

DON GRAY

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MINUTES

SANGAMON COUNTY BOARD

NOVEMBER 9, 2016

The Sangamon County Board met in Reconvened Adjourned September Session on November 9, 2016 in the County Board Chambers. Chairman Van Meter called the meeting to order at 7:00 p.m. Linda Fulgenzi gave the Invocation and Mr. Tjelmeland led the County Board in the Pledge of Allegiance.

ROLL CALL

Chairman Van Meter asked County Clerk Gray to call the roll. There were 25 Present – 4 Absent. Mr. Hall, Mr. Preckwinkle, Ms. Sheehan and Mrs. Small were excused.

PROCLAMATION

Chairman Van Meter presented a Proclamation to Sam Montalbano honoring his many accomplishments during his 30 years on the County Board.

Mr. Bunch also recognized Mr. Montalbano as an outstanding individual in this community. There is not enough time to explain everything he knows about Sam. He has been one of the most lovable friends he has ever had in his life.

Mr. Montalbano stated that the Sangamon County Board is known throughout the state and they have the finest people. He will miss all the board members and elected officials a lot. He will still keep busy and will still be around. He appreciates all they do. He thanked them for the recognition.

Chairman Van Meter expressed how proud they are of their bi-partisan tradition of honest and efficient government in Sangamon County. It is, unfortunately, not the case that they are always perfect.

When they fall down or fail to meet their own high standards from time to time, they are proud of the fact that they dust themselves off and put their minds to getting things right and to do the job the citizens of Sangamon County expect of us. A good example in point is the significant improvement we've made in the election procedures from the spring's primary to the fall Election, which he thinks went absolutely flawlessly. Our County Clerk is to be commended for the tremendous job he and his team did to bring off an absolutely flawless Election this fall.

MINUTES

A motion was made by Mr. Montalbano, seconded by Mr. Bunch, for approval of the minutes of October 11, 2016. 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. No correspondence was 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 County Clerk Gray to call the roll. Upon the roll call vote, there were 24 Yeas – 0 Nays.

MOTION CARRIED
RESOLUTION ADOPTED

RESOLUTION 2

2. 2016-027 – Jerry Stasukinas, 441 N. Dirksen Parkway, Springfield – Granting a Conditional Permitted Use and a Variance and removing a Conditional Permitted Use. County Board Member – Rose Ruzic, District #18.

A motion was made by Mrs. Ruzic, seconded by Mr. Krell, to place Resolution 2 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 2.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTION 3

3. 2016-030 – Mid-Town Auto Mart, Inc., 2532 Ridge Avenue, Springfield – Granting a Variance. County Board Member – Jason Ratts, District #10.

A motion was made by Mr. Ratts, seconded by Mrs. Deppe, 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. 2016-031 – Illico Incorporated, 3300 J. David Jones Parkway, Springfield – Granting a Conditional Permitted Use. County Board Member – Annette Fulgenzi, District #17.

A motion was made by Mrs. Fulgenzi, seconded by Mr. Thomas, 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. 2016-032 – Discount Smoke Shop, 321 N. Dirksen Parkway, Springfield – Granting Conditional Permitted Uses and a Variance. County Board Member – Rose Ruzic, District #18.

A motion was made by Mrs. Ruzic, seconded by Mr. Bunch, 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. 2016-033 – Steven H. and Diana K. Griffiths, 636 North Wesley, Springfield – Denying a Rezoning and granting a Use Variance. County Board Member – Rose Ruzic, District #18.

A motion was made by Mrs. Ruzic, seconded by Mr. Madonia to place Resolution 6 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 6.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTION 7

7. 2016-034 – Koke Mill Properties, LLC, 386 S. Koke Mill Road, Springfield – Denying a Rezoning and granting a Use Variance and Variances. County Board Member – Abe Forsyth, District #27.

A motion was made by Mr. Forsyth, seconded by Mr. Mendenhall, to place Resolution 7 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 7.

MOTIONS CARRIED
RESOLUTION ADOPTED

RESOLUTIONS 8 - 11

8. Resolution approving contracts with Rocket Software, Inc. and Information Systems to upgrade the "Jwalk" System.

A motion was made by Mr. Ratts, seconded by Mr. Smith, to place Resolution 8 on the floor. A motion was made by Mr. Bunch, seconded by Mr. DelGiorno, to consolidate Resolutions 8 – 11. Chairman Van Meter asked County Clerk Gray to read Resolutions 9 – 11.

9. Resolution approving the renewal of an agreement with R.W. Troxell & Company for assistance in the administration of the county's insurance programs.
10. Resolution approving amendments to the Fiscal Year 2016 Sangamon County Budget.
11. Resolution approving the Annual Budget and Appropriation for the County of Sangamon for the Fiscal Year December 1, 2016 through November 30, 2017.

A voice vote was unanimous on the consolidation.

County Administrator Brian McFadden addressed the County Board to give a slideshow presentation on the FY2017 Sangamon County Budget.

Mr. McFadden explained that they do an annual budget amendment where they go into each of the funds and make corrections where some funds have gone over and some have gone under so everything stays within the existing structure. They are a bottom line organization. The Sheriff's office did not have any amendments, which is the first time they can remember this has happened. The main components of the budget amendment this year is the addition of SMART and the property tax budget. The FY2017 budget will deal with property tax the same way they did with FY2016, in which they will artificially cap themselves at 0%.

They do have hard copies of this presentation that can be provided if needed. Mr. McFadden gave a quick recap of the FY2016 budget. With payroll and fringe benefits they have a demonstration showing the FY2016 budget at \$51.2 million. They are projecting the payroll and benefits will come in at about \$50 million. The departments and County Board have done a pretty good job of keeping costs in line with what has been budgeted. They do that in a number of ways, such as the 30-day freeze. Even the Sheriff's office came in under budget by about \$274,000. That is something to applaud. Most of that was turnover, where they had more expensive folks leaving and cheaper ones coming in to replace them. The 30-day lag does help with this. Nearly every department has come in under budget. Chairman Van Meter explained that the lag is really important, and the County Board plays such an important role in enforcing the lag. So many departments come to their committees and say they need to replace the employees right away. It is critically important that the board says they cannot replace them for 30 days. This is what has saved the million dollars for the taxpayers of Sangamon County. Mr. McFadden stated that nearly every department has come in at or under budget, with the exception of Buildings and Grounds and the Veteran's Assistance Commission. Buildings and Grounds had a hard time meeting the lag and there were some raises given in Veteran's Assistance. They went into FY2016 with a lot of uncertainty from the state. They get about \$32 million a year from the State of Illinois through either grants, revenue sharing or payroll salary reimbursements. Essentially, they were made whole this year; however, they don't know what is going to happen going into FY2017. They plan to reevaluate things on a regular basis.

Mr. McFadden discussed the 2017 Budget Revenue. The All Funds revenue is \$102.6 million, which is \$1.1 million above what it was last year. This is a very modest growth at 1.1%. Most of that revenue growth is SMART grants, that are now in the budget, and the use of fund balance by the 911-ETSD to fund their phone upgrades that was mentioned in the paper the other day. The General Fund revenue is \$48.3 million, which is down by about \$520,000. It funds the Sheriff's Office, Circuit Clerk, Court Services and some of the other larger departments. This fund is down by 1%.

Mr. McFadden discussed the Budget Revenue by source. The property tax budget is being budgeted as if it will be capped at 0%. They built the budget based upon that. It is a very conservative growth in the EAV at 2% and a very conservative growth of new construction. This has led to a reduction of property tax revenue in 2017 versus 2016, and about a 2% reduction in the rate as well. They will deal with the property tax levy next month. The levy will be done with the allowed cap and some estimates on the EAV. The estimated rate could be about .7488. That is lower than it was 25 years ago, so it is much lower and more competitive in a long term perspective.

Other large revenue sources are the state tax items. They are looking at \$12.8 million, which is a reduction of \$207,000. That is a reduction of 1.5%. This includes sales tax, income tax, use tax and personal property replacement tax. Income tax is essentially flat from year to year. There has been a very slight growth of \$16,000 out of \$3.2 million. The state sales tax, which is the percentage of the sales tax they get out of unincorporated Sangamon County, is down 2.7%. It has seen a decline as more and more commercial revenue producing properties are annexed into the City of Springfield. The supplemental sales tax, which is the 1/4% they get off of everything in the county, is also down 1.6%. The use tax, which is sales tax paid on items purchased outside the state, is up slightly by about \$70,000, but is essentially kind of flat overall. The one revenue source they have that is doing very well is the video gaming tax. That is projected from budget to budget to be up 72%, which is significant from prior years. Fines and fees is another very large revenue source. It used to be their third largest revenue source, but now it is the second largest. It has surpassed the sales and income taxes as the largest revenue source. It is not really good news because fines and fees are essentially flat as well. The fact that the others are dropping is causing them to go down. There are no new fee increases in this budget. There are some being proposed by the Public Health Department, but those are not built into the budget. As per their policy, they do not put fee increases in the budget for a year. They wait a year to see what the actual revenue stream is from the fee increase before they budget it. Grants are another large item. They are down from the prior year. They have several departments, including Public Health, Court Services and the Workforce Investment, who have given up grants or did not receive grants, so grant revenue is down as well. State reimbursements are up slightly by 4%. This is not a super big revenue item. They will actually get a little bit more salary reimbursements for their probation officers and employees at the Juvenile Detention Center. There is some additional MFT revenue that is part of their salary reimbursements. Other items are internal items such as interest earnings, licenses and permits and miscellaneous. This kind of gives you the overall picture of what their revenue sources are, which are dominated by the property, sales, and income tax.

Chairman Van Meter stated he thinks it is really important to recognize what Brian has depicted here with the pie chart. Their biggest sources of revenue are not growing or are shrinking. This is what happens in an economy that is not growing. It is really a dangerous thing because if their revenue doesn't grow they will start to be forced to push up other ways of raising revenue. Mr. McFadden followed up with what the Chairman just said. He explained that he has a little data to explain some of the pressures they are feeling from the revenue source. They have a long standing policy of going back and grabbing numbers from two years prior for things like sales tax, income tax and personal property replacement tax. They know it's a real number and it has come in as actual revenue, so that is what they will budget. They are having a real difficult time doing that now because revenue is dropping. They are going back and grabbing a number from FY2014 that they know they will not get. The bottom line shows sales tax, income tax and personal property replacement tax are down by 7.3%. So, three of their largest revenue sources are down about 7% in the last two fiscal years. That is a pretty dramatic drop. Chairman Van Meter stated that just doesn't happen in government. With a growing community and growing economy, revenue is always going up, but it is not happening here.

Mr. McFadden discussed the 2017 Budget Expenditures. The All Funds expenditures are up at \$102.6 million for the overall budget, which is up \$1.1 million. The spending side of things is being driven by SMART being in the budget. Of that \$1.1 million, there is about \$440,000 for SMART. There is also \$700,000 from 911 for the phone upgrade. Debt services and health costs are also up slightly. When looking at the expenditures by type and then by department, the largest cost center is payroll by far. Payroll is at \$34.5 million, up \$247,000, which is less than a 1% increase. It is a .7% increase. The increase in the general fund is even smaller at 2/10 of 1%. Again, it is being driven by \$190,000 in SMART personnel costs in the budget that weren't there before. The Sheriff's payroll costs are up slightly even though their budget is down. They still had some movement internally from the Sheriff's Office to I.S. that drove up some of the I.S. payroll. The average raise built into this budget for employees is about 1.4%. The budget honors all the existing collective bargaining agreements. It puts in a wage scale for employees that the average evaluation score would generate 1.5%. Overtime is flat, and the primary driver of that is the Sheriff's office. They also have overtime in Buildings and Grounds and Court Services. That is budgeted as flat. Those departments feel they can live within their current budgets for overtime, so that is helping keep overall costs down.

The next large item they have is contractual services, which is down. That is helping bring overall costs down as well. It is down \$347,000, which is a 1.5% reduction. The expenses associated with their grants are bringing the contractual costs down. The next largest item is transfers, which is just internal movements of money within the county. It is at \$11 million. The actual health insurance cost is at \$8.9 million, which is an increase of about \$387,000 and a 4.5% increase. It is obviously an increase, but not near what you are seeing with some of the other private systems out there such as the Affordable Care Act or what you are seeing with other local governments. This shows what an excellent job their Board of Managers does. Their premiums for both the employee and employer are up 3%. That is after three years of those premiums being frozen, which is also pretty unheard of. When they talk about the stability of their budget, health insurance and payroll are two big cost centers they have done a pretty good job of keeping under control. Fringe Benefits are down. The fringe benefits are social security, worker's comp, dental, and life insurance. Payroll is under control; therefore, the fringe benefits usually follow that. They have separated out pension because they can't talk about their budget without talking about pension costs. Pension costs are actually down by \$270,000. Their rates are down and overall costs are down almost 5%. They have all read the stories about skyrocketing pension costs for other local governments, but their costs and rates are actually down. It would be down ever farther if they didn't have SMART in the budget. There are pension costs built within SMART as well. The headcount is down, there have been policy changes and they have a tier two pension system, which will all help keep those pension costs in line. Another cost center that could be a problem is debt service. They are allowed, under state law, a cap of \$114 million in outstanding debt. Their outstanding debt is just a little bit over \$19 million, so they are only at about 17% of what their cap allows. They really only have four items of debt. They are paying off the refinancing of the Animal Control Center, the 2010 debt certificates, 2013 Tort Bonds and the vehicle purchase program, which is mostly the Sheriff's office. The debt is very much under control and is manageable. Commodities is another large item. It is down slightly. There have been some reductions in the Sheriff's office with fuel and some jail supplies, but the medical costs are up in the Jail. The last couple items are just the miscellaneous

items. Their largest cost centers are pretty much status quo for this budget, and they feel they are under control for the various policies the County Board has adopted. It is hard to talk about the budget without looking at their annual list of what's going on with headcount. There are no layoffs in this budget. Headcount is reduced for the 10th year in a row. They have gone from 803 positions, 10 years ago, to 696 positions. That is a reduction of 13% with 107 positions being eliminated. This budget eliminates three more positions. Overall, nine positions have been created and most of those are for SMART. The Public Health Department has given up a number of positions. The Supervisor of Assessments has eliminated a position, and 911 did the same thing. Headcount has continued to drop, and that helps overall with their costs containment.

The other way to look at this is by departments. They have a \$102.6 million budget. Departments that have reduced their budgets are: Court Services is down \$441,000; Public Health is down \$320,000; Circuit Clerk is down \$198,000; the Sheriff is down \$66,000 and the County Clerk is down \$6,000. They did amend the County Clerk's budget to add about \$95,000 in spending, but year to year they are down. The 911-ETSB budget is up by \$712,000 at 43%. The Highway Department budget is up \$635,000 at 8%. SMART is up by \$423,000 at 100% because it wasn't in the budget last year. Regional Planning Commission is up \$207,000 at 18%. Information Systems is up \$140,000 at 10%. The Coroner's budget is up \$79,000 at 12%. The Child Advocacy Commission is up \$31,000 at 7%, and the Veteran's Assistance Commission is up \$14,000 at 5.4%.

Mr. McFadden reviewed the Fund Balance results. The County budget is made up of 50 plus separate funds, and 30 of those funds are working funds that have daily activity. They include funds like the General Fund, Court Security Fund and the Public Health Fund. They monitor those regularly. He works with the Auditor's Office to stratify these funds into one of seven tiers. Tier 1 funds, of which they have five funds representing about \$6.7 million and 7% of the budget, are in the positive and are growing. These funds are adding fund balance through revenue and expenditures. The Tier 2 funds are the funds that are positive, but are holding steady. They are not going down or are growing. They have six of those funds that represent over 50% of the budget. The main fund is Fund 1, the General Fund. That fund is in the positive, but not projected to grow. Tier 3 funds are funds that are positive, but will take some fund balance for things such as capital costs. The Tier 4 funds, of which they don't have any this year, are funds that are positive and will go negative in the budget year. They don't have any this year, so that is a positive thing. The Tier 5 funds are funds that are in the negative, but are adding back reserves. There are two funds there including the Public Health fund and Juvenile Detention Center fund. They are in the negative, but they are building back reserves and trying to build back fiscal health. The Tier 6 funds are negative funds with no change, but they don't have any of those. The Tier 7 funds are the ones that give them cause for concern and they watch pretty close. There are really two funds that are in the negative and continue to go further negative. They are the Court Security fund and the Veteran's Assistance Commission fund. This is an issue they will have to address if it continues to go into the negative. The largest percentage of their funds are in good fiscal condition.

Mr. McFadden summarized some of the FY2017 budget pressures. There is continued stagnation in the following: growth of property value in Sangamon County, the pace of new construction in Sangamon County, population growth in Sangamon County. Sales and income tax revenue are stagnant. There is a potential freeze for the largest revenue source, which is property taxes. Fines and fees revenue is essentially flat, and there are annexations and commercial properties in unincorporated Sangamon County by the City of Springfield. State government is primarily one of the things they cannot control.

Mr. McFadden summarized some of the FY2017 budget positives. There is a solid foundation in their largest cost centers which are: payroll, pensions and health care. The FY2017 budget allows them to continue to follow their long-standing principles of a balanced budget, living within their means, paying bills on time, financially sound pensions and employee healthcare, limited debt, operating within the constraints of tax caps, continuing to reduce headcount through attrition, maintaining reasonable reserves, streamlining services through consolidation, reducing costs through automation and property tax rates that are still lower than it was 25 years ago.

Mr. McFadden concluded by thanking Terry Viar and Brad Hammond from the Auditor's Office, Tim Eggleston, the County Board and all the departments for all their work on the budget.

A voice vote was unanimous on the motion to adopt Resolutions 8 – 11, as consolidated.

MOTIONS CARRIED
RESOLUTIONS ADOPTED

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 12 – 15

12. Resolution granting authority to the Sheriff's Office to execute a contract with Ray O'Herron Co., Inc. for equipment.

A motion was made by Mr. Tjelmeland, seconded by Mrs. Hills, to place Resolution 12 on the floor. A motion was made by Mr. Bunch, seconded by Mr. Smith, to consolidate Resolutions 12 – 15. Chairman Van Meter asked County Clerk Gray to read Resolutions 13 – 15.

13. Resolution approving the FY2017 Uniform Grant Agreement for the Section 5311 Operating Assistance Grant Agreement.

14. Resolution approving the FY2017 Downstate Operating Assistance Grant Agreement between the State of Illinois Department of Transportation and Sangamon County.

15. Resolution approving the purchase of Ecolane software for the rural portion of SMART.

A voice vote was unanimous on the consolidation. A voice vote was unanimous for the adoption of Resolutions 12 – 15, as consolidated.

MOTIONS CARRIED
RESOLUTIONS ADOPTED

RESOLUTION 16

16. Resolution authorizing the execution of a building lease for the SMART facility property.

A motion was made by Mr. Montalbano, seconded by Mr. Bunch, to withdraw Resolution 16. There were no objections. A voice vote was unanimous.

MOTION CARRIED
RESOLUTION WITHDRAWN

OLD BUSINESS

There was no old business.

NEW BUSINESS

A. Resolutions

There were no new resolutions.

B. Appointments

Appointment of Rev. Eric Hansen to the Springfield Airport Authority for a term expiring November, 2021.

Appointment of Mike Keafer to the Sangamon County Building Code of Appeals for a term expiring November, 2017.

Appointment of Henry "Patt" Patterson to the Sangamon County Building Code of Appeals for a term expiring November, 2017.

Appointment of John Hearn to the Sangamon County Building Code of Appeals for a term expiring November, 2017.

Appointment of Michael Krall to the Sangamon County Building Code of Appeals for a term expiring November, 2017.

Appointment of Keith Moore to the Sangamon County Building Code of Appeals for a term expiring November, 2017.

Appointment of Tony Smarjesse to the Sangamon County Building Code of Appeals for a term expiring November, 2017.

Appointment of David Davenport to the Woodwreath Cemetery Association for a term expiring November, 2022.

Appointment of William Pfeffer to the Woodwreath Cemetery Association for a term expiring November, 2022.

Appointment of Rose Ruzic to the Community Services Block Grant Advisory Board for a term expiring September, 2019.

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 SPECIAL COMMITTEES,
REPORTS OF STANDING 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

RECESS

A motion was made by Mr. Montalbano, seconded by Mr. Bunch, to recess the meeting to December 13, 2016 at 7:00 p.m. A voice vote was unanimous.

MOTION CARRIED
MEETING RECESSED

Don Gray
Sangamon County Clerk