



COUNTY of McHENRY

McHENRY COUNTY GOVERNMENT CENTER
2200 NORTH SEMINARY AVENUE
WOODSTOCK, IL 60098-2637

November 20, 2012

To: The Honorable Kenneth D. Koehler
County Board Members

From: Peter B. Austin, County Administrator
Ralph Sarbaugh, Associate County Administrator – Finance

RE: **The Fiscal Year 2012-2013 Budget**

We are pleased to present the Fiscal Year 2012-2013 (FY13) budget for your approval. Once again, this budget process has been a challenge for Administration and all Elected and Appointed Department Heads as we continue to maintain the quality of service our constituents have come to expect while confronting revenues that have been slow to recover following the downturn of the preceding three years. While this budget process has been a challenge, it has also brought us a great deal of pride as everyone demonstrated their willingness to be good stewards of the County's budget to help the County maintain a solid financial footing during this time of continued uncertainty.

We began 2012 with a top to bottom review of our budgeting process and involved the County Board in four Budget Task Force meetings. These meetings provided greater insight for all participants into the important aspects of the budget process. The meetings culminated in a critical review of the FY13 Budget Policy and clear direction for staff in developing the FY13 Budget. The following key objectives set by the County Board were met:

- A balanced budget is presented;
- The six (6) month reserve is preserved;
- Key fund balances are maintained;
- General equity between non-union and union employees compensation increases are maintained; and
- The use of inflationary growth in the property tax extension has not been utilized in the FY13 Budget.

The budget as presented is a maintenance budget that has only been adjusted through the natural growth of employee benefits and limited supplemental awards. The new budget continues to service all of our operations without significant cuts in services or programs. New programs and capital projects, however, have again been kept to a minimum in order to reduce the burden on balancing the FY13 budget. Additionally, McHenry County has now reduced our employee roster by 64 positions over the past three years.

We recommend that requested adjustments to the FY13 budget be given very thoughtful consideration if expanding the budget beyond the recommended levels presented. We have reviewed each request by Departments and know that they are attempting to maintain the budget within its boundaries. This past year has seen a new level of open communication on the budget process and the Administrator's Office commits to maintaining open communication throughout the year with the new County Board.

The new budget as presented is \$250,077,103. Property Taxes of \$78,580,000 will be levied and \$140,488,202 will be derived from non-levy revenue sources. In addition, \$31,008,901 of fund balance utilization has been allocated primarily for transportation projects and building projects. The General Fund will be \$86,745,707.

We welcome your thoughts and comments on the FY13 Budget.