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MINUTES

SANGAMON COUNTY BOARD

NOVEMBER 12, 2014

The Sangamon County Board met in Reconvened Adjourned September Session on November 12, 2014 in the County Board Chambers. Chairman Van Meter called the meeting to order at 7:00 p.m. Mr. Montalbano gave the Invocation and Mr. O'Neill led the County Board in the Pledge of Allegiance. Mr. Montalbano invited all military veterans on the County Board to proceed forward. He read a Veteran's Day Thank You thanking veterans, service members and those who support them. Melanie Dennison concluded by singing the National Anthem.

ROLL CALL

Chairman Van Meter asked the County Clerk to call the roll. There were 25 Present – 4 Absent. Mrs. Fulgenzi, Mr. Good, Mr. Hall and Mr. Snell were excused.

PROCLAMATIONS

Chairman Van Meter recognized several people in the audience. Present were: Alderman Frank Edwards, Alderman Tim Griffin, former County Board Chairman Mary Frances Squires, former County Board Members Rosemarie Long, Sue Davsko, Jeff Fulgenzi, Tim Moore, Bill Moss, Dan Vaughn and Allen Williams, and former County Administrator Ryan McCrady.

Mr. Preckwinkle presented a Proclamation to Sheriff Neil Williamson recognizing his 41 years of service and leadership to the citizens of Springfield, Sangamon County and the State of Illinois upon his retirement.

Mr. Williamson stated it is almost impossible to put into words how he feels tonight. He had no idea on July 12, 1994 that he would be standing here 20 years later. He works with such fantastic people, and they had such great times working together. He remembers when he took his oath of office; the first person he shook hands with was Bob Nadalini. He had such great times working together with people like him, Andy Goleman, Sam Montalbano and Clyde Bunch.

The County Board Chairmen he has worked with were Larry Bomke, Mary Frances Squires and Andy Van Meter. It has been a wonderful success because of the support the County Board has given him. His parents once gave him some very wise advice. His father once told him "Neil, always leave a place better than when you found it". He thinks they have done that with the Sheriff's office. His wise mother always said "Neil, know when it is time to leave and never overstay your welcome". Chairman Van Meter also recognized the Sheriff's wife in the audience. He announced there would be a reception at Saputo's immediately following the board meeting.

MINUTES

A motion was made by Mr. Montalbano, seconded by Mr. Bunch, for approval of the minutes of October 14, 2014. A voice vote was unanimous.

MOTION CARRIED
MINUTES ADOPTED

CORRESPONDENCE

A motion was made by Mr. Bunch, seconded by Mr. Montalbano, to place correspondence on file with the County Clerk. A voice vote was unanimous. There was no correspondence filed.

RESOLUTION 1

1. Resolution appropriating motor fuel tax funds for the annual maintenance of county highways.

A motion was made by Mr. Fraase, seconded by Mr. Ratts, to place Resolution 1 on the floor. Chairman Van Meter asked the County Clerk for a roll call vote on Resolution 1. Upon the roll call vote, there were 24 Yeas – 0 Nays.

MOTION CARRIED
RESOLUTION ADOPTED

RESOLUTION 2

2. 2014-022 – Evergreen Market Incorporated, tenant, 501 N. Dirksen Parkway, Springfield – Denying Variances. County Board Member – Rose Ruzic, District #18.

A motion was made by Mrs. Ruzic, seconded by Mrs. Sheehan, to place Resolution 2 on the floor. Chairman Van Meter asked the professional staff to give the procedural history of the case.

Cyndi Knowles, professional staff, stated the petitioner is requesting a variance to allow a liquor store property line to be five feet from a residential structure instead of the required 100 feet, a variance to allow three uses on one parcel and a conditional permitted use to allow for the sale of package liquor.

Molly Berns, professional staff, stated that staff recommended the petitioner's request for the conditional permitted use, to allow the sale of liquor, is not necessary as it is allowed in the I-1 zoning district per section 17.28.010 of the Sangamon County Zoning Ordinance. The regulations state that permitted uses in the I-1 district include conditional permitted uses in the B-1, B-2 and B-3 districts. Since a liquor store is an at-will use outlined under conditional permitted uses in the B-3 district, the request of the petitioner is not needed; therefore, staff did not address these standards. The variance requests still apply. Staff recommends approval of the requested variance to allow the sale of packaged liquor to be within 5 feet of a residential structure. The standards for variation are met. In 1984, Mr. Michael Welch filed a petition requesting the County Board grant an amendment to rezone the property to I-1 (Zoning Case 84-A-13). Variances to reduce the transitional yard requirements were also granted. The Zoning Board of Appeal's Findings of Fact for the case stated the neighbors on both sides of the property have been notified and are not in objection to the rezoning. The subject property is located on the corner of a major thoroughfare with significant traffic. The parcels to the north, east and south of the subject property are being utilized with commercial and retail uses. While there is a residence adjacent to the west of the subject property, given the commercial nature of the area, it is unlikely the variance will negatively affect the surrounding parcels. Staff recommends approval of the requested variance to allow three uses on one parcel. The request is compatible with the immediate area as there is a trend to allow multiple uses in a building as a strip-mall. No negative impacts are anticipated.

Mrs. Knowles stated the Zoning Board of Appeals does not concur with the staff recommendation and recommends denial of the requested variances.

Patrick Smith, attorney for the petitioners, addressed the County Board. He gave his address as 1 Southeast Old State Capitol Plaza, Springfield. He stated he is representing the owner of the small convenience store. If you go around Springfield he does not think you will find any convenience store that doesn't have liquor because it is one of the things that helps the business stay in business. The finding by the board said there are ample package liquor stores in the area. He found some down on the corner of Clearlake and Dirksen parkway, but none near here. He did find two taverns. There was one on the west and one directly across the street. If alcohol is a problem, that is where the problem is going to be and not at a package store. They noted that traffic will increase. This County Board should hope traffic increases because that means business. This is a major thoroughfare, and the state has widened it to four lanes. It will not have any more of an impact than it already has. He does not know why the neighbors are so opposed to the proponent trying to make a business go by adding additional products to sell. The professionals at the Regional Planning Commission decided this would not be an impact. He does not understand the basis they have that there are other package liquor stores.

He does not think the board is in the commercial business to decide who can have competition in the area. The petitioner is a small business man who is going to survive there. He is going to need some help to boost sales, and he thinks this is it. He may fail, but at least this is an opportunity that is going to help him.

Tim Moore addressed the County Board to represent the opponents, the Welch family, who live five feet away from the store. He gave his address as 1501 S. Holmes, Springfield. They object to the sale of alcohol in such close proximity to a residential neighborhood. There is not just one house five feet away, but within 100 feet of your rules, there are five houses. The packet going around is just a refresher since you were probably set to hear this case two months ago. There are several neighbors that object to this. That came out the night of the hearing of the Zoning Board of Appeals. The staff report on the impact of the neighborhood did not come out in their initial report. That came as part of the testimony at the Zoning Board of Appeals back in August. So, it will impact the neighborhood very severely. There is graffiti on the building with offensive negative comments spray painted on the side of the building that are kind of intimidating to his client. There are reportedly gang symbols painted on the building as well. In defense of the proponents, they have tried to erase some of those and they appreciate that. This is the kind of atmosphere that is going on in that neighborhood now, and they feel it is going to get worse if they start selling alcohol at that location. They are happy to have the business in that area, and his client goes to the business. They want more businesses to come to that area. He grew up on the east side and is a very strong proponent of the east side. He would like to see this business continue there, but they would just like it without the alcohol.

Mr. Montalbano asked how long the business has been operating. Mr. Moore stated he would let the proponents answer that.

Mr. Smith gave his rebuttal. He stated the business has been there for 18 months. As far as the graffiti is concerned, it was not put up there by his client, and he does not own the building. He does not know how the sale of packaged alcohol would add problems to the neighborhood. People that buy packaged alcohol leave that area and go someplace else. If you are going to have impact from alcohol it would be from a tavern or bar. The petitioner is just trying to survive, and he thinks this will help him survive. He wonders why other package liquor stores in the area are not prohibited from selling alcohol. Mr. Smith stated he checked on incidents of criminal activity reports in that area and didn't see anything of significance, even about alcohol. The petitioner is there and is trying to run a business. It is great that the neighbors say "we are all for you, but we are not going to help you try to save your business". They are just asking the County Board to take into consideration this is a business and is the same as many other package liquor stores even those that sell gasoline, which they all know is a volatile mix. He just thinks the petitioner should be given a chance to survive.

Mr. Ratts asked if Mike Kapshandy sells package liquor just down the street. Molly Berns explained that Elm and Dirksen is under the city's jurisdiction. About three years ago she does believe he may have been granted a conditional permitted use from the city to allow the sale of package liquor. It was basically beer on the go with chicken.

Mr. Moore gave his rebuttal. What it comes down to when you have package liquor in an environment around residents you have folks congregating and drinking in the parking lot and delivery problems that exacerbate the negative impact on that neighborhood with trucks rolling in and out of the street. The trucks for the business across the street are right now using the parking lot there to back in and out to make their deliveries on a neighboring businesses property. That is a negative impact on the neighborhood. That is going to increase with beer trucks coming in and out of there. Mrs. Welch has lived there for 60 years, and she has seen the neighborhood deteriorate. Her and her family is trying to keep that neighborhood intact. That is why you see so many petitions in your packet. Sheriff Williamson did a great job over the last 20 years in trying to keep crime down in that area. I bet if you ask Sheriff Williamson what the correlation is between package liquor and crime, he will say there is a correlation there. They are just trying to keep that neighborhood residential and keep Mrs. Welch in her house. They would appreciate if you vote to deny the variance.

Chairman Van Meter asked for a roll call vote on Resolution 2. He explained that the vote is yes to deny the requested variances and no to grant the variances. Since the Zoning Board of Appeals has recommended denial of the variances it will take a 3/4 vote of the board voting no to allow the variances. Upon the roll call vote, there were 16 Yeas – 8 Nays. Those voting no were: Mr. DelGiorno, Mr. Forsyth, Mr. Fulgenzi, Mr. Goleman, Mr. Krell, Mr. Preckwinkle, Mr. Ratts and Mr. Smith. Resolution 2 written to deny variances was adopted.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTION 3

3. 2014-036 – Michael Clair, 2701 S. State Street, Springfield – Granting Variances. County Board Member – Lisa Hills, District #22.

A motion was made by Mrs. Hills, seconded by Mrs. Musgrave, to place Resolution 3 on the floor. A motion was made by Mr. Stumpf to waive the reading of the professional staff's report. There were no objections. A voice vote was unanimous for the adoption of Resolution 3.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTION 4

4. 2014-042 – Butler Cemeteries, LLC d/b/a Roselawn Memorial Park, 1735 South Camp Butler Road, Springfield – Granting a Conditional Permitted Use. County Board Member – Sarah Musgrave, District #9.

A motion was made by Mrs. Musgrave, seconded by Mrs. Scaife, to place Resolution 4 on the floor. A motion was made by Mr. Stumpf to waive the reading of the professional staff's report. There were no objections. A voice vote was unanimous for the adoption of Resolution 4.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTION 5

- 5. 2014-044 – Charles E. Sivert and Barbara J. & Bradley P. DeLuka, 4015 & 4017 Thornbrook Drive, Springfield – Granting Variances. County Board Member – Abe Forsyth, District #27.

A motion was made by Mr. Forsyth, seconded by Mr. Tjelmeland, to place Resolution 5 on the floor. A motion was made by Mr. Stumpf to waive the reading of the professional staff's report. There were no objections. A voice vote was unanimous for the adoption of Resolution 5.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTION 6

- 6. Resolution approving an agreement to participate in the State of Illinois Federal Surplus Property Program.

A motion was made by Mr. Krell, seconded by Mr. O'Neill, to place Resolution 6 on the floor. A motion was made by Mr. Goleman, seconded by Mr. DelGiorno, that the roll call vote for Resolution 1 stand as the roll call vote for Resolution 6. A voice vote was unanimous.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTION 7

- 7. Resolution approving amendments to the FY2014 Sangamon County budget.

A motion was made by Mr. Goleman, seconded by Mr. Montalbano, to place Resolution 7 on the floor. A motion was made by Mr. Goleman, seconded by Mr. Smith, that the roll call vote for Resolution 1 stand as the roll call vote for Resolution 7. A voice vote was unanimous.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTION 8

8. Resolution approving the annual budget and appropriation ordinance for the Fiscal Year December 1, 2014 through November 30, 2015.

A motion was made by Mr. Goleman, seconded by Mr. Preckwinkle, to place Resolution 8 on the floor.

Mr. Goleman commented about the budgeting process. It is the same as it has been for years. Target budgets were sent out in early September and the committee chairmen for the oversight committees had budget hearings when needed. Final approval of the budget was adopted by the Finance Committee and sent to full County Board to be voted upon. Nothing has changed for as long as he's been on the County Board the past 20 years. This budget has increased largely due to one-time expenditures. It is a balanced budget and there are no layoffs. There are a total of six less positions due to attrition. It adequately funds the departments. He thanked County Administrator Brian McFadden, department heads, elected officials and the Auditor's office for all their help and cooperation.

Brian McFadden, county administrator, gave a presentation on the FY2015 budget. He thanked Terry Viar and Brad Hammond from the Auditor's office for all their hard work. They are following the same basic format they have in the past. The General Fund budget is up about 2.8%, which is \$1.3 million. That is in line with previous increases they had. Last year it was about 2 ½ %. They have seen a pretty steady reasonable growth in the General Fund. All Funds is a little bit of a different story. It is a mixture of probably over 100 funds. It has a more dramatic growth up and down. They get stimulus funds, borrow bonds, issue bonds and borrow money. This should go up by 4.8%, which is an increase of \$4.8 million. What make up that increase are mostly one-time capital expenditures and some new programs accompanying new revenue. Their largest revenue source is property tax at \$29 million in FY2015. There is a potential increase of \$900,000. They are making estimates at this point in time. They will have a levy you will deal with next month. But the rest of this is projections on their part in an effort of transparency to let you know what might happen based upon a number of factors. The next big item for revenue is fines and fees. There is a little bit of a different story here. It is about \$14 million, which is a decrease of around \$334,000 or negative 2.3%. That is primarily coming from the court fines and fees. A few fees have gone up. Court fines and fees are projected to be down based upon actual experience over the last couple years. The third large revenue item is state tax distribution with an increase of \$12.8 million, which is 3.7%. There are no new fines or fees in this budget. Their policy in the past is to not budget fines and fees for a year or so until they have revenue history behind them. From a budgetary view point, the discretionary revenue the board has to allocate is a little less than \$1 million, or about a 1.7% increase from last year. A lot of these fines, fees, grant money and state reimbursements all come with program requirements and limit the flexibility of what they can do with the funds. The discretionary revenue is really what they have flexibility with for wages, new programs and capital expenses.

The revenue history of All Funds shows that All Funds are more dramatic. You see drops and increases. In the years they have issued bonds you see the amount go up, and in the years they spend the bonds it will drop dramatically. It is up 4.8%. In FY2010 they issued \$13 million in bonds. In FY2008 and FY2009 they received some stimulus funding.

The revenue history of General Funds shows the increase is less dramatic than All Funds at \$1.3 million, which is less than the increase they saw last year. The big dip was in 2008, 2009 and 2010 when they had the recession and spending was done.

They have a very good policy to budget actual sales and income tax revenue from two years prior. So they went back to FY2012 and grabbed the actual number. They were not able to do that for a period of time because revenue was dropping. But now they are now on that path of going back and grabbing two years prior. With income and sales tax combined they are at around \$11.4 million, which is about the same amount from FY2008. This of course makes things tight and does not give them a lot of flexibility. The sales tax is up from what it was, but it is all being driven by the supplemental .25% sales tax they get from sales in the incorporated areas such as City of Springfield, Village of Chatham and Village of Riverton. The sales tax they get from the unincorporated areas is essentially flat. It was projected to decrease and they are seeing less activity there. They talked about the annexations the City of Springfield has done within Springfield Township. That is affecting revenue coming in from the sales tax. But, supplemental is on the rise. If you do the same snapshot back to FY2008 on the income tax, you will see they are essentially flat there as well. Overall, it has pretty much been a flat growth in the last eight years.

The actual levy ordinance will be in front of the County Board at the December County Board meeting. There is projected revenue of \$29 million for property tax. That is an increase of 3% or \$900,000 from last year. It is less than the growth they saw in FY2014 compared to FY2013. This revenue primarily goes to County General with \$16.5 million going to County General, \$5 million to Pensions, \$3.3 to highways and \$1.7 million to Public Health. Those four items cover about 90% of the levy. They also have smaller agencies such as Child Advocacy Commission and Veteran's Assistance Commission, which take a much smaller share.

They are a tax capped county and are limited by the CPI. It is hard to plan when they are seeing these types of dramatic swings up and down. The average over the last ten years is 2.3%. They are on the second year with it being below the average. This year was 1.5%, and last year it was 1.7%. The CPI is an important number for them. It drives their largest revenue source. They have also been successful in pegging that CPI to most of their union contracts. They have successfully aligned their largest revenue source with their largest cost item.

The property tax rate is a projected item. They try to show what is going to happen with the property tax rate based upon the levy they adopt. The levy is another word for a budget. So, you have budgeted the property tax revenue. It is much later in the process that the rate is determined. The rate is a mathematic equation of the levy divided by the tax base. The tax base won't be known until early spring when the Board of Review finishes up their work, the state does its work, and the County Clerk's office calculates the extension. The PTELL is on the extension.

The extension is another word for the tax bill. The County Clerk takes the tax base times the rate to get an extension that is within the PTELL. What you have in front of you is a projected increase of about 1.7%. The rate will come in less than that because of the way they try to project this. They try to project new growth and the growth in the levy. The growth in the levy has dramatically decreased. He has talked to other counties and their EAV is going down and is going backwards. Sangamon County's is not going backwards. It is continuing to grow, but at a much smaller pace. The six years prior to the recession the EAV was growing on an annual basis of about 5%, which is very healthy. Since the recession there has been a 2% growth. The last two years it has been 1.5%. It's important because it sends an overall economic message of what is going on with their property base and value of property. It also impacts the rate because the overall levy factors into the rate. The bigger the levy the bigger the tax base will be. The bigger the tax base the lower the rate has to be based upon the levy. If the tax base is smaller it can drive the rate up somewhat. They are not seeing dramatic increases like some other counties. With their EAV going backwards it is driving the rate up dramatically. They hope this will start to curve back up and have a downward pressure on the overall rate. Historically that has not been the case since the EAV has been growing at a smaller rate. The rate you see in front of you is .7487. If you go back to FY2006 you will see the current rate projected is still 5% lower than the rate 10 years ago, which is to the credit of the County Board when they paid off the building and a number of other items.

There are no new fines and fees in the budget. They had a debate over the Animal Control fines and fees. Per past policy, they will not budget those. They do not take effect until next calendar year. They are not in this budget and may not even be in the next budget depending on what they see historically and what they see this year. The board made a decision to adjust fines and fees, and it is up to the municipalities and villages to determine whether they want to pay that. Most of them have indicated they thought it was an acceptable level, but if they choose not to utilize those services then it will impact that number. The policy of this board on fines and fees is if you use the service you should pay for the service as much as possible. Fines and fees play a very important role in the budget. Whatever they get in fines and fees they don't have to ask the taxpayers for. They have some fines and fees dropping, which is primarily the court fines and fees. This budget has a projected revenue increase for fees of about \$100,000 for the Recorder's office, which reflects a bouncing back of some of the real estate market. Zoning has a \$40,000 increase. Public Health has a \$27,000 increase; primarily linked to the fee Menard County is paying them for managing their health department. The County Clerk has a \$15,000 increase, which goes back to the marriage license fee that was increased several years ago when they did not budget the revenue. Those modest gains are far offset by a decrease in the fees generated by the Circuit Clerk's office of \$530,000, which is very dramatic. It was difficult to push in this budget and make everything balance out. The Circuit Clerk's office has now flipped from a department that generated more revenue than it did expenditures, to a department that is costing the county more than the revenue that is coming in. That has been a downward trajectory for a couple years, but it has finally flipped. They have adjusted some of the fines and fees of the Sheriff's office including inmate fees, which have not historically been at the levels they budgeted. The 911 Department is continuing to see their fees drop. The surcharge you pay on your phone bill is continuing to drop to the excess of a \$90,000 decrease.

The biggest benefactors of fines and fees are: the courts that get \$4 million, Public Health that gets \$2.2 million, 911 that gets \$1.7 million and the Recorder that gets a little over \$1 million. Those four combined are about 63% of the use of fines and fees revenue. They have to dig into this to see what the root cause of it is. As they have talked preliminarily they found it is that there is less activity in the courts. Whether it is criminal or civil cases or real estate transactions, the court fees and fines are down dramatically.

Their largest cost for the county is personnel. The board has done an excellent job of identifying that cost and taking steps to try and control costs. This has to be the seventh or eighth year they have eliminated positions. Headcount is down again to less than 700 positions at 694 positions with no layoffs. This was all from eliminated vacant positions. Payroll is up \$1.3 million. The payroll for the General Fund is up higher than that amount primarily because the General Fund houses the contracts for the deputies and correctional officers, which are arbitration eligible. They look at their peer counties for a comparable and thought that is what was needed to be done to avoid arbitration. They have a tier-two salary structure and a number of other things that will generate savings down the road. Payroll also has a lag built into it. Every department was given into its budget an amount obligated per contractual arrangement with the union or an amount of 2% for non-union. They lagged all that back by 1% and have been doing that for several years. That and the fact they required a 30-day waiting period to fill a vacancy has given them the flexibility to meet their payroll, which is projected in FY2014 to hit right on the dot as they did in FY2013. This is to the credit of the County Board for the policies and also to the departments for living within the policies and adhering to them. The next item is pensions. Pensions are up slightly by 2%, which is very small compared to prior years. Health insurance premiums are flat. This is the third year the premiums have been flat for the employees and second year they have been flat for the county. This has been due to the good work of the Board of Managers. Workman's compensation premiums actually decreased dramatically. That is helping to control those costs. They have been able to put some controls in place to keep the biggest cost of payroll in check. You see some other local governments struggling with their pension costs, health insurance and workman's compensation costs. If you let those things get away from you, you have a big problem. He considers those the foundation of the budget on the expenditure side, and they are in pretty good shape. Last, they have no new debt. They do have debt payments, but their principal amount will decline again for the second year. It will decline by \$1 million, which is 4.8%.

The expense history on the General Fund is going to mirror what is on the revenue item. It will be a slow, steady and conservative upward trend. With the expense history All Funds they had a 4.8% increase. That is all primarily coming from outside the General Fund. They will be budgeting about \$400,000 to implement the Menard County Public Health contract. That is all offset by revenue, grants, restaurant inspection fees and payments made out to them from Menard County. It is a budget item and will impact the budget for years to come. It will raise the expenditures and revenue. Also, Tim Zahrn got pretty aggressive with the motor fuel tax issue on some projects and some projected projects. That budget is up \$700,000 and is a capital investment. The 911 office is doing a capital investment of replacing the consoles at the dispatch center, which is \$700,000. The Workforce Investment folks got some additional grant funding, which is over \$300,000. They are doing the once every four years fly over for the GIS, which is \$170,000.

The Sheriff's office PTI budget went up because they have some PTI classes coming up. That is offset by revenue. They are paid to conduct those classes.

While there is an increase of \$4.8 million and \$4.7 million, it's really either one-time expenditures they won't see again, or there is an increase in the expenditure that is offset by a recognized revenue source. It's not necessarily an item to be concerned about. With the headcount history there is a downward trajectory pretty much starting in FY2009. Of the positions eliminated there were 2 from Public Health, 1 from Community Resources, 1 from Highway, 1 from the Recorder, 1 in Fleet Maintenance and 1 in Central Services. You should have a more detailed analysis attached to your budget document of prior and current year headcount history. It is down, and he thinks they will see that trend continue. Each time a vacancy opens up they do an internal analysis to see if it's something they want to fill. They do that when the budget is created and as they open up through the year. The Finance Committee does that analysis as well.

Terry Viar addressed the County Board on the health insurance expenses. The health insurance expense to the county has gone up about \$157,000, which is a 3.7% increase from budget to budget. The difference in the increase is because of the number of open positions in FY2014 versus FY2013. They don't budget for health insurance in an open position because they don't know what that person is going to choose. The premiums for the employees have been the same for the employees for three years. They were the same for FY2013, FY2014 and will be the same for FY2015. The premium subsidy for the county has been the same for two years for FY2014 and for FY2015. In order to do this the Board of Managers is willing, if needed, to use up to almost \$1 million of fund balance to make those premiums work for the county. The insurance fund balance as of November 30, 2013 was \$8.2 million. He is estimating the fund balance as of November 30, 2014 will be in the neighborhood of \$9.2 to \$9.5 million. Mr. McFadden explained that the Board of Managers overestimates claims history so they expect a higher claim amount than they normally do. That, coupled with the reinsurance, really protects them from some of the dramatic things you see with other local governments where you have one case that can sink the fund by \$1 million or \$2 million. That is not the case here. The reinsurance kicks in on both the individual and the aggregate so it protects them. For several years now they have been using the projected use fund balance to keep premiums flat. But in reality the fund balance has grown.

Brad Hammond addressed the County Board regarding workman's compensation. The county's annual premium is one of the major expenses from the insurance fund. There is good news for 2015 in that the premium is going down by \$61,000. Since 2009 the premium for workman's compensation has decreased from \$1.58 million down to \$864,000 in 2015. That is a \$700,000 per year drop in six years. There are a number of factors that led to the decrease. The first is because the county hired a nurse case manager who is assigned and works with all injured employees to help ensure they get the proper care and return to work as soon as possible. Another factor is that the Auditor's office started working with all the county departments and their insurance carrier to ensure all the employees covered on the workman's compensation policy are correctly coded in the system. Every employee gets a risk code based on the nature of their job. They audited that and found a number of people are miscoded. They worked with the insurance company to get it changed.

As a result of that they got a refund of \$140,000 for premiums they overpaid because of the code. The third cause for the reduced fees is the County Board's creation of the Workplace Safety Committee. They created the committee in 2010 and first started meeting in the winter of 2011. Since they have met, the number of workers compensation claims and the expense for those claims has dropped dramatically. It ties into 2011 really nice. In 2009 their claims were almost \$1.5 million. In 2010 they were \$1.1 million. It then dropped down to \$740,000, then to \$363,000, then up to \$525,000 and so far this year they are at about \$240,000. The claims value is the key component the insurance company uses to calculate their premium. They use a three year rolling average, so their premium is going to drop. It won't necessarily reflect on an annual basis. If you look at the three consecutive good years, it's not going to drastically impact their premium if the claims go up. It should still be staying flat and maybe even decline a little more. It's going to be driven up as payroll costs increase, but they are doing pretty well right now. The number of claims has dropped from around 109 or 110 to the current number of 71 since the safety committee was created, with another two weeks to go. There has been a dramatic reduction in both the number of claims and the value of those claims. Mr. McFadden commended the Workplace Safety Committee, Auditor's office and the departments for their participation and cooperation.

Mr. McFadden discussed the county's pension. This is a large item for the county at almost \$5.7 million. Pension costs for the county have gone up by 57% in a ten-year window. That is dramatic with \$2 million having to be put into pensions. In recent years the growth has slowed. They have rebounded and are seeing much smaller increases. There are several reasons for this. One is because headcount is down and because short term IMRF investments are up. The County Board has eliminated smoothing. They have not had spikes in their union contracts but did allow employees to take the pay over a period of months as they entered into retirement. That artificially raised those pension amounts. The County Board voted to eliminate that practice. They also voted to implement a policy where they delay lump sum payments a month out from retirement dates. In many cases a portion of that lump sum payment is used to calculate your pension and a portion of it isn't, but you are still paying IMRF taxes on both the employer and employee. They now calculate what portion is allowable for the pension and what portion isn't. They defer that for a month so there is no IMRF tax paid on that. The fact that they are pretty conservative with salaries has helped to keep the cost down as well. The implementation of the tier-two salary structure and tier-two pension structure has all helped to keep this manageable and under control. The \$115,000 increase this year is definitely manageable when you are looking at a \$104 million budget.

They think they have addressed the fines and fees revenue issue and have brought those numbers down to reflect what they have actually been receiving the last two years or so. So, they have a budget in line with actual revenue. They have talked about the pressures they have on the budget. The answer to that is the jail. Not only do they need to look at census and work on keeping the headcount down, but the individuals are coming into the jail with serious illnesses and mental illnesses in some cases. One of the increases for the Sheriff's office this year was meant for medical care, which has gone up dramatically over the last four or five years. They do not see that ending anytime soon. They have expanded medical care and brought in mental health care and have done a number of things to try and address that problem. One of the biggest things they need to worry about are things they cannot control.

The County Board has showed the ability and willingness to say no when they have to. He feels confident in their ability to address problems. He is more concerned about things they cannot control such as state government. A lot of their revenue is shared with the state. That share can be changed by a vote of the Legislature. The salary reimbursements received for the Juvenile Center is a perfect example of what can be done. Six or seven years ago it was funded at 70% for the state and 30% for the county. That is completely flipped now. The unknown and things they don't have control over are the things that would make him most nervous.

They have two bond obligations out from 2010. They borrowed \$13 million to purchase the Public Health building, improve the HVAC system, put a new roof on the building, and a number of infrastructure and capital improvements. In 2013 they borrowed \$8 million to replenish the TORT fund. That is a practice the board has done in the past. They have also done some short-term borrowing including the election machines, improvements at Animal Control and annual purchase of vehicles for the Sheriff's office. There is definitely no new debt in the FY2015 budget.

Mr. Bunch recognized Tim Krell for his work on the Workplace Safety Committee. Mr. McFadden encouraged the County Board to vote yes on the budget. Chairman Van Meter expressed their appreciation for work Mr. McFadden has done on the budget.

Mr. DelGiorno stated everyone is aware he has criticized the process for budgeting in the past. He thanked Mr. Goleman for inviting all members to attend the Finance Committee meetings and for allowing them to ask questions even though they have not been a part of the prior meetings. He would still like them to have the oversight committees look at the budget in an open hearing so everyone can take a look at it beforehand. He thanked Mr. Goleman for opening up the process to a newer board member in this past fiscal year. Mr. Goleman stated he appreciates the comments from Mr. DelGiorno. The process has always been the same. All board members are always invited to any of the Finance Committee meetings at any time. If any of the oversight committee chairmen decide they want to have a budget hearing on their own target budgets, they are welcome to do that. Nothing has changed. It has been this way even before he was chairman of this committee. He encouraged everyone to be involved in the process. They take this job very serious. It is very easy to make comments about what happens here if you are not involved in the process. You have to understand how the process works. It is a very open process and he encourages any comments or questions to be addressed to the Finance Committee at any time.

A motion was made by Mr. Goleman, second by Mr. Montalbano, that the roll call vote for Resolution 1 stand as the roll call vote for Resolution 8. A voice vote was unanimous.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTION 9

9. Resolution establishing the Office of the Inspector General Exploratory Committee.

A motion was made by Mr. DelGiorno, seconded by Mrs. Sheehan, to place Resolution 9 on the floor. Chairman Van Meter stated this is their first reading of this resolution and it has not been to any of their committees, which is their standard policy, so he entertains a motion to commit Resolution 9 to the Finance Committee. A motion was made by Mr. Montalbano, seconded by Mr. Bunch and Mr. Fraase, to commit Resolution 9 back to the Finance Committee. A voice vote was unanimous.

MOTIONS CARRIED

RESOLUTION COMMITTED BACK TO FINANCE COMMITTEE

WAIVER OF TEN-DAY FILING PERIOD

A motion was made by Mr. Montalbano, seconded by Mr. Bunch, to waive the ten-day filing period. A voice vote was unanimous.

MOTION CARRIED

TEN-DAY FILING PERIOD WAIVED

RESOLUTIONS 10 - 13

10. Resolution approving the renewal of an agreement with R.W. Troxell & Company for professional assistance with the county's insurance programs.

A motion was made by Mr. Krell, seconded by Mrs. Musgrave, to place Resolution 10 on the floor. A motion was made by Mr. Bunch, seconded by Mr. Smith, to consolidate Resolutions 10 – 13. Chairman Van Meter asked the County Clerk to read Resolutions 11, 12 and 13.

11. Resolution approving contracts for employee benefits for 2015.
12. Resolution approving an agreement between Menard County Board of Health, Menard County, Sangamon County Board of Health and Sangamon County for the provision of public health services in Menard County.
13. Resolution authorizing a contract with the Circuit Clerk's office and Microchip Computer Solutions, Inc.

A voice vote was unanimous on the consolidation. A motion was made by Mr. Goleman that the roll call vote for Resolution 1 stand as the roll call vote for Resolutions 10 – 13, as consolidated.

MOTIONS CARRIED

RESOLUTIONS ADOPTED

OLD BUSINESS

There was no old business.

NEW BUSINESS

A. Resolutions

There were no new resolutions.

B. Appointments

Building Code Board of Appeals

- Appointment of Bernadette Gordon for a term expiring November, 2015.
- Appointment of Ralph Hanauer for a term expiring November, 2015.
- Appointment of Mike Keafer for a term expiring November, 2015.
- Appointment of Keith Moore for a term expiring November, 2015.
- Appointment of Mike Krall for a term expiring November, 2015
- Appointment of Henry Patterson for a term expiring November, 2015
- Appointment of Scott Saunders for a term expiring November, 2015

Sangamon County Hearing Officer

Appointment of Ryan Cadagin for a term expiring November, 2016.

North Side Fire Protection District

Appointment of Thomas Everhart for a term expiring April, 2015.

Springfield Mass Transit District (SMTD)

Appointment of Wynne Coplea for a term expiring February, 2017.

Workforce Investment Board (WIB)

Appointment of Christopher Hembrough for a term expiring November, 2015.

A motion was made by Mr. Montalbano, seconded by Mr. Bunch, for approval of the appointments. A voice vote was unanimous.

MOTION CARRIED
APPOINTMENTS ADOPTED

**REPORTS OF COUNTY OFFICIALS, REPORTS OF STANDING COMMITTEES,
REPORTS OF SPECIAL COMMITTEES, COMMITTEE REPORT ON CLAIMS**

A motion was made by Mr. Bunch, seconded by Mr. Montalbano, to place the reports on file with the County Clerk.

A voice vote was unanimous.

MOTION CARRIED
REPORTS FILED

Chairman Van Meter stated that today marks the final session of the currently sitting County Board, and next month they will reorganize the board. He acknowledged Sarah Musgrave who will be leaving. She has served this board with good humor and careful attention to detail and grace. She will be missed very much, and they hope she may come back in the future because her straight forward thinking and dedication to doing the right thing is an example of the kind of leadership they want for this community. They all have enjoyed working with her and appreciate her service to the community.

RECESS

A motion was made by Mr. Stumpf, seconded by Mr. Montalbano, to recess the meeting to December 9, 2014 at 7:00 p.m. A voice vote was unanimous.

MOTION CARRIED
MEETING RECESSED

Joe Aiello
Sangamon County Clerk