

**Approved 4/8/20**  
**MINUTES**  
**Budget Committee**  
**February 26, 2020**  
**@ 3:00 p.m.**

<b>MEMBERS PRESENT</b>	<b>James Fennell</b> – Chairman; <b>Rachel Reliford</b> – Vice Chairman; <b>Jennifer Groves Allison, James Dillon, Paul Rosenbohm, Steven Rieker, Phillip Salzer, Sharon Williams</b>
<b>MEMBERS ABSENT:</b>	<b>Kate Pastucha, Andrew Rand, Rob Reneau</b>
<b>OTHERS PRESENT:</b>	<b>Scott Sorrel</b> – County Administrator; <b>Shauna Musselman</b> – Assistant County Administrator; <b>Larry Evans</b> - State's Attorney's Office; <b>Angela Loftus</b> – Asst. Director of Human Resources; <b>Jamie Dowell</b> – County Administration; <b>Randy Brunner</b> – Chief Financial Officer/Sheriff's Office; <b>Julie Ciesla</b> – Finance; <b>Doug Gaa</b> – Sheriff's Office; <b>Mark Bronke</b> – Probation & Court Services; <b>Jennifer Shadid</b> – Court Administration; <b>Rachael Parker</b> – County Clerk; <b>Nicole Bjerke</b> – Treasurer; <b>Beth Crider</b> – Regional Office of Education; <b>Margie Kowalski</b> - Auditor

**Call to Order**

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

**Approval of Minutes**

A motion to approve the minutes of December 4, 2019 was made by Mr. Salzer and seconded by Ms. Reliford. The motion to approve carried unanimously.

**Informational Items**

- **Monthly Financial Report**

No report. No questions or comments from committee.

- **FY 2019 Unaudited Updated**

Mr. Sorrel presented a summary of FY 2019 unaudited financials, including FY 2018 actuals; revised budget based upon amendments; projected budget; year-to-date for period 13; over/under period 13 year to date in relationship to revised budget; adopted budget:

**All Funds**

**Revenues** – Year to date revenues across all funds total just under \$125 million, a figure that will increase slightly as accruals for state shared revenues as finalized. Period 13 actuals are slightly better than projected numbers, although \$1.8 million below budgeted numbers.

Mr. Rieker asked the reason for the decrease in Charges for Services. Mr. Sorrel advised that decreased Medicare and Medicaid revenues from Heddington Oaks comprise the rationale for the variance, in addition to a decrease in Court Fines and Fees. He noted that a new statute implemented in 2019 reset fines and fees collected by the Circuit Court Clerk.

Expenditures – Period 13 year to date numbers total \$124.6 million, which is \$12 million less than budgeted and substantially less than projected. The revised budget showed a deficit of \$9.78 million and projections show a deficit of \$6.37 million, much of which was intended and planned use of fund balance. A \$380,000.00 surplus was shown as of close of business on Thursday, February 20, 2020. Mr. Sorrel noted savings in Personnel of \$4.25 million, \$860,000.00 in Commodities, \$4.5 million in Contractuals, and \$3.25 million in Capital Outlay.

### **General Fund**

Revenues – Year to date revenues currently tracking \$75,000.00 better than budget, with the largest shortfall seen in Intergovernmental Revenues. Interest income in both the General Fund and across all funds is better than budgeted due to the Treasurer's investment strategy.

Expenditures – Year to date expenditures are currently tracking \$1.6 million less than budgeted.

Mr. Sorrel remarked that the unaudited financials produce a positive change in fund balance of \$985,000.00 revenues to expenditures for the year. He commented that although that figure will not be the final number as adjusting journal entries are still to be made, it is anticipated that the final figure be significantly higher than \$165,000.00 projected surplus.

### **Heddington Oaks**

Revenues - Charges for Services are \$1.6 million less than budgeted and a direct function of lost revenue due to lower census.

Expenditures – A decrease in personnel services has resulted in a decrease in personnel expenditures. Contractuals show an increase, partially due to agency use. Prior to depreciation, expenditures are tracking below budget; when depreciation is added, still less than what was appropriated when 2019 budget was adopted. Staff budgeted for a deficit of \$1.269 million, projected a deficit of \$2.7 million, and after depreciation, year to date figures yield a \$1.854 million deficit.

### **General Fund Reserves**

Mr. Sorrel summarized 2017 and 2018 actual financials, 2019 unaudited financials, and the 2020 adopted budget. and outlined the forecasting to the year 2032.

Mr. Sorrel advised reserves are estimated at \$13,975,000.00 after the numbers are audited, based upon activity seen to date. He remarked that \$10 million is required by policy (policy being 24%); the current amount of \$13 million is at 33.7%. He advised that the current model forecasts the reserve going completely negative in the year 2032. He stated that numbers are forecasted based upon historical revenue and expenditure growth. He noted that anticipated new state revenues in the General Fund such as cannabis revenue and effects from online sales tax are not included in the forecast as those potential impacts are unknown at this time and cannot be accurately predicted.

Mr. Sorrel advised that the November Financial Report has been posted on the Finance Department's web page, and will also be made available to committee via website link and/or as an attachment to the weekly County Administrator's update.

### **Adjournment**

The meeting was adjourned by Chairman Fennell at 3:21 p.m.