Ogle County Finance & Insurance Committee
****Special Meeting ****
Tentative Minutes
Friday, October 30, 2009

1. Call to Order – by Chairman Hopkins at 2:15. Members present: Hopkins, Diehl, Kenney, Rice, White, Gronewold, Saunders. Also present: Lynne Kilker, Bob DeArvil, Jim Barnes, Ron Colson, Don Huntley, Sheriff Beitel, John Coffman, Meggon McKinley, Greg Martin, Mike Dale, Larry Callant, Vinde Wells, county employees, members of public.

2. Approval of Minutes – Motion by Gronewold to approve the October 26, 2009 minutes. 2nd by Rice. Motion carried.

3. Sheriff Department Update - Impact of 10% vs. 15% budget reduction – The Sheriff began the meeting by letting the committee that he thought he was talking about a 10% budget cut through the figures he was using in the last meeting of 10/26. He noted there were different numbers being discussed orally compared to the information he had highlighted on paper in the meeting for McKinley, and he realized the day after that it was a $348,000 error between what he provided and what was approved. He then referred to a chart he prepared identifying different budget scenarios. Lay off scheme #1 of a 10% reduction identifies a total Sheriff budget across all departments of $6,077,550, requiring layoffs of 10 full time staff (FTE) and 8 part time staff (PTE). The Sheriff noted that Merit Commission rules and union contracts dictate how he staffs and lays off, and so he has to reallocate staff to meet minimum requirements. The Sheriff talked with the US Marshall today and indicated if the jail falls below minimum staffing requirements, where it is today, they will have to pull prisoners out, which would cause us to lose $1,000,000 in jail boarding revenue. To avoid this, the Sheriff indicated he will reassign patrol employees to the jail. The Sheriff reminded the committee that salaries are 75% of the combined budgets and so when he has already cut $700,000 out of his budget and must cut more, there isn't anywhere to cut but people. White asks what the additional figures in the right hand column are, and the Sheriff notes the 15% column represents what was approved 10/26, bringing layoffs to 19 FTE and 8 PTE out of 82 FTE total. The additional information in the far right columns identify possible solutions if the unions make wage concessions- he indicates these figures are the "what if" scenarios. He noted that if the union was to take a pay freeze but keep step raises, it would lower the budget by $134,405. If they kept all earnings at the 2009 level, which means forgoing the 3% pay increase and the steps, it would lower the budget by $199,522. The Sheriff reported if he could get the total Sheriff budgets to $6,300,000, he could ensure no layoffs. On the back side of the chart, he showed the committee his original 2010 budget request he was hoping at approximately $7,000,000 for all departments.

   McKinley asked the Sheriff what impact the adopted 15% budget cut will have to his department since in the previous meeting, based on the misunderstanding of the figures being adopted, he did not articulate his concerns. The Sheriff responded that he is not happy with the 10% decrease let alone 15%. The 15% cut adds another 9 FTE layoffs, which guts patrol to just 5 officers and 1 or 2 detectives because we have to lay off in the jail first and transfer

others to staff it to keep our US Marshal program. He reported his concern that the 15% scenario creates a safety issue for the offices and the people we are sworn to protect. He notes that at the 10% budget reduction scenario, patrol staffing is reduced by 25%. Kenney asked if the 10% scenario includes the contract wages in effect, and the Sheriff answered yes.

4. 2010 County Budget - Review & Possible Action - Saunders asked Coffman about the reserves and whether he has considered the required 2009 reserve draw in the numbers he had presented previously. Coffman noted yes, that the $800,000 available reserve balance he referenced last meeting for 2010 already takes into account the 2009 required draw. He assumes of the total $1,500,000 available reserves, $700,000 must be applied in 2009 leaving $800,000 available for 2010. McKinley then reported that if the Sheriff's budget moves to a 10% reduction instead of 15%, we are $340,000 short of our last adopted budget scenario. Saunders asked if the Sheriff is still able to under spend approximately $200,000 from his budget and whether it would be helpful to spend some of that now instead of holding it back to help with next year's budget problem. The Sheriff stated that he had committed $155,000 of 2009 holdback in previous budget planning sessions and may be able to hold back $200,000. McKinley clarified that whether he holds it back now or later still adds up to the same math in the amount of reserves required to cover the shortfall. The Sheriff reported there is also required comp time payout that will come with the layoffs, estimated to be about $50,000 if 10 FTE are let go. He would plan to pay that $50,000 from the 2009 extra over the committed $155,000 savings. Rice says would be wise to do it end of fiscal year, and that we may have to do it at the time of the layoff notice. Coffman noted the reserve number could change based on numbers we could give back. The Sheriff said these scenarios take his budget back to staffing levels of a decade ago, which is a significant concern to him based on the increased demands on the Sheriff's services and more people in the county. The Sheriff asked the committee to consider compromises in the interest of public safety.

McKinley then distributed an Excel sheet with everyone's budget totals identified from the previous Finance Committee meeting and the Sheriff at a 10% reduction instead of 15% and 2 other department reductions noted – the County Clerk's office provided an additional $3,735 reduction by eliminating use of one part time election judge, and the Assessor's office provided an additional $4,000 reduction assuming they can ensure local assessors monitor more closely the number of changes and timing of reporting such that less money can be spent on official publications. Discussion followed with Coffman stating the most pressing issue is the falling revenues. McKinley then asked the committee what options they see for balancing the remaining $338,290. White noted that if we go over the $ 800,000 reserve marker, we have to borrow, and we are balancing the budget with reserves as income. Rice asked why the insurance line is up $20,000 and Coffman confirms more people are taking insurance through the county and that we are also having to absorb the rate increase portion that we did not pass on to the employees this year. Saunders said she's concerned about public safety with a 15% Sheriff budget reduction, noting that in Polo, they've seen a lot of break ins and robberies. She proposed pulling $200,000 out of the solid waste fund. She noted that we said we'd do it if we got the concessions, which we didn't get, and if the unions don't concede anything, we still have to lay off 10FTE and 8 PTE in this scenario. Saunders believes this scenario would keep our citizens protected when compared to a 15% Sheriff budget reduction. Hopkins asked if we could make a loan from the Solid Waste fund for cash flow purposes to borrow from it. White suggested running a short term

revolving line of credit against it, noting that if we get ahead, we pay it back, and if we don't get ahead, we don't pay it back. White stated this approach would keep the departments on track for containing their costs because we need to build our reserves back up in the coming years. Coffman confirmed this approach would support the cash flow, but if we do this in 2010, we need to be thinking about how to manage 2011. White asks if this would impact our bonding rate, and Coffman indicated it would because we'd have less than a 25% reserve limit, but we'd be passing a balanced budget.

The committee noted there would need to be a new resolution created to allow this approach. Kenney reminded the committee that even in this scenario, we will still have union layoffs and he is hesitant to go into the reserve fund to make the operating budget look good. Gronewold says he is concerned too and that he has been thinking through this for days but doesn't have another acceptable solution. Kenney agreed he doesn't have another solution either, but notes we don't have sufficient revenue to continue operating in the future as we have in the past. Kenney notes he has complete respect for law enforcement and doesn't want to reduce staffing, but doesn't see any other alternative. Hopkins notes all counties are facing the same decisions, which McKinley confirmed based on her conversations with other counties. She indicated that some projected lower revenues starting last year and are faring better than those who didn't. She noted some counties are pulling reserves and making reductions, while others are faced with significant layoffs because they have no reserves. White asks what we will do in 2011. Hopkins says we must make the best decision we can now and continue working on the budget for the future. He stated he believes this is the direction we must go, applying the available reserves, creating a revolving credit for the $200,000 from the solid waste fund, and laying off sheriff employees for a 10% reduction to that budget, unless there is another department to cut . McKinley stated that not all departments are at 10% reductions, but all have made equal sacrifice for the cut they can sustain. She reminded the committee that some only have salary line items in their budgets or very small budgets and can't cut to 10% without hitting layoffs, particularly in the non-union departments, who have taken $0 wages and made reductions based on the unique needs of their operations. She noted that the Sheriff and the Circuit Clerk have unions that are not providing concessions and they are stuck. McKinley confirmed that applying the $800,000 reserves, pulling $200,000 from the solid waste fund, making all department reductions as presented, and moving the Sheriff to a 10% reduction will close the 2010 $1,800,000 shortfall targeted. She commented we will have to use 2010 to make additional reductions and streamlining to prepare for 2011.

White said he sees this as a no win situation for everyone, and that public safety is a key issue. He said he also wants to ensure we do not place any more burden on the tax payer and while he is not happy with this solution either, he is glad it doesn't hit the tax payer. McKinley reported that the current insurance levy amount would cover the 10 FTE unemployment payments. Coffman reported there is a $150,000 extra insurance reserve amount held in case we have to change the timing of insurance blanket payment (e.g. quarterly instead of semi annual), which he does not see happening in 2010. He reported that as long as we don't change to an annual payment this year, we can cover $200,000 of unemployment costs via existing levies. Coffman says in future we may have to move the insurance levy up.

The committee agreed this is the best approach. Discussion followed regarding the best way to structure the funding to meet cash flow requirements, pass a balanced budget, and

structure the loan against the solid waste fund so a blank check isn't written and departments are held accountable. White moved to take $1,001,587.13 out of the reserve funds for the 2010 budget, setting up a revolving line of credit from the solid waste fund to fill any cash flow short fall on the General Fund . 2nd by Saunders. Discussion followed. Kenney asked what happens if we pass this budget and then the unions concede. He'd like to know if that obligates us to contributing the $655,000 we had originally proposed. The committee agreed it does not because that resolution was null and void when the concessions failed. McKinley clarified we want to keep discussion open with the unions. Hopkins agreed any concessions at this point would avoid layoffs. Gronewold pointed out that we are kicking in 8% to balance the budget and that he hopes everyone takes note of that contribution. Deihl stated he is concerned about next year because our revenues could be even worse, but he doesn't have any better ideas for this year. McKinley said we need to ask the unions to help us hold wages in 2011 through contract negotiations. Roll call vote was taken; Kenney yes, White yes, Gronewold yes, Rice yes, Deihl yes, Saunders yes, Hopkins yes. Motion carried unanimously .

5. Public Comment - none

6. Next Meeting – Tuesday November 10 2:30

7. Adjournment – by Committee Chairman Hopkins at 3:16.

Respectfully submitted,
Meggon McKinley, Ogle County Administrator

Lyle Hopkins – Chairman
Sheriff's Department Training Room 103 Jefferson St in Oregon, Illinois
Public Entrance – gated entrance off Jefferson Street – use East door of building

10/30/09 Special Finance Committee Meeting
2010 Final Budget Recommendations

Department	2009 Budget	Most Recent 2010 Proposed Budget *(non union at 0%; union as in contracts)*	2010 Final Budget Reductions *(Sheriff 10% overall reduction)*	Variance vs. Most Recent Budget
County Clerk & Recorder	338,667	336,446	336,446	-
County Clerk Elections	157,086	193,380	189,645	(3,735)
Buildings & Grounds	1,001,995	1,030,141	983,076	(47,065)
Treasurer	186,600	182,800	182,800	-
HEW	199,000	132,000	84,000	(48,000)
(*county to cover IMRF & FICA)				
Soil & Water Conservation	25,717	25,717	25,717	-
ROE	57,237	56,712	56,712	-
Judiciary	317,917	309,509	309,509	-
Circuit Clerk	587,400	632,400	582,400	(50,000)
Focus House	921,026	893,768	893,768	-
Probation	698,808	682,924	682,924	-
Assessment	266,250	253,635	249,635	(4,000)
Zoning	177,728	159,968	159,968	-
Sheriff	3,321,135	3,062,862	2,678,268	(384,594)
OEMA	109,279	103,467	100,427	(3,040)
Emergency Communications	726,670	755,265	731,385	(23,880)
Corrections	1,627,313	1,568,464	1,584,394	15,930
Coroner	174,035	181,903	181,903	-
				-
States Attorney	694,702	666,881	666,881	-
Finance	274,429	253,929	253,929	-
IT	93,125	55,000	80,553	-
Administrator	80,700	97,000	97,000	-
Insurance	1,406,300	1,457,500	1,457,500	-
Sub Total	**$13,443,119.00**	**$13,091,671.00**	**12,568,840**	**(548,384)**
Additional Levy Expense			132,747	
(est. to stay under Excelon max)				
Total			**12,701,587**	
Target General Fund Revenue			11,700,000	
Short of Goal			1,001,587	
Reserve Contribution			800,000	
Revolving Credit from Solid Waste			201,587	

Ogle County Sheriff
Side-by-side Budget Comparisons
FY 2010

UNIT or DIVISION	Adopted FY 2009	Proposed FY 2010, Contracts in effect	Lay off scheme #1 (10% cut)	Lay off scheme #2 (15%)	Pay freeze with Step raises	At FY 2009 avg. earnings
SHERIFF						
entire budget	$ 3,321,135	$ 3,060,668	$ 2,678,268	$ 2,454,362	$ 2,979,565	$ 2,973,648
Salaries, O.T. & Holiday Pay	$ 2,470,772	$ 2,546,486	$ 2,049,120	$ 1,874,910	$ 2,465,383	$ 2,462,184
OCEMA						
entire budget	$ 109,279	$ 102,177	$ 100,427	$ 100,427	$ 100,427	$ 100,427
Salaries, O.T. & Holiday Pay	$ 62,219	$ 58,364	$ 58,364	$ 58,364	$ 58,364	$ 58,364
EMERGENCY COMM.						
entire budget	$ 726,670	$ 756,451	$ 731,385	$ 694,073	$ 739,596	$ 725,615
Salaries, O.T. & Holiday Pay	$ 595,035	$ 627,932	$ 602,867	$ 592,867	$ 611,077	$ 597,096
CORRECTIONS						
entire budget	$ 1,627,313	$ 1,566,201	$ 1,584,394	$ 1,534,221	$ 1,540,901	$ 1,505,288
Salaries, O.T. & Holiday Pay	$ 1,249,303	$ 1,248,922	$ 1,264,824	$ 1,216,986	$ 1,223,678	$ 1,197,850
BUILDINGS & GROUNDS						
entire budget	$ 1,001,995	$ 1,030,140	$ 983,076	$ 946,917	$ 1,018,993	$ 1,009,387
Salaries, O.T. & Holiday Pay	$ 364,168	$ 405,919	$ 355,735	$ 321,695	$ 394,772	$ 385,165
TOTAL						
entire budget	**$ 6,786,392**	**$ 6,513,887**	**$ 6,077,550**	**$ 5,730,000**	**$ 6,379,482**	**$ 6,314,365**
Salaries, O.T. & Holiday Pay	**$ 4,741,497**	**$ 4,887,623**	**$ 4,330,910**	**$ 4,064,822**	**$ 4,753,274**	**$ 4,700,659**
		NO LAY OFFS	***10 FT / 8 PT laid off***	***19 FT / 8 PT laid off***	**NO LAY OFFS**	**NO LAY OFFS**
Salaries, O.T. & Holiday Pay as a percentage of entire budget	69.87%	75.03%	71.26%	70.94%	74.51%	74.44%
Budget difference compared to "FY 2009"		**$ (272,505)**	**$ (708,842)**	**$ (1,056,392)**	**$ (406,910)**	**$ (472,027)**
salaries difference compared to "FY 2009"		**$ 146,126**	**$ (410,587)**	**$ (676,675)**	**$ 11,777**	**$ (40,838)**
Budget difference compared to "Contracts in effect"			***$ (436,337)***	***$ (783,887)***	***$ (134,405)***	***$ (199,522)***
salaries difference compared to "Contracts in effect"			***$ (556,713)***	***$ (822,801)***	***$ (134,349)***	***$ (186,964)***

Ogle County Sheriff
Side-by-side Budget Comparisons
FY 2010

UNIT or DIVISION		FY 2010 Original		Pay freeze at last day FY 2009 rate
SHERIFF				
entire budget	$	3,442,160	$	3,000,085
Salaries, O.T. & Holiday Pay	$	2,552,013		2486547
OCEMA				
entire budget	$	101,967	$	102,006
Salaries, O.T. & Holiday Pay	$	63,795	$	58,364
EMERGENCY COMM.				
entire budget	$	761,568	$	736,106
Salaries, O.T. & Holiday Pay	$	626,746	$	606,987
CORRECTIONS				
entire budget	$	1,635,256	$	1,525,593
Salaries, O.T. & Holiday Pay	$	1,251,228	$	1,215,508
BUILDINGS & GROUNDS				
entire budget	$	1,056,719	$	1,015,515
Salaries, O.T. & Holiday Pay	$	405,919	$	391,293
TOTAL				
entire budget	**$**	**6,997,670**	**$**	**6,379,305**
Salaries, O.T. & Holiday Pay	**$**	**4,899,701**	**$**	**4,758,699**
		NO LAY OFFS		**NO LAY OFFS**
Salaries, O.T. & Holiday Pay as a percentage of entire budget		70.02%		74.60%
Budget difference compared to "FY 2009"	**$**	**211,278**	**$**	**(407,087)**
salaries difference compared to "FY 2009"	**$**	**158,204**	**$**	**17,202**
Budget difference compared to "Contracts in effect"	***$***	***483,783***	***$***	***(134,582)***
salaries difference compared to "Contracts in effect"	***$***	***12,078***	***$***	***(128,924)***