

# Committee of the Whole

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June 11, 2013  
Handouts

1. Item VII-A-11-Fine Arts Review Committees Application
2. Item VII-C-1 –communication Regarding the DDB size
3. Item VIII-F-1&2 – FY2013 General Corporate Fund Projection Report and Change Reports
4. Item VIII-F-4 – Memo Regarding Amendment to ILPP Contract
5. Item VIII-F-5 – Preliminary Fee Review for the Offices of the County Clerk, Recorder, and Sheriff

**CHAMPAIGN COUNTY APPOINTMENT REQUEST FORM**

**PLEASE TYPE OR PRINT IN BLACK INK**

**NAME:** ROBIN HALL

**ADDRESS:** 405 N. ABBEY ROAD URBANA IL 61802  
Street City State Zip Code

**EMAIL:** rrh1@comcast.net **PHONE:** 217 367-1830

Check Box to Have Email Address Redacted on Public Documents

**NAME OF APPOINTMENT BODY OR BOARD:** Parkland art project

**BEGINNING DATE OF TERM:** \_\_\_\_\_ **ENDING DATE:** \_\_\_\_\_

The Champaign County Board appreciates your interest in serving your community. A clear understanding of your background and philosophies will assist the County Board in establishing your qualifications. Please complete the following questions by typing or legibly printing your response. **IN ORDER TO BE CONSIDERED FOR APPOINTMENT, OR REAPPOINTMENT, A CANDIDATE MUST COMPLETE AND SIGN THIS APPLICATION.**

1. What experience and background do you have which you believe qualifies you for this appointment/reappointment?

Planned and developed the Wandell Sculpture Garden at Meadowbrook Park.  
~~Was on planning committee for the development of the Urbana Arts Commission.~~  
Chaired the Urbana Arts Commission.  
~~Currently serve on the Board of the Public Art League of Champaign County. (PAL)~~

2. What do you believe is the role of a trustee/commissioner/board member and how do you envision carrying out the responsibilities of that role?

Work on the selection committee for art at the two new buildings on the Parkland campus.

3. What is your knowledge of the appointed body's operations, specifically property holdings and management, staff, taxes, fees?

Will learn more as committee commences with meetings

## Alan Kurtz

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**From:** Philip Krein [ptkrein@gmail.com]  
**Sent:** Monday, June 10, 2013 2:58 PM  
**To:** Alan Kurtz  
**Subject:** CCDDDB

Dear Mr. Kurtz,

I am pleased to hear that the Champaign County Board will be discussing expansion of the Champaign County Developmental Disabilities Board (CCDDDB) to five appointed members this evening at the Committee of the Whole. Developmental disabilities span a wide range and affect hundreds and perhaps thousands of families in our local communities. The needs continue to expand. Equally important, with the right services we can expand our expectations for people with developmental disabilities. I have met many such people, and they are eager and anxious to be productive, contributing citizens. Unfortunately, Illinois has not been a leader in implementing best practices and meeting basic federal standards for these citizens. It is hard for a small board to keep up with best practices, represent the diversity of needs, provide a focal point, and serve a leadership role to leverage local resources. I firmly believe that a larger CCDDDB will be better able to track best practices, encourage collaboration in the county and the region, rally volunteer groups, raise our expectations, and enhance our ability to deliver. In this era of resource limits, we need the best ideas and a broad set of inputs to get the best return on the county's investment. Expansion of the CCDDDB to five members is a positive step, and I encourage it in the strongest terms.

Philip Krein  
Champaign

**FY2013 General Corporate Fund Revenue Projection Report**

|                                | 6/11/2013 | FY2012<br>Actual<br>5/31/2012 | FY2012<br>Actual<br>12/31/2012 | FY2013<br>BUDGET<br>12/1/2012 | FY2013<br>YTD<br>5/31/5013 | Projected<br>% to be<br>Received | Projected<br>\$ to be<br>Received | \$ Difference<br>to Original<br>Budget |
|--------------------------------|-----------|-------------------------------|--------------------------------|-------------------------------|----------------------------|----------------------------------|-----------------------------------|--|
| <b>SIGNIFICAN REVENUE</b>      |           |                               |                                |                               |                            |                                  |                                   |  |
| PROPERTY TAXES (CURRENT)       |           | \$2,072,357                   | \$8,255,678                    | \$8,686,118                   | \$1,021,770                | 98%                              | \$8,522,918                       | -\$163,200                             |
| PROPERTY TAXES (BACK)          |           | \$0                           | \$12,844                       | \$5,200                       | \$0                        | 100%                             | \$5,200                           | \$0                                    |
| MOBILE HOME TAXES              |           | \$0                           | \$9,116                        | \$8,500                       | \$0                        | 100%                             | \$8,500                           | \$0                                    |
| PAYMENT IN LIEU OF TAXES       |           | \$0                           | \$1,345                        | \$4,500                       | \$2,241                    | 100%                             | \$4,500                           | \$0                                    |
| COUNTY HOTEL/MOTEL TAX         |           | \$7,644                       | \$26,177                       | \$21,000                      | \$9,962                    | 134%                             | \$28,073                          | \$7,073                                |
| COUNTY AUTO RENTAL TAX         |           | \$12,160                      | \$29,933                       | \$30,000                      | \$10,805                   | 104%                             | \$31,132                          | \$1,132                                |
| PENALTIES ON TAXES             |           | \$25,050                      | \$694,211                      | \$677,000                     | \$17,744                   | 100%                             | \$678,914                         | \$1,914                                |
| BUSINESS LICENSES & PERMITS    |           | \$34,745                      | \$37,364                       | \$40,500                      | \$18,002                   | 100%                             | \$40,500                          | \$0                                    |
| NON-BUSINESS LIC. & PERMITS    |           | \$585,519                     | \$1,410,816                    | \$1,195,425                   | \$587,834                  | 122%                             | \$1,461,313                       | \$265,888                              |
| FEDERAL GRANTS                 |           | \$173,143                     | \$391,947                      | \$423,762                     | \$179,658                  | 100%                             | \$423,762                         | \$0                                    |
| STATE GRANTS                   |           | \$116,448                     | \$203,962                      | \$197,410                     | \$105,608                  | 100%                             | \$197,410                         | \$0                                    |
| <b>STATE SHARED REVENUE</b>    |           |                               |                                |                               |                            |                                  |                                   |  |
| CORP. PERS. PROP. REPL. TAX    |           | \$368,810                     | \$688,933                      | \$782,641                     | \$662,277                  | 106%                             | \$831,052                         | \$48,411                               |
| 1% SALES TAX (UNINCORPOR.)     |           | \$440,607                     | \$1,043,741                    | \$1,155,478                   | \$461,480                  | 103%                             | \$1,187,502                       | \$32,024                               |
| 1/4% SALES TAX (ALL COUNTY)    |           | \$2,130,259                   | \$5,158,766                    | \$5,389,687                   | \$2,174,556                | 98%                              | \$5,296,614                       | -\$93,073                              |
| USE TAX                        |           | \$206,390                     | \$494,737                      | \$495,626                     | \$224,094                  | 105%                             | \$519,839                         | \$24,213                               |
| INHERITANCE TAX                |           | \$156,452                     | \$328,274                      | \$0                           | \$0                        | 0%                               | \$0                               | \$0                                    |
| STATE REIMBURSEMENT            |           | \$320,762                     | \$674,978                      | \$1,320,153                   | \$1,298,739                | 100%                             | \$1,320,153                       | \$0                                    |
| SALARY REIMBURSEMENT           |           | \$247,223                     | \$422,714                      | \$307,471                     | \$147,788                  | 100%                             | \$307,471                         | \$0                                    |
| STATE REV./SALARY STIPENDS     |           | \$12,128                      | \$48,500                       | \$48,500                      | \$9,208                    | 100%                             | \$48,500                          | \$0                                    |
| INCOME TAX                     |           | \$1,255,071                   | \$2,948,008                    | \$2,870,635                   | \$1,207,630                | 98%                              | \$2,812,740                       | -\$57,895                              |
| CHARITABLE GAMES/LICENSE       |           | \$0                           | \$0                            | \$0                           | \$15,742                   | 100%                             | \$37,782                          | \$37,782                               |
| OFF-TRACK BETTING              |           | \$21,010                      | \$47,200                       | \$55,000                      | \$18,953                   | 83%                              | \$45,678                          | -\$9,322                               |
| POLICE TRAINING REIMBURSEMENT  |           | \$20,365                      | \$20,365                       | \$25,472                      | \$0                        | 100%                             | \$25,472                          | \$0                                    |
| LOCAL GOVERNMENT REVENUE       |           | \$275,285                     | \$569,615                      | \$535,580                     | \$244,847                  | 106%                             | \$570,175                         | \$34,595                               |
| LOCAL GOVERNMENT REIMBURSE.    |           | \$220,375                     | \$563,306                      | \$563,182                     | \$249,326                  | 116%                             | \$653,819                         | \$90,637                               |
| GENERAL GOVERNMENT             |           | \$1,699,478                   | \$4,113,942                    | \$4,196,398                   | \$1,714,975                | 101%                             | \$4,218,156                       | \$21,758                               |
| FINES                          |           | \$404,542                     | \$1,014,698                    | \$1,017,000                   | \$417,690                  | 100%                             | \$1,018,049                       | \$1,049                                |
| FORFEITURES                    |           | \$6,613                       | \$28,878                       | \$30,000                      | \$3,142                    | 92%                              | \$27,453                          | -\$2,547                               |
| INTEREST EARNINGS              |           | \$3,928                       | \$14,553                       | \$14,400                      | \$2,313                    | 55%                              | \$7,944                           | -\$6,456                               |
| RENTS & ROYALTIES              |           | \$251,691                     | \$584,808                      | \$591,514                     | \$254,018                  | 96%                              | \$570,280                         | -\$21,234                              |
| GIFTS & DONATIONS              |           | \$10,687                      | \$12,687                       | \$7,500                       | \$9,929                    | 132%                             | \$9,929                           | \$2,429                                |
| OTHR FIN. SOURCES--FIX. ASSETS |           | \$12,708                      | \$27,104                       | \$4,000                       | \$18,534                   | 463%                             | \$18,534                          | \$14,534                               |
| OTHR. MISC. REVENUE            |           | \$38,807                      | \$91,262                       | \$79,105                      | \$117,220                  | 182%                             | \$144,220                         | \$65,115                               |
| INTERFUND TRANSFERS            |           | \$517,509                     | \$1,495,136                    | \$1,329,440                   | \$346,648                  | 100%                             | \$1,329,440                       | \$0                                    |
| INTERFUND REIMBURSEMENTS       |           | \$6,028                       | \$402,997                      | \$413,903                     | \$4,926                    | 100%                             | \$413,903                         | \$0                                    |
| OTHER FINANCING SOURCES        |           |                               |                                |                               |                            |                                  |                                   |  |
| <b>TOTALS</b>                  |           | <b>\$11,653,794</b>           | <b>\$31,868,595</b>            | <b>\$32,522,100</b>           | <b>\$11,557,660</b>        | <b>101%</b>                      | <b>\$32,816,927</b>               | <b>\$294,827</b>                       |

**FY2013 General Corporate Fund Expenditure Projection Report**

| SIGNIFICANT EXPENDITURE<br>LINE ITEMS/CATEGORIES | FY2012<br>YTD<br>5/31/2012 | FY2012<br>FINAL<br>12/31/2012 | FY2013<br>BUDGET<br>12/1/2012 | FY2013<br>YTD<br>5/31/2013 | PROJECTED<br>% TO BE<br>SPENT | PROJECTED<br>\$ TO BE<br>SPENT | \$ Difference<br>to Original<br>BUDGET<br>(+/-) |
|--|----------------------------|-------------------------------|-------------------------------|----------------------------|-------------------------------|--------------------------------|---|
| <b>PERSONNEL</b>                                 |                            |                               |                               |                            |                               |                                |   |
| Regular Salaries & Wages                         | \$5,676,153                | \$12,804,410                  | \$13,167,485                  | \$6,156,949                | 97.26%                        | \$12,806,453                   | -\$361,032                                      |
| SLEP Salaries                                    | \$3,093,005                | \$6,946,772                   | \$7,354,343                   | \$3,546,816                | 98.24%                        | \$7,225,098                    | -\$129,245                                      |
| SLEP Overtime                                    | \$127,335                  | \$371,447                     | \$456,685                     | \$153,242                  | 69.79%                        | \$318,743                      | -\$137,942                                      |
| Fringe Benefits                                  | \$1,344,084                | \$2,625,138                   | \$2,733,105                   | \$1,353,932                | 99.08%                        | \$2,707,864                    | -\$25,241                                       |
| <b>COMMODITIES</b>                               |                            |                               |                               |                            |                               |                                |   |
| Postage  | \$144,006                  | \$237,503                     | \$243,848                     | \$116,763                  | 81.11%                        | \$197,792                      | -\$46,056                                       |
| Purchase Document Stamps                         | \$360,000                  | \$870,000                     | \$748,150                     | \$440,000                  | 126.75%                       | \$948,300                      | \$200,150                                       |
| Gasoline & Oil                                   | \$95,930                   | \$236,781                     | \$251,039                     | \$100,231                  | 108.15%                       | \$271,498                      | \$20,459  |
| All Other Commodities                            | \$256,247                  | \$608,126                     | \$651,229                     | \$261,379                  | 101.65%                       | \$662,002                      | \$10,773  |
| <b>SERVICES</b>                                  |                            |                               |                               |                            |                               |                                |   |
| Gas Service                                      | \$182,892                  | \$300,072                     | \$400,000                     | \$181,635                  | 75.70%                        | \$302,804                      | -\$97,196                                       |
| Electric Service                                 | \$299,263                  | \$872,397                     | \$900,000                     | \$266,012                  | 92.02%                        | \$828,198                      | -\$71,802                                       |
| Medical/Professional Services                    | \$531,119                  | \$1,089,242                   | \$1,073,947                   | \$568,229                  | 109.70%                       | \$1,178,172                    | \$104,225                                       |
| All Other Services                               | \$1,611,577                | \$3,575,200                   | \$3,875,310                   | \$1,527,809                | 95.51%                        | \$3,701,459                    | -\$173,851                                      |
| <b>CAPITAL</b>                                   |                            |                               |                               |                            |                               |                                |   |
| Vehicles   | \$0                        | \$228,237                     | \$156,140                     | \$79,140                   | 100.00%                       | \$156,140                      | \$0   |
| All Other Capital                                | \$0                        | \$88,686                      | \$54,941                      | \$40,009                   | 100.00%                       | \$54,941                       | \$0   |
| <b>TRANSFERS</b>                                 |                            |                               |                               |                            |                               |                                |   |
| To Capital Improvement Fund                      | \$0                        | \$86,319                      | \$123,278                     | \$0                        | 100.00%                       | \$123,278                      | \$0   |
| All Other Transfers                              | \$47,965                   | \$167,205                     | \$509,404                     | \$333,142                  | 100.00%                       | \$509,404                      | \$0   |
| <b>DEBT REPAYMENT</b>                            |                            |                               |                               |                            |                               |                                |   |
|  | \$417,044                  | \$549,556                     | \$545,536                     | \$417,491                  | 100.00%                       | \$545,536                      | \$0   |
| <b>TOTAL</b>                                     | <b>\$14,186,619</b>        | <b>\$31,657,090</b>           | <b>\$33,244,440</b>           | <b>\$15,542,778</b>        | <b>97.87%</b>                 | <b>\$32,537,682</b>            | <b>-\$706,758</b>                               |

**FY2013 General Corporate Fund Projection Summary Report**

|  |                    |                                  |
|--|--------------------|----------------------------------|
| FUND BALANCE 11/30/12 ( <i>unaudited</i> ) | \$4,348,086        |                                  |
| BEGINNING FUND BALANCE % OF BUDGET -       | 13.08%             |                                  |
| ADD FY2013 REVENUE                         |                    | <b>Projected</b><br>\$32,816,927 |
| LESS FY2013 EXPENDITURE                    |                    | \$32,537,682                     |
| Revenue to Expenditure Difference          | <b>-\$722,340</b>  | <b>\$279,245</b>                 |
| FUND BALANCE PROJECTION - 11/30/13         | <b>\$3,625,746</b> | <b>\$4,627,331</b>               |
| % OF 2013 Expenditure Budget               | <b>10.91%</b>      | <b>13.92%</b>                    |

## GENERAL CORPORATE FUND - FY2013 BUDGET CHANGE REPORT

|   |              |
|---|--------------|
| General Corporate Fund Original Budget As Of: | 12/1/2012    |
| Expenditure                                   | \$32,643,640 |
| Revenue                                       | \$32,517,745 |
| Revenue/Expenditure Difference                | (\$125,895)  |

|                                      |              |           |       |                             |
|--------------------------------------|--------------|-----------|-------|-----------------------------|
| General Corporate Fund Budget As Of: |              | 6/6/2013  |       |                             |
| Expenditure                          | \$33,244,440 | % Inc/Dec | 1.84% | Revenue/Exp.<br>(\$722,340) |
| Revenue                              | \$32,522,100 | % Inc/Dec | 0.01% |                             |

### EXPENDITURE CHANGES

| Department          | Description  | Expenditure Change | Revenue Change | Difference         |
|---------------------|--|--------------------|----------------|--------------------|
| Sheriff             | Re-Encumber Purchase of Vehicles from FY2012                                 | \$85,585           | \$0            | (\$85,585)         |
| County Board        | Re-Encumber Funds Pledged for Clinton Landfill Legal Challenge               | \$13,642           | \$0            | (\$13,642)         |
| Public Properties   | Re-Encumber Funds for Downtown Correctional Center Repair/Maintenance        | \$5,960            | \$0            | (\$5,960)          |
| County Board        | Appropriate Funds for Participation in Mahomet Aquifer Sole Source Coalition | \$14,000           | \$0            | (\$14,000)         |
| EMA                 | Grant Award for Training Exercises   | \$3,730            | \$3,730        | \$0                |
| IT                  | Re-Encumber Funds for Lyle Shields Meeting Room Remodel                      | \$3,116            | \$0            | (\$3,116)          |
| General County      | Grant to Nursing Home to Forgive Outstanding Loan                            | \$333,142          | \$0            | -\$333,142         |
| Correctional Center | Signing Bonus for Corrections Contract                                       | \$141,000          | \$0            | -\$141,000         |
| Coroner             | Public Health Grant  | \$625              | \$625          | \$0                |
| <b>TOTAL</b>        |  | <b>\$600,800</b>   | <b>\$4,355</b> | <b>(\$596,445)</b> |

|  |           |         |             |
|--|-----------|---------|-------------|
| <i>Changes Attributable to Recurring Costs</i> | \$0       | \$625   | \$625       |
| <i>Changes Attributable to 1-Time Expenses</i> | \$600,800 | \$3,730 | (\$597,070) |



## **CHAMPAIGN COUNTY ADMINISTRATIVE SERVICES**

1776 East Washington Street, Urbana, Illinois 61802-4581

*ADMINISTRATIVE, BUDGETING, PURCHASING, & HUMAN RESOURCE  
MANAGEMENT SERVICES*

**Deb Busey, County Administrator**

### **MEMORANDUM**

**TO: Christopher Alix, Deputy Chair of Finance and MEMBERS of the COUNTY BOARD FINANCE COMMITTEE of the WHOLE**

**FROM: Deb Busey, County Administrator**

**DATE: June 10, 2013**

**RE: AMENDMENT TO CONTRACT WITH ILPP**

As you are aware, the Champaign County Board entered into an agreement with ILPP to have a comprehensive jail needs assessment study conducted with the purpose of developing a plan that will establish current and future adult capacity requirements and costs associated with either the remodeling of the County's current Downtown Correctional Facility, or the construction of an addition to the County's Satellite Jail, and to identify ways of reducing the demand for bed space, while maintaining public safety.

Simultaneous to the contract with ILPP, the County Board has also appointed a Community Justice Task Force to provide recommendations of programming and alternatives to incarceration which could also ultimately have an impact on the population to be housed in the County's correctional facilities.

The original timeline of the ILPP Contract anticipated a final report to be delivered by the end of May. The timeline for the Community Justice Task Force anticipated their final report to be delivered by the end of June. Over the course of the past several months, it has become evident that the most effective use by the County of the Community Justice Task Force Report is to have it evaluated by ILPP and recommendations incorporated into the Final Report and Action Plan to be provided by ILPP. This is additional scope of work for ILPP, and delays the delivery of their final report – based on a number of scheduling issues both for ILPP and the County Board – to a special County Board study session, hopefully to occur in late July.

As a result of the above, the following amendments to the ILPP contract are recommended:

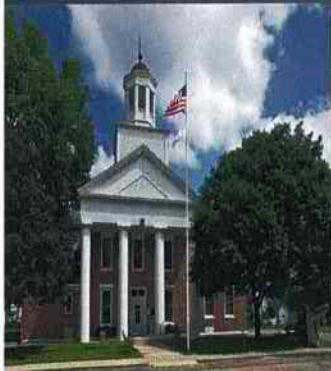
1. Delay the final report until July 30<sup>th</sup>, 2013. Change the amount of payment to be withheld until delivery of the final report from 40% to 20% of the original contract cost, and release the remaining 20% to ILPP on June 21<sup>st</sup>, 2013.



2. Approve additional compensation of \$25,000 to be paid to ILPP upon delivery of the final report to cover: additional work including review and integration of the task force report; additional integration and planning based on input received from the public, County Board and elected officials in response to the draft report; and additional public engagement related to the final report.

The funding for the extension will come from the Public Safety Sales Tax Fund, as did the funding for the original contract.

Thank you for your consideration of these amendments to the ILPP Contract. If approved, we will prepare an official Amendment to Contract to be voted on by the County Board on June 20, 2013.



# Government Performance Services

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Expense and Cost Consulting

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Champaign County Clerk  
Preliminary Fee Review

*Presented by*



**Bellwether, LLC**

Management Services & Consulting

June 07, 2013

## Introduction & Background

### Purpose and Scope of the Study

The Champaign County Clerk engaged Bellwether, LLC. (Bellwether) to provide a preliminary review of the actual cost of providing permitted fee services within the County Clerk's office. The Office currently charges fees to residents and non-residents of Champaign County as services are requested.

The principal goal of the preliminary study is to evaluate aggregate collected fees to estimate the alignment of current fees to actual costs. This evaluation uses leading indicators to juxtapose fee alignment and therefore does not provide the full calculation necessary to meet State of Illinois - 55 ILCS 5/4-4001(from Ch. 34, par. 4-4001) (*County Clerk Fees*)or US Office of Management & Budget Circular A-87 requirements.

We believe that aligning fees with actual costs is good public policy in that it helps to place the financial burden of government on the users of specific government services, including out-of-county residents and companies who may use the services of Champaign County but may not be property tax payers in the County. Bellwether does not propose specific recommendations for establishing or changing fees. Our observations may suggest an increase in some fees may be warranted and acceptable under current state law. The decision to change or add fees is the sole responsibility of Champaign County government.

### Overview

While the County Clerk data and accounting system appear to accurately record fees received, it does not appear to track those fees by specific transaction or record a total volume of transactions by type. This lack of volume count by transaction type added a level of complexity to the preliminary review.

Bellwether analysts used the monthly deposit reports to create a proxy volume model. This model estimated the volume based on a weighted distribution of fees as a percentage of all transactions. Since some of these receipt line items included multiple fees (i.e. "Misc-Copy/Cert/Label/Map") we were unable to project a fee specific forecast for the preliminary review. We believe we have established a conservative estimate of volume and potential fee gap based on this model. The lack of volume detail will not impact the accuracy of the next phase of detailed activity analysis.

Bellwether has concluded that many of the fees currently associated with services, programs and activities provided within the Champaign County Clerk's office may not be sufficient to cover the actual cost of providing these services.

Champaign County's last Cost of Services study was conducted several years ago. Years of regular wage management and increased costs for goods and services have placed a strain on budgets and suggest that some services are being subsidized by General Fund property tax revenues.

Many of the services provided by the Office are requested infrequently, as such, fee adjustments to low volume services may not produce a measureable difference in the funding of the Office. That said, leading indicators suggest an imbalance of cost-to-fee on a number of commonly provided services.

Additionally, available information suggests Champaign County may be subsidizing grant administrative costs from the General Fund. A preliminary review suggests indirect expense calculations likely have low valuations of administrative and facilities costs in grant accounting. These findings suggest the need for an updated Cost Allocation Plan for shared county services and facilities.

## **The Bellwether Approach (Preliminary Fee Reviews)**

The Preliminary Fee Review is an intentionally high-level and rapid analysis of aggregate data related to the operations and expenses of the department. Central to the analysis is:

- Annual budgeted expenses
- Actual expenses
- Inclusion (or exclusion) of expense categories or lines within the department budget(s)
- Changes in staff related expenses
- Current revenues derived from fees
- Current revenues derived from other sources
- Service requests - Volumes and trends
- Changes in State Law or Regulations
- Appropriate exclusions of data (related to services that are non-eligible for fees)

Bellwether engaged key County staff only to the extent necessary to collect and clarify the data. In addition, assumptions were prepared to account for the likely scope and amount of indirect expenses. The provided data was assessed for reasonableness and completeness. The Bellwether analysis produces a likely "gap" in fee revenue, typically in a range.

## **Direct & Indirect Expenses**

Both direct and indirect expenses may be included for the purposes of establishing the cost of services under Illinois law. Direct expenses are expenses, including labor, that are directly incurred for the purpose of delivering a particular service. Direct expenses can also include pre-printed forms, dedicated equipment or software, or dedicated office facilities. Indirect expenses are expenses that include shared management services or administrative costs, portions of shared facility costs and maintenance and portions of shared equipment.

For the purposes of this Preliminary Review direct and indirect costs were estimated at the aggregate department level. Expenses were reduced to reflect that not all activities within the County Clerk's office are eligible to collect fees.

If a full cost review is requested expenses will be reduced to the lowest possible level and allocated to specific activities and services consistent with the requirements of a detailed cost study.

## Direct Expenses(Preliminary Aggregate View)

| Expense Item                                  | Allocation Process   | Amount    |
|---|--|-----------|
| Employee Labor Costs                          | The cost of employee time is calculated including direct compensation, taxes and benefits.   | \$267,467 |
| Required Materials (supplies)                 | The cost of specific required materials (i.e. Marriage Certificate paper stock) that could be directly associated with specific services are allocated to only those services. | \$5,000   |
| Dedicated Equipment, Software, and Facilities | Where possible to connect expenses directly to specific activities costs are allocated to only those services.   | \$14,500  |

\*During Preliminary Fee Reviews we assume that elected County Clerk's spend 50% of their time engaged in the oversight of non-fee eligible activities.

## Indirect Expenses(Preliminary Aggregate View)

| Expense Item                              | Allocation Process  | Amount  |
|---|---|---|
| Facilities                                | Estimate fair share facilities and other general corporate expenses. Detailed analysis will be done during a full cost study.   | Further analysis required to determine the actual cost to the department  |
| General Management & Administrative Time  | The cost of management time, training time, and other administrative time is allocated to the services under review based on the amount of time employees spend providing the services under review. Not all management and administrative time is allocated to the services under review as other work is conducted within the office that is not subject to service fees. | Will be assessed in detail during full study. Conservative range for the purposes of the Preliminary review - \$40,000 - 50,000   |
| General Equipment, Telephone and Supplies | The cost of equipment and supplies that are used to provide multiple services within the office are allocated based on the volume of transactions in the office, and the estimated consumption of the resource per transaction.   | Will be assessed in detail during full study. This expense category will include the general asset accounts that are shared among county departments. Conservative range for the purposes of the Preliminary review - \$25,000 - \$30,000 |

## Current Fee Revenues

For the purposes of this preliminary review, FY2012 transaction volumes were used. Fees that were collected for a dedicated purpose (i.e. Automation fund fees), or fees collected and distributed to other entities (i.e. \$4 per death certificate sent to state), were subtracted from overall fee revenue while projecting the "funding gap."

## Funding Gap

The funding gap was projected using:

- Expense side budget data
- Assumptions related to the percentage of expenses (including labor) that may be attributable to fee related services
- Assumptions related to likely indirect expenses that may be attributable to fee related services
- Fee revenues from FY2012

**The aggregate fee funding gap for the Champaign County Clerk's office is projected to be approximately \$86,910. It is not likely that this entire amount can be attributed to services for which a fee can be collected. However, capturing 50-60% of the gap is a reasonable expectation (\$43,455 - 52,146 annually). Realizing additional fee revenue is entirely dependent on the decisions of Champaign County elected officials after a full cost study is performed.**

As previously discussed, the estimated volume of prior year transactions has a direct impact on the estimated gap. To ensure a realistic estimate was provided, the model defaulted to a higher percentage of lower cost fee.

Potential revenue from updating grant indirect costs is not included in this estimate. A full Cost Allocation Plan would be required to provide grant writing staff with updated costing data. Results would vary by grant, however a significant savings for the general fund may be available.

## The Bellwether Approach(Full Cost Studies)

Bellwether's method of remote data collection provides the County Clerk staff the opportunity to provide detailed input into the day-to-day work being done in the office. Tasks are grouped by common elements allowing juxtaposition of costs for infrequent tasks.

On site data collection by Bellwether associates allow for direct observation of the flow of the work and clarification of data. Employees participate in individual interviews and are observed to confirm the most common practice for providing the services in question.

Bellwether uses a detailed modeling method known as Activity Based Costing. This model creates a fully transparent view of the cost of services provided. At a high level, our analysis illustrates;

- Labor Costs as a value per minute
- General administrative costs apportioned by activity
- Consumable costs per transaction
- Equipment/Software costs apportioned by transaction
- Facility Costs apportioned by function
- Third party costs per function
- Function costs apportioned by transaction

Fee prices are defined by state laws and county ordinances. County governments may charter cost studies to review the appropriateness of these fees and make adjustments to meet actual expenses. The process and authority to adjust these fees are addressed in laws of the State of Illinois - 55 ILCS 5/4-4001(from Ch. 34, par. 4-4001)(*County Clerk Fees*), prescribing:

*"The county board may, however, by ordinance, increase the fees allowed by this Section and also the notary public recordation fees allowed by Section 2-106 of the Illinois Notary Public Act and the indexing and filing of assumed name certificate fees allowed by Section 3 of the Assumed Business Name Act and collect such increased fees from all persons and entities other than officers, agencies, departments and other instrumentalities of the State if the increase is justified by an acceptable cost study showing that the fees allowed by these Sections are not sufficient to cover the cost of providing the service.*

*A Statement of the costs of providing each service, program and activity shall be prepared by the county board. All supporting documents shall be public record and subject to public examination and audit. All direct and indirect costs, as defined in the United States Office of Management and Budget Circular A-87, may be included in the determination of the costs of each service, program and activity."*

The **Bellwether** Baseline Fee Study methodology meets or exceeds all provisions of the above stated laws and guidelines.

County Clerk transactions and fees are logically grouped into categories based on common work flow, effort and statutory authority. The categories include:

- Copies / Certified Copies of Vital Records
- Marriage License and Civil Unions
- Tax Documents
- Miscellaneous Transactions

## **Copies / Certified Copies of Vital Records**

*Illinois law - 55 ILCS 5/4-4001 (from Ch. 34, par. 4-4001)(County Clerk Fees), prescribes:*

"For each official copy of any process, file, record or other instrument of and pertaining to his office, 50¢ for each 100 words, and \$1 additional for certifying and sealing the same."

"The county board of any county of the first or second class may by ordinance authorize the county clerk to impose an additional \$2 charge for certified copies of vital records as defined in the Section 1 of the Vital Records Act, for the purpose of developing, maintaining, and improving technology in the office of the County Clerk."

## **Marriage License and Civil Unions**

*Illinois law -55 ILCS 5/4-4001 (from Ch. 34, par. 4-4001)(County Clerk Fees), prescribes:*

"For issuing each civil union or marriage license, the certificate thereof, and for recording the same, including the recording of the parent's or guardian's consent where indicated, a fee to be determined by the county board of the county, not to exceed \$75, which shall be the same, whether for a civil union or marriage license. \$5 from all civil union and marriage license fees shall be remitted by the clerk to the State Treasurer for deposit into the Domestic Violence Fund."

## **Tax Related Services**

*Illinois law -55 ILCS 5/4-4001 (from Ch. 34, par. 4-4001)(County Clerk Fees), prescribes:*

"The following fees shall be allowed for services attending the sale of land for taxes, and shall be charged as costs against the delinquent property and be collected with the taxes thereon: For services in attending the tax sale and issuing certificate of sale and sealing the same, for each tract or town lot sold, \$4. For making list of delinquent lands and town lots sold, to be filed with the Comptroller, for each tract or town lot sold, 10¢."



## Miscellaneous Transactions

*Illinois law -55 ILCS 5/4-4001 (from Ch. 34, par. 4-4001)(County Clerk Fees), prescribes:*

"For filing any paper not herein otherwise provided for, \$1, except that no fee shall be charged for filing a Statement of economic interest pursuant to the Illinois Governmental Ethics Act or reports made pursuant to Article 9 of The Election Code. For issuance of fireworks permits, \$2. For issuance of liquor licenses, \$5. For filing and recording of the appointment and oath of each public official, \$3. For officially certifying and sealing each copy of any process, file, record or other instrument of and pertaining to his office, \$1. For swearing any person to an affidavit, \$1. For issuing each license in all matters except where the fee for the issuance thereof is otherwise fixed, \$4."

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"For taking and certifying acknowledgments to any instrument, except where herein otherwise provided for, \$1. For issuing each certificate of appointment or commission, the fee for which is not otherwise fixed by law, \$1. For cancelling tax sale and issuing and sealing certificates of redemption, \$3. For issuing order to county treasurer for redemption of forfeited tax, \$2. For trying and sealing weights and measures by county standard, together with all actual expenses in connection therewith, \$1. For services in case of estrays, \$2."

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# Government Performance Services

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## Expense and Cost Consulting

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Independent studies required to support informed decision making by local officials can be expensive – not any longer. Bellwether, LLC has developed a service model designed to meet the needs of local governments with no-regrets pricing:

**Preliminary Fee Profile** – We do a rapid, low cost review of high level data to determine if there is a need for a fully compliant fee study.

**Baseline Fee Study**– Is a comprehensive fee study to analyze direct and indirect costs attributed to each service and user fee.

**Ongoing Virtual Program**– Update your data periodically and use our staffing model and planning model services and never pay for another full fee study again with our annual cost model updates.

Bellwether, LLC is a full service, problem solving, organization. Our consultants bring decades of real-world business experience to every client engagement. Call, email, or visit us on the web today to find out how we can help your organization.

Bellwether, LLC  
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Bloomington, IL 61704  
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# Government Performance Services

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Expense and Cost Consulting

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Champaign County Recorder  
Preliminary Fee Review

*Presented by*



**Bellwether, LLC**

Management Services & Consulting

June 07, 2013

## Introduction & Background

### Purpose and Scope of the Study

The Champaign County Recorder engaged Bellwether, LLC. (Bellwether) to provide a preliminary review of the actual cost of providing permitted fee services within the County Recorder's office. The Office currently charges fees to residents and non-residents of Champaign County as services are requested.

The principal goal of the preliminary study is to evaluate aggregate collected fees to estimate the alignment of current fees to actual costs. This evaluation uses leading indicators to juxtapose fee alignment and therefore does not provide the full calculation necessary to meet State of Illinois - 55 ILCS 5/3-5018 (from CH. 34, Par. 305018) (*County Recorder Fees*) or US Office of Management & Budget Circular A-87 requirements.

We believe that aligning fees with actual costs is good public policy in that it helps to place the financial burden of government on the users of specific government services, including out-of-county residents and companies who may use the services of Champaign County but may not be property tax payers in the County. Bellwether does not propose specific recommendations for establishing or changing fees. Our observations may suggest an increase in some fees may be warranted and acceptable under current state law. The decision to change or add fees is the sole responsibility of Champaign County government.

### Overview

Bellwether has concluded that many of the fees currently associated with services, programs and activities provided within the Champaign County Recorder's office may not be sufficient to cover the actual cost of providing these services.

Champaign County's last Cost of Services study was conducted several years ago. Years of regular wage management and increased costs for goods and services have placed a strain on budgets and suggest that some services are being subsidized by General Fund property tax revenues.

Many of the services provided by the Office are requested infrequently, as such, fee adjustments to low volume services may not produce a measureable difference in the funding of the Office. That said, leading indicators suggest an imbalance of cost-to-fee on a number of commonly provided services.

Additionally, available information suggests Champaign County may be subsidizing grant administrative costs from the General Fund. A preliminary review suggests indirect expense calculations likely have low valuations of administrative and facilities costs in grant accounting. These findings suggest the need for an updated Cost Allocation Plan for shared county services and facilities.

## **The Bellwether Approach (Preliminary Fee Reviews)**

The Preliminary Fee Review is an intentionally high-level and rapid analysis of aggregate data related to the operations and expenses of the department. Central to the analysis is:

- Annual budgeted expenses
- Actual expenses
- Inclusion (or exclusion) of expense categories or lines within the department budget(s)
- Changes in staff related expenses
- Current revenues derived from fees
- Current revenues derived from other sources
- Service requests - Volumes and trends
- Changes in State Law or Regulations
- Appropriate exclusions of data (related to services that are non-eligible for fees)

Bellwether engaged key County staff only to the extent necessary to collect and clarify the data. In addition, assumptions were prepared to account for the likely scope and amount of indirect expenses. The provided data was assessed for reasonableness and completeness. The Bellwether analysis produces a likely "gap" in fee revenue, typically in a range.

### **Direct & Indirect Expenses**

Both direct and indirect expenses may be included for the purposes of establishing the cost of services under Illinois law. Direct expenses are expenses, including labor, that are directly incurred for the purpose of delivering a particular service. Direct expenses can also include pre-printed forms, dedicated equipment or software, or dedicated office facilities. Indirect expenses are expenses that include shared management services or administrative costs, portions of shared facility costs and maintenance and portions of shared equipment.

For the purposes of this Preliminary Review direct and indirect costs were estimated at the aggregate department level. Expenses were reduced to reflect that not all activities within the County Recorder's office are eligible to collect fees.

If a full cost review is requested expenses will be reduced to the lowest possible level and allocated to specific activities and services consistent with the requirements of a detailed cost study.

## Direct Expenses(Preliminary Aggregate View)

| Expense Item   | Allocation Process   | Amount    |
|--|--|-----------|
| Employee Labor Costs   | The cost of employee time is calculated including direct compensation, taxes and benefits.   | \$250,855 |
| Required Materials (supplies)<br>Dedicated Equipment, Software, and Facilities | The cost of specific required materials that could be directly associated with specific services are allocated to only those services. | \$123,825 |

\*During Preliminary Fee Reviews we assume that elected County Recorder's spend 50% of their time engaged in the oversight of non-fee eligible activities.

## Indirect Expenses(Preliminary Aggregate View)

| Expense Item                              | Allocation Process  | Amount  |
|---|---|---|
| Facilities                                | Estimate fair share facilities and other general corporate expenses. Detailed analysis will be done during a full cost study.   | Further analysis required to determine the actual cost to the department  |
| General Management & Administrative Time  | The cost of management time, training time, and other administrative time is allocated to the services under review based on the amount of time employees spend providing the services under review. Not all management and administrative time is allocated to the services under review as other work is conducted within the office that is not subject to service fees. | Will be assessed in detail during full study. Conservative range for the purposes of the Preliminary review - \$40,000 - 50,000   |
| General Equipment, Telephone and Supplies | The cost of equipment and supplies that are used to provide multiple services within the office are allocated based on the volume of transactions in the office, and the estimated consumption of the resource per transaction.   | Will be assessed in detail during full study. This expense category will include the general asset accounts that are shared among county departments. Conservative range for the purposes of the Preliminary review - \$25,000 - \$30,000 |

## Current Fee Revenues

For the purposes of this preliminary review, FY2012 transaction volumes were used. Fees that were collected for a dedicated purpose (i.e. Automation fund fees), or fees collected and distributed to other entities (i.e. \$4 per death certificate sent to state), were subtracted from overall fee revenue while projecting the "funding gap."

## Funding Gap

The funding gap was projected using:

- Expense side budget data
- Assumptions related to the percentage of expenses (including labor) that may be attributable to fee related services
- Assumptions related to likely indirect expenses that may be attributable to fee related services
- Fee revenues from FY2012

**The aggregate fee funding gap for the Champaign County Recorder's office is projected to be approximately \$228,646. It is not likely that this entire amount can be attributed to services for which a fee can be collected. However, capturing 40-50% of the gap is a reasonable expectation (\$91,458 - 114,323 annually). Realizing additional fee revenue is entirely dependent on the decisions of Champaign County elected officials after a full cost study is performed.**

**Potential revenue from updating grant indirect costs is not included in this estimate. A full Cost Allocation Plan would be required to provide grant writing staff with updated costing data. Results would vary by grant, however a significant savings for the general fund may be available.**

## The Bellwether Approach(Full Cost Studies)

Bellwether's method of remote data collection provides the County Recorder staff the opportunity to provide detailed input into the day-to-day work being done in the office. Tasks are grouped by common elements allowing juxtaposition of costs for infrequent tasks.

On site data collection by Bellwether associates allow for direct observation of the flow of the work and clarification of data. Employees participate in individual interviews and are observed to confirm the most common practice for providing the services in question.

Bellwether uses a detailed modeling method known as Activity Based Costing. This model creates a fully transparent view of the cost of services provided. At a high level, our analysis illustrates;

- Labor Costs as a value per minute
- General administrative costs apportioned by activity
- Consumable costs per transaction
- Equipment/Software costs apportioned by transaction
- Facility Costs apportioned by function
- Third party costs per function
- Function costs apportioned by transaction

Fee prices are defined by state laws and county ordinances. County governments may charter cost studies to review the appropriateness of these fees and make adjustments to meet actual expenses. The process and authority to adjust these fees are addressed in laws of the State of Illinois - 55 ILCS 5/4-4001(from Ch. 34, par. 4-4001)(*County Recorder Fees*), prescribing:

*"The county board may, however, by ordinance, increase the fees allowed by this Section and also the notary public recordation fees allowed by Section 2-106 of the Illinois Notary Public Act and the indexing and filing of assumed name certificate fees allowed by Section 3 of the Assumed Business Name Act and collect such increased fees from all persons and entities other than officers, agencies, departments and other instrumentalities of the State if the increase is justified by an acceptable cost study showing that the fees allowed by these Sections are not sufficient to cover the cost of providing the service.  
A Statement of the costs of providing each service, program and activity shall be prepared by the county board. All supporting documents shall be public record and subject to public examination and audit. All direct and indirect costs, as defined in the United States Office of Management and Budget Circular A-87, may be included in the determination of the costs of each service, program and activity."*

The **Bellwether** Baseline Fee Study methodology meets or exceeds all provisions of the above stated laws and guidelines.



County Recorder transactions and fees are logically grouped into categories based on common work flow, effort and statutory authority. The categories include:

- Copies / Certified Copies of Vital Records
- Marriage License and Civil Unions
- Tax Documents
- Miscellaneous Transactions

## **Copies / Certified Copies of Vital Records**

*Illinois law - 55 ILCS 5/4-4001 (from Ch. 34, par. 4-4001)(County Recorder Fees), prescribes:*

"For each official copy of any process, file, record or other instrument of and pertaining to his office, 50¢ for each 100 words, and \$1 additional for certifying and sealing the same."

"The county board of any county of the first or second class may by ordinance authorize the county Recorder to impose an additional \$2 charge for certified copies of vital records as defined in the Section 1 of the Vital Records Act, for the purpose of developing, maintaining, and improving technology in the office of the County Recorder."

## **Marriage License and Civil Unions**

*Illinois law -55 ILCS 5/4-4001 (from Ch. 34, par. 4-4001)(County Recorder Fees), prescribes:*

"For issuing each civil union or marriage license, the certificate thereof, and for recording the same, including the recording of the parent's or guardian's consent where indicated, a fee to be determined by the county board of the county, not to exceed \$75, which shall be the same, whether for a civil union or marriage license. \$5 from all civil union and marriage license fees shall be remitted by the Recorder to the State Treasurer for deposit into the Domestic Violence Fund."

## **Tax Related Services**

*Illinois law -55 ILCS 5/4-4001 (from Ch. 34, par. 4-4001)(County Recorder Fees), prescribes:*

"The following fees shall be allowed for services attending the sale of land for taxes, and shall be charged as costs against the delinquent property and be collected with the taxes thereon: For services in attending the tax sale and issuing certificate of sale and sealing the same, for each tract or town lot sold, \$4. For making list of delinquent lands and town lots sold, to be filed with the Comptroller, for each tract or town lot sold, 10¢."

## Miscellaneous Transactions

*Illinois law -55 ILCS 5/4-4001 (from Ch. 34, par. 4-4001)(County Recorder Fees), prescribes:*

"For filing any paper not herein otherwise provided for, \$1, except that no fee shall be charged for filing a Statement of economic interest pursuant to the Illinois Governmental Ethics Act or reports made pursuant to Article 9 of The Election Code. For issuance of fireworks permits, \$2. For issuance of liquor licenses, \$5. For filing and recording of the appointment and oath of each public official, \$3. For officially certifying and sealing each copy of any process, file, record or other instrument of and pertaining to his office, \$1. For swearing any person to an affidavit, \$1. For issuing each license in all matters except where the fee for the issuance thereof is otherwise fixed, \$4."

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"For taking and certifying acknowledgments to any instrument, except where herein otherwise provided for, \$1. For issuing each certificate of appointment or commission, the fee for which is not otherwise fixed by law, \$1. For cancelling tax sale and issuing and sealing certificates of redemption, \$3. For issuing order to county treasurer for redemption of forfeited tax, \$2. For trying and sealing weights and measures by county standard, together with all actual expenses in connection therewith, \$1. For services in case of estrays, \$2."

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# Government Performance Services

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## Expense and Cost Consulting

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Independent studies required to support informed decision making by local officials can be expensive – not any longer. Bellwether, LLC has developed a service model designed to meet the needs of local governments with no-regrets pricing:

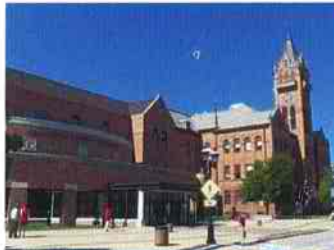
**Preliminary Fee Profile** – We do a rapid, low cost review of high level data to determine if there is a need for a fully compliant fee study.

**Baseline Fee Study**– Is a comprehensive fee study to analyze direct and indirect costs attributed to each service and user fee.

**Ongoing Virtual Program**– Update your data periodically and use our staffing model and planning model services and never pay for another full fee study again with our annual cost model updates.

Bellwether, LLC is a full service, problem solving, organization. Our consultants bring decades of real-world business experience to every client engagement. Call, email, or visit us on the web today to find out how we can help your organization.

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3006 Gill Street, Suite E  
Bloomington, IL 61704  
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# Government Performance Services

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Expense and Cost Consulting

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Champaign County, Illinois

Cost of Sheriff Fee Services

*Presented by*

Bellwether, LLC

June 7, 2013

## Introduction & Background

### Purpose and Scope of the Study

The Champaign County Sheriff engaged Bellwether, LLC. (Bellwether) to provide a preliminary review of the actual costs of providing permitted fee services within the County Sheriff's office. The Office currently charges fees to residents and non-residents of Champaign County as services are requested or needed.

The principal goal of the preliminary study was to evaluate aggregate collected fees to estimate the alignment of current fees to actual costs. This evaluation used leading indicators to juxtapose fee alignment and therefore does not provide the full calculation necessary to meet (55 ILCS 5/4-5001) (from Ch. 34, par. 4-5001)(Sheriff Fees) or US Office of Management & Budget Circular A-87 requirements.

We believe that aligning fees with actual costs is good public policy in that it helps to place the financial burden of government on the users of specific government services, including out-of-county residents and companies who may use the services of Champaign County but may not be property tax payers in the County. Bellwether does not propose specific recommendations for establishing or changing fees. Our observations may suggest an increase in some fees may be warranted and acceptable under current state law. The decision to change or add fees is the sole responsibility of Champaign County government.

### Overview

Bellwether has concluded that many of the fees currently associated with services, programs and activities provided within the Champaign County Sheriff's office may not be aligned with the actual cost of providing these services.

Champaign County's last Cost of Services study was conducted several years ago. Years of regular wage management and increased costs for goods and services have placed a strain on budgets and suggest that some services are being subsidized by General Fund property tax revenues.

Many of the services provided by the Office are requested infrequently, as such, fee adjustments to low volume services may not produce a measureable difference in the funding of the Office. That said, leading indicators suggest an imbalance of cost-to-fee on a number of commonly provided services.

Overall projections, while directionally correct, cannot be exact without more detailed "transaction by type" evaluations. Projections related to overall current and future revenue by fee are estimates.

Additionally, available information suggests Champaign County may be subsidizing grant administrative costs from the General Fund. A preliminary review suggests indirect expense calculations likely have low valuations of administrative and facilities costs in grant accounting. These findings suggest the need for an updated Cost Allocation Plan for shared county services and facilities.

## The Bellwether Approach (Preliminary Fee Reviews)

The Preliminary Fee Review is an intentionally high-level and rapid analysis of aggregate data related to the operations and expenses of the department. Central to the analysis is:

- Annual budgeted expenses
- Inclusion (or exclusion) of expense categories or lines within the department budget(s)
- Current revenues derived from fees
- Current revenues derived from other sources
- Service requests - Volumes and trends
- Changes in State Law or Regulations
- Appropriate exclusions of data (related to services that are non-eligible for fees)

Bellwether engaged key County staff only to the extent necessary to collect and clarify the data. In addition, assumptions were prepared to account for the likely scope and amount of indirect expenses. The provided data was assessed for reasonableness and completeness. The Bellwether analysis produces a likely "gap" in fee revenue, typically in a range.

Two principle methods were employed to project the fee potential for the Champaign County Sheriff's Office.

1. **Department Level Benchmarks:** Using department level benchmarks for county departments to calculate the fee activities as a percent of total labor and indirect costs. High level analysis using this method suggests potential revenue increases of \$170,240 annually.
2. **Fee Level Benchmarks:** Using the Illinois State Statute's description of allowable fees and comparable peer benchmarks to determine the current fees percentile to the control group. This method identifies significant gaps between peer fees and highlights allowed fees not represented on the current fee list and not having reported fee revenue. High level analysis using this method suggests potential revenue increases of \$148,400 annually.

## Direct & Indirect Expenses

Both direct and indirect expenses may be included for the purposes of establishing the cost of services under Illinois law. Direct expenses are expenses, including labor, that are directly incurred for the purpose of delivering a particular service. These expenses include pre-printed forms, dedicated equipment and software, or dedicated office facilities. Indirect expenses are expenses that include shared management services or administrative costs, portions of shared facility costs and maintenance and portions of shared equipment.

For the purposes of this Preliminary Review direct and indirect costs were estimated at the aggregate department level. Expenses were reduced to reflect that not all activities within the Sheriff's office are eligible to collect fees.

If a full cost review is requested expenses will be reduced to the lowest possible level and allocated to specific activities and services consistent with the requirements of a detailed cost study.

## Direct Expenses (Preliminary Aggregate View)

| Expense Item                                  | Allocation Process   |
|---|--|
| Employee Labor Costs                          | The cost of employee time is calculated including direct compensation, taxes and benefits.   |
| Required Materials (supplies)                 | The cost of specific required materials (i.e. Marriage Certificate paper stock) that could be directly associated with specific services are allocated to only those services. |
| Dedicated Equipment, Software, and Facilities | Where possible to connect expenses directly to specific activities costs are allocated to only those services.   |

## Indirect Expenses (Preliminary Aggregate View)

| Expense Item                              | Allocation Process  |
|---|---|
| Facilities                                | Estimate fair share facilities and other general corporate expenses. Detailed analysis will be done during a full cost study.   |
| General Management & Administrative Time  | The cost of management time, training time, and other administrative time is allocated to the services under review based on the amount of time employees spend providing the services under review. Not all management and administrative time is allocated to the services under review as other work is conducted within the office that is not subject to service fees. |
| General Equipment, Telephone and Supplies | The cost of equipment and supplies that are used to provide multiple services within the office are allocated based on the volume of transactions in the office, and the estimated consumption of the resource per transaction.   |

## Current Fee Revenues

For the purposes of this preliminary review, FY2012 transaction volumes were used. Fees that were collected for a dedicated purpose (i.e. Actual cost for inmate meals), or fees collected and distributed to other entities (i.e. Certified Mail), were subtracted from overall fee revenue.

## Funding Gap

The funding gap was projected using:

- Expense side budget data
- Assumptions related to the percentage of expenses (including labor) that may be attributable to fee related services
- Assumptions related to likely indirect expenses that may be attributable to fee related services
- Fee revenues from FY2012

**The aggregate fee funding gap for the Champaign County Sheriff's office is projected to be as high as \$170,240 based on two projection models. It is not likely that the entire amount can be attributed to services for which a fee can be collected.**

**In addition, elected officials may set selected fees below cost. Capturing 40-50% of the gap is a reasonable expectation (\$68,096 to \$85,120 annually). Realizing additional fee revenue is entirely dependent on the decisions of Champaign County elected officials after a full cost study is performed.**

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The document contains CONFIDENTIAL information intended for use by Champaign County and officers of Bellwether, LLC. The document is a SELF EVALUATION tool and does not reflect all information relevant to the topic and does not suggest policy of either Champaign County or Bellwether, LLC.

**Potential revenue from updating grant indirect costs is not included in this estimate. A full Cost Allocation Plan would be required to provide grant writing staff with updated costing data. Results would vary by grant, however a significant savings for the general fund may be available.**

## **The Bellwether Approach(Full Cost Studies)**

Bellwether's method of remote data collection provides the Sheriff's staff the opportunity to provide detailed input into the day-to-day work being done in the office. Tasks are grouped by common elements allowing juxtaposition of costs for infrequent tasks.

On site data collection by Bellwether associates allow for direct observation of the flow of the work and clarification of data. Employees participate in individual interviews and are observed to confirm the most common practice for providing the services in question.

Bellwether uses a detailed modeling method known as Activity Based Costing. This model creates a fully transparent view of the cost of services provided. At a high level, our analysis illustrates;

- Labor Costs as a value per minute
- General administrative costs apportioned by activity
- Consumable costs per transaction
- Equipment/Software costs apportioned by transaction
- Facility Costs apportioned by function
- Third party costs per function
- Function costs apportioned by transaction

Fee prices are defined by state laws and county ordinances. County governments may charter cost studies to review the appropriateness of these fees and make adjustments to meet actual expenses. The process and authority to adjust these fees are addressed in laws of the State of Illinois - (55 ILCS 5/4-5001) (from Ch. 34, par. 4-5001)(Sheriff Fees), prescribing:

*"The foregoing fees allowed by this Section are the maximum fees that may be collected from any officer, agency, department or other instrumentality of the State. The county board may, however, by ordinance, increase the fees allowed by this Section and collect those increased fees from all persons and entities other than officers, agencies, departments and other instrumentalities of the State if the increase is justified by an acceptable cost study showing that the fees allowed by this Section are not sufficient to cover the costs of providing the service. A statement of the costs of providing each service, program and activity shall be prepared by the county board. All supporting documents shall be public records and subject to public examination and audit. All direct and indirect costs, as defined in the United States Office of Management and Budget Circular A-87, may be included in the determination of the costs of each service, program and activity.*

In all cases where the judgment is settled by the parties, replevied, stopped by injunction or paid, or where the property levied upon is not actually sold, the sheriff shall be allowed his fee for levying and mileage, together with half the fee for all money collected by him which he would be entitled to if the same was made by sale to enforce the judgment. In no case shall the fee exceed the amount of money arising from the sale.



In addition specific statutes provide:

#### Sex Offender Registration Fee

*"Sex Offender Registration - (730 ILCS 150/3) - (6) The person shall pay a \$100 initial registration fee and a \$100 annual renewal fee. The fees shall be used by the registering agency for official purposes. The agency shall establish procedures to document receipt and use of the funds. The law enforcement agency having jurisdiction may waive the registration fee if it determines that the person is indigent and unable to pay the registration fee. Thirty-five dollars for the initial registration fee and \$35 of the annual renewal fee shall be used by the registering agency for official purposes. Five dollars of the initial registration fee and \$5 of the annual fee shall be deposited into the Sex Offender Management Board Fund under Section 19 of the Sex Offender Management Board Act. Money deposited into the Sex Offender Management Board Fund shall be administered by the Sex Offender Management Board and shall be used by the Board to comply with the provisions of the Sex Offender Management Board Act. Thirty dollars of the initial registration fee and \$30 of the annual renewal fee shall be deposited into the Sex Offender Registration Fund and shall be used by the Department of State Police to maintain and update the Illinois State Police Sex Offender Registry. Thirty dollars of the initial registration fee and \$30 of the annual renewal fee shall be deposited into the Attorney General Sex Offender Awareness, Training, and Education Fund. Moneys deposited into the Fund shall be used by the Attorney General to administer the I-SORT program and to alert and educate the public, victims, and witnesses of their rights under various victim notification laws and for training law enforcement agencies, State's Attorneys, and medical providers of their legal duties concerning the prosecution and investigation of sex offenses."*

#### Electronic Home Detention Fee

*"To the extent that he or she is able to do so, which the Department of Corrections by rule shall determine, the offender must pay for the cost of the electronic home monitoring.  
(Source: P.A. 94-988, eff. 1-1-07; 95-640, eff. 6-1-08.)"*

The **Bellwether** Baseline Fee Study methodology meets or exceeds all provisions of the above stated laws and guidelines.

# Government Performance Services

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## Expense and Cost Consulting

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Independent studies required to support informed decision making by local officials can be expensive – not any longer. Bellwether, LLC. has developed a service model designed to meet the needs of local governments with no-regrets pricing:

**Preliminary Fee Profile** – We do a rapid, low cost review of high level data to determine if there is a need for a fully compliant fee study.

**Baseline Fee Study**– Is a comprehensive fee study to analyze direct and indirect costs attributed to each service and user fee.

**Ongoing Virtual Program**– Update your data periodically and use our staffing model and planning model services and never pay for another full fee study again with our annual cost model updates.

Bellwether, LLC is a full service, problem solving organization. Our consultants bring decades of real-world business experience to every client engagement. Call, email, or visit us on the web today to find out how we can help your organization.

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