

Approved 8/24/21

FINANCE AUDIT AND LEGISLATIVE AFFAIRS COMMITTEE

July 27, 2021

@ 2:00 p.m.

COMMITTEE MEMBERS PRESENT:	James Fennell – Chairperson; Eden Blair, Brandy Bryant, Linda Daley, James Dillon, Betty Duncan, Andrew Rand, Rachel Reliford, Rob Reneau, Steve Rieker, Paul Rosenbohm, Phillip Salzer, Sharon Williams
MEMBERS ABSENT:	Jennifer Groves Allison, Kate Pastucha
STAFF PRESENT:	Scott Sorrel - County Administrator; Shauna Musselman – Asst. County Administrator; Dana Hughes - State's Attorney's Office; Julie Kusturin – Finance; Nicole Bjerke – Treasurer; Rachael Parker – County Clerk
VISITORS	Brian LeFevre – Sikich, LLP

Call to Order

Chairperson Fennell called the meeting to order at 2:00 p.m.

Approval of Minutes

A motion to approve the minutes of June 22, 2021 was made by Mr. Reneau and seconded by Ms. Reliford. The motion carried unanimously.

Informational

➤ Monthly Financial Report

Ms. Kusturin provided an overview of financial activity through May 31, 2021, representing 41.7% of the fiscal year. Highlights include:

- Total General Fund Revenues to date are 40% of budget compared to 30% at the same time last year.
- General County Revenues are tracking at 57% of the annual budget.
- Total General Fund Expenditures are 4.6% lower than the same time last year and overall expenditures have been reduced by \$830,000.00 (5%).
- Year to date Sales Taxes are \$1 million above budget expectations.
- Charges for Services are meeting budget expectations.
- Income Tax is trending above budget.
- Personal Property Replacement Tax receipts saw the strongest July in the past 22 years.

➤ Heddington Oaks 2021 Financial Plan

No verbal report. No questions or comments from committee.

➤ Legislative Update

Mr. Sorrel advised that on a federal level, the county continues to monitor the progress of two infrastructure bills currently in the Congress.

➤ American Rescue Plan Act (ARPA)

Mr. Sorrel advised that a first report is due to the U.S. Treasury on August 1, 2021. Mr. Sorrel stated that although a county the size of Peoria County is not required to solicit citizen feedback, a survey monkey has been devised for the citizens of Peoria County to provide input and feedback regarding the spend of the \$32.4 million allocation.

Mr. Sorrel outlined the following eligible uses: 1) Support Public Health Response; 2) Address Negative Economic Impacts; 3) Replace Public Sector Revenue Loss; 4) Premium Pay for Essential Workers; 5) Water and Sewer Infrastructure; 6) Broadband Infrastructure.

Mr. Sorrel advised that, using the formula within the Act and the guidance provided by the U.S. Treasury, it has been determined that Peoria County's total allotment, with the exception of \$2,403,420.00, would be applicable under the revenue loss category. He commented that staff anticipates recommending that the \$2.4 million not covered under revenue loss be utilized for support of the public health response and addressing negative economic impacts as it specifically relates to the social determinants of public health. He anticipates partnering with the City of Peoria for a like amount to pool resources and take an evidence-based approach to resolving community issues.

Mr. Sorrel advised that staff anticipates recommending an allocation of \$2.5 million for broadband, which in turn could then be used to leverage a component of a \$7.1 billion allocation in the Act specifically for broadband. He noted that it would be necessary for those dollars to be pursued through a competitive grant process. He remarked that it is his stance that Peoria County partner with the private sector providing broadband services to residents to determine the means to extend the broadband infrastructure.

Additionally, Mr. Sorrel advised that staff anticipates recommending up to \$1 million for small business assistance, and a total of \$28.9 million for capital improvements under the broad category of replacing public sector revenue loss. He noted that the \$28.9 million would be split with \$14 million going toward the HHS Campus and the remaining \$14.9 million utilized for other capital improvement projects. He stated that staff would work with the Infrastructure Committee on prioritizing those projects.

Mr. Sorrel stated that at the request of Mr. Reneau, staff is in the process of calculating the financial impact of offering any type of premium pay permitted under the Act.

Resolutions

• FY 2021 appropriation of 2020 General Fund surplus budget

A motion to approve was made by Mr. Rosenbohm and seconded by Dr. Blair. Ms. Kusturin advised that the General Fund ended FY 2020 with a \$5 million surplus. She stated that staff recommends utilizing those surplus reserves in the amount of \$3,334,730.00 to close out internal fund loans for the Heddington Oaks loan with Employee Health, the Matching Tax loan with Employee Health, and reducing the committed General Fund balance for the Growth Cell 1A project. She advised that staff also recommends a \$1 million General Fund transfer to the Risk Management Fund.

The motion to approve carried unanimously (13-0).

➤ FY 2021 appropriation of 2020 General Fund surplus budget to Capital Projects Fund

A motion to approve was made by Dr. Blair and seconded by Mr. Rieker. Ms. Kusturin advise that the General Funded ended FY 2020 with a \$5 million surplus. She stated that staff recommends transferring \$716,120.00 of the surplus reserves to Capital Projects and to appropriate the same amount into the Building Improvements fund.

The motion to approve carried unanimously (13-0).

Discussion

➤ Report from External Auditor

Mr. LeFevre presented a report on the audit of and opinion on the financial statements of Peoria County for the year ending December 31, 2020. He stated that Sikich is presenting an unmodified

opinion, meaning that the financial statements are presented fairly in accordance with generally accepted accounting principles free of material misstatement.

Mr. LeFevre explained that when the county spends more than \$750,000.00 in federal expenditures, a single audit is required, and noted that \$7.2 million was expended in federal expenditures for the year. He stated that the auditor is required to test the compliance requirements with respect to programs from which the County receives funds, and advised that there were no findings related to those programs.

Mr. LeFevre advised that one financial statement finding, which was repeated in the single audit report and in a separate communication of significant deficiencies in internal control, relates to the Pentamation accounting system and user controls. He noted that the finding is consistent with findings from the prior year. He stated that the auditor is aware that the Pentamation system is being replaced and due to timing, the financial statement finding would continue to be an issue until such time as the new system is implemented.

Mr. LeFevre remarked that only one audit adjustment of financial statements was proposed, minor recommendations were made which the county has responded to, and several recommendations from last year's audit have been implemented.

Adjournment

The meeting was adjourned by Chairperson Fennell at 2:45 p.m.

Recorded & Transcribed by: Jan Kleffman