All items requiring a response were given a pre-determined priority rating and that evaluation score was plugged into the scoring matrix. Scoring information used is as follows:

<u>RFP Evaluation Score:</u> This is based on the response of the individual company and their ability to meet the criteria outlined in the RFP.	
Rating	Description
0	Did not meet requirement(s)
1	Partially meets requirement(s)
2	Fully meets requirement(s)
3	Exceeds requirement(s)
<u>RFP Priority Rating:</u> This is determined by the importance of the RFP specification to the ETSB evaluation team.	
Rating	Description
3	Essential Requirement – Non-negotiable item
2	Desired Requirement – Important to have, but functional without
1	Optional Requirement – Nice to have item or feature, but not critical

After the evaluation process; the working group opened the cost proposals that were provided separately. The RFP called for some optional features to be itemized for consideration if not included in the vendor’s base system solution. The working group determined that the following features should be included in the purchase of the telephone system. Those items include: integrated mapping, light towers, a portable or remote 9-1-1 position. If not included in the base price, those costs are listed as optional features.

Items of clarification in the below cost matrix:

- Two vendors (Solacom and InDigital) included a cost for “dual IRR recording software licenses”; that is included in the total cost of ownership under optional features; but requires some additional discussion and clarity.
- Motorola has a cost of \$138,852.14 itemized for a complete end to end text solution via Comtech. This is identified under “optional features selected” in the cost below; however this was not an optional specification per the language of the RFP. Other solutions offer this in their “Base System cost.”
- Solacom offered a “One time discount” of \$130,000; this is reflected in the “Base System cost”

A variety of extended warranty proposals were provided. All vendors offered a 3 year, 5 year, and 10 year proposal. Other proposals included a 7 year and a 15 year and a 20 year proposal per the request of the RFP as options.

The ETSB Technical Committee, at their October 24, 2018 meeting, reviewed the categorized list, with weighted scores provided as well as the cost comparison and recommended considering a five year cost of ownership agreement. That pricing is reflected below:

	Base System cost	1st year warranty	Optional Features Selected	5 year Extended Maintenance	5 year total cost of ownership	Weighted Evaluation score
Solacom	\$399,214.15	Included	\$125,608.08	\$238,159.57	\$762,981.80	611
InDigital	\$461,162.97	Included	\$111,864.59	\$314,949.30	\$887,976.86	602
Motorola	\$443,708.71	\$84,284.77	\$155,693.43	\$352,611.15	\$1,036,298.06	581
AT&T	\$513,622.00	Included	\$129,397.00	\$500,225.42	\$1,143,244.42	570
TriTech	\$339,165.91	Included	\$89,466.79	\$185,826.96	\$614,459.66	551

Recommendation:

The ETSB Technical Committee recommends that the ETSB enter into negotiations with Solacom for purchase of a NG9-1-1 compliant telephone system, including mapping, light towers, a hot standby (remote) position, and a five (5) year warranty agreement; and authorize the purchase of the NG9-1-1 compliant telephone system with Solacom, subject to negotiations; and with the approval and review by Peoria County Purchasing and States Attorney’s Office.

Attachment A: Tech Working Group Scoring Matrix

**Illinois Grant Accountability and Transparency
Notice of State Award**

09/28/18

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STATE OF ILLINOIS GRANT INFORMATION	
State Award Identification	Name of State Agency (Grantor): Illinois State Police Department/Organziation Unit: Office of Statewide 9-1-1 System
State Award ID Number (SAIN)	1652-10542
State Program Description	Grants will be awarded to fund regional hosted call handling position equipment to defray costs associated with the replacement or upgrade of 9-1-1 call handling positions that are Next Generation 9-1-1 i3 capable.
Announcement Type	Initial
Agency (Grantor) Contact Information	Name: Cindy Barbera-Brelle Phone: 217/782-3200 Email: Cindy_Barbera-Brelle@isp.state.il.us

GRANTEE INFORMATION	
Grantee / Subrecipient Information	Name: County of Peoria Address: 324 Main Street, Room 502, Peoria, IL 61602 Phone: 309-697-8524 Email: peoriacounty911@sbcglobal.net
Grantee Identification	GATA: 671683 DUNS: 071436208 FEIN: 376001763
Period of Performance	Start Date: 7/1/2018 End Date: 6/30/2019

FUNDING INFORMATION			
FUND	CSFA	CFDA	AMOUNT
612	493-60-1652		\$460,550.70
TOTAL			\$460,550.70

(M) Currently used by State of Illinois for "Match" or "Maintenance of Effort" (MOE) requirements on Federal Funding. Funding is subject to Federal Requirements and may not be used by Grantee for other match requirements on other awards.

TERMS AND CONDITIONS	
Grantee Indirect Cost Rate Information	Rate: 10.00% Base: Modified Total Direct Costs (MTDC) Period: State Fiscal Year 2019
Research & Development	No
Cost Sharing or Matching Requirements	No
Uniform Term(s)	CODE of FEDERAL REGULATIONS Title 2: Grants and Agreements PART 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) Grant Accountability and Transparency Act (GATA), 30 ILCS 708/1 Illinois Administrative Code
Grantor-Specific Term(s)	Funding is for hosted NG9-1-1 i3 capable call handling equipment.
Program-Specific Term(s)	

SPECIFIC CONDITIONS ASSIGNED TO GRANTEE - FISCAL AND ADMINISTRATIVE

The nature of the additional requirements

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)

Requires more detailed reporting;

05 - Cost Principles (2 CFR 200.400)

Requires additional prior approvals; Requires more detailed reporting; Requires monthly reporting;

06 - Audit (2 CFR 200.500)

Requires desk review of the status of implementation of corrective actions;

Agency Adjustments / Explanation:

03 - Financial and Regulatory Reporting (2CFR 200.327)

'The grantee indicated "sometimes" in regards to the organization having performance measures that tie to financial data. Best practice warrants that an organization have a direct correlation to a result, invoice, completed job, and/or benefit that equates or indicates a "performance measure." These "performance measures" may then be directly related to the costs presented within their financial records and reports.

05-Cost Principles (2CFR 200.400)

The grantee indicated "sometimes" in regards to the organization having performance measures that tie to financial data. Best practice warrants that an organization have a direct correlation to a result, invoice, completed job, and/or benefit that equates or indicates a "performance measure." These "performance measures" may then be directly related to the costs presented within their financial records and reports.

06 Audit (2CFR 200.500)

The grantee indicated that when determining if costs are allocable some of the methodologies provided were being utilized. It is best practice to utilize all of the following methodologies for determination of allocable costs: a. Identification of costs that benefit both the grant award(s) and other work for the organization b. Identification of costs that can be distributed in direct proportion to the benefit received. c. Allocations of costs is NOT used for purposes of overcoming funding deficiencies between grant awards. It was also indicated that training regarding the requirements for cost principles are required only of programmatic staff. Best practice for grant compliance indicates that all staff, both fiscal and programmatic should be trained in proper costing principles. Within the questionnaire it was indicated policies currently in place ensure that SOME costs are reported net of credits, purchase discounts, refunds, rebates and insurance recoveries. It is imperative that any discounts, credits, refunds, rebates, insurance recoveries and any other means to reduce costs should be provided for within the accounting policies and procedures. Additionally the grantee indicated that credits are NOT excluded from costs and may be applied to meet cost sharing or matching requirements of other state or federally financed awards. It is imperative that any credits received in regards to federal or state programs be applied back to the specific program only or refunded to the State administering agency.

The reason why the additional requirements are being imposed

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)

Medium to high risk increases the likelihood that grant revenues and expenditures will be inaccurate that could result in misreporting, and an abusive environment.

05 - Cost Principles (2 CFR 200.400)

Medium to high risk increases the likelihood unallowable costs or services, audit findings and questioned costs that would be required to be return to the state and federal government.

06 - Audit (2 CFR 200.500)

Medium to high risk will result in repeated audit findings, potential questioned cost and increase of administrative and programmatic specific conditions that will increase the cost or managing the grant program.

Agency Adjustments / Explanation:

None

The nature of the action needed to remove the additional requirement, if applicable

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)

Implementation of new or enhanced system, mitigating controls or a combination of both.

05 - Cost Principles (2 CFR 200.400)

Implementation of additional controls for reviewing and approval expenditures.

06 - Audit (2 CFR 200.500)

Completion of corrective action plan implementation.

Agency Adjustments / Explanation:

03 - Financial and Regulatory Reporting (2CFR 200.327)

The grantee must review their internal controls for costing within each grant to determine what performance measures ties to the financial data. The internal controls/fiscal policies must be updated to include the defined performance measures and how these measures translate to the financial data.

05 - Cost Principles (2 CFR 200.400)

The grantee must edit their current internal controls/fiscal procedures to include procedures for allocation of costs and how credits are addressed. The documentation should meet the areas defined and outlined above. It is imperative that credits be applied back to the specific funding source and if use within that grant is not possible or allowed the funds should be returned to the State administering agency.

06 - Audit (2CFR 200.500)

The grantee should provide documentation supporting the implementation of corrective action plan(s) to resolve deficiencies and weaknesses.

The time allowed for completing the actions, if applicable

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)

One year.

05 - Cost Principles (2 CFR 200.400)

One year from the implementation of additional controls.

06 - Audit (2 CFR 200.500)

When corrective action is complete.

Agency Adjustments / Explanation:

03 - Financial and Regulatory Reporting (2CFR 200.327)

he grantee must update the internal controls to include the performance measures that tie to financial date. The updated internal controls should be provided for review during programmatic and/or fiscal audit.

05 - Cost Principles (2 CFR 200.400)

The grantee must provide the updated internal controls/fiscal procedures for review during future programmatic/fiscal audits

06 - Audit (2CFR 200.500)

The grantee must provide documentation of corrective action plan implementation.

The method for requesting reconsideration of the additional requirements imposed

GATA Conditions:

03 - Financial and Regulatory Reporting (2 CFR 200.327)

One year.

05 - Cost Principles (2 CFR 200.400)

One year from the implementation of additional controls.

06 - Audit (2 CFR 200.500)

When corrective action is complete.

Agency Explanation:

None

SIGNATURE PAGE

Circle one: Accept NOSA / Reject NOSA

Institution / Organization

Signature

Name of Official

Title (Chief Financial Officer or equivalent)

Date of Execution

