

MEMO ESTABLISHING THE BUDGET PROCESS FOR CHAMPAIGN COUNTY FOR FY2022

MEMORANDUM

TO: COUNTY OFFICIALS & COUNTY BOARD MEMBERS
 FROM: DARLENE A. KLOEPEL, COUNTY EXECUTIVE
 DATE: MAY 11, 2021
 RE: 2022 COUNTY BUDGET PROCESS

It is again time to start the annual county budget process for board approval of the FY2022 budget.

Budget Calendar

The County’s fiscal year begins on January 1 and ends on December 31. Budget 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 final approval in November. Planning will be especially important this year, as in 2021 the County received a one-time allocation of \$40+ million from the American Rescue Plan, which must be spent by 2024.

June 9	Deputy Director of Finance provides <i>Budget Instruction and Training Seminar</i> for department budget preparers and <i>Instructions for Budget Submission</i> to outside agencies
July 9	FY2022 Department Budgets DUE to Deputy Director of Finance
July 12-30	Department Budget Reviews with County Executive
Aug. 2-6	County Executive confirms tax revenues & other revenue estimates
Aug. 23-24	6:00pm each evening – Legislative Budget Hearings before the County Board
Sept. 23	County Executive presents <i>FY2022 Budget Overview</i> to Board
Sept. 30	Special Finance Committee of the Whole Meeting for Public Comment on the Proposed FY2022 Budget and to provide further refinements for revision of the Tentative Budget
Oct. 12	<i>FY2022 Tentative Budget Recommendation</i> forwarded by Finance Committee to County Board
Oct. 21	County Board – receive & place on <i>File FY2022 Tentative Budget</i> ; County Board Truth in Taxation Public Hearing (<i>if required</i>)
Nov. 9	Finance Committee forwards <i>Final FY2022 Budget</i> to County Board for approval
Nov. 18	County Board approval of <i>Final FY2022 Budget & FY2022 Tax Levy Ordinance</i>

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 FY2022 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 FY2022 CARF budget:

1. Funding for maintenance scheduled in FY2022 of the County's Facilities Capital Plan, items outlined in the FY2022 Information Technology Plan, and funding for other CARF equipment and items scheduled for replacement in FY2022 on a case by case basis due to funding constraints and qualifying projects allowed by the American Rescue Plan and other special revenue resources
2. An estimated calculation of full reserve funding required for future CARF replacement schedules

County Executive's Budget Guidance for County Departments

General Corporate Fund Budget Requests

Considerations for preparing the budget include:

1. Is the county meeting its fiduciary obligation to the public?
2. Is the county meeting its statutory obligations to the public?
3. Are budgeted items tied to effective and efficient department operations and/or specific strategic planning goals?
4. How will budgeted investments impact other priorities of the county?
5. What level of service can the public expect for this level of budget support?

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 strategic planning information including alignment with the County's Strategic Plan, and specific fund objectives and anticipated performance indicators

Budget documents for all departments 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 the non-bargaining salary increase and prepared with 94.5% of anticipated health insurance expenditures based on enrollment at the time of budget preparation to account for turnover savings in the General County Budget).

Budget Increase Requests

Requests for budget increases must be submitted in separate documents and include:

1. A detailed explanation for the reason a budget increase is being requested
2. A detailed breakdown of the increase requested by budget line
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
5. Whether the request can be deferred to a future fiscal year, and if so, when
6. Will this be a one-time or recurring expense?

The American Rescue Plan funding will result in the ability for the county to recover lost revenues from the pandemic, to assist individuals and businesses in the county as they recover from the pandemic and to invest significantly in county infrastructure projects. Departments may propose priorities for possible one-time appropriations that will save in long-term costs, leverage additional resources, fulfill the county's strategic goals or significantly improve departments for future operations.

I look forward to working with other county officials and the Board on a challenging and exciting 2022 County Budget.