Ogle County Finance & Insurance Committee
Special Meeting
Monday October 26, 2009
Tentative Minutes

1. Call to Order - by Chairman Hopkins at 4:02. Members present: Hopkins, Saunders, Diehl, Rice, Gronewold, White, Kenney. Also present: Fred Horner, Bob DeArvil, Jim Barnes, Lynne Kilker, Kim Gouker, Maggie Nye, Ron Colson, Don Huntley, Sheriff Beitel, Lou Finch, Becky Huntley, John Coffman, Doreen O'Brien, Greg Martin, Mike Dale, Frank Mallory, Ben Roe, Meggon McKinley, Vinde Wells, members of the public.

2. Public Comment – Don Conn expressed concern that all departments aren't being treated equally and feels they should be. If some have to take furlough days, they all should, he said, even if they have other funds they can draw from to avoid it. Another member of the public expressed concern that the senior levy and services might be cut since the levy is their main source of income. He asked why the board would reduce funding when they are not yet at the maximum levy as voted by the public. Hopkins and Coffman clarified that the board is permitted to tax up to the limit, but has authority to hold or rearrange levies as it deems appropriate. The public expressed concern that the referendum language did not include the term "up to" when asking the public for their approval of levy limits, although it was noted that townships don't tax to the maximum limit either, and taxing 'up to" the maximum is standard practice at the township level. Saunders stated that the board is concerned this is not a good time to be raising taxes. Conn expressed concern about seeing seniors push tax burdens on younger people who are out of work and losing their homes. He feels senior citizens don't need all the levy funds they receive. Another member of the public noted that Ogle County has a larger percentage than the national norm residing in this county and that she and others came to the HEW special committee meeting two weeks ago to ensure there was no reduction from the original hearing. She noted they were not asking for more money, just asking to have the original request from August maintained. Barnes stated it doesn't seem that anyone is asking for more funding, rather, just to maintain funding levels already approved. Hopkins reminded the public that the HEW recommendation is to maintain the funding approved at the hearing the end of August. Kilker clarified that Soil & Water funding was reduced by the Finance Committee, which McKinley noted was indeed the case. Another member of the public noted it's a sad state of affairs to see how many senior citizens don't have anyone to help them, whether it's because they have very small families, or they pushed them away. She noted that we need to remember that they need love and care no matter why they are alone, and highlighted how important the Tri County services are in serving the seniors. She reminded the board members they are distributing monies voted on by the people. Another gentleman asked why tax bills didn't include any senior citizen tax levies on the real estate bills a few years ago. Coffman noted this was done at the advice of the

county's tax attorney when the Excelon agreement was being disputed. The county funded those services from the general fund that year, which is not the normal process.

3. Closed Session – Collective Negotiating Matters and Salary Schedules Impacting 2010 County Budget (5 ILCS 120/2 (c) (2) – Rice then moved to go into closed session to discuss collective negotiating matters and salary schedules impacting the 2010 County budget. 2nd by Kenney. Roll call vote, Kenney – yes, White- yes, Gronewold – yes, Rice – yes, Diehl- yes, Saunders – yes, Hopkins – yes. Motion carried. Closed discussion followed. Motion to come out of executive session by White. 2nd by Kenney. Motion carried.

4. 2010 County Budget - Review & Possible Action
   a. Rice moved to respond to the FOP Labor Council letter, which indicated they did not accept our proposed concessions, by stating the County Board will move ahead in setting our budget based on funds available with the likelihood of work force reduction in their department. 2nd by Kenney. Motion carried.
   b. McKinley then updated the committee on projected 2010 revenues, which Coffman has adjusted down to 11,605,650. Coffman walked the committee through the most recent revenue projection spreadsheet, highlighting a $100,000 reduction in 2009 income taxes, a few offsetting changes in sales tax, and a $75,000 reduction in 2010 Probation salary reimbursements. McKinley noted we remain close to the 2010 1,800,000 anticipated revenue shortfall.
   c. McKinley then referred to the summary of department budgets titled Scenario B comparing the 2010 budgets most recently proposed with new budget figures holding all salary lines (non-union AND union) at $0 increase over 2009. The summary shows that if the board keeps the $655,000 solid waste fund contribution in as a protection against non-union lay offs, and holds union department salary line items at 0% increase, there is still a $549,000 deficit. McKinley highlighted a number of reductions planned in addition to the department reductions, such as choosing the lowest audit bid, reducing board mileage reimbursements, pulling out the County Clerk's grant line item from the general fund, automating network monitoring tools, allocating a full IT salary to GIS for one year, funding CASA from non-general fund revenues, and reducing contributions to various organizations, including Soil & Water, Ogle County Fair, and Black Hawk Hills RC&D. She then identified additional ideas for closing the remaining $548,000 gap, such as continuing discussions with the 911 board about covering the coordinator's full salary, offering voluntary unpaid vacation time, asking for voluntary moves into part time positions, closing various offices throughout the year, and working with the Sheriff and judges to do sweeps to focus on collecting unpaid fines. Rice said we need to set the budget assuming none of these solutions, because we don't know what they will bring. Saunders would like to pursue the sweeps no matter what. White asked if we could be creative on buyout options, like other counties may be doing. McKinley reported she and Coffman reviewed

the Lake County buyout program, which was closely linked to the state IMRF early retirement plan, and seemed expensive. She will investigate further options here, noting the key is to ensure departments don't then fill the vacant position.

d. Hopkins noted that Jason Anderson of GREDCO came to talk about the reduction Ogle County made to the Black Hawk Hills RC&D contribution, and asked him to share his thoughts. Anderson reported that RC&D has been a critical link between the county and the federal government's department of commerce administration for 15 years, noting that they have been instrumental in securing 3 grants that have amounted to roughly 6,000,000 - $7,000,000 to the county. He referenced their critical role in helping us accomplish the Seward Road overpass in Rochelle and that there have been 6 new projects activated in the last 3 weeks that RC&D is assisting with. McKinley asked if he knew what impact would come to Black Hawk Hills RC&C with the reduced funding, which he did not. Ron Colson clarified they are funded by 6 counties, and if Ogle County leads in reductions, the other counties may follow suit. Colson noted that if they have to let anyone go in that organization, we would be losing a great economic development service. Anderson noted they work on a prioritization list based on size and funding, and Ogle County has received high priority from RC&D that he would hate to see us lose. Colson clarified that the 6 counties supporting RC&D are Ogle, Jo Daviess, Stephenson, Whiteside, Carroll, and Lee.

e. McKinley then returned to budget hand out Scenario B, suggesting the committee keep the $655,000 solid waste fund contribution in the budget even though the unions did not give concessions, viewing it as a protection against non-union layoffs. Saunders asked Coffman how much reserve funding the County still has, and he said that after covering the 2009 expected shortfall, there would likely be another $800,000 in available reserves left. Coffman reminded the committee needs 6 months of expenses in reserve to manage the cash flow appropriately, and that setting the budget is the first step in confirming available reserves. Coffman also noted the department heads held a meeting last week to confirm they had all contributed as much to the savings as possible before hitting layoffs, and they have. Rice asked how many non-union layoffs there would be if all departments were reduced 15% equally. McKinley said it appears to be about 14. Saunders suggests putting $700,000 in reserves into the budget. McKinley notes this would leave an estimated $500,000 deficit to close. Saunders noted that with layoffs, the IMRF levy will go down. Coffman noted that with layoffs, the insurance levy will go up to cover the unemployment costs, so it may actually balance out. McKinley stated that as she said during the closed session, she does not believe it would be wise to cut the non-union departments 15% because they have no other reduction options but to go to layoffs and are taking a $0 salary increase plus finding other reductions. She indicated that the department heads with unions have also been working diligently to close the gap, but with union contracts driving their budgets, they are in a difficult position too. She reminded the group that the Probation Department has already secured general fund wage

concessions from their unions and we're waiting on the response from the Circuit Clerk and Health Department. McKinley stated that the Health Department revenue model is such that our general fund contribution covers only 2 (Doreen clarified 3) Health Department employees, and we benefit greatly from their grants and fees that fund widespread, effective services to the county without having to pay for it all. McKinley reiterated her view that the problem is not wild spending in any department, rather plummeting revenues and 65% of the 2009 general fund budget being driven by salaries that continue to grow year after year. McKinley believes we must focus on controlling wages through next year's open union contracts, and implementing new performance management approaches the Personnel Committee is working on to use market data and salary ranges per job class so that employees can't get raises above a certain amount no matter how long they've been here unless they advance to another job grade that pays a higher salary. She then asked what the committee thinks about keeping all salary line items at $0 (including unions), applying the reserves, and keeping the $655,000 solid waste contribution in knowing our long term solution will come in better wage controls beginning in 2010 and 2011. Rice said he would consider it. White, Gronewold, Kenney say they would not consider it. Deihl said he would hate to see both the reserves and the solid waste funds applied. Saunders expressed concern that equal layoffs will actually be punishing the non-union departments. White suggested keeping the reserves in, but not the $655,000 solid waste fund. The committee agreed they would be in favor of this. McKinley asked for suggestions on closing the remaining $500,000 gap. The committee agreed it should be spread across the unions. Hopkins suggested looking at the numbers the sheriff had relayed during the closed session when describing the layoff scenario with a budget of $2.7mm Sheriff, $1.2mm Corrections, $100k OEMA, $755k Emergency Communications, $975k B&G. The Sheriff provided a copy containing the numbers he had read from, and McKinley stepped out to the Sheriff's office to update the committee's spreadsheet with these numbers and bring new print outs back for review and possible action.

f. White asked how these decisions would impact the levies, and Coffman reviewed the current levy rates based on funding decisions to date. Discussion followed with White noting he wants to ensure the current $132,747 tax increase, and any other new increase from layoffs, over the max Excelon rate does not hit the taxpayers. White asked why a $67,000 Health Department reduction to the general fund drives a $115,000 increase to the tax payer in IMRF and FICA levies. O'Brien wasn't sure because she didn't have all her budget calculations in front of her, but noted if the county doesn't levy for her IMRF and FICA, she needs to put the general fund request back up to $199k instead of the $132k. O'Brien stated she is not comfortable having the county levy for all other departments' IMRF and FICA and not the Health Department because this is a significant expense to the department which is harder and harder to fund. She noted having to cancel one program and lay off a person last year because the county funding wasn't enough to cover

everything. The committee asked if O'Brien could lower her general fund request even further if the county funds the IMRF and FICA levy. She agreed to lowering it to $84k. White wants to hold the max Excelon rate and put any increase directly back to the general fund as a direct expense item. Saunders and Martin discussed the amount of IMRF payments on any non-general fund bonus amounts given to his people, and Martin said he will confirm the figures this week. Coffman noted it's probably an offset since we're likely to have less employees in 2010.

g. McKinley then passed out the updated general fund budget spreadsheet with the Sheriff department numbers that were changed, highlighted in yellow. Review and discussion followed with McKinley confirming the general fund expenses drop to $12,229,025, plus $132,747 to cover taxes over the max Excelon rate. Adding a reserve of $661,772 as income meets the $11,700,000 general fund target. John noted he needs a tighter estimate on layoff numbers as soon as we have them. McKinley then passed out the non-general fund budgets again for the committee's review (Animal Control, Pet Population Fund, Highway, Solid Waste). The only change noted from previous versions was in the solid waste income, which has been reduced slightly anticipating less fees collected per Rypkema's recent update to the Finance Committee. The Solid Waste amount to transfer to the Long Range Fund was reduced to $3,043,143. White then moved to approve the general fund expenditure of $12,229,025 as identified in the updated spreadsheet with an estimated reserve draw of $661,772, to be adjusted to keep levies below the max Excelon rate. 2nd by Diehl. Discussion followed with Kilker asking if that includes the reduction to RC&D. Rice suggested taking a portion of the money set aside for NITT to cover the $1,500 reduction. It was also noted that our $1,000 Small Business contribution made earlier may be returned, and we could apply those funds to the annual RC&D contribution. Motion on the general fund budget as presented carried, unanimously.

h. McKinley then passed out a working draft of the Long Range Plan 2010 budget, noting the courthouse project, professional fees, network upgrade potential, CAD records management system final payment, Oregon Police Dept agreement for their CIS one-time payment, and NITT commission. The Sheriff confirmed the jail assessment money budgeted for 2009 will not be spent, and it's not likely that 2010 would not be a good year for any expenditures in that category. He did note needing to fund current jail repairs, as required by the fire marshal and recent risk audit results such as centralized fire and smoke detection, upgraded surveillance, and structural modifications to meet code. The Sheriff will provide cost estimates as soon as he has them. The committee requested no expense be made in 2009 or 2010 for the Pines Road garage cold storage line item. Coffman will confirm the exact amounts of judicial center bond payments and associated fees. White asked for the entire judicial center project total to be updated on this sheet, which McKinley agreed she will do.

i. Budget timeline – Ben Roe clarified that the only time a budget public hearing meeting is required is when there is a Truth in Taxation need if the taxes

exceed 5% over the previous year, which is not happening this year. Coffman noted we need to get the budget ready for public lay over by 11/2 in order to hold the planned 11/17 board review and adoption timeline. The committee agreed they want to hold a public hearing 11/17 even if not required because we owe it to the public. The committee confirmed we'll hold the normal 5:30 11/17 board meeting, adjourn for the public budget hearing, then reconvene as a board to adopt the budget.

j. Meeting adjourned at 8:11 by committee Chairman Hopkins.

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

10/26/09 Special Finance Committee Meeting
2010 Budget Analysis
Scenario B
- $655k Contribution to protect against massive layoffs
- Reduce General Fund union salaries to $0 increase

Department	(B) 2009 Budget	(C) Most Recent 2010 Proposed Budget *(non union at 0%; union as in contracts)*	(D) Scenario B General Fund Union Salaries at $0	(E) Scenario B Variance vs. Most Recent Budget *(column D-C)*
County Clerk & Recorder	338,667	336,446	336,446	-
County Clerk Elections	157,086	193,380	193,380	-
Buildings & Grounds	1,001,995	1,030,141	992,101	(38,040)
Treasurer	186,600	182,800	182,800	-
HEW	199,000	132,000	132,000	-
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	253,635	-
Zoning	177,728	159,968	159,968	-
Sheriff	3,321,135	3,062,862	2,981,817	(81,045)
OEMA	109,279	103,467	102,007	(1,460)
Emergency Communications	726,670	755,265	723,554	(31,711)
Corrections	1,627,313	1,568,464	1,558,183	(10,281)
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**	**12,904,687**	
$655,000 Contribution			-655000	
Total			**12,249,687**	
Target			11,700,000	
Short of Goal			549,687	

10/26/09 Special Finance Committee Meeting
2010 Budget Recommendations

= reductions made at Finance Committee meeting

Department	2009 Budget	Most Recent 2010 Proposed Budget *(non union at 0%; union as in contracts)*	Finance Committee Recommended 2010 Budget	Variance vs. Most Recent Budget
County Clerk & Recorder	338,667	336,446	336,446	-
County Clerk Elections	157,086	193,380	193,380	-
Buildings & Grounds	1,001,995	1,030,141	975,000	(55,141)
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	253,635	-
Zoning	177,728	159,968	159,968	-
Sheriff	3,321,135	3,062,862	2,700,000	(362,862)
OEMA	109,279	103,467	100,000	(3,467)
Emergency Communications	726,670	755,265	755,000	(265)
Corrections	1,627,313	1,568,464	1,200,000	(368,464)
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**	**12,229,025**	**(888,199)**
Additional Levy Expense			132,747	
(est. to stay under Excelon max)				
Total			**12,361,772**	
Target General Fund Revenue			11,700,000	
Short of Goal - Reserve Contribution as Income			661,772	