

**Approved 6/26/19**  
**Minutes**  
**BUDGET COMMITTEE**  
**May 29, 2019**  
**@ 3:00 p.m.**

<b>MEMBERS PRESENT:</b>	<b>James Fennell - Chairman; Rachel Reliford – Vice-Chairman; Jennifer Groves Allison, Rachael Parker, Rob Reneau, Steven Rieker, Paul Rosenbohm, Phillip Salzer, Sharon Williams</b>
<b>MEMBERS ABSENT:</b>	<b>James Dillon, Kate Pastucha, Andrew Rand</b>
<b>OTHERS PRESENT:</b>	<b>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 &amp; Resource Conservation; Mike Deluhery – County Clerk; Kathi Urban – Planning &amp; Zoning; Rena’ Parker, Jennifer Shadid – Courts Administration; Nicole Bjerke – Treasurer; Doug Gaa – Sheriff’s Office</b>

**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.