

**Approved 4/29/20**

**MINUTES**

**Budget Committee**

**April 8, 2020**

**@ 1:15 p.m.**

<b>MEMBERS PRESENT</b>	<b>James Fennell</b> – Chairman; <b>Jennifer Groves Allison, James Dillon, Kate Pastucha, Rob Reneau, Steven Rieker, Andrew Rand, Phillip Salzer, Sharon Williams</b>
<b>MEMBERS ABSENT:</b>	<b>Rachael Reliford, Paul Rosenbohm</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>Gretchen Pearsall, Jamie Dowell</b> – County Administration; <b>Randy Brunner</b> – Chief Financial Officer/Sheriff's Office; <b>Julie Ciesla</b> – Finance; <b>Brian Asbell, Chris Watkins</b> – Sheriff's Office; <b>Mark Bronke</b> – Probation & Court Services; <b>Jennifer Shadid</b> – Court Administration; <b>Rachael Parker, Mike Deluhery</b> – County Clerk; <b>Nicole Bjerke</b> – Treasurer; <b>Beth Crider</b> – Regional Office of Education; <b>Jessica Thomas</b> – Auditor; <b>Mark Little</b> – Chief Information Officer; <b>Monica Hendrickson</b> – Health Department

**Call to Order**

Chairman Fennell called the meeting to order at 1:15 pm.

A motion to suspend the Rules in order to conduct the meeting virtually was made by Mr. Reneau and seconded by Mr. Rieker. The motion carried unanimously.

**Approval of Minutes**

A motion to approve the minutes of February 13, 2020 and February 26, 2020 was made by Mr. Dillon and seconded by Mr. Reneau. The motion to approve carried unanimously.

**Informational Items**

• **Monthly Financial Report**

Ms. Ciesla summarized unaudited financial data for the period ending December 31, 2019.

**General Fund**

She stated that unaudited figures indicate a positive \$1,113,926.00 in current year General Fund revenues, noting that revenues slightly exceeded overall revenue projections. She stated that General Fund expenditures are nearly \$1.5 million under budget.

Ms. Ciesla advised that Income Tax revenue was above budget at the end of 2019, and continued a strong positive trend into January 2020. She stated that Local Use Tax revenue continues to trend upward, while Sales Tax revenue is below budget. She added that Sales Tax Combined revenues ended 2019 over \$1 million under budget. She remarked that Personal Property Replacement Tax revenues ended the year \$1 million over budget.

Ms. Ciesla noted that the Juvenile Detention Center, the Automation Fund, Heddington Oaks, and the Risk Management Fund are the major funds that continue to perform below fund balance. She stated that all other funds are performing well, with surplus fund balance.

Mr. Rieker asked about the decrease in Sales Tax, commenting that during the first half of 2019, Sales Tax was trending ahead of budget. Ms. Ciesla advised that Sales Tax revenues have been slowly declining as the trend to purchase online increases. She noted the closings of several major brick and mortar stores throughout the year, along with a decline in population. She noted a slight offset as a result of an increase in Local Use Tax, and stated that the State of Illinois passed legislation increasing the collection of online sale tax, which will begin showing an impact in January 2020. Mr. Brunner remarked that approximately \$113,000.00 in Aviation Fuel Sales Tax was pulled from regular Sales Tax as that tax must be dedicated to aviation purposes. Ms. Ciesla stressed that although the Aviation Fuel Sales Tax continues to be accounted for in the General Fund, although in a separate account.

### **Resolution**

- **FY 2020 Encumbrance Rollover Appropriation**

A motion to approve was made by Mr. Salzer and seconded by Ms. Pastucha. Mr. Fennell advised that the appropriation totals \$1,352,841.00 across all funds and \$251,071.00 in the General Fund, primarily consisting of commodities, contractals, and capital expenses.

Mr. Sorrel stated that the items consist of purchase orders that were outstanding and open at the close of 2019.

The motion to approve carried unanimously.

### **Miscellaneous**

Mr. Sorrel noted the unprecedented times with the onset of COVID-19, and the administrative and finance teams are modeling the extent of the loss of unrecoverable revenue. He stated that funding that is allocated for local government in the Federal stimulus package will first go to state government, which will then allocate to counties and municipalities. He advised that the funding is to be utilized for emergency/disaster declaration types of expenses and cannot be used to supplant or replace revenue lost as a result of the extreme slow-down of the economy. The information will be brought forward to both the committee and the county board to initiate discussion on potential corrective action on the expense side to accommodate for the loss of revenue. He remarked that a 30% loss of revenue is estimated to be \$39 million. He stated that staff will review the impact of each of the sales taxes and state shared revenues.

Mr. Sorrel advised that as a draw down occurs on cash balances in combination with the decrease in interest rates, investment income will decrease.

Mr. Dillon noted that although several major stores have been lost in the past year, several new businesses such as Portillo's, Round 1, and the Room Store.

### **Adjournment**

The meeting was adjourned by Chairman Fennell at 1:34 p.m.