

FINANCE COMMITTEE MEETING
Special Meeting – Budget Hearing #3
September 9, 2019 @ 5:15 P.M.

MEMBERS PRESENT

John Jackson
Kevin Greenfield
Laura Zimmerman
Debra Kraft
John Jackson
Greg Mattingley
Tim Dudley

MEMBERS ABSENT

COUNTY PERSONNEL PRESENT

Patty Cox, County Board member
Dave Ellison, Public Defender
Bruce Bird, County Highway Engineer
Carol Reed, Auditor
Brandi Binkley, Health Dept Administrator
Sheree Zalanka, Health Dept
Lisa Wallace, Auditor's Office
Josh Tanner, County Clerk
Bethany Stapel, Health Dept
Jeannie Durham, County Board Office

CALL TO ORDER

The meeting was called to order at 5:15 p.m. by Chair John Jackson at the Macon County Office Building.

APPROVAL OF MINUTES

Motion to approve minutes of prior budget hearing meeting on 9/4/2019 was made by Ms. Kraft, seconded by Ms. Zimmerman and motion carried 7-0.

Budget Proposals

Public Defender:

Mr. Ellison explained that the main difference in the budget from last year is an increase in salaries. Part of it is the Public Defender's salary because of the Legislative Act that ties the salary to the State's Attorney's salary. It has to be 90% of the State's Attorney's salary for the county to qualify for the state's 2/3 reimbursement. They are currently fulfilling their obligation there. The salary went up about \$4,500. The other increase is due to the added Leap Day. That amounts to about almost \$6,000 in salary increase. Salary is a huge part of the budget at about 92% of it.

A few other things such as telephone expenses, transcripts, and office supplies were cut by about a total of \$2,500.

Overall, it is \$1,269 over last year's budget all due to the mandatory salary increases.

Looking at past budgets, about 4% to 5% under what is budgeted is usually spent. That is going to slowly dissipate this year due to the increase in the Westlaw and Clear. These increases were not compensated for in the budget, but will be absorbed. There will also be some other expenses this year due to switching over to a paperless system with Odyssey. One component that will be needed will be Chromebooks or some type of computer device that the attorneys can carry into the courtroom. It makes no sense to go paperless in the filing if they've got to print of everything to be taken into the courtroom. There will be no paper files soon. It's going to be that when the attorneys prepare for court, all the cases he has in court that day will be loaded onto the device so they can access the filings and past occurrences. At the end of the

day, it will be dumped and the next day's will be loaded. That is the only way a paperless system is going to save the county money. Chromebooks are about \$500 each. There are 10 attorneys. That would be a \$5,000 cost. That has not been included in this budget, but it will need to be phased in.

Ms. Kraft made a motion to pass the proposed budget on to Display, seconded by Mr. Mattingley and the motion passed 7-0.

Highway Department:

030 – Highway Fund

Revenue –

Refund Payroll from MFT – a different way to pay for salaries. Up until this year, it was a 70/30 split between MFT & County Highway. With the advent of GATA, required by the State, it is going to be easier going forward to pay all maintainers, the ones that actually work out in the roads, 100% of what they do is reimbursable. There are rules under MFT where their salary can be reimbursed. All of those have been switched over to 100% MFT. The ones that cannot be done like that are the mechanics because there are times when they are working on Sheriff's cars or Probation or other departments. That is not reimbursable. They are 100% paid from Highway. When the GATA paperwork is filled out that has to be sent to the State, it is a lot easier. If doing the 70/30, there would have to be a separate database and daily paperwork to keep track of what days they work on what in order to maintain that split. This simplifies things. This year is perfect to make that switch because of the change in the gas tax and our portion, increase on that. Because of that switch, there is an increase in the revenue side in the Refund Payroll from MFT line of \$172,000.

Expenditures – The biggest change is from the salaries that are in there. There were two retirees last year and even with raises, there were salary savings of almost \$6,000.

Group health insurances remained the same

SS & IMRF changed due to the calculations

Line 8090 – uniforms and safety equipment – The transportation committee asked for this to be zeroed out.

9000 lines are used to buy equipment for construction projects. They have all been modified down to reflect the actual projects coming up this year. There is a lot less right of way that is being bought. Projects that are coming out of County Highway are down. Machinery and equipment is down.

031 – Matching Fund – used to match federal and state funds; mostly intended for construction projects.

Revenue – less money is expected from the State of Illinois. The biggest portion will be if the Reas Bridge Road project is started next year. That is where the \$5 million comes from on the state side.

Projects side – there are two lines totaling \$5,850,000. That is lined up for potential projects next year.

032 – MFT

Revenue – the biggest difference is the MFT allotment from the State of Illinois showing an increase of \$1,950,000. There are two sources of funds; an additional portion of the month by month MFT. They doubled the MFT, but we're getting a 68% increase, not double. They started collecting it July 1. The first additional payment above and beyond the regular payment should be this month. It is delayed two months, as opposed to one month of regular MFT. There is regular MFT and New MFT and there are two separate accounts going forward.

There is also an allotment that is supposed to be received that is a bonded amount for the construction projects. That is going to be a one time chunk every year for the next 6 years. They have given a ballpark figure, but they have not sold bonds and they have not told for sure how we will get it yet. This number is a best guess based on what they've said and it may change quite a bit by next year after there is a better idea of what is actually coming in.

Chair Jackson clarified that the separate account is not reflected in the budget. Mr. Bird said, no, when it is received, it will be put in MFT. He said they've been told to treat it as MFT, but on the state level, because the distributions are different from the original 19 cents and the new 19 cents, they are sending out two separate checks.

Chairman Greenfield asked about setting up a separate account for when the levy was raised a couple of years ago. Mr. Bird explained that that is in the Matching and Bridge. Mr. Greenfield said he had the understanding that they wanted it kept segregated. Mr. Bird agreed, saying he had spoken with the Auditor about it and it won't show up in the budget. It will be in the balance line. He said they want to get together in November after everything settles out from construction and set something up at that time. Starting December 1, he said they will have that, but it will not ever show up in the budget. It will be on the balance side.

The Expense side of MFT –

Line 9020 – project expense - \$1,460,000 for a combination of two projects

Chair Jackson asked if there are guidelines of what can be done with the MFT. Mr. Bird confirmed saying it can be spent on salary as long as they are doing something that is MFT reimbursable, on construction projects, a lot of things. It cannot be used to buy equipment or for operational expenses, but you can charge rent on your own equipment. That is a way to take that money and convert it over to County Highway funds. That can then be used to fund equipment purchases. There is a chart that shows what it can and cannot be spent on.

034 – Special Bridge – This is the other county level fund.

Not much change on revenues.

Expenses – County share and Township share of bridges showing \$1 million in one line and \$555,000 in the other line. That is to cover projects that are lined up for next year.

035- State Township Bridge –covers an allotment of about \$167,000 a year, the same as it has been for the past 20 years, that comes from State Township Bridge. The can only be used on Township bridge construction and a few other things related to township bridges. This normally pays 80% of the cost of the construction and then the remainder of the 20% is split between us and the township. There is a bridge in Maroa Township and one in Pleasant View Township. The Maroa – Friends Creek is set up next year for construction and the one in Pleasant View is set up for engineering.

036 – Progress City – These lines are put into the budget just in case Richland has a need to do any repair or construction work on the road at Progress City. There are amounts of \$500,000, but is only if it is necessary. All revenue comes from Richland. It has not had to be used for the past 3 years.

Chairman Greenfield asked about the raises. Mr. Bird said the percentage of the contractual raises ended up at 2.65%. So, after the discussion at the Transportation Committee meeting, the Road Supervisor and Assistant County Engineer raises are now also 2.65%. Mr. Greenfield asked what the Assistant County Engineer’s salary is. Mr. Bird said it is \$88,135.

Mr. Greenfield asked about inventory counts of rock and salt. He said that the outside auditor has brought it up several times. Mr. Bird explained that for materials, rock, salt, culverts, etc, the individual from May, Cocagne & King comes out to the office and Stu goes around with them, takes a measurement of a pile and come up with an estimate. They take a look at it and come up with an agreement. That shows up in the ending value. Mr. Greenfield asked if counts are taken on a daily basis. Mr. Bird said they keep track of it. Mr. Greenfield asked if the records jive with what the accountant comes up with. Mr. Bird said yes. They are in the ballpark because it is used by bucket-loads and that can vary by who is in the cab of the truck. Mr. Greenfield said that was a concern the Auditor had had several times. Mr. Bird said they’ve always made sure they agree. Ms. Reed said she thought the auditors would like for the County to have their own count and then compare their count to ours. So, at yearend, it would be ideal if they would take an inventory. Mr. Bird agreed and said that Stu is aware of it and knows its coming. He usually goes out and does it before they get there, but then they still go out and take a look to make sure those figures agree. Chair Jackson asked if it is done monthly. Mr. Bird said it is done yearend.

Mr. Greenfield made a motion to forward the proposed budget on to Display, seconded by Mr. Gresham, and the motion carried 7-0.

Health Department:

Ms. Zalanka explained that the budget had been changed since it was presented to the Board of Health and the EEHW committee. Right after the EEHW committee meeting, an employee announced retirement. This position will not be filled. That is an increase of around \$50,000. Notice was also received in regard to an increase to one of the grants which is an additional \$17,500. It went from -\$6,000 to +\$61,000.

Total department revenue ended up at \$6,515,000
Total Expense was \$6,453,000
For a Net of \$61,467

Overhead expenditures remain close to the same. There is a 17% indirect overhead cost which is the same as last year. Although, overall, these expenses did decrease \$10,000.

Staffing – Ms. Binkley explained that the budget does reflect an increase in payroll to show salary increases for everyone. Those are based on merit, but also on a salary assessment that was done in 2014 that showed the department is about 25% lower than comparable health departments. There was a four year plan to address that. Last year was the last year of that plan. Feedback was received from EEHW that said they need to continue to work on that

because although some increases had been done to the pay, they were still behind where they needed to be not only for other health departments, but also for other local health care providers. In 2019, some information was received from an assessment performed by Sangamon County Health Department that still showed Macon County in the low to mid range for what other Health Department staff were being paid. That is just comparing to other health department staff. We are even more significantly lower than other health care providers when you look at hospitals, nursing homes, etc. in the community. She said they are working to address that. That is reflecting up to a 6% increase.

Another consideration in staffing is the increase in minimum wage. She said they are compliant right now and will be in the next fiscal year, but must start working not only on addressing that but also the pay compression issues that will be faced because some of the higher levels of staff are paid so much closer to the minimum wage number. Adjustments will be needed across the board.

Another thing is that there is quite a lot of trouble filling nursing positions. There is a nursing shortage in this country and in our state. That is a struggle at the Health Department too, especially when we are already paying lower than other health care providers in the community, they have to get creative and think outside the box because it is not all about salary, but about what else can be done to get those nurses in the door. Without the nurses, all the core public health activities cannot be performed.

Changes in grants over FY19 & going into FY20:

In FY19, the Illinois Department of Public Health decided to bundle some of the core programs into the Comprehensive Health Protection Grant. These programs include communicable disease, immunizations, lead, perinatal, hepatitis B, Narcan, Food Protection, Safe Drinking Water, Body Art, Tanning, Emergency Preparedness, and Vector Control. This bundling continued for FY20 and FY21. With this bundle, an increase in grant funding was received for some of these programs. The most notable increase was for the Lead Poisoning Prevention and Response Program. This funding is for the case management of children with confirmed blood lead levels at or greater than 5. There is a nurse that conducts home visits to identify sources of lead paint and educate about the prevention of lead dust in the home. Previously, only \$25,000 was received. In FY19, it increased to \$162,300. For FY20, \$109,800 will be received.

Also, in FY19, subcontracting with the Illinois Public Health Association began on the HIV Prevention contract. This grant will continue into FY20.

The Car Seat Program was brought back. Dollars that were set aside in a restricted fund balance are being used to purchase seats. Parents and Guardians in need of a car seat are asked to give a donation of \$20. A grant was applied for and notice was just recently received that \$7,000 was received. There are 11 trained car seat technicians and they hold monthly car seat check events.

In FY19, the Family Case Management Grant was split into two separate programs; Family Case Management and High Risk Infant Follow-up Health-works. In 2019, this brought an increase of \$127,000 and for FY20, it is an increase of an additional \$20,000.

For FY20, the Health-works Lead Agency Grant was increased \$17,505. The award had remained the same since 2015. More DCFS clients were being served than the contract required.

In FY20, the assigned caseload for Better Birth Outcomes Program decreased from 139 to 120 resulting in a \$73,284 decrease in funding. A decrease was also received for the WIC Program. Caseloads decreased from 2,287 to 2,083 resulting in just over \$18,000 decrease in funding.

Information Technology Upgrades:

Currently, there is an almost total rebuild of the IT infrastructure including a new 10 GIG Fiber backbone with multiple distribution facilities, all new switches, moving from the Macon County Health. Org domain for email to the shorter Maconchd.org, and migrating all staff to Office 365. With 365, files can be accessed from anywhere internet is available. Mobile work and collaboration is much simpler. Communication is much easier through instant messaging, sharing documents with team members, video chats and several other things. It also allows for minimum down time if there was ever a catastrophic event at the Health Department. All that would be needed is a computer and internet and access would be had to everything. Everything mentioned so far, has been included in this year's (FY19) budget. For FY20, a computer refresh is being worked on. The FY19 budget included the purchase of 20 computers, but a significant portion of the FY20 budget, \$63,800 is for more computers. These computers have been worked into grant budgets where possible, but some of the tax dollars will be needed for some of the upgrades. Computers being replaced range from 5 to 8 years old. An industry standard for a refresh cycle is from 3 to 5 years. Replacement has been held off for the last few years due to older models performing adequately with minor upgrades and incompatibility between state websites or software and Windows 10. The previously upgraded models are no longer performing adequately as they continue to age and also, with the upcoming end of support for Windows 7, these models will need to be replaced with Windows 10 computers. She said they are hopeful that they will run into fewer compatibility issues in the future and be able to develop a better plan to space out computer purchases.

Health Fund Balance

Ms. Binkley reported that the Health Fund Balance was at \$4.6 million as of July 31, 2019. The FY20 budget shows an average of \$549,000 in expenses per month. This indicates that an appropriate operation Fund Balance should average between \$1.6 & \$2.2 million annually. Fluctuations will occur due to property tax schedule payments. The health department could continue to operate 3 to 4 or more months with the current balance. However, it is very important that it be maintained for several different reasons. 1) When there was not a state budget and the funds were not coming in, the balance was down to \$1.3 million. When that happens, they always try to assess where expenses can be cut and if positions do not have to be filled, how they can be creative in getting things done; 2) If there is a case of a TB or other type of outbreak, there is not a separate fund, so these funds would have to be used and that could be detrimental to a balance very quickly;

In addition, there are a few things that need to be worked on, some of which have been talked about for years and have not been able to be done or have been delayed for whatever reason. Moving forward, now is the time to start talking about implementing those. One is the electronic health records. The outside auditors have for several years given feedback that this

needs to be done. Considerations along with possible collaborations of what is going to be able to be done will be assessed.

Digital systems for the Environmental Health Division is something they worked on years ago, but didn't end up happening. That is something that really needs to be done. It is a transparency thing; it's a staff time thing. Inspections are posted online and the amount of time that goes into that is extensive. People are currently handwriting 3 or more page inspections and then posting. There might be difficulty in reading them. Transparency and efficiency would be improved.

Grant funds are being sought for the expansion of the Dental Clinic. The need in the community is great, but funding is not currently adequate.

Another salary assessment to see where we are is needed. The one that was done was in 2014. Information has been received from others since then and cost of living figures have been applied, but it is felt that it is time to do another one.

Communications have been started about having a full time sheriff deputy or security officer at the building. There is someone currently for part of the week, but full time is being looked into seriously.

Mr. Greenfield made a motion to forward the proposed budget on to Display, seconded by Mr. Dudley and the motion carried 7-0.

County Board :

Chairman Greenfield reported that there are not many changes in the budget except to the print shop line which was cut quite a bit. After allowing for the contractual raises and Leap Day, the bottom line is approximately \$6,500 below last year's.

Mr. Gresham asked about the contractual services line. Mr. Greenfield explained that this pays for the electrical and plumbing inspectors because Ms. Gunter is not licensed in those fields and cannot do those inspections. It also pays for other things that are contracted out such as mowing done as a result of nuisance complaints or a relief building inspector if Ms. Gunter is not available to do an inspection.

Mr. Gresham asked about the building permit revenue. Ms. Reed explained that the building permit receipts show up in the 000 fund, not on the County Board line.

Mr. Gresham made a motion to pass the proposed budget on to Display, seconded by Ms. Kraft and the motion passed 7-0.

County Clerk:

Ms. Kraft made a motion to pass the proposed budget on to Display, seconded by Mr. Dudley and the motion passed 7-0.

Chair Jackson explained that he had thought there was a \$50,000 discrepancy when Mr. Tanner had presented the proposed budget at the oversight meeting. He said he has since spoken with Mr. Tanner and gotten clarification and all is good.

CITIZEN REMARKS – PUBLIC COMMENT - None

OLD BUSINESS - None

NEW BUSINESS - None

CLOSED SESSION - None

NEXT MEETING - September 16 – Budget Hearing #4
(Sheriff / Jail, Environmental Mgmt, Animal Control, Mental Health Board, Coroner)

ADJOURNMENT - Motion to adjourn made by Ms. Kraft, seconded by Ms. Zimmerman, the motion carried 7-0, and meeting adjourned at 5:50 p.m.

Minutes submitted by Jeannie Durham, Macon County Board Office