

# **FINANCE COMMITTEE AGENDA**

**Called by:** Jaime Salgado, Chairman

**Members:** Steve Schultz, John

Butitta, Paul Arena, Joe Hoffman,

Jean Crosby, Keith McDonald

**DATE:** THURSDAY, JULY 7, 2022

**TIME:** **5:30 PM**

**LOCATION:** ROOM 303

COUNTY ADMINISTRATION BLDG

404 ELM STREET

ROCKFORD, IL 61101

## **AGENDA:**

A. Call to Order

B. Roll Call

C. Approval of April 21, 2022 Minutes

D. Public Comment – This is the time we invite the public to address the Finance Committee with issues and concerns. We ask you to limit your comments to three minutes. Personal attacks or inappropriate language of any sort will not be tolerated. We will allow a maximum of five speakers on a first come basis with sign up at the meeting. Speakers may not address zoning matters which are pending before the ZBA, the Zoning Committee or the County Board. Personnel matters or pending or threatened litigation may not be addressed in open session. An individual may speak a maximum of three times per calendar year on the same topic. This prohibition shall include the repetition of the same topic in a statement on what is purported to be a different topic. After acknowledgement by the chair, please stand and state your name. Thank you.

E. Discussion Item Bond Refinance (David Rickert)

F. Resolution Amending the Fiscal Year 2023 Budget Policy

G. Resolution Authorizing Settlement of Pending Litigation (William Pillion v. Winnebago County et al.)

H. Future Agenda Items

I. Adjournment

# **Approval of Minutes**

**Winnebago County Board  
Finance Committee Meeting**  
County Administration Building  
404 Elm Street, Room 303  
Rockford, IL 61101

Thursday, April 21, 2022  
Immediately Following Operations and Administrative Committee

**Present:**

Jaime Salgado, **Chairman**  
John Butitta  
Paul Arena  
Joe Hoffman  
Jean Crosby  
Keith McDonald

**Absent:**

Steve Schultz

**Others Present:**

Pat Thompson, County Administrator  
Dave Rickert, Chief Financial Officer  
Lafakeria Vaughn, State's Attorney's Office  
Tami Goral, Sheriff's Office  
Molly Terrinoni, Finance Director  
Ann Johns, Purchasing Director  
Dan Magers, IT Department  
Tim Nabors, County Board Member  
Rick Ciganek, Sheriff's Office  
John Rader, Baker Tilly

**AGENDA:**

- A. Call to Order
- B. Roll Call
- C. Approval of January 6 and 20 and February 3, 2022 Minutes
- D. Public Comment – This is the time we invite the public to address the Finance Committee with issues and concerns. We ask you to limit your comments to three minutes. Personal attacks or inappropriate language of any sort will not be tolerated. We will allow a maximum of five speakers on a first come basis with sign up at the meeting. Speakers may not address zoning matters which are pending before the ZBA, the Zoning Committee or the County Board. Personnel matters or pending or threatened litigation may not be addressed in open session. An individual may speak a maximum of three times per calendar year on the same topic. This prohibition shall include the repetition of the same topic in a statement on what is purported to be a different topic. After acknowledgement by the chair, please stand and state your name. Thank you.
- E. Discussion Item - Auditors Report Baker Tilly
- F. Discussion Item - ARP Phase III
- G. Ordinance for the Approval of Budget Amendment for Transfer from General Fund to Special Revenue Funds
- H. Ordinance for the Approval of Budget Amendment to Change Part-Time Administrative Assistant to Full-Time Administrative Assistant
- I. Ordinance for the Approval of Budget Amendment to Hire an Emergency Services and Disaster Agency (ESDA) Coordinator
- J. Ordinance for the Approval of Budget Amendment Adding Administrative Assistant Position in Corrections Administration
- K. Resolution Awarding Elevator Electrical Services Modernization for the Administration Building
- L. Resolution to Grant ARP Funding to the AARC at Booker Center for Capital Repairs
- M. Other Matters
- N. Adjournment

Chairman Salgado called the meeting to order at 5:49 PM.

**Motion to approve the minutes of January 6 and 20 and February 3, 2022**

Moved: Mr. Hoffman, Seconded: Ms. Crosby.

Motion passed by unanimous voice vote.

**Public Comment**

- Mr. Wilson spoke about the AARC at Booker Washington Community Center.

**Discussion Item - Auditors Report Baker Tilly**

- A discussion followed.

**Resolution to Grant ARP Funding to the AARC at Booker Center for Capital Repairs**

Motion by Ms. Crosby and Seconded by Ms. Redd and Mr. Hoffman.

- A discussion followed.

Motion to amend was moved by Mr. Arena and Seconded by Ms. Crosby to remove paragraph 1.

Motion passed by unanimous voice vote.

- A discussion followed.

Mr. Salgado – Back to the original, approving the Resolution as amended.

Motion passed by unanimous voice vote.

**Discussion Item - ARP Phase III**

- A discussion followed.

**Ordinance for the Approval of Budget Amendment for Transfer from General Fund to Special Revenue Funds**

Motion by Ms. Crosby and Seconded by Mr. Hoffman.

- A discussion followed.

Motion passed by unanimous voice vote.

**Ordinance for the Approval of Budget Amendment to Change Part-Time Administrative Assistant to Full-Time Administrative Assistant**

Motion by Ms. Crosby and Seconded by Mr. McDonald.

- A discussion followed.

Motion passed by unanimous voice vote.

**Ordinance for the Approval of Budget Amendment to Hire an Emergency Services and Disaster Agency (ESDA) Coordinator**

Motion by Mr. Arena and Seconded by Mr. McDonald.

- A discussion followed.

Motion passed by unanimous voice vote.

**Ordinance for the Approval of Budget Amendment Adding Administrative Assistant Position in Corrections Administration**

Motion by Mr. Hoffman and Seconded by Ms. Crosby.

- A discussion followed.

Motion passed by unanimous voice vote.

**Resolution Awarding Elevator Electrical Services Modernization for the Administration Building**

Motion by Mr. Hoffman and Seconded by Ms. Crosby.

- A discussion followed.

Motion passed by unanimous voice vote with the exception of one vote.

**Other Matters**

None

**Motion to adjourn.** Moved: Mr. Hoffman, Seconded: Ms. Crosby.

Motion passed by unanimous voice vote.

Respectfully submitted,

Amy Ferling  
Administrative Assistant

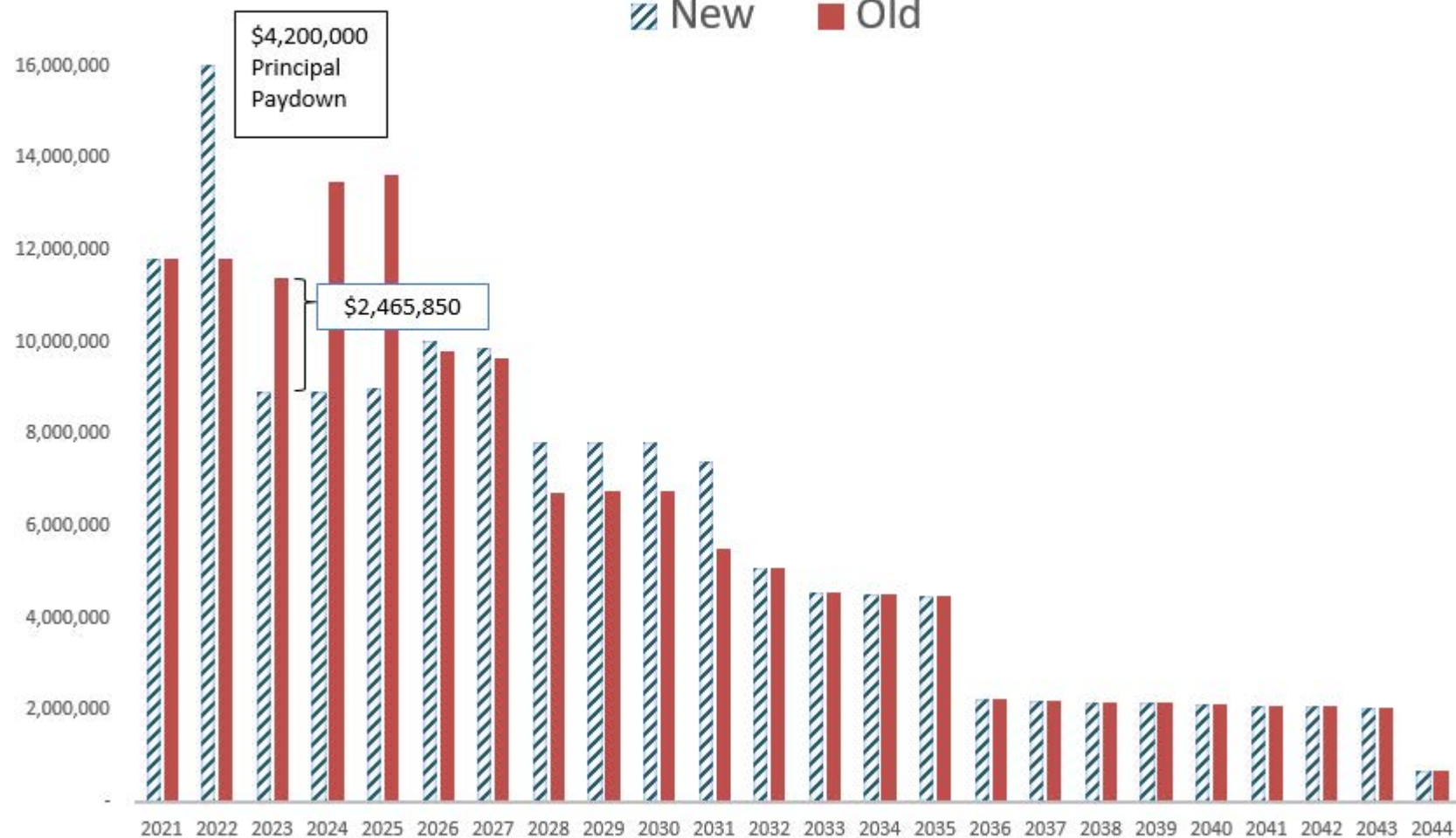
Dear Members of the Finance Committee,

As you may recall, I provided an aggregate net reserve calculation on June 2<sup>nd</sup>. That amount was \$8,479,490. At the June 16th meeting of the Finance Committee Mr. Schultz requested a recalculation of a proposed bond refinance that included consideration for a principal pay down. The attached chart represents what a refinance of the 2013A bonds with a \$4,200,000 principal pay down would look like. Please let me know your thoughts. This would leave us with \$4,200,000 less debt, a \$4,279,490 aggregate net reserve surplus and I would assume an increase in our credit rating from Aa3 to Aa2. Not to mention an additional \$2,465,850 in our 2023 budget. Please share with me your thoughts.

Reserve Calculation as of 6/2/2022		
	General Fund	Public Safety Sale Tax
Balance	39,349,684	4,815,556
Less Restricted Funds	13,000,000	0
Net Fund Balance	26,349,684	4,815,556
Less Reserve Requirement	14,472,500	8,213,250
Net Reserve Surplus	11,877,184	(3,397,694)
<b>Aggregate Net Reserve Surplus</b>	<b>\$</b>	<b>8,479,490</b>

# BOND PRINCIPLE AND INTEREST PAYMENTS WITH A REFINANCE

New Old





# Resolution Executive Summary

**Prepared By:** David J. Rickert  
**Committee:** Finance Committee  
**Committee Date:** 7-7-2022  
**Resolution Title:** Resolution Amending the Fiscal Year 2023 Budget Policy  
**County Code:** N\A  
**Board Meeting Date:** 7-14-2022

**Budget Information:**

<b>Was item budgeted?</b> N\A	<b>Appropriation Amount:</b> N\A
<b>If not, explain funding source:</b> N\A	
<b>ORG/OBJ/Project Code:</b> N\A	<b>Budget Impact:</b> N\A

**Background Information:** The County's budget process is governed by Illinois Compiled Statutes (55 ILCS 5/6) and Winnebago County Board Policies. In addressing concerns for maintaining financial strength while protecting the interest of the taxpayer, the County Board is implementing the following directives for the development of the fiscal year 2023 budget

**Recommendation:** Administration supports this resolution

**Contract/Agreement:** N/A

**Legal Review:** N/A

**Follow-Up:** N/A



**2022 Fiscal Year**

Sponsored by:  
Jaime Salgado, Finance Committee Chairman

Finance:	July 7, 2022
Lay Over:	July 14, 2022
<b>Final Vote:</b>	<b>July 28, 2022</b>

**2022 CO**

**TO:** THE HONORABLE BOARD MEMBERS OF THE COUNTY OF WINNEBAGO, ILLINOIS

**RESOLUTION AMENDING FISCAL YEAR 2023 BUDGET POLICY**

**WHEREAS**, the County Board wishes to adopt a budgetary process for use in the 2023 fiscal year; and

**WHEREAS**, the County Administration has created a process based on sound financial principals for use in the 2023 fiscal year.

**NOW, THEREFORE, BE IT RESOLVED**, by the County Board of the County of Winnebago, Illinois that it adopts the budgetary process presented by the County Administration for the 2023 fiscal year, a copy of which policy is attached to this Resolution as Exhibit A.

**BE IT FURTHER RESOLVED** that this Resolution shall be in full force and effect immediately upon its adoption.

**BE IT FURTHER RESOLVED**, that the Clerk of the County Board is hereby authorized to prepare and deliver certified copies of this Resolution to the County Board Chairman and all County department heads.

Respectfully Submitted,  
**FINANCE COMMITTEE**

**(AGREE)**

**(DISAGREE)**

\_\_\_\_\_  
JAIME SALGADO,  
FINANCE CHAIRMAN

\_\_\_\_\_  
JAIME SALGADO,  
FINANCE CHAIRMAN

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JEAN CROSBY

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JEAN CROSBY

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JOE HOFFMAN

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JOE HOFFMAN

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PAUL ARENA

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PAUL ARENA

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STEVE SCHULTZ

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STEVE SCHULTZ

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KEITH McDONALD

\_\_\_\_\_  
KEITH McDONALD

\_\_\_\_\_  
JOHN BUTITTA

\_\_\_\_\_  
JOHN BUTITTA

The above and foregoing Resolution was adopted by the County Board of the County of

Winnebago, Illinois this \_\_\_\_ day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
JOSEPH CHIARELLI  
CHAIRMAN OF THE COUNTY BOARD  
OF THE COUNTY OF WINNEBAGO, ILLINOIS

ATTESTED BY:

\_\_\_\_\_  
LORI GUMMOW  
CLERK OF THE COUNTY BOARD  
OF THE COUNTY OF WINNEBAGO, ILLINOIS

## **Winnebago County Fiscal Year 2022 Budget Policy**

Winnebago County Government operates on policies designed to protect the County's assets and taxpayers' interests, provide guidance to employees, and serve the public efficiently. It is the intent that the policy statements be used to avoid conflicting goals or activities, which may have a negative impact on the overall financial position of the County. The County's system of internal accounting controls is designed to provide reasonable assurance that the financial records are reliable for preparing financial statements and maintaining accountability for assets and obligations.

The County's budget process is governed by Illinois Compiled Statutes (55 ILCS 5/6) and Winnebago County Board Policies. In addressing concerns for maintaining financial strength while protecting the interest of the taxpayer, the County Board is implementing the following directives for the development of the fiscal year 2022 budget:

### **Financial Strength**

The County has been significantly impacted financially by the COVID-19 crisis. Revenues have been and will be reduced due to stay at home orders, business closings, unemployment and other factors. The fund balances in the General and 1% Public Safety Sales Tax Funds are below the 90 day reserve amount in fiscal year 2021. Fund balances in other non-general funds have also seen significant reductions due to the COVID crisis and will be impacted in future years as well.

### **Budget Submittal**

Elected Officials and Department Heads shall be provided budget worksheets with existing levels of funding. Based on revenue estimates for the current and next fiscal year, funding levels may be reduced from the current year's appropriations. Elected Officials and Department Heads are encouraged to analyze all services and programs for the cost of the programs, citizen demand, and mandated by Federal, State or County law. Elected Officials and Department Heads must provide position descriptions and corresponding wages to support the salary line items included in the budget worksheet. There is no guarantee staffing will remain at current levels.

## **Supplemental Requests**

Due to anticipated revenue shortfalls in the 2022 budget year no additional funding will be provided during the budget preparation process. Exceptions may be considered by the County Administrator on a case by case basis. Departments with contractual agreements may be required to make budget adjustments in order to meet contractual obligations.

## **Federal and State Funded Programs**

In the event of loss of Federal or State funding and/or reimbursement for specific services, it is understood that Department/Elected Official will be expected to either reduce funded services or identify other reductions/revenue increases to offset the losses. Exceptions will be addressed on a case by case basis.

## **User Fees and Charges**

All user fees and charges should be reviewed by County Administration, Elected Officials and Appointed Department Heads on an annual basis to ensure the fee collected is covering the cost of service provided (subject to State Statutes).

The County charges user fees for items and services which benefit a specific user more than the general public. State statutes or an indirect cost study determines user fees. Fee studies based on costs are conducted as needed to determine the level of fees needed to equal the total cost of providing the service.

## **Revenue Estimations**

The County will project annual revenues on a conservative analytical basis to protect it from short-run fluctuations in any one revenue source. In instances where the County is providing non-mandated services and the revenue stream(s) is/are not covering the costs of said services, direction will be requested by County Administration from the reporting Liaison Committee (and if necessary the full County Board) on whether said service should be allowed to continue and supplemented with County funds.

Nonrecurring (one-time) revenue sources will be used for operations unless directed for a specific use by the County Board.

## **Consumer Price Index**

Winnebago County is mandated to follow the Illinois Property Tax Extension Limitation Law (PTELL) by the State of Illinois. PTELL allows governing bodies the ability to cover

the costs of inflationary increases incurred in their day to day operations by increasing their previous year's extension by the CPI or 5%, whichever is smallest. For fiscal year 2022 the CPI is 1.4%. During the budget process, County Administration will present the increases available if the County Board chooses to capture new growth and/or to utilize the CPI increase authorized under PTELL in the calculation of property tax revenues when developing the fiscal year 2022 budget. The Finance Committee will inform the Chief Financial Officer of the amount of the levy to include in the budget document.

## **Fund Reserves**

It shall be the intent of the County Board to maintain an unrestricted (total of unassigned) fund balance equal to three months of budgeted operating expenditures.

Given the impact of the COVID-19 in fiscal year 2020 and 2021 fund balances have dropped below the 90 day (3 month) reserve level in the General and Public Safety Sales Tax Fund. It should be the objective of the 2022 Budget Policy to increase fund balances back to the 90 day reserve level.

## **Alternative Service Delivery & Outsourcing**

Many forms of government are looking at new methodologies in providing needed services while controlling costs. The County Board is requesting all Department Heads and Elected Officials to review the cost of service delivery within their departments and to consider other cost saving options. Below is a brief narrative of methods being considered:

- Outsourcing - The organization utilizes an outside contractor to provide the service. Costs still exist for the organization, but if done correctly should be lower than providing the service with in-house employees.
- Privatization - The organization sells the operation's assets and walks away from the service responsibility. Eliminates all future cost to the organization.

## **Wage Adjustments**

The Finance Committee will provide the County Administrator the non-union employee wage increase rate to include in the budget document. The Finance Committee will make a recommendation no later than the 1st Finance Committee meeting in June.

## **Priorities**

Direction is hereby given to the County Administrator to create the fiscal year 2022 budget with the following priorities:

1. Debt service payments required
2. Contractual payments based on lease agreements, software agreements and other contractual agreements
3. Mandated services at affordable funding levels
4. All operating necessities (Utilities, IMRF, Health Insurance, Liability Insurance)
5. General operating costs to provide services
6. Non-Union employee compensation
7. Capital needs of the organization
8. Meeting the 25% unrestricted reserve requirement of the General Fund and PSST Fund
9. Outside agency funding to include non-obligated Host Fee Grants and local matching grants

The pages that follow provide further definitions and guidelines for the development of the fiscal year 2022 budget, and should be considered as directives from the County Board.

## **Accounting/ Auditing**

State statutes require an annual audit by independent certified public accountants (55 ILCS 5/6-31003). A Comprehensive Annual Financial Report shall be prepared according to the criteria set by the Government Finance Officers Association (GFOA). The County follows Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

## **Accounting and Financial Reporting Policies**

The accounting policies of the County of Winnebago, Illinois will conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB). It shall be the intent of the County to maintain a self-balancing set of accounts on an on-going basis to be closed quarterly. The general ledger will be closed by the Finance department no later than 45 days after month end. The books shall remain open 90 days after the fiscal year end.

It shall be the intent of the County to maintain a program of internal controls to safeguard all assets and ensure effective and efficient use of all assets. It shall be the responsibility of the Finance Director to establish a formal set of "best practice" internal controls. In addition, the County Auditor shall ensure that all departments comply with those controls.

It shall also be the intent for the independent auditor to review the system of internal controls and report any weaknesses detected to the Board as part of the annual audit.

It shall be the intent of the County to utilize fund accounting principles and generally accepted accounting practices in the recording of all financial transactions. The general ledger shall be maintained on a cash basis, with the intent to move to an accrual basis on a quarterly basis. The Finance Committee will be provided with budget versus actual revenue and expenditure reports on a quarterly basis.

It shall be the intent of the County to prepare annually a Comprehensive Annual Financial Report to be presented to the Board no later than 180 days after year-end. The Comprehensive Annual Financial Report should be audited by an independent CPA firm experienced in governmental auditing. It shall be the further intent of the County to present its Comprehensive Annual Financial Report to the Government Finance Officers Association to receive the Certificate of Excellence award in financial reporting. If at any time the County will not receive an unqualified opinion from the CPA firm, the CPA firm and the Finance Director will notify the Board prior to the issuance of the report.

It shall be the intent of the County to maintain a capital asset ledger of all permanent assets acquired. The Finance department will maintain these asset records on an on-going basis to ensure proper controls and report annually regarding these records to the Board. No asset will be considered fixed unless its value or component value exceeds \$12,000 dollars or in the case of infrastructure assets purchased or acquired with an original cost of \$50,000 or more.

Depreciation will be charged on all capital assets. This policy is consistent with the requirements of GASB Statement No. 34. Depreciation will be recorded on a straight-line basis over the normal useful life of the asset.

It shall be the intent of the County to manage all accounts receivable. Accounts receivable are created by operations in certain departments and offices. In general, they arise at the renewal of a permit or license from departments such as Health, River Bluff Nursing Home or Transportation. The department or office that is responsible for the billing is responsible for collections and managing receivables. Consistent with good financial management, each department and office will age their receivables. Departments and Offices shall continue collection efforts.

It is the intent of the County to comply with the modified accrual basis of accounting, in which revenues are recorded when they are both measurable and available. The County considers revenue to be available if they are collected within 60 days of the end of the current fiscal period for property taxes, 180 days of the end of the current fiscal period for certain health department and County reimbursable grants, and 90 days of the end of the current fiscal period for all other amounts.

### **Appropriation**

All operating funds are appropriated in the "Official Budget". Appropriations will be considered the maximum authorization to incur obligations and not a mandate to spend.

### **Balanced Budget by Fund**

The intent of the Finance Committee is the budget must balance expenditures against available revenues and fund balance by fund.

### **Budget Presentation**

When an Elected Official/Department Head has completed the required budget forms, a meeting will be scheduled (if necessary) with the County Administrator and Chief Financial Officer to review and ensure budget policy compliance. Concerns and or issues should be addressed by the Department Head/Elected Official at this time. Upon review by County Administrator and Chief Financial Officer, the budget will be scheduled for presentation to the Finance Committee. Meetings will be scheduled with the Finance Committee (if necessary) for individual departments/Elected Official to address the Finance Committee regarding their individual budget requests.

Once the Finance Committee has reviewed departmental budgets, and the recommended supplemental requests have been approved, the budget is moved to the whole board to be placed on public display for a minimum of fifteen (15) days prior to final approval.



## Capital Budget - Long Term

Each Department Head/Elected Official will submit a list of capital needs for the next three years. Funding for a capital plan will be reviewed in conjunction with the annual budget. Submittal of capital needs does not guarantee funding. It should be noted that this budgetary requirement has already been completed for this year in conjunction with the Capital Improvement Plan (CIP).

## Fiscal Year

The County's fiscal year is October 1st through September 30th. (Set by County Board per 55 ILCS 5/6-1-001).

## Grants

The importance of preparing and implementing a proper grant budget cannot be overstated. To inform the County Board of the value of a new grant program, the Board must have full knowledge of the total cost of the program and its funding sources. Too often, grant programs contain hidden costs. [-Additionally, an award may contain conflicting special conditions.](#)

- The County Board's definition of a new grant is:

1. A grant that has not been awarded in the previous year
2. A current grant (or renewal grant) whose financial terms have changed (grant award has increased, decreased, or added a local match, etc.)
3. A grant whose local match financial requirements have changed

- [The County's Definition of a conflicting special condition is:](#)

1. [Any special condition of funding \(outside of standard state/federal conditions\) that may prohibit another department's ability to apply for funding.](#)

- Departments who apply for grants that require a local match must find the local match within their budgets.

- [All grant application budgets must include the 10% \*de minimis\* indirect cost rate.](#)

- Upon notification of a grant award, departments will submit a budget amendment to the Chief Financial Officer to amend the respective budget.

- [Departments who apply for grants must understand the special conditions associated with their funding and inform the County Board of the conditions in the](#)

Resolution, prior to approval. Upon Board acceptance and approval, the Department Head will log each special condition into the Special Conditions System of Register.

- A 2/3<sup>rd</sup> vote of all members constituting the County Board is required to amend department budgets to reflect grant revenues and expenses (55 ILCS 5/6-1003).
- The term "grant" includes any form of funding or reimbursement for County Services from the State, Federal or third party agencies.
- Grants will be controlled at the operating budget level based on the County's fiscal year.
- The grant "operating-budget" will be periodically reviewed by the County Administrator and Finance Director to assure that the revenues and expenditures are consistent with the grant award.
- Revenue grants will be reviewed during the budget process.
- To manage County administrative costs, it shall be County best-practices to create sub-award agreements in amounts that are no lower than \$25,000 per award. Due to the lack of an administrative line item in the Public Safety Sales Tax fund, this amount is no lower than \$50,000 per award.
- Grants will be reviewed semi-annually by the County Administrator or Finance of Director with the Department Head/Elected Official.

### **Investment Policy**

The County Treasurer is responsible for the investing of all Winnebago County funds (55 ILCS 5/3-11006). It is always prudent for any public unit to have an Investment Policy in place for the purpose of safeguarding funds, equitably distributing the investments, and maximizing income of the governmental unit. The following policy is adopted for the Winnebago County Treasurer's Office.

## **Scope of Investment Policy**

This Investment Policy applies to the investment activities of all funds under the jurisdiction of the Winnebago County Treasurer. This Investment Policy will also apply to any new funds or temporary funds placed under the jurisdiction of the Winnebago County Treasurer. The Illinois Compiled Statutes will take precedence except where this policy is more restrictive, wherein this policy will take precedence.

## **Objectives**

The purpose of this Investment Policy of the Winnebago County Treasurer is to establish cash management and investment guidelines for the stewardship of public funds under the jurisdiction of the Winnebago County Treasurer. The specific objectives of this investment policy will be as follows:

1. Safety of Principal.
2. Diversity of investment to avoid unreasonable risks.
3. The portfolio shall remain sufficiently liquid to meet all operating costs, which may be reasonably anticipated.
4. The highest interest rate available will always be the objective of this policy, combined with safety of principal. The Winnebago County Treasurer will require full collateralization of any deposits.
5. In maintaining its investment portfolio, the Winnebago County Treasurer shall avoid any transaction that might impair public confidence in the Winnebago County Treasurer's Office.
6. The Winnebago County Treasurer will give consideration to the financial institutions positive community involvement when consideration is given to the financial institution to be used as a depository.
7. All funds will be invested for a period of one day or longer, depending on the requirement for the disbursement of funds.
8. All funds shall be deposited within two working days at prevailing rates or better, in accordance with Illinois Compiled Statutes.

## **Responsibility**

All investment of funds under the control of the Winnebago County Treasurer is the direct responsibility of the Winnebago County Treasurer. The Winnebago County Treasurer shall be responsible for all transactions and shall establish a system of

controls of the activities of all subordinates who are directly involved in the assistance of such investment activities.

### **Prudence**

The standard of prudence to be used by investment officials shall be the "prudent person," and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for any individual securities credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.

### **Accounting**

All investment transactions shall be recorded by the Winnebago County Treasurer or the Winnebago County Treasurer's staff. A report will be generated, at least monthly, listing all active investments, including information regarding securities in portfolio by class or type, book value, interest earned and market value as of report date. This report will be made available to the Winnebago County Board and Winnebago County Treasurer.

### **Financial Institutions**

The Winnebago County Treasurer will have the sole responsibility to select which financial institutions will be depositories for Winnebago County Treasurer funds. The Winnebago County Treasurer will take into consideration security, size, location, condition, service, fees and the community relations involvement of the financial institution when choosing a financial institution.

At no time will the Winnebago County Treasurer investments exceed 65% of the financial institution's capital and surplus.

All financial institutions having any type of financial relationships: deposit investments, loans, etc., are required to provide a complete and current "Call Report," required by their appropriate regulatory authority each calendar quarter within 30 days of the "Call" request date.

### **Investment Vehicles**

The Winnebago County Treasurer will use investments approved for governmental units as set forth in the most current issue of the Illinois Compiled Statutes.

## **Collateral**

In order to protect the funds of Winnebago County, it will be a standard practice of the Winnebago County Treasurer to require that all deposits in financial institutions be collateralized. Collateral shall be held under the name of Winnebago County. During the term of the deposit, at least 102% collateralization will be required whenever deposits exceed the insured limits of FDIC. The Winnebago County Treasurer will require a signed

Pledge Agreement between Winnebago County, the Financial Institution, and the Holding Company to be on file at all times.

102% of collateralization of the deposit will be required. Only the following collateral will be accepted:

- U.S. Government direct securities
- Obligations of Federal Instrumentalities
- Obligations of the State of Illinois
- Obligations of the County of Winnebago
- Obligations of municipalities located within the County of Winnebago, subject to acceptance by the Winnebago County Treasurer
- Acceptable Collateral as identified in the Illinois Compiled Statutes for use by the Treasurer of the State of Illinois

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the Winnebago County Treasurer's portfolio, pursuant to the Public Funds Investment Act at 30 Illinois Compiled Statutes 235/2.5 and other provisions included in that Act, along with all other Statutes and Constitutional provisions regarding conflicts of interest and ethical considerations.

## **Security Controls**

Only the Winnebago County Treasurer is authorized to establish financial accounts for the office of Winnebago County Treasurer. At all times either the Winnebago County

Treasurer, singly or signatories as designated by the Winnebago County Treasurer, should be authorized to sign on financial accounts of the office of the Winnebago County Treasurer.

### **Adoption**

This investment policy or similar policy has been in effect since January 1, 2021. Last revision March 12, 2021.

### **Risk Management**

The County has an established program for unemployment, liability and workers compensation. To forecast expenditures, the County considers claims, retention levels, fixed costs, and fund reserves.

### **FISCAL YEAR 2022 BUDGET CALENDAR**

Budget Task	Date
Chief Financial Officer and Finance Department to review budget process, refine budget requirements, determine budget calendar and prepare preliminary budget guidelines	Feb 10 <sup>th</sup> – 26 <sup>th</sup>
Finance Committee to authorize distribution of Budget Calendar	March 4 <sup>th</sup>
Finance Committee to approve 2022 Budget Policy & Guidelines	April 1 <sup>st</sup>
County Board to approve 2022 Budget Policy & Guidelines	April 8 <sup>th</sup>
Budget preparation materials are distributed to departments	May 1 <sup>st</sup>
Initial forecast of Fiscal Years 2021 and 2022 with tax levy options to be presented to the Finance Committee	June 3 <sup>rd</sup>
Departments to submit all budget documents to the Chief Financial Officer	June 4 <sup>th</sup>
Departments to submit Budget & Outcome Goals to the Chief Financial Officer	June 8 <sup>th</sup>
Chief Financial Officer and Administrator to review all preliminary budgets with Departments	June 9 <sup>th</sup> – 23 <sup>rd</sup>

Recommended budgets are provided to Department Heads/Elected Officials	June 25 <sup>th</sup>
Finance Committee will review department budget presentations (1-2)	July 1 <sup>st</sup>
* Finance Committee will review department budget presentations (2-2) (if necessary)	July 15 <sup>th</sup>
Budget to be reviewed by Chairman, Administrator and Chief Financial Officer	July 19 <sup>th</sup> – 23 <sup>rd</sup>
County Administrator to present recommended budget to the Committee of the Whole	Aug 5 <sup>th</sup>
* Finance Committee to make recommended budget changes (if necessary)	Aug 12 <sup>th</sup>
Truth in Taxation Hearing (if needed)	Aug 26 <sup>th</sup>
County Board to place balanced Proposed Budget on public display	Aug 26 <sup>th</sup>
County Board to adopt the appropriation and tax levy ordinance/budget	Sept 23 <sup>rd</sup>
* Delineates a special Finance Committee meeting	

Prior to adoption but after the County Board places the budget draft on public display, the draft budget may be amended in the following way:

It is recommended that all requests for amendment to the draft budget be submitted to the Chief Financial Officer, in writing, no less than ten (10) days prior to the County Board meeting scheduled to adopt the budget. The Chief Financial Officer will review the amendment to the draft budget to ensure it is presented in a clear and appropriate manner. The amendment to the draft budget will be provided to the Finance Committee for their recommendation. The Finance Committee recommendations will be presented to the County Board prior to the adoption of the budget.

### **Budget Amendment process (after adoption by the Board):**

All requests for budget amendments must start with a completed Budget Amendment Form (accessed on the Finance Department page of the County website) submitted to the Chief Financial Officer, who upon review will work with the requesting department head in preparing an ordinance (if required) in the County Board approved format for committee and board presentation.

- The County Board must approve all transfers of budgets between departments or funds by a 2/3<sup>rd</sup> majority vote (14) of the County Board. (Transfers may not be made from certain special purpose funds to other funds).
- Additional (emergency) appropriations must also be approved by a 2/3<sup>rd</sup> majority vote (14) of the County Board.
- Line item transfers between object-class-level, which is the budgetary level of control over expenditures, may be approved by the Chief Financial Officer, provided the total amount appropriated by the County Board for the respective department (org code) is not exceeded.
- The Chief Financial Officer and the County Administrator during the normal course of the budget preparation process may make budget revisions prior to the final board approval of the budget. It should be noted that budget revisions made after the first reading but before final passage shall be posted both in the County Clerks and on the county's website. These revisions shall also include a version number and date of revision.





## Resolution Executive Summary

**Prepared By:** Lafakeria S. Vaughn  
**Committee:** Finance Committee  
**Committee Date:** July 7, 2022  
**Resolution Title:** Resolution Authorizing Settlement of Pending Litigation (William Pillion v. Winnebago County et al.)  
**County Code:** Not Applicable  
**Board Meeting Date:** July 14, 2022

### Budget Information:

<b>Was item budgeted?</b> Yes	<b>Appropriation Amount:</b> \$52,000
<b>If not, explain funding source:</b> N/A	
<b>ORG/OBJ/Project Code:</b>	<b>Budget Impact:</b> Within budgeted amount

**Background Information:** Settlement of claims by the Plaintiff against Winnebago County and Sheriff Office Defendants.

**Recommendation:** Staff concurs

**Contract/Agreement:** N/A

**Legal Review:** Legal review conducted by the State's Attorney's Office

**Follow-Up:** N/A

**RESOLUTION  
OF THE  
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2022 CR \_\_\_\_\_

SUBMITTED BY: FINANCE COMMITTEE

SPONSORED BY: JAIME SALGADO

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**RESOLUTION AUTHORIZING SETTLEMENT OF PENDING LITIGATION (William  
Pillion v. Winnebago County et al.)**

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**WHEREAS**, *William Pillion v. Winnebago County et al.*) is a pending civil action against Winnebago County and Sheriff Office Defendants, filed in the United States District Court for the Northern District of Illinois, as case number 3:22-cv-50055; and

**WHEREAS**, the Plaintiff therein have agreed to settle all claims he has against the County and all officials, agents and employees, for the sum of Fifty-Two Thousand Dollars (\$52,000.00); and

**WHEREAS**, the Finance Committee, after having reviewed the facts and circumstances of the aforementioned case and after having conferred with the Winnebago County State's Attorney, through his assistant, has determined it is in the best interests of the citizens of Winnebago County to settle this case on the terms set forth above.

**NOW, THEREFORE BE IT RESOLVED**, by the County Board of the County of Winnebago, Illinois that the Winnebago County State's Attorney is hereby authorized to settle the aforementioned lawsuit by paying the Plaintiff therein the sum of Fifty-Two Thousand Dollars (\$52,000.00).

**BE IT FURTHER RESOLVED**, that the Winnebago County Treasurer, Winnebago County Clerk, and Winnebago County Finance Department are authorized and directed to prepare and deliver to the Winnebago County State's Attorney one or more County Warrants totaling Fifty-Two Thousand Dollars (\$52,000.00); payable as directed by the State's Attorney.

**BE IT FURTHER RESOLVED**, that this Resolution shall be in full force and effect immediately upon its adoption.

**Respectfully submitted,**

**FINANCE COMMITTEE**

**AGREE**

\_\_\_\_\_  
Jaime Salgado, Chairman

\_\_\_\_\_  
Steve Schultz

\_\_\_\_\_  
John Butitta

\_\_\_\_\_  
Paul Arena

\_\_\_\_\_  
Joe Hoffman

\_\_\_\_\_  
Jean Crosby

\_\_\_\_\_  
Keith McDonald

**DISAGREE**

\_\_\_\_\_  
Jaime Salgado, Chairman

\_\_\_\_\_  
Steve Schultz

\_\_\_\_\_  
John Butitta

\_\_\_\_\_  
Paul Arena

\_\_\_\_\_  
Joe Hoffman

\_\_\_\_\_  
Jean Crosby

\_\_\_\_\_  
Keith McDonald

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois, this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Joseph V. Chiarelli, Chairman of the  
County Board of the  
County of Winnebago, Illinois

ATTEST:

\_\_\_\_\_  
Lori Gummow, Clerk of the  
County Board of the  
County of Winnebago, Illinois