



WILL COUNTY BUDGET WORKSHOP MEETING

302 N. CHICAGO ST.

JOLIET, IL 60432

MARCH 8, 2019

County Board Room

9:30 AM

I. WELCOME & INTRODUCTIONS

II. NEW BUSINESS

1. Budget 101 - Overview of Budget Process, Timeline and Levy - *Attachment Added*

BRING BUDGET BOOK WITH YOU. EXTRA COPIES WILL NOT BE AVAILABLE

III. ADJOURNMENT

Budget Workshop

Presented by ReShawn Howard

3/8/2019

Discussion Overview

- ▶ Budget Process
- ▶ Budget Timeline
- ▶ Budget Policies
- ▶ Corporate & Special Funds
- ▶ Levy

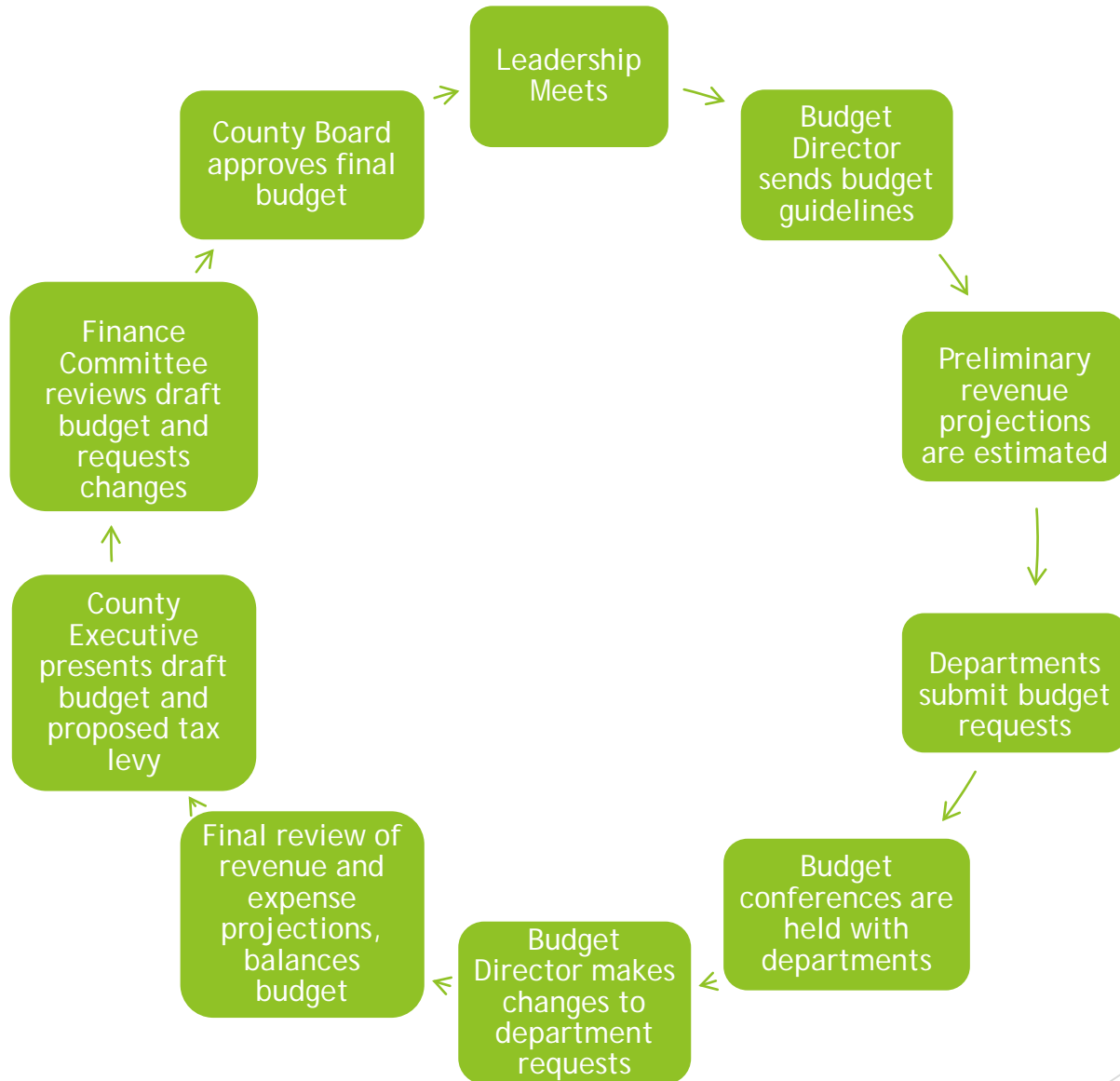
The County of Will is required by Illinois Compiled Statutes to adopt an Annual Budget and Appropriation Ordinance for revenues and expenditures. The purpose of this workshop is to explain the budget process, outline the assumptions and priorities used for planning, and to explain the content of the budget.

Budget Process

- ▶ The Will County budget is a financial plan of estimated revenues and expenditures for the coming year.
- ▶ The annual budget provides prior year, current year, and future estimates of revenues and expenditures.
- ▶ The budget provides a 5 year Road and Capital Plan for long-term capital planning.
- ▶ The budget also includes a preliminary plan two years out from the current budget year.

Note: The County's fiscal year is December 1 through November 30

Budget Development Process



Budget Timeline

2020 Budget Timeline	
<i>Dates</i>	<i>Activity</i>
April 5, 2019	Budget guidelines are distributed to all departments
May 1, 2019 thru May 13, 2019	Departments enter their budget requests into the Annual Budget Processing Module in the New World System. Justifications and required support is sent to the Finance Department prior to scheduled budget meetings, which begin May 13, 2019.
May 13, 2019 thru June 14, 2019	The Budget Director meets with Elected Officials, Department Heads, and/or Budget Officers to discuss the budget requests and current and future departmental needs.
June 17, 2019 thru August 14, 2019	The County Executives' recommended balanced budget is finalized and prepared for presentation to the County Board at its 8/15/19 meeting.
August 15, 2019	The County Executive presents the balanced budget to the County Board. The draft budget is placed on file with the County Clerk.
August 16, 2019 thru November 21, 2019	The County Board's recommended balanced budget is finalized, approved by the Finance Committee, and prepared for presentation and final approval by the County Board at its 11/21/19 meeting.

Budget Policies

▶ Budget Amendment Process

- ▶ Once adopted the budget may be amended throughout the fiscal year in the following ways:
- ▶ The County Executive or any Elected Official (or staff of the County Executive or Elected Officials with delegated authority) may authorize a transfer of funds between line items within an appropriation.
 - ▶ Transferring within 1000's is allowed with the exception of fringe benefit line items. NO transfers in or out of payroll Fringe Benefit line items 1510, 1520, 1530, 1550, 1560, 1565 should be made. Transfers between 1550 and 1560 are allowed
 - ▶ Transferring within and between 2000's and 3000's is allowed
 - ▶ Transferring within and between 4000's, 5000's, and 6000's is allowed (account 6999 is restricted)
- ▶ All transfers between appropriations listed below must be approved by a two-thirds (2/3) vote of the full County Board. Requests between these appropriations must be presented to the Finance Committee for its recommendation prior to a vote by the full County Board.
 - ▶ Transferring 1000's TO or FROM 2000's, 3000's, 4000's, 5000's, and 6000's.
 - ▶ Transferring 2000's TO or FROM 4000's, 5000's, and 6000's.
 - ▶ Transferring 3000's TO or FROM 4000's, 5000's, and 6000's. (account 6999 is restricted)

Budget Policies

▶ Cash Reserve Policy

- ▶ Goal of the County is to have a 25% (3 month) corporate fund cash reserve at year end.
- ▶ Reserve ratio is calculated as the year end corporate cash balance divided by the subsequent year's budgeted corporate fund expenses.
- ▶ With the exception of additional reserves set aside for capital or other special projects, if the corporate fund cash reserves fall below 22%, or exceed 26%, the Finance Committee shall recommend corrective action to bring the corporate fund cash reserve into this targeted range.

Historical Corporate Fund Cash Reserves				
Date	Corporate Fund Cash Balance	Fiscal Year	Corporate Fund Adopted Budget	Cash Reserve as % of Adopted Budget
11/30/12	46,172,965	FY13	175,656,024	26.29%
11/30/13	48,406,274	FY14	186,065,629	26.02%
11/30/14	52,714,614	FY15	191,737,227	27.49%
11/30/15	48,667,203	FY16	196,229,713	24.80%
11/30/16	49,011,207	FY17	198,058,444	24.75%
11/30/17	50,236,938	FY18	196,568,357	25.56%

Financial Structure

- ▶ The County's financial structure begins with funds.
- ▶ There are 79 individual funds.
- ▶ Each fund has a separate set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate.
- ▶ Funds that are budgeted include:
 - ▶ Corporate Fund
 - ▶ Special Funds
 - ▶ Capital Funds
 - ▶ Debt Service Funds

Corporate Fund

- ▶ The corporate fund is the primary operating fund of the County.
- ▶ It is used to account for all financial resources which are not required to be accounted for in another fund.
- ▶ Offices comprised of the corporate fund include:
 - ▶ Auditor
 - ▶ County Board
 - ▶ County Executive
 - ▶ Courts
 - ▶ Circuit Clerk
 - ▶ County Clerk
 - ▶ County Recorder
 - ▶ Coroner
 - ▶ Sheriff
 - ▶ States Attorney
 - ▶ Schools
 - ▶ Treasurer

Corporate Fund

- ▶ Main revenue sources in the corporate fund:
 - ▶ Property Taxes
 - ▶ Licenses and Permits
 - ▶ Intergovernmental
 - ▶ Charges for services
 - ▶ Fines and Forfeitures
 - ▶ Investment Income
 - ▶ Miscellaneous

Corporate Fund

- ▶ Expenditure categories in the corporate fund:
 - ▶ Salaries
 - ▶ Fringes
 - ▶ Supplies
 - ▶ Professional and Technical Services
 - ▶ Property Services
 - ▶ Other Purchased Services
 - ▶ Capital Outlay

Special Funds

- ▶ Special Revenue Funds are used to account for the proceeds of specific revenue sources that have legally restricted expenditures.
- ▶ These funds cannot be used for any other purpose outside the intended guidelines.
- ▶ Offices comprised of special funds include:
 - ▶ Animal Control Highway
 - ▶ Children’s Advocacy Center Law Library
 - ▶ Health Department TB Sanitarium
 - ▶ Veteran’s Assistance Commission 9-1-1

RTA and County Motor Fuel Tax are also included in special funds.

Capital Funds

- ▶ In 2015, a 5-year Road and Capital plan was established to address the County's capital needs.
- ▶ This plan is used as guideline for prioritizing capital projects and determining funding.
- ▶ The two major capital funds are:
 - ▶ Capital Improvement/Repair
 - ▶ Facilities Equipment Replacement

Debt Service Funds

- ▶ Funds are utilized to account for the payment of interest, principal and related costs on the County's general long term debt.
- ▶ County's current debt is comprised of:
 - ▶ Road Bonds - Series 2010
 - ▶ Sheriff's Adult Detention Facility - Series 2012, 2014, and 2015
 - ▶ Building Will - Series 2016 and 2019

Levy

- ▶ **What is a Levy?**
 - ▶ The amount of money a taxing district requests from property tax.

- ▶ **What is the Property Tax Extension Limitation Law (PTELL)?**
 - ▶ Allows a taxing district to receive a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction.
 - ▶ Increases in property tax extensions are limited to the lesser of 5% or the increase in CPI (consumer price index).

- ▶ **What is the Truth and Taxation Act?**
 - ▶ Legislation that provides procedures for public Notice and Public Hearings on Tax Increase requests greater than 105% of the prior year's extension.

Estimating the Levy

- ▶ Tax levy is estimated for budget purposes using the most current assessments for both existing property and new construction.
- ▶ **Calculating the Levy Extension**
 - ▶ Previous years final extended amount x CPI = new extension base
- ▶ **Calculation for Adjusted Valuation Base**
 - ▶ Gross Estimated Assessed Value - Abatements & Exemptions = Net EAV
 - ▶ Net Estimated Assessed Value - New Property = Adjusted Valuation Base
- ▶ **Calculation for Limiting Rate**
 - ▶ New extension base/adjusted valuation base = limiting rate (percentage)

Note: County Board sets the estimated levy in October

Key Takeaways

- ▶ The Will County budget is a financial plan of estimated revenues and expenditures for the coming year.
- ▶ The budget provides a 5 year Road and Capital Plan for long-term capital planning.
- ▶ The budget also includes a preliminary plan two years out from the current budget year.
- ▶ There are various steps in the budget development process.
- ▶ Once adopted, the budget may be amended throughout the fiscal year.
- ▶ The corporate fund is the primary operating fund of the County.
- ▶ The County has a cash reserve policy for the corporate fund with a targeted range of 22% - 26%.
- ▶ Special funds are used to account for specific revenue sources that have legally restricted expenditures.
- ▶ Debt Service funds are used to account for the payment of interest, principal and related costs on the County's general long term debt.
- ▶ A Levy is the amount of money a taxing district requests for property tax.
- ▶ Tax levy is estimated for budget purposes using the most current assessments for both existing property and new construction.
- ▶ Estimated levy is set by County Board in October.

Thanks for Attending this Workshop

*wise people
never stop
learning*