SEAL OF THE COUNTY OF CHAMPAIGN, ILLINOIS
FEBRUARY 20, 1833

Champaign County, Illinois

FY2021 Budget

FY2021 CHAMPAIGN COUNTY BUDGET

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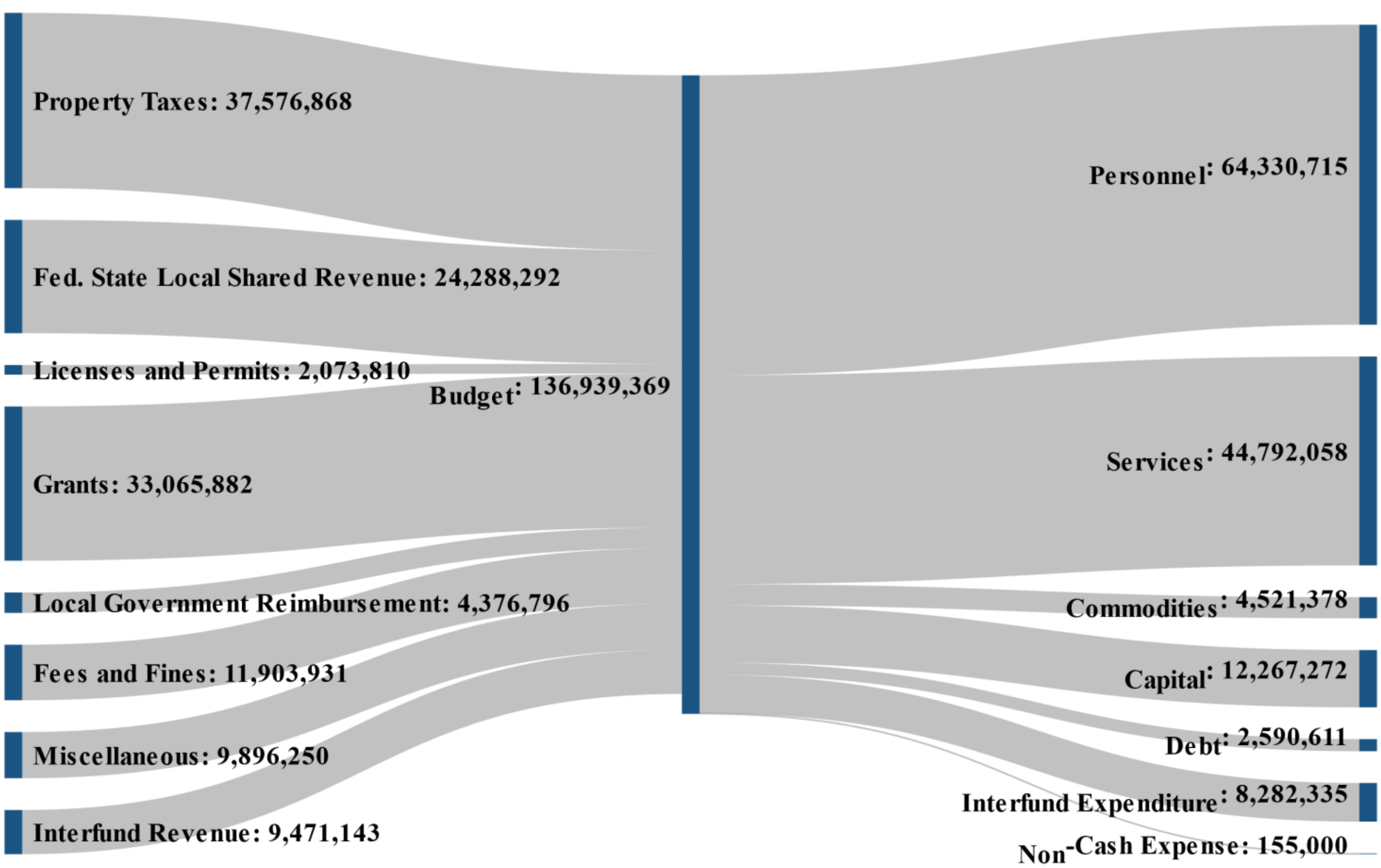
CHAMPAIGN COUNTY BUDGET IN BRIEF

FISCAL YEAR 2021

Champaign County's Budget in Brief is designed to provide a global overview of the FY2021 Budget. The complete budget is available on the County's website.
http://www.co.champaign.il.us/CountyBoard/Budget.php

FY2021 REVENUE AND EXPENDITURE BY CATEGORY



BUDGET PROCESS

The County Board adopts its budget in accordance with Illinois Compiled Statutes 55 ILCS 5/2-5009 and 55 ILCS 5/6-1001. The fiscal year is January 1-December 31. In May 2020, the County Executive provided a Budget Process Memorandum. Department heads, elected officials and outside agencies prepared and submitted their budgets for review by the County Executive in July. The County Board held Legislative Budget Hearings on August 24 and 25, and the FY2021 Budget was placed on file in October. During the County Board meeting of November 19, 2020, the FY2021 Annual Budget and Appropriation Ordinance was adopted along with the Annual Tax Levy Ordinance.

WHERE THE MONEY COMES FROM

Revenue by Source

Property Taxes	37,576,868	28.3%
Grants	33,065,882	24.9%
Fed. State Local Revenue	24,288,292	18.3%
Fees & Fines	11,903,931	9.0%
Miscellaneous	9,896,250	7.5%
Interfund Revenue	9,471,143	7.1%
Local Gov. Reimbursement	4,376,796	3.3%
Licenses & Permits	2,073,810	1.6%
TOTAL REVENUE	**132,652,972**	**100.0%**

Revenue by Fund Type (in millions)

General Corporate	$41.9
RPC Funds	$33.6
Special Revenue	$20.7
Highway Funds	$10.8
Mental Health & DD Boards	$10.2
Internal Service	$9.9
Capital Projects	$3.8
Enterprise	$1.1
Joint Venture	$0.7
TOTAL REVENUE	**$132.7**

WHERE THE MONEY GOES

Expenditure by Classification

Personnel	64,330,715	47.0%
Services	44,792,058	32.7%
Capital	12,267,272	9.0%
Interfund Expenditure	8,282,335	6.0%
Commodities	4,521,378	3.3%
Debt	2,590,611	1.9%
Non-Cash Expense	155,000	0.1%
TOTAL EXPENDITURE	**136,939,369**	**100.0%**

Expenditure by Fund Type (in millions)

General Corporate	$42.0
RPC Funds	$33.0
Special Revenue	$21.1
Highway	$11.9
Mental Health & DD Boards	$10.2
Internal Service	$9.8
Capital Projects	$7.1
Enterprise	$1.1
Joint Venture	$0.7
TOTAL EXPENDITURE	**$136.9**

FY2021 BUDGET HIGHLIGHTS

The FY2021 Budget includes revenue equal to $132,652,972 and expenditure equal to $136,939,369. The budget is balanced per Champaign County's Financial Policies. The $4.3 million revenue to expenditure deficit is the result of appropriating reserve balances within individual funds for planned projects and capital expenditures.

Revenue increases $3.5 million (2.7%) compared to the original FY2020 Budget. Grant funding in FY2021 increases 22% over the prior fiscal year with new or increased funding for:

- Illinois Department of Public Health COVID-19 Crisis grant for contact tracing; and
- Workforce Development federal formula funding under the Workforce Innovation and Opportunity Act (WIOA); and
- Illinois Department of Transportation REBUILD Illinois grants for transportation projects with an average useful life greater than or equal to 13 years.

Expenditure increases $7.2 million (5.6%) compared to the original FY2020 Budget and is predominantly in the services and capital categories.

- Services expenditures reflect growth of $3.5 million and include increases in contributions and grants within the Mental Health and Development Disability funds, professional services for a contract with the Champaign Urbana Public Health District for COVID-19 Crisis grant services, and investment in software including a new Enterprise Resource Planning system.
- Capital expenditures increase $3.6 million predominantly associated with appropriating for the Highway IDOT REBUILD grant and insurance reimbursement for hail damage repairs to roofs and HVAC systems planned in 2021.

GENERAL FUND OVERVIEW

The General Fund is the County's primary operating fund. The FY2021 Budget includes revenue equal to $41.9 million and expenditure equal to $42 million, with a $113,184 draw on fund balance for pilot programs identified by the County Board. The fund balance is expected to be 16.7% at the end of FY2021, which is the fund balance target for the General Fund.

Revenue increases $1.1 million (2.7%) over the original FY2020 Budget. Growth is predominantly attributed to increased property tax revenue. Expenditure increases $1.7 million (4.2%) over the original FY2020 Budget, due to growth in personnel costs and Interfund transfers. Personnel expenditures, including employee health insurance, account for the 66.5% of the General Fund budget and increase 4.1% in FY2021. Interfund expenditures increase by $845,000 largely due to recording the $1 million Nursing Home loan as a transfer in order to remove it from the balance sheet. The General Fund is being made whole through reallocation of the former Nursing Home operating levy to the General Corporate levy.

Revenue by Source

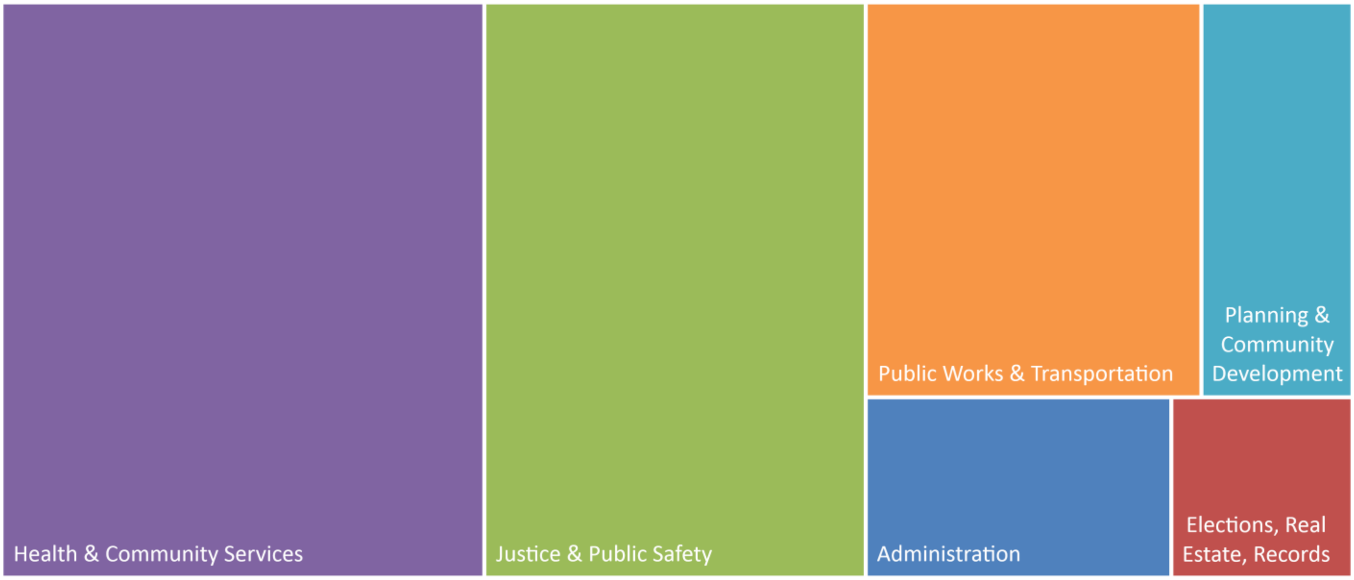
Property Taxes	$15,252,408	36.4%
State Shared Revenue	$15,043,498	35.9%
Fees	$4,549,172	10.9%
Grants	$882,945	2.1%
Inter-fund Revenue	$1,800,398	4.3%
Licenses & Permits	$1,653,215	3.9%
Local Shared Revenue	$1,282,307	3.1%
Miscellaneous	$1,415,441	3.4%
TOTAL REVENUE	**$41,879,384**	**100.0%**

Expenditure by Classification

Personnel	$27,919,259	66.5%
Commodities	$2,141,379	5.1%
Services	$7,947,674	18.9%
Capital	$230,000	0.5%
Transfers	$3,570,506	8.5%
Debt	$183,750	0.4%
TOTAL EXPENDITURE	**$41,992,568**	**100%**

COUNTY SERVICES PROVIDED IN THE FY2021 BUDGET

WHERE THE MONEY GOES



Service Provided	Departments	Key Responsibilities
Health & Community Services	RPC Service Programs - County Health - Veterans' Assistance – Workforce Development – Head Start – Animal Control – Regional Office of Education – Extension Education – Mental Health & Developmental Disabilities	Housing assistance; healthcare; restaurant inspections; employment assistance; job training; veterans' assistance; educational programming; solid waste management; mental health and developmental disabilities program funding.
Justice & Public Safety	Circuit Clerk – Courts – Public Defender Sheriff Law Enforcement & Corrections State's Attorney – Juvenile Detention – Probation/Court Services – Coroner – EMA – CAC	Court functions (criminal, civil, juvenile, drug and family), jail functions; sheriff law enforcement patrol; death investigations and autopsies; emergency management; justice programs.
Public Works, Facilities & Transportation	Highway Funds – Physical Plant – CARF Facilities – Courts Construction	County road, bridge and highway maintenance and facilities maintenance and improvements.
Administration	County Board – County Executive - IT - Auditor, Purchasing - General County	Development and implementation of policies; budgeting; audit and accounting; IT network and software and purchasing systems.
Planning & Community Development	RPC Planning Services - Economic Development - Planning & Zoning - GIS	Transportation and regional development planning; land resource planning; sustainability; mapping services and development.
Elections, Real Estate & Records	Board of Review - County Clerk - Recorder – Treasurer - Supervisor of Assessments	Recording documents; election administration; vital records management (birth, death, marriage); tax collection and distribution.

OFFICE OF THE CHAMPAIGN COUNTY EXECUTIVE
1776 East Washington Street, Urbana, Illinois 61802-4581

Darlene A. Kloeppel, County Executive

To: Honorable Members of the Champaign County Board

Fr: Darlene Kloeppel, County Executive; and
Tami Ogden, Deputy Director of Finance

RE: Letter of Transmittal – FY2021 Budget

The Fiscal Year (FY) 2021 Annual Budget, for the period beginning January 1, 2021 and ending December 31, 2021, is presented for your consideration and approval. The budget was developed pursuant to Illinois Statutes 55 ILCS 5/2-5009 and 55 ILCS 5/6-1001. The consolidated budget is submitted with revenue of $132,652,972 and expenditure of $136,939,369 and complies with relevant Champaign County financial policies. This transmittal letter is intended to provide an executive summary and overview of the budget document.

Budget Document Overview

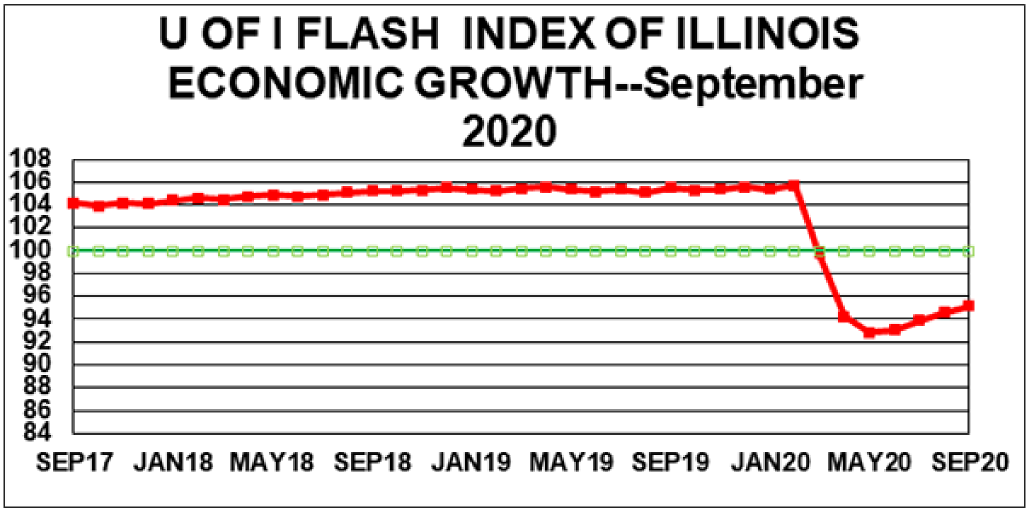
The budget provides extensive financial information for every component of Champaign County government and is divided into nine sections further explained in *How to Use This Document*, which is part of the Introduction section of the budget. The FY2021 budget includes fifty-six funds, with each fund containing at least one department budget. The *Department/Fund Relationship* matrix illustrates the relationship between the County's financial structure and its organizational structure.

Economic Environment

There is unprecedented economic uncertainty as a result of the COVID-19 pandemic, with varying opinions regarding when and how the economy will recover. Conference Board Senior Director of Economic Indicators Lynn Franco states, "There is little to suggest that consumers foresee the economy gaining momentum in the final months of 2020, especially with COVID-19 cases on the rise and unemployment still high."[1]

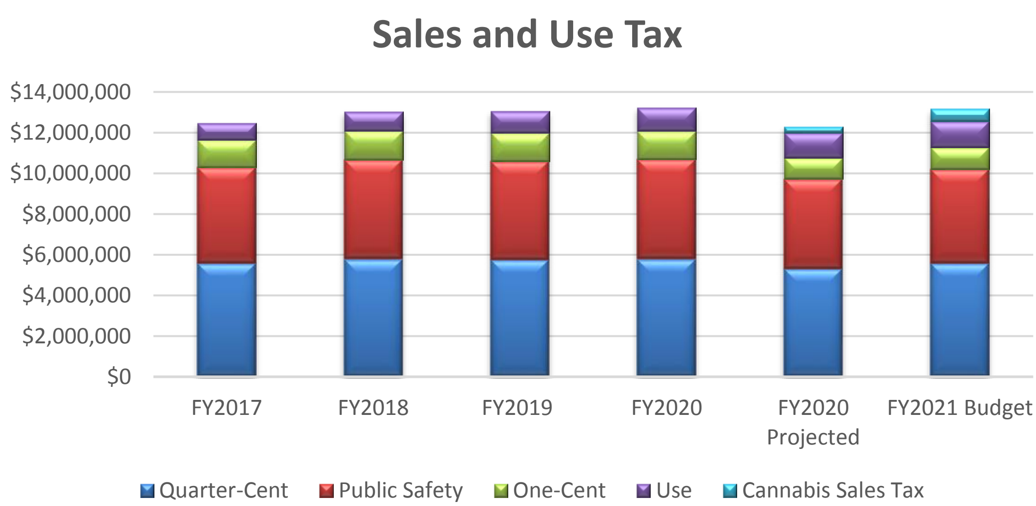
In September the University of Illinois Flash Index, designed to give a quick reading of the state economy, was 95.1 down from 105.5 compared to the year-ago submission of the FY2020 budget.[2] University of Illinois economist J. Fred Giertz asserts the economy is rebounding as shown in the following chart, although the Illinois economy has a long road to recover from the impact of the pandemic.[3] The index shows seven months below the 100-dividing line between growth and decline.

[1] https://www.conference-board.org/data/consumerconfidence.cfm
[2] https://igpa.uillinois.edu/page/flash-index-archive#section-0
[3] https://igpa.uillinois.edu/Report/flash-index-sept2020



The September 2020 unemployment rate for Champaign County was 6.2% and reflects a significant increase in the local rate compared to the year-ago period of 3.3%. The Illinois' and national unemployment rates for September compare at 9.8%, and 7.7% respectively.

Total FY2021 sales and use taxes are budgeted at $13.2 million and include new County Cannabis sales tax revenue of $600,000. With the new revenue source, fiscal year 2021 total budgeted sales and use tax revenues are very close to original FY2020 budget numbers, although 2020 projections are expected to be significantly lower than budget. The Level the Playing Field Act effective January 1, 2021, requires both state and local sales taxes be imposed where a product is delivered. Under the new law, some taxes presently being distributed as Use tax, will be distributed as sales tax. The table below shows total sales tax revenues for fiscal years 2017 through 2019, FY2020 budget and projected, and FY2021 budget.



According to the Champaign County Association of Realtors, year-to-date home sales are up almost 10 percent compared to 2019 with September marking a 14-year high and the average home sale price in September at $197,044 up 15.85 percent from one year ago.[4] Growth in this sector is important for the county as property taxes represent a major segment of its revenue sources. Equalized Assessed Valuation (EAV) for tax year 2019 continues to exceed $4 billion, and reflects a 4.1 percent increase over tax year 2018, with growth in EAV from new construction at $85.5 million. The County's total EAV, tax rate, and property tax extension comparison for tax levy years 2010 through 2019 is shown in the following table.

Tax Levy Year	EAV	% Increase/ Decrease	Tax Rate/$100 of EAV	Property Tax Extension
2010	$3,561,497,476	0.7%	0.7688	$27,506,700
2011	$3,546,623,981	-0.4%	0.7841	$27,911,272
2012	$3,532,086,251	-0.4%	0.8138	$28,832,637
2013	$3,479,591,533	-1.5%	0.8511	$29,700,112
2014	$3,532,923,580	1.5%	0.8255	$30,598,651
2015	$3,600,615,388	1.9%	0.8322	$31,404,567
2016	$3,806,286,018	5.7%	0.8458	$32,245,372
2017	$3,972,464,264	4.4%	0.8481	$33,737,737
2018	$4,132,219,001	4.0%	0.8157	$33,706,510*
2019	$4,299,867,692	4.1%	0.8189	$35,211,617

*Nursing Home GO bonds were defeased in 2019 resulting in the abatement of the 2018 property tax levied for that debt service.

Revenues and Expenditures

Revenue for all county funds in FY2021 is budgeted to increase $3.5 million (+2.7%) compared to the original FY2020 budget. Growth is largely attributed to increases in federal funding for the Regional Planning Commission Local Workforce Innovation Area (WIOA), state funding for the Board of Health administered contact tracing grant and the Highway IDOT REBUILD grant.

The property tax levy was prepared with the inflationary increase allowed under the Property Tax Extension Limitation Law (PTELL) of 2.3%, and to capture new growth revenue from new construction and recovered Enterprise Zone EAV. The increase in the total levy over the 2019 tax year extension is 4.4%.

Expenditure for all county funds in FY2021 is budgeted to increase $7.2 million (+5.6%) compared to the original FY2020 budget and is predominantly attributed to significant increases in the services and capital categories. Increased services expenditures reflect increased contributions and grants extended by the Mental Health Board and Developmental Disabilities Board funds, computer/information technology increases due to updating and implementing software, and professional services for contract tracing funded through an Illinois Department of Public Health grant. Increased capital expenditures are largely driven by appropriating for the Highway IDOT REBUILD grant and insurance

[4] http://www.champaigncountyassociationofrealtors.com/News/TabId/101/ArtMID/469/ArticleID/389/Strong-Buyer-Interest-Continues-to-Boost-Home-Sales-Activity-in-Champaign-County-Area.aspx

reimbursement received in 2020 for hail damage repairs to roofs and HVAC systems planned in 2021.

The $4.3 million revenue to expenditure deficit is the result of appropriating reserve balances within individual funds for planned projects and capital expenditures. The FY2021 budget is balanced per Champaign County's Financial Policies.

Investment in Facilities and Technology

The County continues to strategically invest in facilities and technology, which have been deferred over time due to budget constraints. In November 2020, the Facilities Committee will consider revisions and updates to the 10-Year Capital Facilities Plan. The FY2021 budget includes $1.97 million for facility repairs and improvements, and $3.4 million for hail damage repairs sustained in 2020.

The County entered a Software as a Service (SaaS) agreement with Tyler Technologies effective September 2020 for replacing its aging in–house financial system with a modern Enterprise Resource Planning (ERP) system. The County's Six-year Technology Plan establishes a schedule for systems implementation and replacement; however, identifying funding for both facilities and technology needs while balancing the budget will continue to be a challenge.

General Fund

Revenue and expenditure are budgeted respectively at $41,879,384 and $41,992,568 with a $113,184 draw on fund balance for pilot programs identified by the County Board. The FY2021 General Fund budget is balanced per Champaign County's Financial Policies with a projected fund balance of $7 million, or 16.7% of operating expenditures at the end of 2021. The General Fund balance target is set at 16.7%, or two months of operating expenditure.

Revenue growth measures $1.1 million, or 2.7% year-over-year with the increase predominantly in the property tax revenue category. Expenditure growth measures $1.7 million, or 4.2% year-over-year with the greatest increase in the personnel category inclusive of wage increases and health insurance premium increases. Detailed information about General Fund revenue and expenditure is documented in the *General Fund Budget Summary*. In FY2021, the budget includes forgiveness of the $1 million loan from the General Fund to the Nursing Home Fund further discussed below.

Nursing Home Fund

In April 2019, the Champaign County Nursing Home was sold to Extended Care Clinical, LLC and Altitude Health Services, Inc. Following the sale of the Home, proceeds were used to redeem the 2015 Bonds and defease the 2011 Bonds. As of October 2020, the Nursing Home owed other County funds approximately $7.5 million. The former Nursing Home operating levy was reallocated under PTELL to the liability levy in FY2020 for the Home's outstanding amounts owed to the Self-Funded Insurance Fund. Reallocation of the levy in FY2021 is to the General Fund for outstanding obligations owed to that fund including the $1 million loan recorded on the balance sheet. The loan was extended to the Home between

November 2018 and March 2019 for accounts payable obligations to ensure provision of essential services.

Financial Concerns

Hospital Property Tax Liability

There are presently two outstanding cases against Champaign County related to hospital property tax exemptions, 2013-CH-170 and 2015-L-75. The County has not set-aside funds specifically for this potential liability, and any ruling against the County in either of these cases would be paid from fund balances based on the rate for each levy fund.

Economic Recovery

Economist opinions vary when it comes to forecasting economic recovery from the pandemic. Champaign County sales and income tax revenues are budgeted conservatively; however, do not assume future stay-at-home orders. Property tax revenues are more stable and slower to adjust. Commercial sector and non-residential property assessments are most at risk with business closures and vacant leases of concern. In addition, inflationary increases allowed under PTELL are likely to be suppressed and may result in limited levy growth in future fiscal years. Federal funding received through the CURE grant was instrumental in protecting the General Fund balance in FY2020, and with a balanced FY2021 budget the County is in a stable position at the time of this writing.

The impact of both legislative and administrative decisions made at the state level continue to alter and weaken some county revenue streams.

- Income Tax. The state legislature implemented a one-time, 10% cut to Income tax from July 1, 2017 through June 30, 2018, reduced to 5% effective July 2018, and eliminated effective July 2020. This three-year, state-imposed cut resulted in the loss of $690,000 in County revenue.

- Sales Tax. A 2% collection fee was imposed on Public Safety Sales Tax revenues in July 2017 and reduced to 1.5% in July 2018. The fee is expected to be permanent and since inception has cost the County $257,000.

- Personal Property Replacement Tax (PPRT). The state's continued diversion of PPRT funds prior to application of the funding formula for distribution to local governments increases each fiscal year. In 2009, diversions totaled $21,643 and in state FY2021 total diversions equal $312 million.

- AOIC funding. The Administrative Office of the Illinois Courts provides reimbursement for a portion of the Juvenile Detention Center and Probation and Court Services personnel costs. The level of reimbursement on an annual basis is uncertain. After full funding in state FY2015, the County's allocation significantly declined in years 2016 through 2019. Full funding was restored in state FY2020, with additional funding for the salary of the Problem-Solving Court Coordinator and conversion of three subsidy positions to grant-in-aid positions in state FY2021.

- The Criminal and Traffic Assessment Act (CTAA) effective July 2019 significantly changed the fines and fees collected through the courts and distributed to County funds. In summary, the act created a set of criminal assessment schedules and punitive fines, set maximum civil filing and appearance fees, and created a graduated fee waiver on indigency orders in both civil and criminal cases. The County was still in the process of assessing the impact of the CTAA, when the pandemic ensued resulting in the courthouse closure and delays in hearings and trials.

Pension Burden
In a June 2019 Credit Opinion, Moody's Investor's Service cited Champaign County's above average pension burden as a credit challenge. The County will continue to monitor this factor in consultation with the Illinois Municipal Retirement Fund (IMRF) and Moody's.

Sheriff's Office and Downtown Correctional Center
Per a 2015 Facilities Condition Report, this facility is categorized as poor. The 0-5-year Deferred Maintenance Backlog (DMB) is $2.9 million, and the 5-25-year DMB is just under $9 million. Building conditions have further deteriorated since the 2015 study, and it is essential for the County to resume discussions regarding a plan for the facility.

Acknowledgements

We wish to acknowledge the outstanding cooperation and collaboration among all county elected officials, department heads, and County Board members in the preparation of the fiscal year 2021 budget. We also extend our special thanks to staff members providing crucial assistance in the development and completion of this budget document: Isak Griffiths, Deputy Director of Administration; Bill Simmering, Business Applications Developer; Andy Rhodes, Information Technology Director; Gabe Lewis, Planner II; Megan Robison, Administrative Assistant; and Rita Kincheloe, Executive Assistant to the County Executive.

On behalf of our officials and staff, we are pleased to present to you the fiscal year 2021 Champaign County Budget.

Respectfully submitted,

Darlene A. Kloeppel
County Executive

Tami Ogden
Deputy Director of Finance

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

County of Champaign

Illinois

For the Fiscal Year Beginning

January 1, 2020

Christopher P. Morrill

Executive Director

HOW TO USE THIS DOCUMENT BUDGETARY BASIS & FUND STRUCTURE OVERVIEW

The Champaign County FY2021 Budget Document is organized into nine sections.

Section 1 – Introduction
This section provides an overview including the Letter of Transmittal; the "How to Use" instructional document; Champaign County economic and demographic information; and Champaign County Board policy and process information.

Section 2 – Summary
The summary section provides an overview of highlights of the total Champaign County budget.

Section 3 - General Corporate Fund
A summary statement at the beginning of this section provides complete revenue and expenditure detail for the General Corporate Fund as a whole, including prior year actual revenues and expenditures, current year budgeted and projected revenues and expenditures, and upcoming year requested revenues and expenditures.

Following the summary statement are individual department budgets for each of the General Corporate Fund departments. In addition to the financial section, each department budget includes an organizational chart for that department, mission statement, budget highlights, alignment to the County Board Strategic Plan, and objectives and performance indicators specific to that department's operation. Any Special Revenue Fund Budgets related specifically to the elected officials or department heads of the General Corporate Fund are included immediately after the relevant elected official General Corporate Fund Budget.

Section 4 - Special Revenue Funds
In this section, department budget information is provided for the County's remaining special revenue funds. The fund and department budget document structure is substantially the same as for the General Corporate Fund department budgets.

Section 5 - RPC Funds
This section covers the five special revenue funds, including multiple department budgets, which are managed by the Champaign County Regional Planning Commission.

Section 6 – Joint Venture Fund
The GIS Consortium, Joint Venture Fund, includes fund/department budget information.

Section 7 - Debt Management and Capital Projects Funds
Explanation of each of the County's debt service and capital projects fund budgets, including financial detail, source of revenues, debt structure, and project status updates.

Section 8 – Proprietary and Internal Service Funds
A summary statement and documentation is provided for the Nursing Home enterprise fund, the Self-Funded Insurance internal service fund, and Employee Health Insurance fund together with documentation for each of the individual department budgets within each fund. The Nursing Home was sold in April 2019; however, there are ongoing costs that necessitate continued budgeting in the fund.

Section 9 - Supplemental Information
This section includes additional information such as the consolidated budget report and detail; property tax distribution; personnel staffing budgets and salary schedules; and a glossary of terms used in this document.

The above description of the nine sections of the budget document is further enhanced for the reader with the following description of Champaign County's structure of funds.

Accounting Structure

A fund is the basic accounting unit: it is a self-balancing accounting entity with revenues and expenditures which are segregated for the purpose of carrying out specific programs in accordance with County policies and certain applicable State and Federal laws.

Each fund has at least one Department Budget, which is a group of expenditures that provide for the accomplishment of a specific program or purpose.

Pursuant to GASB, a major fund is a fund that meets the following criteria:
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category (governmental funds) or type (enterprise funds).
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Fund Statements

A Fund Statement is presented for each fund, which summarizes past and projected financial activity for the fund as follows:

- Revenues – presented in line item detail within revenue categories;
- Expenditures – presented in line item detail within major categories – e.g., personnel, commodities, services, etc.
- Fund Balance – the actual or estimated funds remaining at the end of the fiscal year.

Fund Types

All county funds are included in the Annual Budget Document except the fiduciary funds which include two Private Purpose Trust Funds in which the County Engineer acts in a trustee capacity on behalf of townships to use state funding to maintain township roads and township bridges, which resources are not available to support the County's own programs; and Agency Funds whose purpose is to report resources, such as property taxes and circuit court fees and fines, held in a custodial capacity for external individuals, organizations and governments.

Governmental Funds – Governmental funds account for traditional governmental operations that are financed through taxes and other fixed or restricted revenue sources.

A. **General Fund:** The General Corporate Fund, a major fund, is available for any authorized purpose, and is used to account for all financial resources except those required to be accounted for in another fund. A General Corporate Fund summary is prepared which lists the amount of General Corporate Fund appropriation for all affected departments.

B. **Special Revenue Funds:** Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted to expenditures for a specific purpose. The Regional Planning Commission, Early Childhood, and the Mental Health Board Funds are the major Special Revenue Funds.

C. **Debt Service Fund:** Debt Service Funds are utilized to account for the payment of interest, principal and related costs on the County's general long-term debt. At present, the County has no debt services funds since the Nursing Home bonds were defeased on April 30, 2019. The County has one debt service budget included in the Public Safety Sales Tax fund.

D. **Capital Projects Funds:** Capital Project Funds are used to account for all expenditures and revenues associated with the acquisition or construction of major facilities that are not financed through proprietary funds or funds being held for other governments. The County has two capital projects funds budgeted in FY2021 – the Courts Complex Construction and Capital Asset Replacement funds.

Proprietary Funds – Proprietary Funds account for certain "business-type" activities of governments that are operated so that costs incurred can be recovered by charging fees to the specific users of these services.

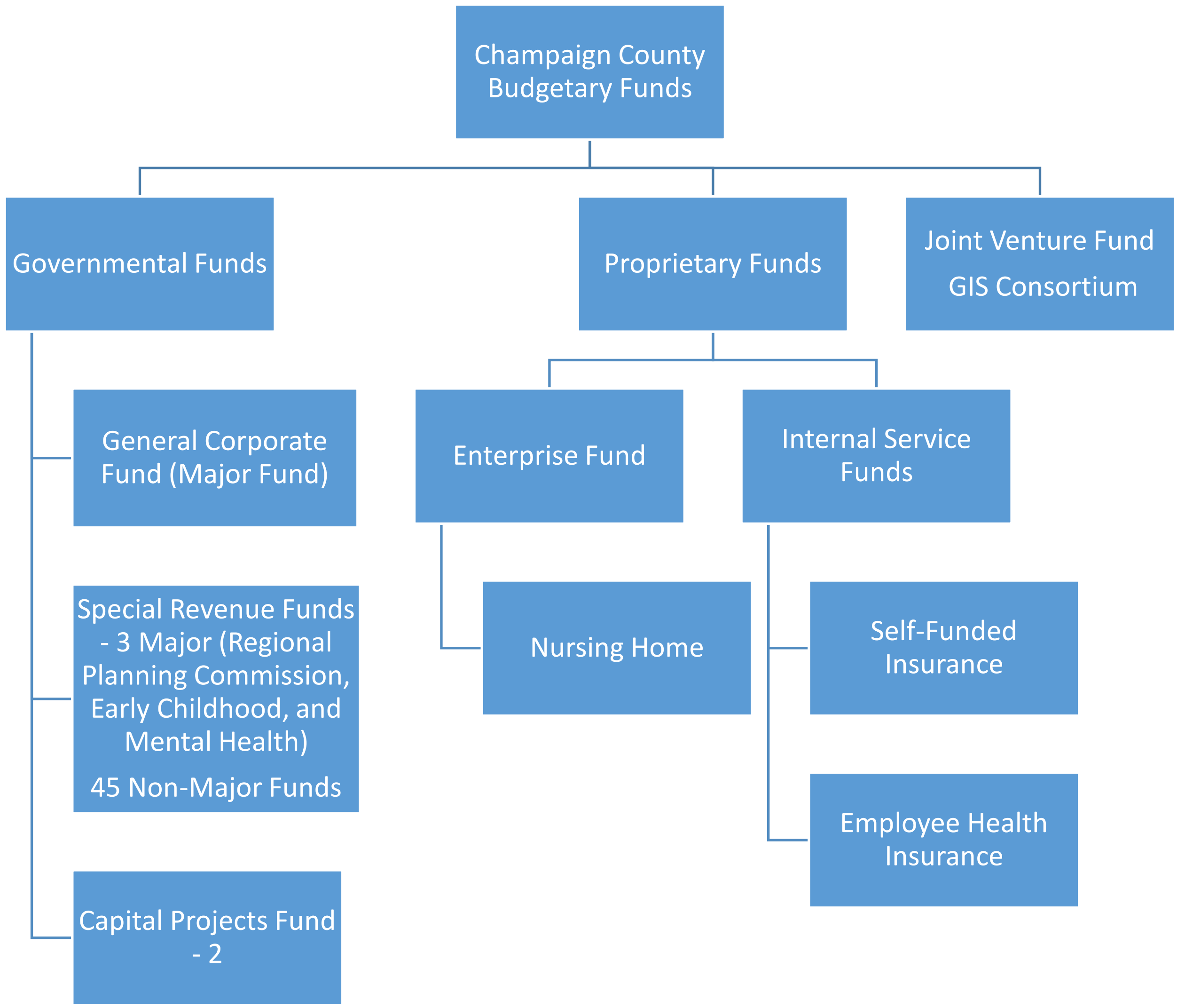
A. **Enterprise Fund:** An enterprise fund is used to account for operations that are financed primarily by User charges. The Nursing Home Fund is the only enterprise fund in Champaign County. The Nursing Home was sold in April 2019; however, there is ongoing financial activity that necessitates continued budgeting in the fund.

B. **Internal Services Funds:** An Internal Service Fund is established to account for the financing of goods and services provided to the County and other agencies on a cost reimbursement basis. The activities of the Self-Funded Insurance Fund and Employee Health Insurance Fund are budgeted and appropriated through the use of Internal Service Funds.

Joint Venture Fund – According to GASBS-14, a joint venture is defined as "a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility." The Champaign County GIS Consortium is a joint venture fund, created by an Intergovernmental Agreement shared by the County of Champaign, City of Champaign, City of Urbana, Village of Mahomet, Village of Rantoul, Village of Savoy and University of Illinois.

BUDGETED FUNDS

Fund	A self-balancing accounting entity with revenues and expenditures which are segregated for the purpose of carrying out specific programs in accordance with County policies and certain applicable State and Federal laws.
Major Fund	A budgeted fund with revenues or expenditures representing more than 10% of the total appropriated revenues or expenditures.
Fund Type	All County funds are included in the Annual Budget Document except the fiduciary funds including Private Purpose Trust Funds and Agency Fund.


Champaign County Budgetary Funds
Governmental Funds
Proprietary Funds
Joint Venture Fund
GIS Consortium
General Corporate Fund (Major Fund)
Special Revenue Funds - 3 Major (Regional Planning Commission, Early Childhood, and Mental Health)
45 Non-Major Funds
Capital Projects Fund - 2
Enterprise Fund
Nursing Home
Internal Service Funds
Self-Funded Insurance
Employee Health Insurance

DEPARTMENT/FUND RELATIONSHIP

Department	General Fund (Major)	Special Revenue Fund	Internal Service Fund	Enterprise Fund	Debt Service Fund	Capital Project Fund	Joint Venture Fund
Auditor	X						
County Board	X						
Board of Review	X						
Treasurer	X						
• Working Cash		X					
• Tax Sale Automation		X					
• Property Tax Interest Fee		X					
Circuit Court	X						
• Law Library		X					
• Foreclosure Mediation		X					
• Specialty Court		X					
Emergency Management Agency	X						
• EOC-EMA		X					
Court Services	X						
General County	X						
Regional Office of Education	X						
IT	X						
Administrative Services	X						
Storm Sirens	X						
Supervisor of Assessments	X						
Recorder	X						
• Recorder Automation		X					
Public Defender	X						
• Public Defender Automation		X					
State's Attorney	X						
• Support Enforcement	X						
• Victim Advocacy Grant		X					
• State's Attorney Automation		X					
• State's Attorney Drug Forfeiture		X					
• Child Advocacy Center		X					
Coroner	X						
• Coroner Statutory Fee Fund		X					
Public Properties	X						
Planning and Zoning	X						
• Solid Waste		X					

Department	General Fund (Major)	Special Revenue Fund	Internal Service Fund	Enterprise Fund	Debt Service Fund	Capital Project Fund	Joint Venture Fund
Management Fund							
Extension Education	X						
County Clerk	X						
• Death Surcharge		X					
• Automation		X					
• Election Assistance Access. Grant		X					
Circuit Clerk	X						
• Jury Commission	X						
• Support Enforcement	X						
• Child Support Service		X					
• Court Automation		X					
• E-Ticketing		X					
• Court Document Storage		X					
• Operation and Administrative		X					
Sheriff							
• Law Enforcement	X						
• Corrections	X						
• Merit Commission	X						
• Jail Commissary		X					
• County Jail Medical		X					
• Drug Forfeitures		X					
• Cannabis Regulation Fund		X					
Probation & Court Services							
• Juvenile Detention	X						
• Court Services	X						
• Probation Services		X					
Veterans Assistance Comm.	X						
Regional Office of Education	X						
Courts Complex Construction						X	
Regional Planning Commission (Major)		X					
Mental Health (Major)		X					
Development Disability		X					
MHB/DDB CILA Facilities		X					
Nursing Home				X			
Self-Funded Insurance			X				
Employee Health Insurance			X				
GIS Consortium							X

Department	**General Fund (Major)**	**Special Revenue Fund**	**Internal Service Fund**	**Enterprise Fund**	**Debt Service Fund**	**Capital Project Fund**	**Joint Venture Fund**
County Highway		X					
County Bridge		X					
County Motor Fuel Tax		X					
Highway Federal Aid Matching		X					
County Highway IDOT REBUILD Grant		X					
County Public Health		X					
IMRF		X					
Social Security		X					
Tort Immunity		X					
Animal Control		X					
Head Start		X					
Capital Asset Replacement						X	
GIS		X					
Public Safety Sales Tax		X					
Workforce Development		X					
Early Childhood (Head Start) (Major)		X					
County Historical		X					
Economic Development Loan		X					

COUNTY STRATEGIC PLAN

VALUES

Diversity   Teamwork   Responsibility to the Public   Justice   Quality of Life

VISION

Our vision is to be a recognized leader in local government where every official and employee has a personal devotion to excellence in public service and embraces the highest standards of ethics and integrity to serve the citizens of Champaign County.

MISSION

The Champaign County Board is committed to the citizens of Champaign County by providing services in a cost-effective and responsible manner; which services are required by state and federal mandates, and additional services as prioritized by the County Board in response to local and community priorities.

DEFINING OUR VALUES

DIVERSITY

- Appreciation of the diverse culture within our community
- Strive for a workforce reflective of the community
- Equal and inclusive access to services and programs

TEAMWORK

- Intra-governmental cooperation
- Inter-governmental cooperation
- Legislative advocacy
- Collaboration to achieve goals
- Civility and cooperation among the County Board

RESPONSIBILITY TO THE PUBLIC

- Fiscal solvency
- Transparency
- Efficient and friendly delivery of services
- Ethical behavior
- Adaptive thinking
- Long-term planning

JUSTICE

- Equal access to civil and criminal justice services
- Place value on public safety and individuals' rights
- Encourage effective communication among public safety/criminal justice system providers
- Prevention of recidivism
- Manage safe and secure detention facilities

QUALITY OF LIFE

- Value broad range of quality education

- Manage and encourage delivery of quality and effective health care services
- Effectively manage real estate tax cycle
- Support of local business community
- Promote effective economic development
- Management of natural resources
- Provide transportation options and safe, long-lasting infrastructure

GOALS

The 5 goals of the County Board established in June 2019, along with the shared strategic initiatives, are outlined below.

Goal 1 – operate a high performing, open, transparent county government
Strategic Initiatives:
- Compile a list of all county services, noting mandated services
- Develop strategies for retention of workforce and continuity of leadership
- Ensure all new programs have plans for sustainability past startup
- Diversify county workforce
- Improve communications with public and within county workforce
- Improve listening and cooperation among board members

Goal 2 – maintain high quality public facilities and roads and a safe rural transportation system
Strategic initiatives:
- Fund facility maintenance projects per 10-year deferred maintenance plan
- Address facility/operational needs of Sheriff's office and jails
- Implement county facility energy reduction plans
- Fund county roadway projects per 5-year pavement management system plan
- Support intergovernmental agreements for rural transportation and transportation options

Goal 3 – promote a safe, health, just community
Strategic initiatives:
- Support intergovernmental agreements for implementation of Racial Justice Task Force recommendations
- Support economic development for disadvantaged communities
- Ensure water quality and quantity from Mahomet Aquifer

Goal 4 – support planned growth to balance economic growth with natural resource preservation
Strategic initiatives:
- Support intergovernmental cooperation in planning land use and fringe areas to contain urban sprawl and preserve farmland
- Encourage participation in regional planning efforts

- Encourage development/use of sustainable energy

Goal 5 – maintain safe and accurate county records and perform county administrative, governance, election and taxing functions for county residents
Strategic initiatives:

- Develop strategies for declining state financial support
- Fund 5-year information technology replacement plan
- Establish system of codification for county ordinances and resolutions
- Improve county's financial position

2021 ACTION PLAN ACTIVITIES

County Officials focus most efforts on day-to-day operation of their offices to serve the public. Each year, additional activities may be undertaken to move the County forward on strategic planning initiatives that are identified in the 6-Year Strategic Plan and prioritized through the annual budgeting cycle.

The following tables identify summarize the steps planned for progress on County initiatives in 2021 and ultimate outcomes to be achieved from the perspectives of both long term and short term planning.

Goal 1 - Champaign County is a high performing, open and transparent local government organization.

Initiatives	Activities	Outcomes
Ensure that all new programs have a model that sustains them past startup.	Evaluation of all grants or proposed new programs with sustainability analysis.	New services will continue once developed.
Improve communication with public and within the county workforce.	Add document translation services. Continue Executive's news column. Hold monthly Dept Head meetings for information exchange.	Improved access to county information. Facilitate interoffice communication.
Diversify County workforce.	Establish baseline data. Expand recruiting methods. Increase use of college interns.	Diverse workforce that mirrors the county.
Compile a list of core, mandated services provided by the County.	Post board orientation modules online.	Expand public awareness of County services. Use as a County Board tool for prioritizing resource commitments.

COUNTY STRATEGIC PLAN

Initiatives	Activities	Outcomes
Develop strategies for staff retention and continuity in county staff leadership roles.	Roll out staff and supervisor orientation modules. Offer leadership development opportunities. Review personnel policies and salary administration.	Timely recruitment of well qualified candidates, particularly in senior management positions, to support seamless transitions and performance improvements.
Improve listening and cooperation among board members.	Committee meetings and study sessions.	Transparent and effective decision-making from County Board.

Goal 2 - Champaign County maintains high quality public facilities and roads and provides a safe rural transportation system.

Initiatives	Activities	Outcomes
Fund maintenance/ projects per County 10-Year Capital Facilities Plan	Address the deferred maintenance backlog of County facilities	Properly repair and maintain the County's investment in buildings.
Implement county facility energy reduction plans	Continue implementation of facility improvements that achieve energy savings.	Reduced expenditures on energy needs and reduced environmental impact by county facilities.
Fund county roadways per County 5-Year Pavement Management System Plan	Allocation use of motor fuel taxes for county projects. Continued relationships with Township Highway Commissioners.	Maintained county-owned roads and bridges. Completion of joint county/township projects.
Address facility/operational needs of the Sheriff's Office and jails	Establish plan for the dilapidated downtown Sheriff's facilities and jail consolidation, including a financial plan.	Ensure safe, well-maintained, ADA compliant and functional facilities for law enforcement and correctional operations.

COUNTY STRATEGIC PLAN

Goal 3 - Champaign County promotes a safe, just and healthy community.

Initiatives	Activities	Outcomes
Support agreements for implementation of Racial Justice Task Force recommendations.	Lead/participate in agreements to offer additional options for diversion/re-entry. Support Community Coalition efforts to address community violence.	Community solutions which reduce incarceration/recidivism rates.
Establish a system of codification of County ordinances.	Select a municipal codification company to assist with the compilation and review of County ordinances.	County Board awareness of the matrix of ordinances previously adopted and any impact on current considerations by the Board. Ensure County compliance with statutory obligations.
Establish a system of review for County financial, technology, facility, and asset plans.	Update progress toward strategic plan goals.	Ongoing evaluation of operations over which the County Board has oversight to ensure best practices and outcomes are achieved.

Goal 4 - Champaign County is a county that supports planned growth to balance economic growth with preservation of our natural resources.

Initiatives	Activities	Outcomes
Seek more intergovernmental cooperation in planning in land use and fringe areas.	Identify critical areas and develop intergovernmental agreements to promote proper management strategies of land/neighborhood resources.	Effective management of land resources in Champaign County.
Encourage regional planning efforts	Participate in Economic Development Corporation and Central Illinois Land Bank Authority. Support Soil & Water Conservation District efforts.	Regional business development. Sustainable environmental protection measures. Preservation of valuable farmland.
Encourage development/use of sustainable energy.	Consider sustainable energy production proposals through Environment/Land Use Committee. Participate in IL PACE initiatives for green energy material use.	Local projects that improve economy and maintain valuable farmland

COUNTY STRATEGIC PLAN

Goal 5 - Champaign County is a county that maintains safe and accurate county records and performs county administrative, governance, election and taxing functions for county residents.

Initiatives	Activities	Outcomes
Develop strategies for declining state support.	Research list of possible strategies to increase revenue/decrease expenses. Impact assessment and operations planning to adjust to revenue reduction and unfunded mandates.	Legislative changes which provide financial relief to local governments. Collaboration with other local governments to minimize impact of lost funding. Balanced budgets that accommodate required changes imposed by external entities.
Fund 5-year IT replacement plan.	Compleete scheduled IT maintenance and replacement projects in the 6-year IT Plan.	Incorporate IT priority funding recommendations into annual budgets.
Establish a system of codification of County ordinances	Select a municipal codification company to assist with the compilation and review of County ordinances.	Ensure County compliance with statutory obligations. County Board awareness of ordinances previously adopted and any impact on current considerations by the Board. Improved transparency for board actions.
Improve county's financial position.	Rebalance county bonds. Finalize nursing home sale obligations. Fund and initiate the replacement of the County's financial software.	Reduce debt service. Improve effectiveness and efficiency of financial staff to process and analyze impact of transactions. Eliminate duplicative data entry/progress toward paperless processes.

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BUDGET PRIORITIES

Champaign County's FY2021 Budget Priorities are guided by the County Board's Strategic Plan.

High Performing, Open and Transparent

Budget transparency through hearings and the electronic publication of documents throughout the budget process. A PowerPoint presentation provides key budget information in a comprehensible format at the Legislative Budget Hearings, also available to the public on the County's website.

Elimination of an outstanding $1 million loan extended to the Nursing Home fund from the General Fund, which has been on the balance sheet since March 2019.

Implementation of an Enterprise Resource Planning System (ERP) to replace the County's aging accounting system allowing for efficiencies and improved performance across county departments.

Workforce Development formula grant funding increases $1.2 million and includes supplemental funding for additional rapid response initiatives to aid dislocated workers and businesses, which is critical given the impact of the pandemic.

High Quality Public Facilities and Highways and a Safe Rural Transportation System and Infrastructure

FY2021 facilities projects outlined in the County's 10-Year Capital Facilities Plan are funded at $2 million.

Appropriation of county funds combined with insurance reimbursement to repair hail damages to County facilities incurred in July 2020.

County highway funds include $6.85 million for bridges, culverts, and road improvements, which includes $3.15 million in IDOT REBUILD grant funding. There are seven major bridge projects scheduled for 2021, and funds budgeted for the rebuilding of Sidney Road.

Expanded RPC transportation grant and contract funding from multiple agencies including the Illinois Center for Transportation, Federal Transit Administration, and Illinois Department of Transportation, allowing for planning, initiatives and projects.

Safe, Just and Healthy Community

Continuation of IDPH COVID-19 Crisis grant funding within the Board of Health's budget for COVID-19 contact tracing programs.

The Early Childhood Fund includes federal and state dollars to provide child development services to 435 preschoolers and 231 infants and their families.

Collaboration between the Mental Health and Developmental Disabilities Boards with other organizations which have a similar responsibility and mission to develop a community needs assessment and three-year.

BUDGET PRIORITIES

Appropriation of $8.8 million in contributions and grants for the advancement of a local system of programs and services for prevention and treatment of mental or emotional, developmental, and substance use disorders, and the treatment of people with intellectual/developmental disabilities.

The County will hold its fifth annual Expungement and Record Sealing Summit, as well as its fifth Amnesty Week, which for the first time will be two weeks and offer online payments options for outstanding criminal and traffic fees and fines.

<u>Planned Growth to Balance Economic Growth with Preservation of Our Natural Resources</u>

Maintenance of energy conservation programs.

Participation in the Illinois Consumer Electronics Recycling Program to hold Residential Electronic Collections (REC) events and an IEPA One-Day Hazardous Household Waste (HHW) Collection event.

Continuation of work on the County's Municipal Separate Storm Water Sewerage System (MS4) to bring the County into compliance with Illinois Environmental Protection Agency (IEPA) and Clean Water Act requirements.

The budget includes regional initiatives for transportation, planning, and implementation of energy efficiency strategies.

<u>Maintain Safe and Accurate County Records and Perform County Administrative, Governance, Election and Taxing Functions for County Residents</u>

Replacement of some of the County's Voter Assist Terminals (VATs) for accessible voting.

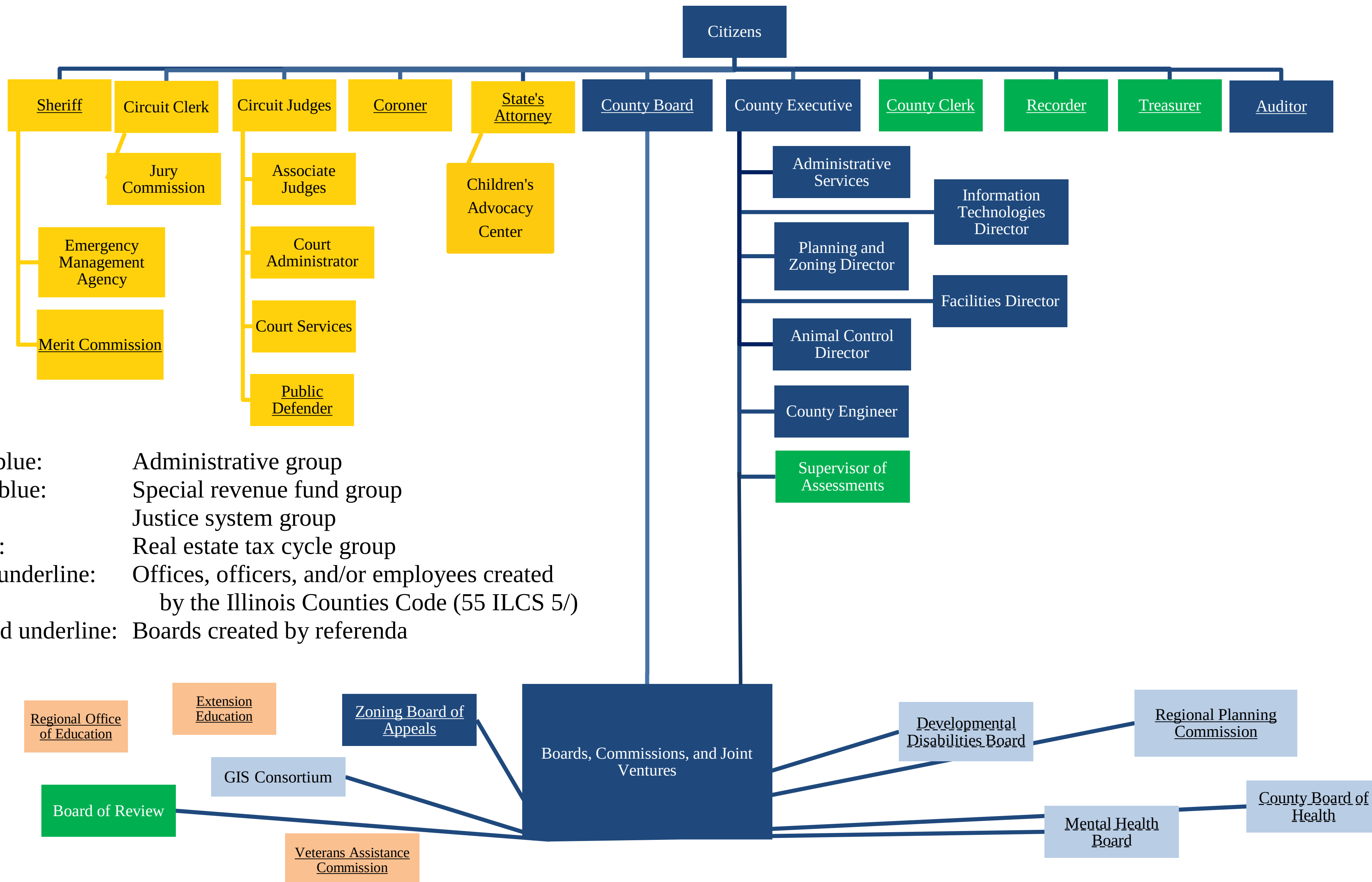
Implementation of an Enterprise Resource Planning System (ERP) to replace the County's aging accounting system.

Continuation of Computer Assisted Mass Appraisal (CAMA) software enabling digitization of property record cards with a sketching and valuation system providing assessment uniformity and online record accessibility.

In FY2021, the Circuit Clerk's Office and Courts will plan to work toward file-free criminal and traffic courtrooms, reducing county costs and yielding efficiencies including allowing staff to scan court records that were filed prior to 2013.

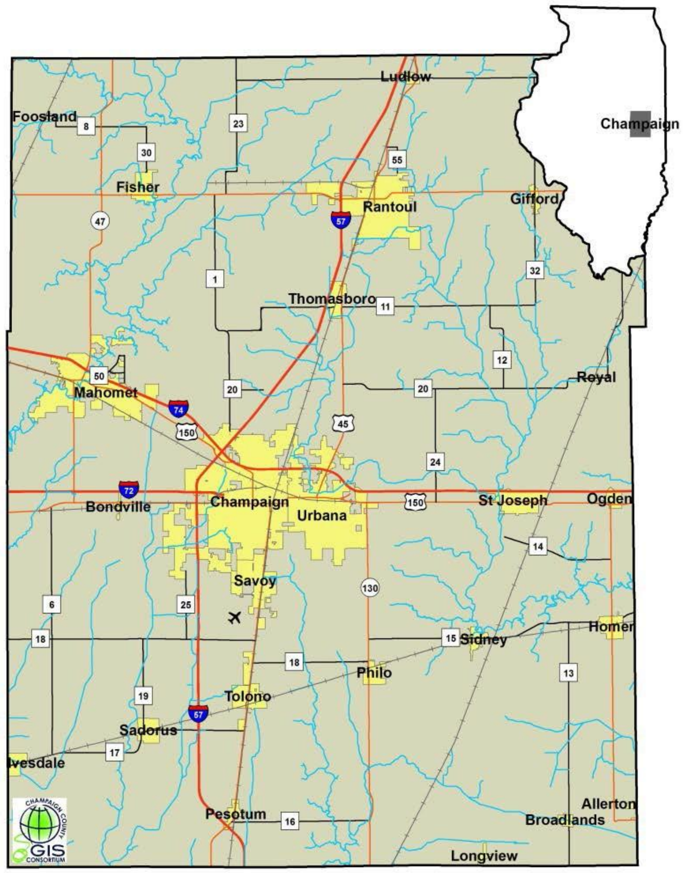
Continued public utilization of access to electronic filing of recorded documents. In FY2020, the number of documents recorded electronically increased from 25% to 50%. Continued utilization of electronic filing is expected in FY2021.

CHAMPAIGN COUNTY ORGANIZATION CHART



Dark blue: Administrative group
Light blue: Special revenue fund group
Gold: Justice system group
Green: Real estate tax cycle group
Solid underline: Offices, officers, and/or employees created by the Illinois Counties Code (55 ILCS 5/)
Dashed underline: Boards created by referenda

ABOUT CHAMPAIGN COUNTY



Champaign County, Illinois is located in the heart of east-central Illinois, approximately 136 miles south of Chicago and 86 miles east northeast of Springfield, the state capital. The County is home to the University of Illinois, a primary research institution and member of the Big 10 Conference, along with Parkland College and two major regional hospitals. Spanning nearly 1,000 square miles, over 90% of Champaign County's land area is utilized for agriculture.

Champaign County was organized in 1833 as a subdivision of Vermilion County. The names of the county and its seat of Urbana originated with Champaign County, Ohio and Urbana, Ohio respectively, the home of the Illinois legislator who sponsored the bill to create the County. Champaign County adopted the township form of government on November 8, 1859. On November 8, 2016, voters approved a proposition to establish the County Executive form of government. The first County Executive was elected at large at the November 6, 2018 general election. The 22-member County Board represents 11 districts and elects a County Board Chair from among its members by a majority vote at the biennial organizational meeting on the first Monday of December of every even-numbered year.

The County's population for the 2010 Census was 201,081, an increase of 11.9% since the 2000 Census, ranking Champaign County as the 10th largest county in Illinois.

Population

A table of population statistics for the State of Illinois, Champaign County, and its two largest cities, Champaign and Urbana, follows. Data is sourced from the U.S. Census Bureau (Decennial Census 1980-2010).

	1980	1990	2000	2010
State of Illinois	11,427,409	11,430,602	12,419,293	12,830,632
Champaign County	168,392	173,025	179,669	201,081
City of Champaign	58,267	63,502	67,518	81,055
City of Urbana	35,978	36,344	36,395	41,250
Champaign County: % Change 1980-2010			19.4%	

Sources: U.S. Census Bureau; Decennial Census 2010, 2010 Census Summary File 1, Table P1; generated using American FactFinder; <http://factfinder2.census.gov>; (3 October 2017). U.S. Census Bureau; Decennial Census 2000, Census 2000 Summary File 1, Table P001; generated using American FactFinder; <http://factfinder2.census.gov>; (3 October 2017). U.S. Census Bureau; 1990 Census of Population and Housing, Population and Housing Unit Counts, United States, Tables 16 and 45; <https://www.census.gov/prod/cen1990/cph2/cph-2-1-1.pdf>; (3 October 2017).

The following are tables of demographic statistics for Champaign County, sourced from the U.S. Census Bureau's 2014-2018 American Community Survey 5-Year Estimates.

Race and Ethnicity – Champaign County

Race	Number		Percent	
	Estimate	Margin of Error (MOE)	Estimate	Margin of Error (MOE)
White alone	151,382	+/- 647	72.3%	+/- 0.3
Black or African-American alone	27,942	+/- 537	13.3%	+/- 0.3
American Indian and Alaska Native alone	312	+/- 115	0.1%	+/- 0.1
Asian alone	22,337	+/- 451	10.7%	+/- 0.2
Native Hawaiian and Other Pacific Islander alone	133	+/- 132	0.1%	+/- 0.1
Some other race alone	1,902	+/- 605	0.9%	+/- 0.3
Two or more races	5,440	+/- 705	2.6%	+/- 0.3
Ethnicity				
Hispanic or Latino	12,239	N/A	5.8%	N/A
Not Hispanic or Latino	197,209	N/A	94.2%	N/A

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table DP05; generated using data.census.gov; <https://data.census.gov/cedsci/>; (6 October 2020).

Age and Sex – Champaign County

Age	Estimate	MOE
Under 18 years	18.9%	+/- 0.4
18-24 years	23.2%	+/- 0.1
25-44 years	25.6%	+/- 0.4
45-64 years	20.4%	+/- 0.3
65 years and older	11.9%	+/- 0.1
Median Age (Years)	29.9	+/- 0.1

Sex	Estimate	MOE
Male	104,513	+/- 95
Female	104,935	+/- 95

Source: U.S. Census Bureau; American Community Survey, 2014-2018 American Community Survey 5-Year Estimates, Table S0101; generated using data.census.gov; < https://data.census.gov/cedsci>; (6 October 2020).

Detailed Age Distribution – Champaign County

Age	Estimate (%)	MOE
Under 5 years	5.5%	+/- 0.1
5 to 9 years	5.1%	+/- 0.3
10 to 14 years	5.1%	+/- 0.3
15 to 19 years	10.3%	+/- 0.2
20 to 24 years	16.2%	+/- 0.2
25 to 29 years	8.1%	+/- 0.1
30 to 34 years	6.7%	+/- 0.1
35 to 39 years	6.1%	+/- 0.3
40 to 44 years	4.7%	+/- 0.3
45 to 49 years	4.8%	+/- 0.1
50 to 54 years	5.0%	+/- 0.1
55 to 59 years	5.2%	+/- 0.2
60 to 64 years	5.4%	+/- 0.2
65 to 69 years	4.0%	+/- 0.2
70 to 74 years	2.8%	+/- 0.2
75 to 79 years	2.1%	+/- 0.2
80 to 84 years	1.4%	+/- 0.1
85 years and older	1.7%	+/- 0.2

Source: U.S. Census Bureau; American Community Survey, 2014-2018 American Community Survey 5-Year Estimates, Table S0101; generated using data.census.gov; <https://data.census.gov/cedsci>; (6 October 2020).

Income

The following tables present the median household and family income and the distribution of household and family incomes in the County and the State according to the 2014-2018 American Community Survey 5-Year Estimates.

Median Household and Family Income

	State of Illinois Estimate ($)	MOE	Champaign County Estimate ($)	MOE
Median Household Income	$63,575	+/- $187	$51,692	+/- $1,225
Median Family Income	$79,747	+/- $324	$78,440	+/- $2,198
Per Capita Income	$34,463	+/- $135	$29,683	+/- $647

Source: U.S. Census Bureau; American Community Survey, 2014-2018 American Community Survey 5-Year Estimates, Table DP03; generated using American FactFinder; <http://factfinder2.census.gov>; (6 October 2020).

Household Income Distribution

	State of Illinois Number of Households	MOE	Champaign County Number of Households	MOE
Total	4,830,038	+/- 9,750	82,499	+/- 673
Less than $10,000	314,802	+/- 3,060	10,978	+/- 625
$10,000-$14,999	194,284	+/- 3,185	3,699	+/- 415
$15,000-$19,999	210,540	+/- 3,111	3,690	+/- 396
$20,000-$24,999	220,865	+/- 3,069	4,325	+/- 500
$25,000-$29,999	206,622	+/- 2,913	3,426	+/- 367
$30,000-$34,999	209,338	+/- 2,654	4,147	+/- 435
$35,000-$39,999	198,458	+/- 2,998	3,441	+/- 386
$40,000-$44,999	201,578	+/- 2,945	3,372	+/- 380
$45,000-$49,999	177,177	+/- 2,714	3,157	+/- 406
$50,000-$59,999	359,558	+/- 4,398	6,357	+/- 496
$60,000-$74,999	469,039	+/- 4,468	7,478	+/- 540
$75,000-$99,999	613,917	+/- 5,303	9,079	+/- 644
$100,000-$124,999	452,341	+/- 3,990	6,928	+/- 464
$125,000-$149,999	298,758	+/- 3,808	4,181	+/- 453
$150,000-$199,999	335,066	+/- 4,287	3,954	+/- 383
$200,000 or more	367,695	+/- 3,357	4,287	+/- 368

Source: U.S. Census Bureau; American Community Survey, 2014-2018 American Community Survey 5-Year Estimates, Table B19001; generated using data.census.gov; <https://data.census.gov/cedsci>; (6 October 2020).

Family Income Distribution

	State of Illinois Number of Households	MOE	Champaign County Number of Households	MOE
Total	3,117,333	+/- 10,480	42,535	+/- 903
Less than $10,000	118,179	+/- 2,590	1,988	+/- 337
$10,000-$14,999	70,168	+/- 1,799	894	+/- 198
$15,000-$19,999	83,986	+/- 2,016	1,132	+/- 249
$20,000-$24,999	102,505	+/- 2,113	1,542	+/- 276
$25,000-$29,999	103,437	+/- 2,117	1,092	+/- 200
$30,000-$34,999	113,427	+/- 2,291	1,434	+/- 267
$35,000-$39,999	114,286	+/- 2,417	1,449	+/- 258
$40,000-$44,999	117,924	+/- 2,143	1,368	+/- 225
$45,000-$49,999	107,959	+/- 2,245	1,660	+/- 303
$50,000-$59,999	225,070	+/- 3,551	3,136	+/- 303
$60,000-$74,999	313,143	+/- 3,579	4,361	+/- 387
$75,000-$99,999	444,134	+/- 4,231	6,471	+/- 519
$100,000-$124,999	353,285	+/- 3,994	5,352	+/- 404
$125,000-$149,999	245,249	+/- 3,620	3,404	+/- 381
$150,000-$199,999	286,266	+/- 4,051	3,407	+/- 358
$200,000 or more	318,315	+/- 3,307	3,845	+/- 349

Source: U.S. Census Bureau; American Community Survey, 2014-2018 American Community Survey 5-Year Estimates, Table B19101; generated using data.census.gov; <https://data.census.gov/cedsci>; (6 October 2020).

Housing

The following tables show housing tenure for the State of Illinois, Champaign County, the City of Champaign, and the City of Urbana; the distribution of value of owner-occupied housing units with a mortgage in Illinois and Champaign County; and the distribution of rent for renter-occupied housing units in Illinois and Champaign County, according to the 2014-2018 American Community Survey 5-Year Estimates.

Housing Tenure

	State of Illinois		Champaign County		City of Champaign		City of Urbana	
	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE
Total Occupied Housing Units	4,830,038	+/- 9,750	82,499	+/- 673	34,463	+/- 634	16,581	+/- 446
Owner-Occupied	3,189,035	+/- 15,471	44,247	+/- 735	15,187	+/- 542	6,043	+/- 363
Renter-Occupied	1,641,003	+/- 8,379	38,252	+/- 867	19,276	+/- 680	10,538	+/- 457

Source: U.S. Census Bureau; American Community Survey, 2014-2018 American Community Survey 5-Year Estimates, Table B25003; generated using data.census.gov; <https://data.census.gov/cedsci>; (6 October 2020).

Value Distribution of Owner-Occupied Units

	State of Illinois Estimate	MOE	Champaign County Estimate	MOE
Total Units	3,189,035	+/- 15,471	44,247	+/- 735
Less than $10,000	42,475	+/- 1,319	925	+/- 194
$10,000 to $14,999	20,024	+/- 833	337	+/- 117
$15,000 to $19,999	17,220	+/- 885	179	+/- 80
$20,000 to $24,999	19,973	+/- 808	270	+/- 110
$25,000 to $29,999	18,414	+/- 809	95	+/- 45
$30,000 to $34,999	25,097	+/- 935	316	+/- 109
$35,000 to $39,999	19,696	+/- 731	323	+/- 117
$40,000 to $49,999	51,446	+/- 1,178	478	+/- 136
$50,000 to $59,999	69,472	+/- 1,750	761	+/- 167
$60,000 to $69,999	87,667	+/- 1,568	1,160	+/- 216
$70,000 to $79,999	102,010	+/- 1,883	1,576	+/- 253
$80,000 to $89,999	118,358	+/- 2,200	1,712	+/- 236
$90,000 to $99,999	99,391	+/- 2,093	1,969	+/- 272
$100,000 to $124,999	266,123	+/- 3,615	5,293	+/- 415
$125,000 to $149,999	233,239	+/- 3,162	5,069	+/- 463
$150,000 to $174,999	300,083	+/- 3,844	5,182	+/- 433
$175,000 to $199,999	212,137	+/- 2,763	4,319	+/- 361
$200,000 to $249,999	369,806	+/- 4,166	5,419	+/- 440
$250,000 to $299,999	299,036	+/- 3,535	3,233	+/- 340
$300,000 to $399,999	366,535	+/- 3,374	3,199	+/- 315
$400,000 to $499,999	170,825	+/- 2,205	1,092	+/- 174
$500,000 to $749,999	167,036	+/- 2,213	897	+/- 152
$750,000 to $999,999	56,161	+/- 1,281	234	+/- 98
$1,000,000 to $1,499,999	32,397	+/- 1,051	147	+/- 105
$1,500,000 to $1,999,999	9,887	+/- 646	11	+/- 16
$2,000,000 or more	13,527	+/- 547	11	+/- 14

Source: U.S. Census Bureau; American Community Survey, 2014-2018 American Community Survey 5-Year Estimates, Table B25075; generated using data.census.gov; <https://data.census.gov/cedsci>; (6 October 2020).

Rent Distribution of Renter-Occupied Units

	State of Illinois Estimate	MOE	Champaign County Estimate	MOE
Total Units	1,641,003	+/- 8,379	38,252	+/- 867
No cash rent	69,712	+/- 1,841	742	+/- 184
Less than $100	6,999	+/- 530	37	+/- 49
$100 to $149	6,096	+/- 549	158	+/- 125
$150 to $199	11,173	+/- 659	124	+/- 82
$200 to $249	25,771	+/- 954	158	+/- 125
$250 to $299	21,275	+/- 1,058	346	+/- 146
$300 to $349	21,514	+/- 1,024	215	+/- 94
$350 to $399	21,685	+/- 1,116	290	+/- 135
$400 to $449	24,442	+/- 1,072	748	+/- 236
$450 to $499	29,889	+/- 1,136	736	+/- 211
$500 to $549	34,697	+/- 1,259	1,461	+/- 321
$550 to $599	42,007	+/- 1,556	1,479	+/- 271
$600 to $649	51,498	+/- 1,248	1,895	+/- 295
$650 to $699	59,478	+/- 1,622	2,203	+/- 325
$700 to $749	67,002	+/- 1,725	2,812	+/- 365
$750 to $799	72,448	+/- 1,843	2,996	+/- 390
$800 to $899	153,941	+/- 2,930	4,968	+/- 454
$900 to $999	161,422	+/- 2,856	4,175	+/- 470
$1,000 to $1,249	287,195	+/- 3,758	6,121	+/- 525
$1,250 to $1,499	171,639	+/- 3,174	2,797	+/- 456
$1,500 to $1,999	189,431	+/- 3,099	2,375	+/- 368
$2,000 to $2,499	67,219	+/- 2,089	777	+/- 215
$2,500 to $2,999	24,366	+/- 1,140	205	+/- 103
$3,000 to $3,499	12,392	+/- 825	320	+/- 131
$3,500 or more	7,712	+/- 644	114	+/- 60

Source: U.S. Census Bureau; American Community Survey, 2014-2018 American Community Survey 5-Year Estimates, Table B25063; generated using data.census.gov; <https://data.census.gov/cedsci>; (6 October 2020).

Employment

The table below presents the employment diversity of the County. The data is sourced from the Illinois Department of Employment Security's Quarterly Workforce Indicators.

	2019			2020	
	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	Average
11 Agriculture, Forestry, Fishing and Hunting	281	N/A	N/A	N/A	281
21 Mining, Quarrying, & Oil and Gas Extraction	15	N/A	N/A	N/A	15
22 Utilities	191	N/A	N/A	N/A	191
23 Construction	3,672	N/A	N/A	N/A	3,672
31-33 Manufacturing	6,621	N/A	N/A	N/A	6,621
42 Wholesale Trade	2,359	N/A	N/A	N/A	2,359
44-45 Retail Trade	9,067	N/A	N/A	N/A	9,067
48-49 Transportation and Warehousing	2,697	N/A	N/A	N/A	2,697
51 Information	2,071	N/A	N/A	N/A	2,071
52 Finance and Insurance	2,444	N/A	N/A	N/A	2,444
53 Real Estate and Rental and Leasing	1,855	N/A	N/A	N/A	1,855
54 Professional, Scientific, and Technical Services	3,414	N/A	N/A	N/A	3,414
55 Management of Companies and Enterprises	65	N/A	N/A	N/A	65
56 Administrative and Support and Waste Management and Remediation Services	4,264	N/A	N/A	N/A	4,264
61 Educational Services	725	N/A	N/A	N/A	725
62 Health Care and Social Assistance	13,558	N/A	N/A	N/A	13,558
71 Arts, Entertainment, and Recreation	1,451	N/A	N/A	N/A	1,451
72 Accommodation and Food Services	9,300	N/A	N/A	N/A	9,300
81 Other Services (except Public Administration)	2,017	N/A	N/A	N/A	2,017
92 Public Administration	25,406	N/A	N/A	N/A	25,406
99 Unclassified	29	N/A	N/A	N/A	29

*Figures not disclosed due to confidentiality rules
Source: Illinois Department of Employment Security, Economic Information and Analysis Division, Quarterly Census of Employment & Wages, QCEW Annual Average Data 2019 Q2, Illinois at Work Report; <http://www.ides.illinois.gov/LMI/Pages/Quarterly_Census_of_Employment_and_Wages.aspx>; (6 October 2020).

The following table shows the average annual unemployment rate in Champaign County, Illinois, and the United States since 2000, according to the Illinois Department of Employment Security.

Year	Champaign County				Illinois	United States
	Labor Force	Employed	Unemployed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2019	109,116	105,014	4,102	3.8%	4.0%	3.7%
2018	105,669	101,016	4,653	4.4%	4.3%	3.9%
2017	104,527	100,100	4,427	4.2%	4.9%	4.4%
2016	105,140	99,773	5,367	5.1%	5.8%	4.9%
2015	104,764	99,384	5,380	5.1%	6.0%	5.3%
2014	103,670	97,492	6,178	6.0%	7.1%	6.2%
2013	103,486	95,757	7,729	7.5%	9.0%	7.4%
2012	104,101	96,498	7,603	7.3%	9.0%	8.1%
2011	105,685	97,465	8,220	7.8%	9.7%	8.9%
2010	108,978	100,032	8,946	8.2%	10.4%	9.6%
2009	105,240	96,480	8,760	8.3%	10.2%	9.3%
2008	105,661	99,814	5,847	5.5%	6.3%	5.8%
2007	105,132	100,739	4,393	4.2%	5.0%	4.6%
2006	102,819	99,078	3,741	3.6%	4.5%	4.6%
2005	101,124	96,973	4,151	4.1%	5.7%	5.1%
2004	99,010	94,679	4,331	4.4%	6.2%	5.5%
2003	98,703	94,298	4,405	4.5%	6.8%	6.0%
2002	99,242	95,219	4,023	4.1%	6.5%	5.8%
2001	99,742	96,206	3,536	3.5%	5.3%	4.7%
2000	100,039	96,792	3,247	3.2%	4.3%	4.0%

Source: Illinois Department of Employment Security, Local Area Unemployment Statistics, LAUS County Annual Average Data 2000-2019 and Illinois Labor Force Estimates Annual Averages; <http://www.ides.illinois.gov/LMI/Pages/Local_Area_Unemployment_Statistics.aspx>; (6 October 2020).

The table below shows the 10 employers in Champaign County with the greatest number of employees, according to the Champaign County Regional Planning Commission.

	Employer	Number of Employees in 2018
1	University of Illinois at Urbana-Champaign	14,817
2	Carle	6,438
3	Champaign Unit #4 School District	2,088
4	Champaign County	1,173
5	Urbana School District #116	1,044
6	Parkland College	1,012
7	Kraft Heinz	925
8	Christie Clinic	900
9	FedEx	815
10	OSF Healthcare	774

Source: Largest Employers in Champaign County, Regional Workforce Profile, Champaign County, Illinois; Champaign County Regional Planning Commission, 2018. <https://ccrpc.org/programs/workforce-development/employer-and-business-services/champaign-county-profile/>; (7 October 2020).

BASIS OF BUDGETING

Champaign County's governmental accounting and financial reporting are managed in accordance with "Generally Accepted Accounting Principles" ("GAAP"). Government funds use a modified accrual basis of accounting. The modified accrual basis of accounting and budgeting recognizes revenues when they become available and measurable; and expenditures when the liability is incurred. Proprietary funds use an accrual basis of accounting. The accrual basis of accounting recognizes revenue when earned and expenses when incurred, regardless of when cash is received or disbursed.

The ***budgets*** for all governmental funds ***and*** proprietary funds are presented on a modified accrual basis. The modified accrual basis of budgeting is reflected in the County ordinance which provides that balances remaining in County appropriations shall be available for sixty days after the close of the fiscal year to pay for goods or services that were delivered prior to the close of the fiscal year. Because proprietary fund budgets are not on a full accrual basis, the legally adopted budget is not on a basis strictly consistent with generally accepted accounting principles (GAAP). The basis of budgeting is different from the basis of accounting used in the audited financial statements, where the actual results of operations are presented in accordance with generally accepted accounting principles. Adjustments necessary to convert the results of operations from the budgetary basis to the GAAP basis are mostly due to proprietary funds having budgets on the modified accrual basis, while GAAP requires accounting for those funds on the full accrual basis.

Champaign County Financial Policies

Introduction

Champaign County has several relevant financial policies in order to preserve and enhance its fiscal health, identify acceptable and unacceptable courses of action, and provide a standard to evaluate the government's fiscal performance. Besides the county's Financial Policies and Annual Budget Process Resolution, other policies that are central to a strategic, long-term approach to financial management are posted on the county website http://www.co.champaign.il.us/HeaderMenu/generalinfo.php.

- Purchasing Policy (including Capital Asset Management and Replacement)
- Grant Application/Approval Policy
- Personnel Policy (including Salary Administration Guidelines)
- Travel Policy
- Treasurer's Investment Policy
  http://www.co.champaign.il.us/treasurer/PDFS/InvestmentPolicy.pdf

Budgeting Policies

1. The County's fiscal year is January 1 – December 31.
2. All County funds are appropriated in the "Official Budget," which is approved by the County Board. Appropriations are considered the maximum authorization to incur obligations and not a mandate to spend.
3. The County is committed to producing a balanced budget in a timely manner. The County will pay for current expenditures with current revenues, avoiding procedures that balance budgets by postponing needed expenditures, realizing future revenues early, or rolling over short-term debt. A budget is balanced when total appropriations do not exceed total revenues and appropriated fund balance within an individual fund.
4. The budgets for all governmental funds and proprietary funds are presented on a modified accrual basis.
5. The final Budget document must include:
   a. A statement of financial information including prior year revenue and expenditure totals, and current and ensuing year revenue and expenditure projections; and
   b. A statement of all moneys in the county treasury unexpended at the termination of the last fiscal year; and
   c. A statement of all outstanding obligations or liabilities of the county incurred in any preceding fiscal year; and
   d. Additional information required by state law.
6. The budget may be amended through a Budget Amendment or Budget Transfer which require a 2/3rd majority vote (15) of the County Board. Department heads may authorize transfers between non-personnel budget lines in their department budget as long as they do not exceed the total combined appropriation for non-personnel categories; and transfers between personnel lines as long as they do not exceed the total combined appropriation for personnel categories.

7. A General Corporate Fund contingency appropriation will be designated for emergency purchases during the fiscal year. The contingency appropriation goal is 1% of the total anticipated expenditure for the General Corporate Fund. No more than 5% of the total General Corporate Fund Appropriation may be appropriated to contingencies. Money appropriated for contingencies may be used for contingent, incidental, miscellaneous, or general county purposes, but no part of the amounts so appropriated shall be used for purposes for which other appropriations are made in the budget unless a transfer of funds is authorized by a 2/3rd majority vote (15) of the County Board.
8. On an annual basis, the County will prepare a Financial Forecast to include expenditure projections for the current year and the next four (4) fiscal years.

Revenue Policies

1. The County will strive to maintain diversified and stable revenue sources to shelter it from unforeseeable short-run fluctuations in any one revenue source.
2. The County will estimate its annual revenues by an objective, analytical process. On an annual basis, and in conjunction with expenditure projections, the County will prepare revenue projections for the current year and the next four (4) fiscal years. Each existing and potential revenue source will be re-examined annually.
3. The property tax rates for each levy shall be calculated in accordance with the Property Tax Extension Limitation Law (PTELL).
4. The County charges user fees for items and services, which benefit a specific user more than the general public. State law or an indirect cost study determine the parameters for user fees. The County shall review all fees assessed in its annual budget preparation process to determine the appropriate level of fees for services and recommend any proposed changes to the fees collected to be implemented in the ensuing budget year.
5. To the extent feasible, one-time revenues will be applied toward one-time expenditures and will not be used to finance ongoing programs. Ongoing revenues should be equal to or exceed ongoing expenditures.
6. The Champaign County Board supports efforts to pursue grant revenues to provide or enhance County mandated and non-mandated services and capital needs. Activities which are, or will be, recurring shall be initiated with grant funds only if one of the following conditions are met:
    a. The activity or service can be terminated in the event the grant revenues are discontinued; or
    b. The activity should, or could, be assumed by the County's General and recurring operating fund or another identified fund. Departments are encouraged to seek additional sources of revenue to support the services prior to expiration of grant funding. Grant approval shall be subject to the terms and conditions of County Ordinance Number 635, and Ordinance amendments 903 and 920.

Fund Policies

1. The County's financial structure begins with funds. A fund is a self-balancing accounting entity with revenues and expenditures which are segregated for the purpose of carrying out specific programs in accordance with County policies and certain applicable State

and Federal laws. Each fund has at least one Department Budget, which is a group of expenditures that provide for the accomplishment of a specific program or purpose.

2. A major fund is a budgeted fund where revenues or expenditures represent more than 10% of the total appropriated revenues or expenditures.
3. All county funds are included in the Annual Budget Document except the fiduciary funds described below.
    a. Private Purpose Trust Funds in which the County Engineer acts in a trustee capacity on behalf of townships to use state funding to maintain township roads and township bridges, which resources are not available to support the County's own programs.
    b. Agency Funds held in a custodial capacity for external individuals, organizations and governments for the purpose of reporting resources, such as property taxes and circuit court fees and fines.
4. Governmental funds account for traditional governmental operations that are financed through taxes and other fixed or restricted revenue sources.
    a. The General Corporate Fund is available for any authorized purpose, and is used to account for all financial resources except those required to be accounted for in another fund. A summary is prepared which lists the amount of General Corporate Fund appropriation for all affected departments. The General Corporate Fund is a Major Fund.
    b. Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted to expenditures for a specific purpose.
        i. Included in the Special Revenue Funds are Debt Service Funds utilized to account for the payment of interest, principal and related costs on the County's general long-term debt. (In addition to Debt Service Funds, the County also has debt service budgets included in other funds as appropriation based on the purpose of the fund.)
        ii. Also included in Special Revenue Funds are Capital Project Funds used to account for all expenditures and revenues associated with the acquisition, construction or maintenance of major facilities that are not financed through proprietary funds or funds being held for other governments.
    c. Proprietary Funds account for certain "business-type" activities of governments that are operated so that costs incurred can be recovered by charging fees to the specific users of these services.
        i. An enterprise fund is used to account for operations that are financed primarily by User charges. The Nursing Home Fund is the county's only enterprise fund.
        ii. An Internal Service Fund is established to account for the financing of goods and services provided to the County and other agencies on a cost reimbursement basis. The activities of the Self-Funded Insurance Fund and Employee Health Insurance Fund are budgeted and appropriated through the use of Internal Service Funds.
5. A Fund Statement is presented for each fund, which summarizes past and projected financial activity for the fund as follows:

a. Revenues presented in line item detail within revenue categories; and
b. Expenditures presented in line item detail within major categories – e.g., personnel, commodities, services; and
c. Fund Balance including the actual or estimated funds remaining at the end of the fiscal year.

Financial Reserves and Surplus

1. The fund balance for each fund shall be reviewed annually, and recommendations for financial reserves and a plan for the use of surplus funds shall be documented.
2. For cash flow purposes due to the timing of property tax revenues and fluctuations in the receipt of state shared revenues, and in order to allow flexibility to respond to unexpected circumstances, the minimum fund balance requirement for the General Corporate Fund is 45-days or 12.5% of operating expenditures. A plan will be developed to increase the fund balance in instances where an ending audited fund balance is below the 45-day minimum requirement. The fund balance target for the General Corporate Fund is two months or 16.7% of operating expenditures.
3. It is the intent of the County to use all surpluses generated to accomplish three goals: meet reserve policies, avoid future debt and reduce outstanding debt.

Capital Asset Management and Replacement

1. The Capital Asset Replacement Plan includes a multi-year plan for vehicles, computers, technology, furnishings and office equipment. It will be updated for the General Corporate Fund departments during the annual budget process. Expenditures will be appropriately amortized and reserves for replacement will be estimated. If the county is unable to appropriate full funding for future reserves, this will be documented in Capital Asset Replacement budget. A five-year forecast for capital asset management and replacement will be developed and updated annually.
2. The Capital Asset Replacement Plan also includes a multi-year plan for the facilities owned and maintained by the County. The County will strive to maintain all assets at a level adequate to protect the County's capital interest and to minimize future maintenance and replacement costs.
3. The County will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted and included in the Capital Asset Replacement Fund plan.
4. The Deputy Director of Finance will review all expenditures from the Capital Asset Replacement Fund and is authorized, in addition to the County Executive to approve all expenditures from the Capital Asset Replacement Fund in compliance with the multi-year plan and policies established by the County Board. No more than 3% of the equalized assessed value of property subject to taxation by the county may be accumulated in a separate fund for the purpose of making specified capital improvements.
5. The Auditor maintains a fixed asset inventory of furniture, equipment, buildings, and improvements with a value of greater than $5,000 and a useful life of one year or more.

Debt Management

1. When applicable, the County shall review its outstanding debt for the purpose of determining if the financial marketplace will afford the County the opportunity to refund an issue and lessen its debt service costs. In order to consider the possible refunding of an issue a Present Value savings of three percent over the life of the respective issue, at a minimum, must be attainable.
2. The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
3. When the county finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the estimated useful life of the project.
4. The County will strive to have the final maturity of general obligation bonds at, or below, thirty years.
5. Whenever possible, the County will use special assessment, revenue, or other self-supporting bonds instead of general obligation bonds, so those benefiting from the improvements will bear all or part of the cost of the project financed.
6. The County will not use long-term debt for current operations.
7. The County will maintain good communications with bond rating agencies regarding its financial condition. The County will follow a policy of full disclosure on every financial report and borrowing prospectus.

Accounting, Auditing and Investment

1. The County follows Generally Accepted Accounting Principles (GAAP).
2. State statutes require an annual audit by independent certified public accountants. A comprehensive annual financial report shall be prepared to the standards set by the government finance Officers Association (GFOA).
3. The County uses an accounts receivable system to accrue revenues when they are available and measurable for governmental fund types. Departments should bill appropriate parties for amounts owed to Champaign County, review aging reports, complete follow-up information about the account, and monitor all accounts receivables.
4. The County Treasurer is responsible for investment of all Champaign County funds. With County Board approval, the Treasurer may make a short term loan of idle monies from one fund to another, subject to the following criteria:
   a. Such loan does not conflict with any restrictions on use of the source fund; and
   b. Such loan is to be repaid to the source fund within the current fiscal year.

Purchasing and Encumbrances

1. An encumbrance system is maintained to account for commitments resulting from purchase orders and contracts. Every effort will be made to ensure that these commitments will not extend from one fiscal year to the next. Any emergency encumbrances, which do extend into the next fiscal year, shall be subject to

appropriation in the next year's budget. Encumbrances at year - end do not constitute expenditures or liabilities in the financial statements for budgeting purposes.

2. All items with an expected value of $30,000 or more must be competitively bid with exceptions for professional services (other than engineering, architectural or land surveying services which will follow Quality Based Selection (QBS) requirements established in 50 ILCS 510). Additional competitive bid requirements may apply by statute or as a condition of using funds from an outside source.
3. All purchases over the respective limit of $30,000, which require the use of either formal bids or requests for proposals, must be approved by the full Champaign County Board.
4. The Champaign County Purchasing Policy Ordinances Number 897 and 902, establish the procedures to be followed in all purchasing activities.

Risk Management

1. In order to forecast expenditures for its self-funded insurance program for workers compensation and liability, the county hires an actuarial consulting firm to review loss history and recommend funding taking into consideration claims, fixed costs, fund reserves, and national trends.
2. The County strives to maintain the actuary recommended fund balance.

Salary Administration

1. The County Personnel Policy, includes Salary Administration Guidelines.
2. The County Executive is responsible for computing salaries and fringe benefits costs for all departments.
3. Increases for non-bargaining employees will be established by the Finance Committee at the beginning of the budget cycle and forwarded to the County Board for inclusion in the annual budget.

CHAMPAIGN COUNTY FY2021 BUDGET CALENDAR

The County's 2021 fiscal year begins on January 1 and ends on December 31.

June 10	Deputy Director of Finance provides *Budget Instruction and Training Seminar* for department budget preparers and *Instructions for Budget Submission* to outside agencies
July 10	FY2021 Department Budgets DUE to Deputy Director of Finance
July 13-24	Department Budget Reviews with County Executive
Aug. 3-7	County Executive confirms tax revenues & other revenue estimates
Aug. 24-25	6:00pm each evening – Legislative Budget Hearings before the County Board
Sept. 15	County Executive presents *FY2021 Budget Overview* to Finance Committee
Oct. 1	Special Finance Committee of the Whole Meeting for Public Comment on the Proposed FY2021 Budget and to provide direction regarding the Tentative Budget
Oct. 13	*FY2021 Tentative Budget Recommendation* forwarded by Finance Committee to County Board
Oct. 22	County Board – receive & place on *File FY2021 Tentative Budget;* County Board Truth in Taxation Public Hearing (*if required)*
Nov. 10	Finance Committee forwards *Final FY2021 Budget* to County Board for approval
Nov. 19	County Board approval of *Final FY2021 Budget* & *FY2021 Tax Levy Ordinance*

September 15, 2020 County Executive presentation of the Budget was moved to the September 24, 2020 County Board Meeting.

BUDGET PROCESS

Phase 1 - Planning

The budget development process begins approximately nine months prior to the beginning of the fiscal year. At that time, the Deputy Director of Finance updates the Five-Year Forecast for the General Corporate Fund and the Deputy Director of Administration conducts market surveys to review the mid-point valuation of jobs in Champaign County. Based upon these analyses, the County Executive recommends salary range adjustments and a set of assumptions for planning purposes and direction on balancing the next year's General Corporate Fund budget in May.

Champaign County requires department budget requests to be performance-based and focused on goals, objectives and performance indicators. Additionally, statutory budget requirements as defined in 55 ILCS 5/6 require the following information be included in the annual budget document:

- Statement of financial information including prior year revenue and expenditure totals, and current year and future year revenue and expenditure projections;
- Statement of all monies in the county treasury unexpended at the termination of the last fiscal year;
- Statement of all outstanding obligations or liabilities of the county incurred in any preceding fiscal year;
- Statement showing any bonuses or increase in any salary, wage, stipend, or other form of compensation that is not subject to a collective bargaining agreement for every agency, department, or any other entity receiving an appropriation from the county, regardless of whether the employee receiving them is part of a collective bargaining unit.

Phase 2 – Preparation

Based upon the Annual Budget Process Recommendation and planning requirements adopted by the County Board, the County Executive conducts a Budget Instruction and Information Meeting with all County Departments in June of each year. At this meeting, general budget preparation instructions are provided for the department preparation portion of the process. Department Heads and Elected Officials are asked to complete the preparation of individual department budgets for which they are responsible in the month of June, with submission to the County Executive in early July.

Phase 3 – Integration and Initial Review

In July, the County Executive meets with each department head and elected official to review the budget requests as presented. All department budgets are then incorporated in the budget documents to be presented to the County Board. County Administration then completes revenue projections and consolidates all gathered information into a comprehensive budget request as a whole to be presented to the County Board.

Phase 4 – County Board Initial Review and Public Review

In August, the County Board conducts Legislative Budget Hearings. These Meetings/Hearings are open meetings where the public is welcome. Budget information is provided to the members of the County Board in advance of the Legislative Budget Hearings so that County Board Members have the opportunity to review and prepare before meeting with the department heads and elected officials. The County Executive, Director of Finance, department heads, elected officials, and officials of governing boards with county budgets, present their budgets to the County Board at these meetings, and engage in question and answer sessions with the board members.

Phase 5 – Public Review

A Special Finance Committee of the Whole meeting is held in late September to focus on County Board discussion of the proposed budget presented by the County Executive. An opportunity for public participation will take place at the beginning of the meeting.

Phase 6 – Finance Committee

No later than the October Finance Committee meeting, the Finance Committee notifies the County Executive regarding changes or recommendations for funding initiatives. The County Executive then finalizes the total budget for County Board approval.

Phase 7 – Public Review

The County Board places the budget on file in October to allow for public review and comment, as required by 55 ILCS 5/6-1001. The County Board also conducts a Truth in Taxation Public Hearing in October, if the annual tax levy will increase by more than 5%, as required by 35 ILCS 200/18-70.

Phase 8– Adoption

At its November meeting, the County Board adopts and approves the annual Budget and Appropriation Ordinance to establish the budget for the ensuing fiscal year. The adoption of the budget requires an affirmative vote of at least a majority of all members of the County Board. The adoption of the budget constitutes appropriation of the amounts specified therein as expenditures from the funds indicated.

MEMO ESTABLISHING THE BUDGET PROCESS FOR CHAMPAIGN COUNTY FOR FY2021

MEMORANDUM

TO: COUNTY OFFICIALS & COUNTY BOARD MEMBERS
FROM: DARLENE A. KLOEPPEL, COUNTY EXECUTIVE
DATE: MAY 19, 2020
RE: 2021 COUNTY BUDGET PROCESS

It is again time for the County Executive to prepare the annual county budget for board approval.

Budget Calendar

The County's fiscal year begins on January 1 and ends on December 31. These steps offer opportunities for required public input, input from all elected officials and appointed department heads, and time for review and possible incorporation of revisions to the proposed budget by the County Board prior to approval in November.

June 10	Deputy Director of Finance provides *Budget Instruction and Training Seminar* for department budget preparers and *Instructions for Budget Submission* to outside agencies
July 10	FY2021 Department Budgets DUE to Deputy Director of Finance
July 13-24	Department Budget Reviews with County Executive
Aug. 3-7	County Executive confirms tax revenues & other revenue estimates
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Nov. 10	Finance Committee forwards *Final FY2021 Budget* to County Board for approval
Nov. 19	County Board approval of *Final FY2021 Budget* & *FY2021 Tax Levy Ordinance*

Form of the Budget

The proposed budget will be linked to the county's strategic planning priorities.
The final budget will be prepared in acknowledgement of the *Champaign County Board Financial Policies* and will include the following, showing specific amounts:

- Statement of financial information including prior year revenue and expenditure totals, and current year and ensuing year revenue and expenditure projections

- Statement of all moneys in the county treasury unexpended at the termination of the last fiscal year
- Statement of all outstanding obligations or liabilities of the county incurred in any preceding fiscal year
- Any additional information required by state law

Property Tax Levy

The preparation of the property tax levy for FY2021 will be calculated in accordance with the Property Tax Extension Limitation Law (PTELL).

Capital Asset Replacement Fund (CARF)

Capital asset replacement programs have an impact on the General Fund and Public Safety Sales Tax Fund. In-progress commitments for inclusion in the FY2021 CARF budget:

1. Funding for maintenance scheduled in FY2021 at 50% of the County's Facilities Capital Plan; and
2. Funding for Enterprise Resource Planning (ERP) to replace the County's in-house financial system; and
3. Funding for other CARF equipment and items previously scheduled for replacement in FY2021 on a case by case basis due to funding constraints, and
4. An estimated calculation of full reserve funding required for future CARF replacement schedules.

General Corporate Fund

County Executive's Department Budget Guidance

Considerations for preparing the budget include:

- Is the county meeting its fiduciary obligation to the public?
- Is the county meeting its statutory obligations to the public?
- Are budgeted items tied to strategic planning goals?
- How will budgeted investments impact other priorities of the county?
- What level of service can the public expect for this level of budget support?
- Will this be a one-time or recurring expense?

Budget documents will include:

1. Department operation analysis and planning documentation
2. Alignment to the County's Strategic Plan
3. Department objectives and performance indicators
4. An objective and analytic projection of revenues including any recommendations for fee increases or modifications to revenue structure

5. Expenditures (personnel expenditures will be completed by Administrative Services based on negotiated labor contracts and County Board direction for non-bargaining salary administration)

Non-General Corporate Fund Budget Requests

1. Presented within the County Board's definition of a balanced budget
2. Include revenues, expenditures, fund balance information, goal statements and an explanation for variances in ending fund balance
3. Document and analyze operations, and provide FY2020 strategic planning information including alignment with the County's Strategic Plan, and specific fund objectives and anticipated performance indicators

General Corporate Fund Budget Requests

The financial forecast projects a decline in General Fund revenues due to the COVID-19 pandemic resulting in significant decreases in fund balance during 2020 and 2021. While acknowledging many uncertainties at this time, conservative budgeting is needed to mitigate these anticipated revenue losses. All General Fund departments will be asked to identify a 4% decrease in department budgets against the original FY2020 budgets through strategies that may include both personnel and non-personnel items.

Requests for budget increases outside of these allowable exceptions must be submitted in separate documents and include:

1. A detailed explanation for the reason a budget increase is being requested; and
2. A detailed breakdown of the increase requested by budget line; and
3. Whether there are outside funding sources available to subsidize increased costs; and
4. Problems, issues, or concerns that might arise if the request is not able to be funded; and
5. Whether the request can be deferred to a future fiscal year, and if so, when.

We have a challenge this year, which also presents the opportunity to set a clearer path for the future.
I look forward to working with other county officials and the Board on the 2021 County Budget.

LONG-RANGE FINANCIAL PLANNING

Five Year Financial Forecast Fiscal Years 2019-2023

Introduction

March 2020 and final 2019 revenue and expenditure reports were unavailable until April 14, 2020, providing a limited amount of time to prepare this Forecast. The COVID-19 pandemic has added an additional challenge to the preparation of the Forecast. Increased expenditures related to the pandemic response are reimbursable by FEMA public assistance at 75% if eligible. Because those costs are unknown at this time, and largely reimbursable, they are not incorporated in forecasted expenditures. The State's Stay-At-Home Executive Order is currently in place from March 21 through April 30, 2020. Uncertain at the time of this writing is whether the order will be further extended. Nonetheless, revenue declines are imminent and have been taken into consideration with the preparation of the Forecast.

Due to time constraints and additional financial responsibilities related to COVID-19 Emergency Operations, management of FEMA public assistance funding, and the untimeliness of essential information required to prepare this document; the Forecast is presented at a higher level and with less detail than previous Forecasts.

Financial Rating

In June 2019, Moody's Investor's Service affirmed Champaign County's Aa2 rating citing its large and diverse tax base and modest debt burden. Above average pension burden was listed as a credit challenge, and factors that could lead to a downgrade were narrowed fund balance or liquidity, contraction of the county's tax base or weakening of resident income, and significant growth in debt or pension burden.

On April 22, 2020, Moody's downgraded the State of Illinois' outlook to "Negative" citing the probable effects of the coronavirus pandemic, including reduced tax collections and anticipated pension investment losses, which are expected to affect Illinois more so than to other states given its current fiscal condition.

Strategic Plan

The County Board approved a 6-Year Strategic Plan at its July 2019 meeting.
http://www.co.champaign.il.us/CountyBoard/CB/2019/190718_Meeting/190718%20handouts.pdf

Critical Issues

Sheriff's Office and Downtown Correctional Center
Per a 2015 Facilities Condition Report, this facility is categorized as poor. The 0-5-year Deferred Maintenance Backlog (DMB) is $2.9 million, and the 5-25-year DMB is just under $9 million. Building conditions have further deteriorated since the 2015 study, and it is essential for the County to resume discussions regarding a plan for the facility.

Opportunities

There are current negotiations regarding the location of a 150MW solar farm in the unincorporated area of Champaign County. Per information provided by the developer, the project is expected to generate $3.6 million in estimated annual local spending and $737,000 in recurring property tax revenue for nine jurisdictions including Champaign County government. The anticipated Zoning Permit fee of $193,050 would also be paid to the County; however, is not included as revenue in the FY2020 Budget.

Property Tax Base

For tax year 2019, payable in FY2020, the County anticipated receiving $35.27 million in property tax revenue. Application of the Property Tax Extension Limitation Law (PTELL) resulted in an extension calculation of $35.21 million.

Tax Levy Year	Fiscal Year	EAV	% Increase/ Decrease	Tax Rate/$100 of EAV	Property Tax Extension	Levy Growth
2008	**2009**	$3,485,212,304	5.7%	0.7426	$ 26,000,871	7.1%
2009	**2010**	$3,537,653,786	1.5%	0.7487	$ 26,607,976	2.3%
2010	**2011**	$3,561,497,476	0.7%	0.7688	$ 27,506,700	3.4%
2011	**2012**	$3,546,623,981	-0.4%	0.7841	$ 27,911,272	1.5%
2012	**2013**	$3,532,086,251	-0.4%	0.8138	$ 28,832,637	3.3%
2013	**2014**	$3,479,591,533	-1.5%	0.8511	$ 29,700,112	3.0%
2014	**2015**	$3,532,923,580	1.5%	0.8255	$ 30,580,132	3.0%
2015	**2016**	$3,600,615,388	1.9%	0.8322	$ 31,281,287	2.3%
2016	**2017**	$3,806,286,018	5.7%	0.8458	$ 32,245,372	3.1%
2017	**2018**	$3,972,464,264	4.4%	0.8481	$ 33,737,737	4.6%
2018	**2019**	$4,132,219,001	4.0%	0.8157	$ * 33,487,090	*-0.7%
2019	**2020**	$4,299,867,692	4.1%	0.8189	$ 35,211,617	5.1%

*Nursing Home bonds were defeased in 2019, resulting in a reduction in the Tax Year 2018 levy.

In 2020, the Sixth Judicial Court ruled in favor of Carle Foundation regarding the property tax exemption case for parcels in its main campus for tax years 2005-2011. The County's portion of the court ordered refund was $1.48 million. Following consultation with the County's outside auditor, the payment for the liability must be treated as a reduction in property tax revenues (for each levy), rather than an expenditure. The General Fund Forecast reflects its revenue reduction in FY2020. Future potential liability is not incorporated in the Forecast.

General Fund

Forecast Assumptions

In addition to the aforementioned revenue uncertainties, there are additional unknown factors at the time the Forecast is prepared such as future health insurance rates, IMRF rates, and legislative actions resulting in revenue impacts. The Forecast is presented by summary of revenue and expenditure categories and is based on current economic conditions, historical performance, and anticipated trends in revenues and expenditures at the time of preparation.

The financial impact of the pandemic is largely unknown. Unfortunately, the recently approved federal "COVID-19 3.5" relief package did not include additional funding for local governments. The initial proposal incorporated loss of revenue as a COVID-19 related expense. There are ongoing discussions at the federal level regarding fiscal relief for lost revenues, and it is anticipated this will be addressed in the next relief package. Absent relief for lost revenues, in addition to adjusted FY2020 revenue projections, the following revenues were adjusted down 20%, which <u>at this time is anticipated to be a worse-case scenario</u>.

One-Cent sales tax	Quarter-cent sales tax	Use tax
Income tax	Video Gaming tax	Personal Prop. Replacement tax
Court Fees and Fines	Event Security	Jail Booking-In Fees

The County has limited control over most of its revenue sources, and two-thirds of General Fund expenditures are for personnel costs. Therefore, considering the County's already lean workforce, expenditure reductions are challenging. Additionally, the County has increased its much-needed investment in facilities and technology over the past two years, which has put growing pressure on General Fund revenues.

Major Revenues

Property Taxes

As in previous years, there are continued conversations as well as proposed legislation at the State level regarding property tax reform. Legislative changes that reduce the County's most stable revenue source, already restricted by PTELL, would be detrimental. The Consumer Price Index (CPI) increase for taxes levied in 2020, payable in FY2021 is 2.3%. This is the highest CPI since revenue year 2009. In addition to inflationary increases, new growth added to the tax rolls allows for the capture of additional property tax revenue. As stated previously, FY2020 property tax revenues are reduced by the amount due in the Carle Foundation ruling, which is a negative revenue impact of $549,532 for the General Fund.

State Shared Revenues

2020 Census

Some County revenues, including Income and Use tax, are dictated on a per capita basis. The unincorporated population, based on the 2010 Census, is 32,255. An increase or decrease in population based on the 2020 Census will impact per capita revenue streams.

Income Tax

In FY2019, there were thirteen Income tax distributions posted to the fiscal year in order to align Use tax and Income tax deposits, which are released by State Comptroller at the same time. Additionally, Income tax revenues came in greater than budgeted due to a strong stock market and federal tax law changes. The 5% cut to Income tax revenues is still in place. Year-to-date cuts to this tax stream implemented by the State have cost the County $622,052. In his FY2021 Budget Address, the Governor stated the current 5% cut would be increased to 10% effective July 1, 2020, and held in reserve until January 1, 2021, unless the proposed graduated income tax was approved by voters. If approved the reserve would be released in a lump sum payment and the cut would remain at 5%. If not approved, the reserve would be retained by the State and the 10% cut would continue.

Sales Taxes
Level the Playing Field legislation, originally effective July 1, 2020, will now commence January 1, 2021. State and locally imposed sales taxes will be collected where a product is delivered and will have a positive impact on sales tax revenues.

New Revenue: Cannabis Sales
At the time of the FY2020 budget preparation, the County imposed Cannabis Sales Tax was to be implemented by the Department of Revenue on April 1; however, the state extended implementation to July 1. The County did not budget for this revenue; therefore, receipt of this tax will help mitigate shortfalls in other sales tax revenue streams. Forecasted projections are based on information received from Champaign and Urbana, adjusted for our fiscal year.

Revenue Impact: One-Cent Sales
For FY2019 the County's top ten filers based on the County's 1.00% share of sales tax, remitted a total of $830,443, making up 60% of total collections for the one-cent tax. Historically, there have been fluctuations in this revenue stream as the loss, addition, or operational changes of a top filer can significantly affect revenues. The collection months of November and December 2019, and January 2020 reflected a notable revenue decline. An Allocation Remittance Report requested from IDOR for this period confirms a decrease in sales for one of the top filers.

State Reimbursement
This revenue is predominantly received from the Administrative Office of Illinois Courts (AOIC) for partial salary reimbursement for juvenile and court services officers. The timing of reimbursement can have an impact on the budget, as it did in FY2019. We started the year with a six-month delay in reimbursement; however, ended the year with a five-month delay. Therefore, revenues recorded to FY2019 were greater than budgeted. If AOIC is consistent with disbursements and does not cut the County's allocation for the second half of the year, FY2020 revenues are projected to come in as budgeted.

Charges for Services, Fees and Fines
The extended closure of the Courthouse will negatively impact fee and fine revenues. Additionally, an Administrative Order issued by Presiding Judge Difanis extended payment due dates between March 16 and April 30, 2020, for multiple court-ordered fees and fines for 180 days without penalty, interest or late charges.

Expenditures

Personnel
Sixty-seven percent of the FY2020 General Fund Budget is personnel costs, which includes wages, health and life insurance. The County's health insurance rates for 2021 are unknown at this time and are difficult to forecast as they are based on multiple factors including the composition of the risk pool, increasing cost of medical services and prescription drugs, administrative fees, claims history, and legislative and regulatory changes. For the purposes of this Forecast projected increases are 5% year over year. The County is currently negotiating Fraternal Order of Police (FOP) contracts for 2020-2022.

Commodities
Forty-five percent of the FY2020 commodities budget is for the purchase of real estate transfer tax stamps. There is a direct correlation to "Revenue Stamps" revenue and "Purchase Document Stamps" expenditure as the Recorder collects a tax through the sale of stamps, and remits 2/3 of the tax to the State.

Services
The largest single expenditure line in the services category is for Medical, Dental, and Mental Health Services, which represents 14% of total services expenditures. The second and third largest expenditures are for electricity and METCAD contributions, which are 10% and 8% respectively.

Capital

The FY2020 Budget includes $145,000 for patrol vehicles, and $483,140 for replacing the County's election tabulators. The County Clerk has estimated the cost of replacing Voter Assistance Terminals (VAT) is $352,175. The Forecast includes the VAT replacement in FY2021; however, there have been discussions with the County Clerk's Office to try and identify alternate funding sources for the VAT replacement.

Transfers

Beginning in FY2019, the County began increasing its investment in facilities and technology resulting in increased contributions to the Capital Asset Replacement Fund (CARF). The forecasted transfers to the CARF include funding for planned facilities projects, equipment and technology scheduled for replacement in each forecast year, charges for software already in place, and replacing the County's legacy financial system. The forecasted transfers do not include additional projects identified in future fiscal years per the County's Technology Plan.

	Unaudited FY2019	Budget FY2020	Projected FY2020	Forecasted FY2021	Forecasted FY2022	Forecasted FY2023	Forecasted FY2024
Local Taxes	13,082,149	13,971,656	12,844,363	13,900,275	14,426,348	14,973,464	15,542,465
Licenses and Permits	1,583,797	1,651,008	1,580,868	1,580,868	1,580,868	1,580,868	1,580,868
Intergovernmental Revenue	598,772	508,782	527,341	523,809	523,809	523,809	523,809
State Shared Revenue	15,280,834	15,374,552	13,082,154	13,760,802	14,126,756	14,508,003	14,905,379
Local Government Revenue	657,818	744,141	780,398	756,540	782,897	810,252	838,646
Government Reimbursement	709,870	626,046	598,919	640,319	654,356	668,813	683,704
Charges for Services, Fees and Fines	4,825,263	4,691,384	3,979,284	4,691,384	4,691,384	4,691,384	4,691,384
Miscellaneous	1,433,479	1,437,727	1,381,261	1,396,975	1,413,002	1,429,350	1,446,026
Interfund Transfers and Reimbursement	6,770,527	1,777,898	1,706,292	1,652,304	1,675,340	1,699,090	1,723,582
Other Financing Sources (Refunding)	865,000	-	-	-	-	-	-
Total Revenue	**45,807,509**	**40,783,194**	**36,480,880**	**38,903,276**	**39,874,760**	**40,885,033**	**41,935,863**
Personnel	25,786,913	26,810,459	26,572,982	27,676,028	28,570,626	29,495,279	30,451,047
Commodities	2,133,976	2,225,285	2,211,200	2,246,876	2,268,955	2,291,535	2,314,626
Services	6,835,108	7,723,854	7,356,245	7,835,960	7,987,792	8,143,536	8,303,300
Capital	344,089	628,140	568,140	497,175	145,000	145,000	145,000
Transfers	1,973,102	2,725,129	2,725,129	3,096,124	2,956,286	2,850,096	3,066,141
Debt	**4,896,031**	**195,655**	**181,567**	**182,250**	**184,276**	**181,212**	**183,150**
Total Expenditure	**41,969,219**	**40,308,522**	39,615,263	**41,534,413**	**42,112,935**	**43,106,658**	**44,463,264**
Revenue/Expenditure Difference	**3,838,290**		**(3,134,383)**	**(2,631,137)**	**(2,238,175)**	**(2,221,625)**	**(2,527,401)**
Fund Balance (unaudited)	**7,048,959**		**3,914,576**	**1,283,439**	**(954,736)**	**(3,176,361)**	**(5,703,762)**
Fund Balance as a % of Expenditure	**16.8%**		**9.9%**	**3.1%**	**-2.3%**	**-7.4%**	**-12.8%**

FY2019 Fund Balance

The May 2019 Budget Projection report presented to the County Board in June, forecasted a $6.5 million fund balance at the end of 2019. The unaudited ending FY2019 fund balance is expected to be $7 million, or 16.8% of total expenditures. Per County Financial Policies, the General Fund balance recommendation is 12.5% of expenditures with a target of 16.7%. Several factors contributed to the increased 2019 fund balance following a $3.2 million fund balance at the end of FY2018.

- In the last quarter of FY2018, the County transferred $1.98 million to the Nursing Home Fund allowing it to pay for outstanding accounts payable balances prior to the sale of the Home in 2019. The General Fund subsequently issued a Promissory Note for cash flow purposes. Following the sale, proceeds were used to repay the General Fund, thereby restoring the $1.98 million impact to its fund balance and allowing the Promissory Note to be redeemed.
- The FY2019 Budget included $282,000 for the Nursing Home debt service; however, the redemption of bonds following the Home's sale relieved the County of the 2019 payments.
- Major revenue impacts included the early distribution of one month of AOIC reimbursement, significant increases over IDOR projected Personal Property Replacement tax revenues, significant one-time increases in Income tax revenues due to a strong stock market and federal tax law changes, and thirteen Income tax distributions posted to the fiscal year in order to align Use tax and Income tax, which are released by State Comptroller at the same time.
- Underspending predominantly in personnel costs and services.

Outstanding Loan

There remains a $1 million loan on the General Fund balance sheet that is owed from the Nursing Home Fund. It is recommended the County act in FY2021 to remove this loan from the balance sheet.

Current FY2020 Budget Recommendation

At the April Department Heads meeting, Elected Officials and Department Heads were asked to make good faith efforts to reduce spending, restrict commodities and services to essential only expenditures, and maintain vacant positions not critical to departmental operations. It is recommended that capital projects not already underway be deferred, and budgeted expenditures for Capital Asset Replacement Fund items be evaluated on a case-by-case basis.

Capital Asset Replacement Fund (CARF)

The facility, equipment and technology needs of the County's General Fund departments are mostly financed through this fund. Funding for CARF comes predominantly from the General and Public Safety Sales Tax fund transfers. The growing need for investment in facilities and technology continues to put pressure on both the General Fund and Public Safety Sales Tax Fund; thereby impacting the availability of those revenues for other purposes.

Facilities Capital Plan

http://www.co.champaign.il.us/CountyBoard/Budgets/2020Budget/Final/Pages/capitalfacilitiesplan.pdf

The plan was approved by the County Board in 2018. Fiscal Year 2021 will be the third year of the ten-year plan. Funding required for facility projects scheduled in 2021 is $2.19 million.

Facility	Facilities Plan Projects Identified in 2021	Cost
Animal Control	Add whole building AC	$150,000
Brookens	Replace POD 400 roof	$250,000
Courthouse	Replace boilers (2)	$300,000
Garages	Install oil interceptors (5)	$250,000
JDC	Replace water heaters (2), window sealant/paint, exterior lights	$135,000
Satellite Jail	Foundation joint repair, drainage tile, replace ballasted roof (1996)	$1,100,000

Technology Plan

http://www.co.champaign.il.us/CountyBoard/Budgets/2020Budget/Final/Pages/technologyplan.pdf

The plan was approved by the County Board in 2019, with 2021 being year two of the six-year plan. New projects identified in 2021 total $940,000 with phone and network system upgrades being the costliest.

System	Technology Plan Projects Identified in 2021	Cost
Network Upgrades	Upgrade to single-mode fiber to support increased bandwidth needs for VoIP phones and video conferencing	$500,000
Phone System Upgrade	Current system is obsolete technology with limited functionality	$200,000
Animal Control/Shelter	Current system is on the AS/400	$40,000
Courtroom Recording	Needs periodically updated in conjunction with State of Illinois	$150,000
Video Hearing (Arraignment)	Current platform acquired in 2012 system is used 364 days/year for adult arraignment and juvenile hearings	$50,000

Public Safety Sales Tax (PSST) Fund

This tax does not apply to titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes) and qualifying food, drugs and medical appliances. The State of Illinois collects a fee (presently 1.5%) on PSST revenue, which has cost the County $214,000 since inception through the end of 2019. Level the Playing Field legislation, approved in 2019, will allow for this locally imposed tax to be collected at the point where the product is delivered beginning January 1, 2021 (deferred from the original effective date of July 1, 2020). This is expected to have a positive impact on revenue.

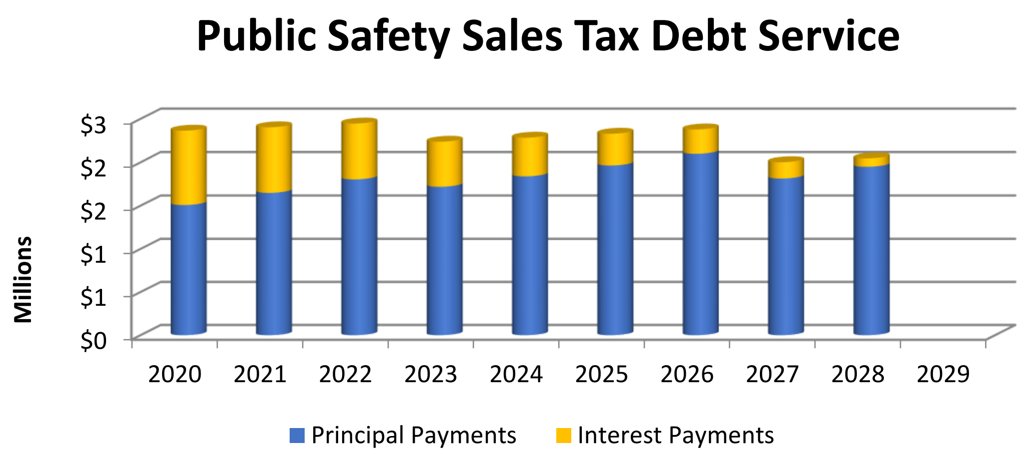
Revenue

The financial impact of the COVID-19 pandemic is largely unknown at present. Revenue projections for FY2020 are forecasted to reflect a decrease of 20%, which at this time is anticipated to be a worse-case scenario. The three- five- and ten-year average growth for this tax is 1.3%, 0.7%, and 1.4% respectively.

Public Safety Sales Tax	2015	2016	2017	2018	2019	2020 Budget	2020 Projected
Tax Revenue	$4,699,781	$4,678,090	$4,733,219	$4,894,772	$4,864,386	4,910,625	$3,928,500
Change	-0.2%	-0.5%	1.2%	3.4%	-0.6%	0.9%	-20%

Expenditure

Debt service is the largest fund expenditure, with 48% of budgeted revenues funding the County's three outstanding alternate revenue bond payments in FY2020.



Maturity	Issue
FY2022	1999 bonds issued to construct the Juvenile Detention Center (JDC), and addition/remodel of the Courthouse. Principal payments on the 2014 bonds ensue in 2023; thereby minimizing the capacity to use the relief for other purposes.
FY2026	2016 bonds refunded the Courthouse exterior renovation and clock tower restoration.
FY2028	2014 bonds refunded the Courthouse and JDC bonds.

Justice system technology and software is partially paid from the PSST fund, including the Jail Management System (JMS), Civil Processing and Business Office Software (Softcode), Digital Evidence Management Storage (DEMS), and appropriation for half of the Enterprise Resource Planning (ERP) system. Per the County's IT Plan, systems listed for replacement in 2021 and 2022 that qualify for PSST funding include:

Courtroom Recording	Video Hearing Arraignment	AS/400 replacement
Justice Case Management	Area Records Management System (ARMS)	

The Court Administrator has inquired about engaging a consulting firm in FY2021 to perform a needs assessment for replacing the Justice Case Management system. A funding source for this system, anticipated to cost up to $15 million per the County's IT Plan, has not been identified.

Public safety facility general maintenance and utilities, and part of the County's METCAD costs are paid with PSST funds. Programs and positions funded include Re-entry, Youth Assessment Center, Specialty-Courts Coordinator and Jail Classification Lieutenant.

Forecast Projections

	Revenue (incl. interest)	Debt Service	Software & Technology	Facilities & METCAD	Programs & Positions	Rev/Exp Difference
FY2020	$3,948,193	$2,367,710	$705,946	$1,418,011	$502,958	*($1,046,432)
FY2021	$3,999,272	$2,407,361	**$731,716	$1,405,651	$461,696	**($1,007,152)
FY2022	$4,051,530	$2,450,283	**$708,734	$1,423,821	$469,601	**($1,000,909)
FY2023	$4,107,947	$2,241,058	$682,882	$1,442,534	$477,700	($736,227)
FY2024	$4,169,567	$2,287,392	$652,221	$1,461,810	$485,996	($717,852)

* The FY2020 Budget was originally prepared with a ($44,000) rev/exp difference due to the receipt of a previously pledged donation that was deposited in FY2019. The donation for the Courthouse Clock and Bell Tower was used to defray the debt service issued for the restoration project. Receipt of an additional previously pledged $400,000 donation is anticipated soon; however, is not budgeted. If received it would reduce the revenue to expenditure deficit projected in FY2020.

**Does not include funding for the systems previously listed for replacement in 2021 and 2022.

Fund Balance

The unaudited PSST fund balance at the end of FY2019 is $2.6 million. Alternate revenue bonds require 1.25 times debt service coverage. The County utilizes fund balance for the additional quarter coverage, which is $592,000 in FY2020. Additionally, the General Fund has historically relied on the PSST fund for interfund borrowing during the first half of the fiscal year while waiting on the receipt of property revenues.

Prepared by:

Deputy Director of Finance
4/22/2020