



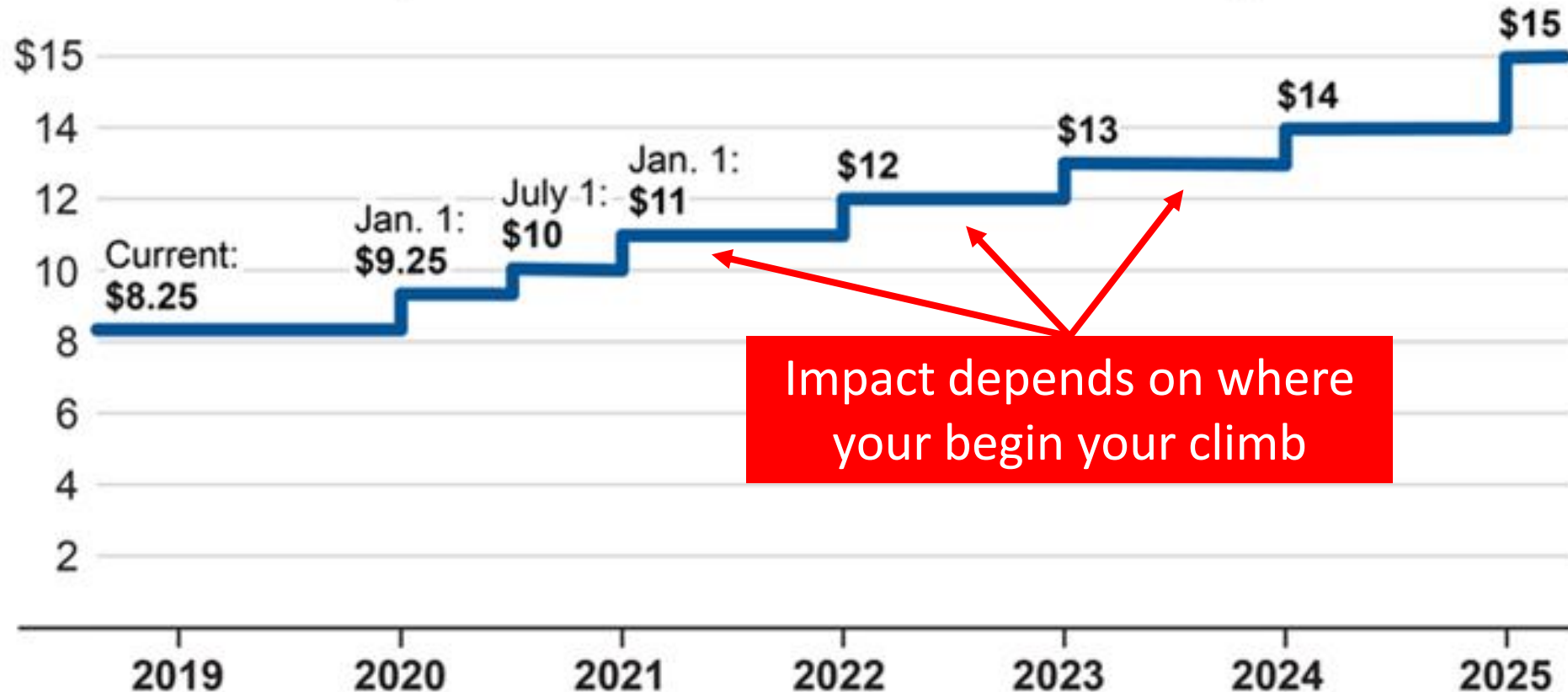
Bellwether, LLC

Management Services & Consulting

Minimum Wage Impact on Illinois Counties

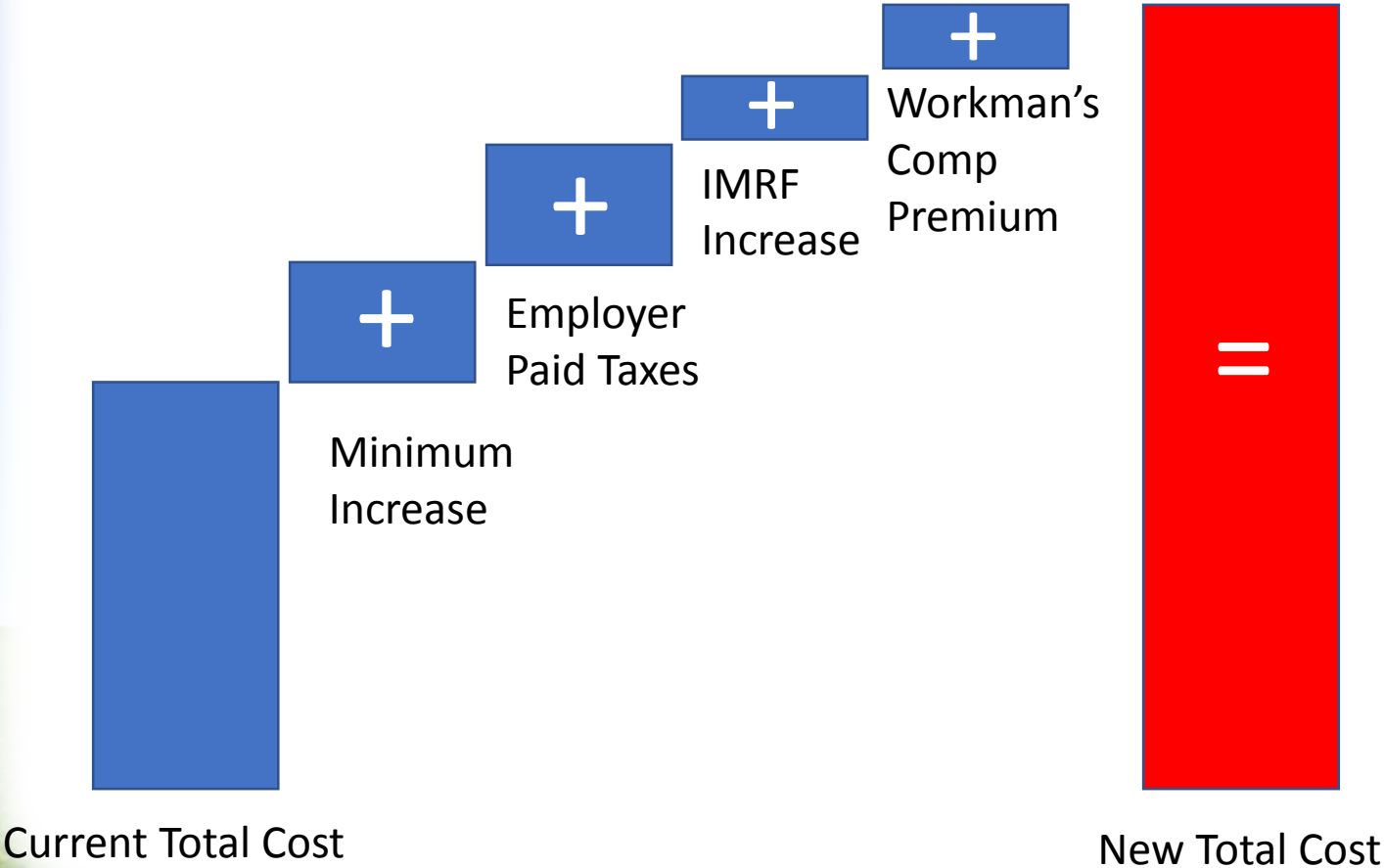
Illinois Minimum Wage Implementation Schedule

Increases after July 1, 2020, would occur on Jan. 1 of each year

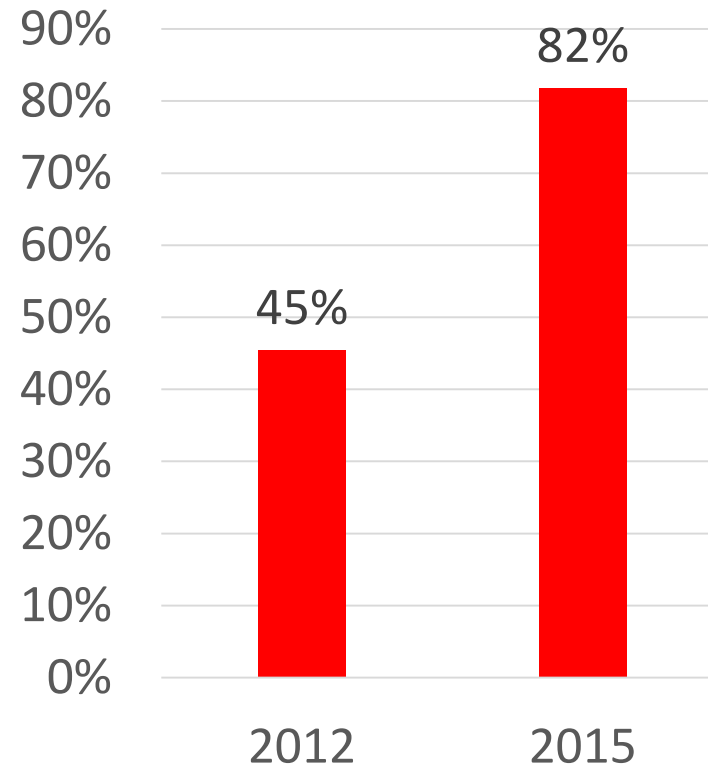


Impact depends on where
you begin your climb

Base Compensation Plus Employer Costs



Employer Paid Expenses Per Employee

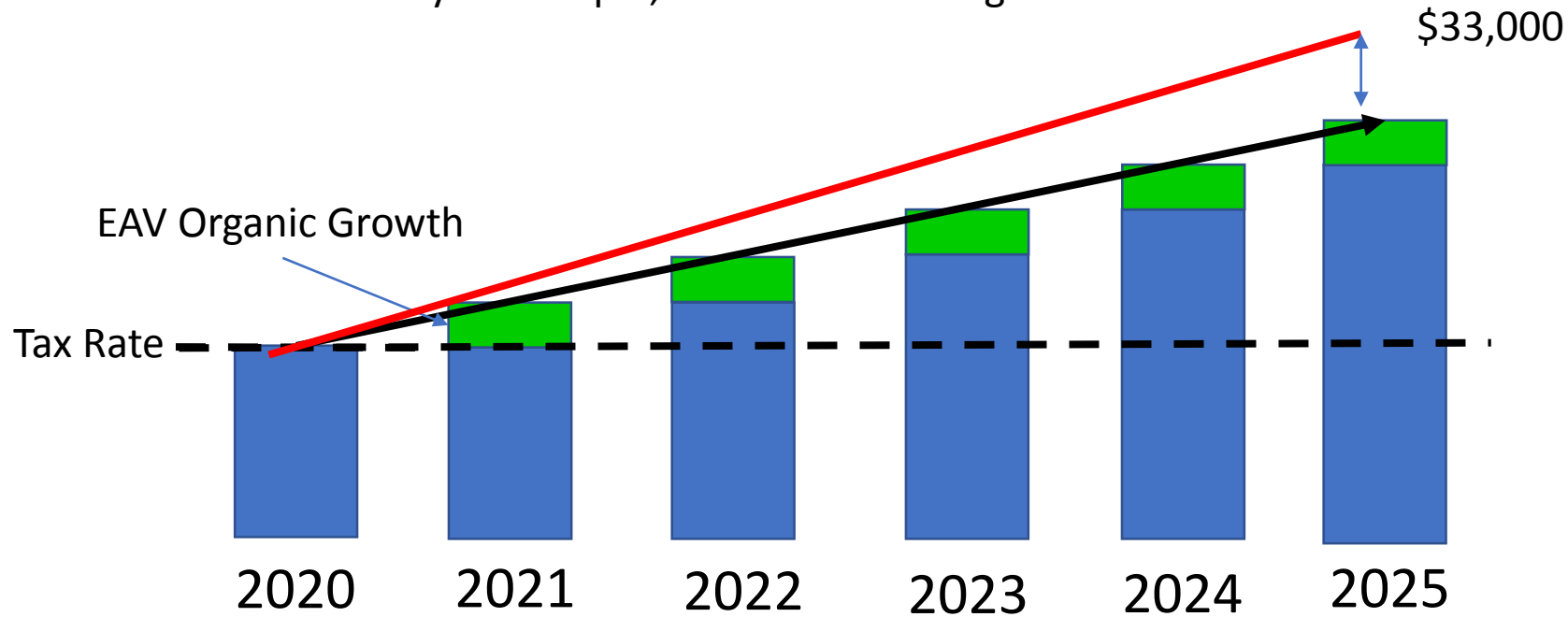


Impacting:

- Social Security Levy
(based on higher rate)
- IMRF Levy
(based on higher rate)
- General Fund - Insurance
(Workman's Comp Rate)

EAV or Rate Change

- County A has an EAV of about \$55,000 across all involved funds
- Fund growth is compounding while the rate remains constant
- Labor Costs are typically aligned to organic growth
- In the County A Example, Labor exceeds Organic Growth



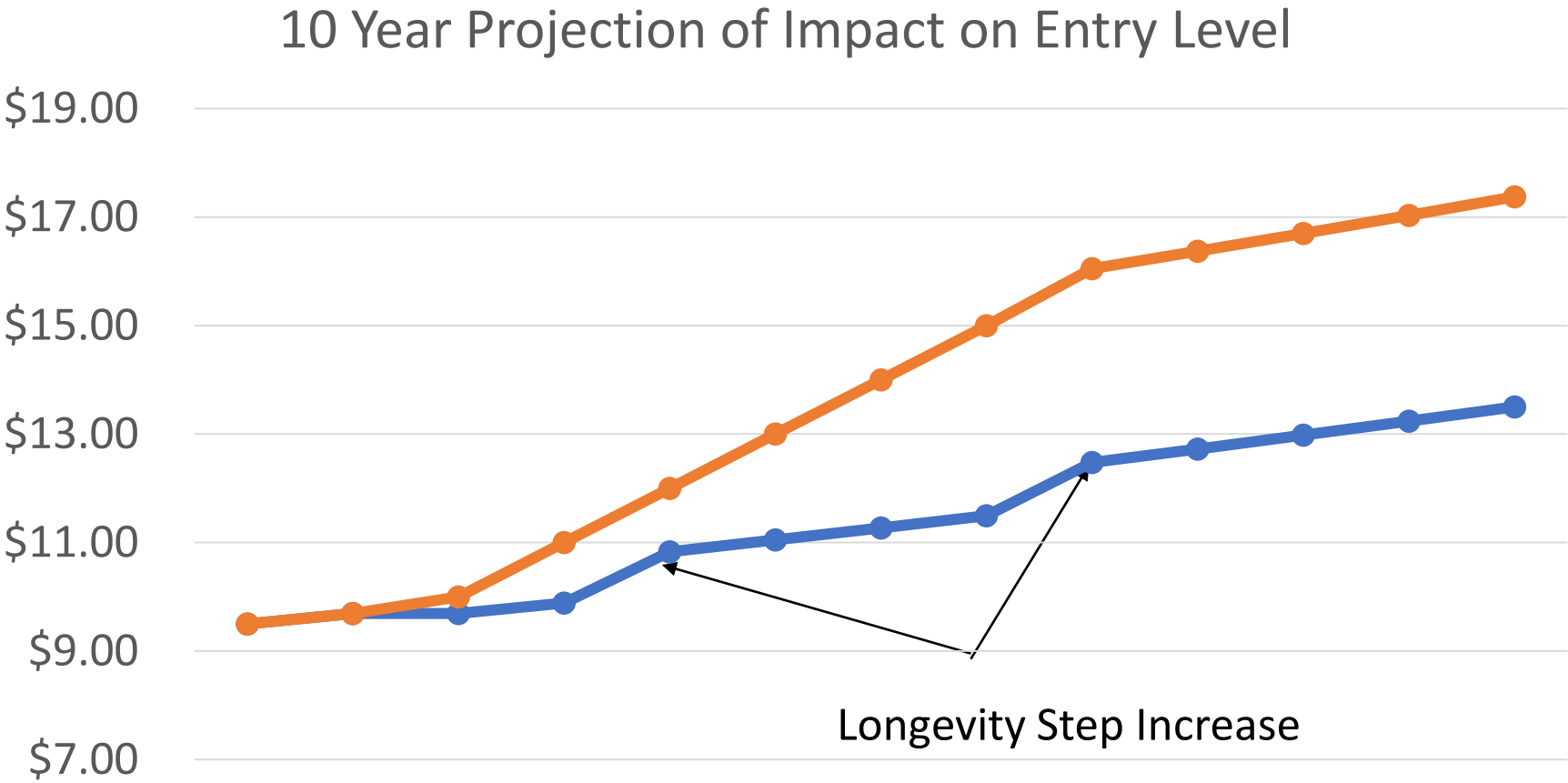
The Cost of Entry Level Employees Increase by 38%

	Hourly	Annualized	Employer Paid Tax	Total
Current	\$9.25	\$16,835.00	\$2,188.55	\$19,023.55
2020	\$10.00	\$18,200.00	\$2,366.00	\$20,566.00
2025	\$15.00	\$27,300.00	\$3,549.00	\$30,849.00

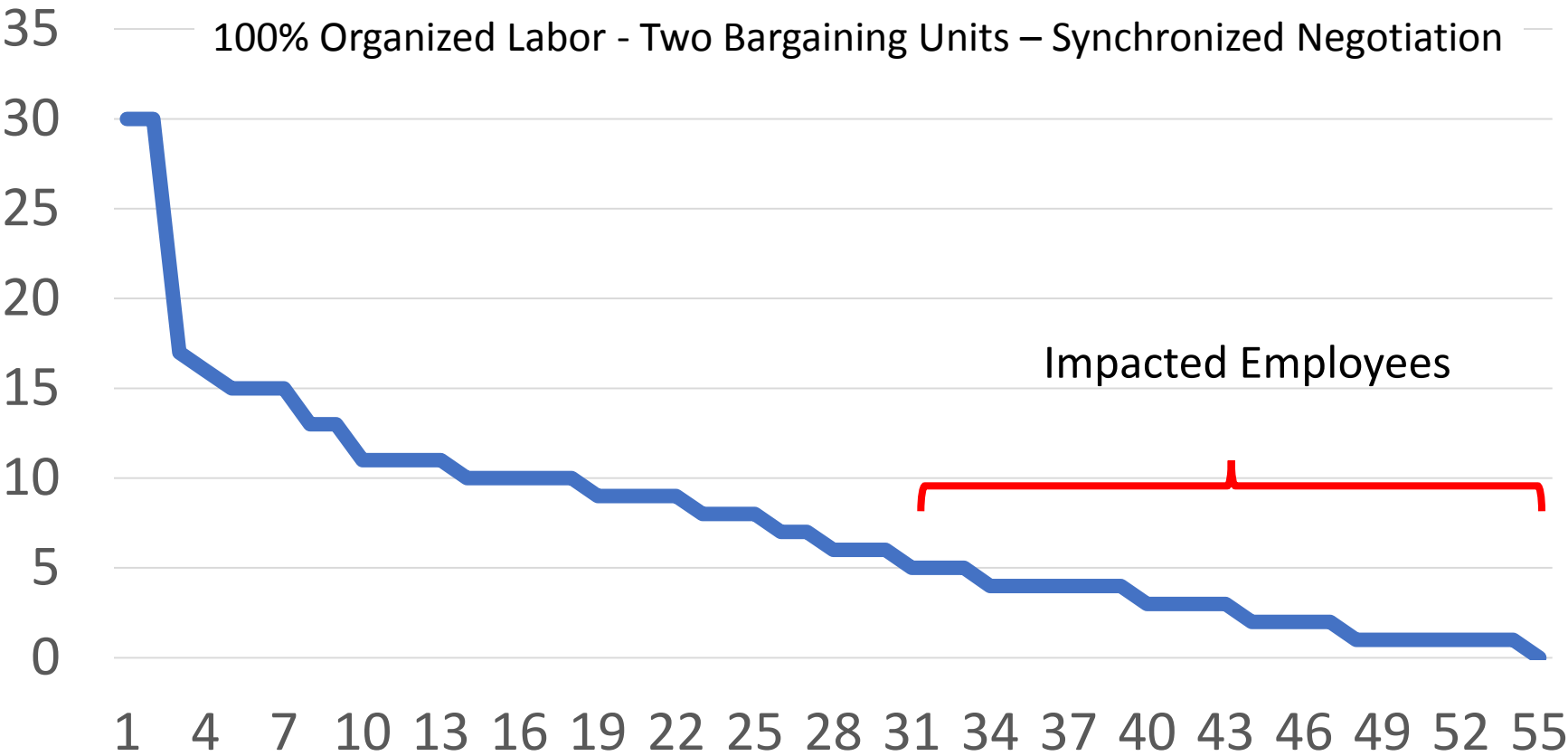
24 of 55 Employees Impacted



24 of 55 Employees Impacted

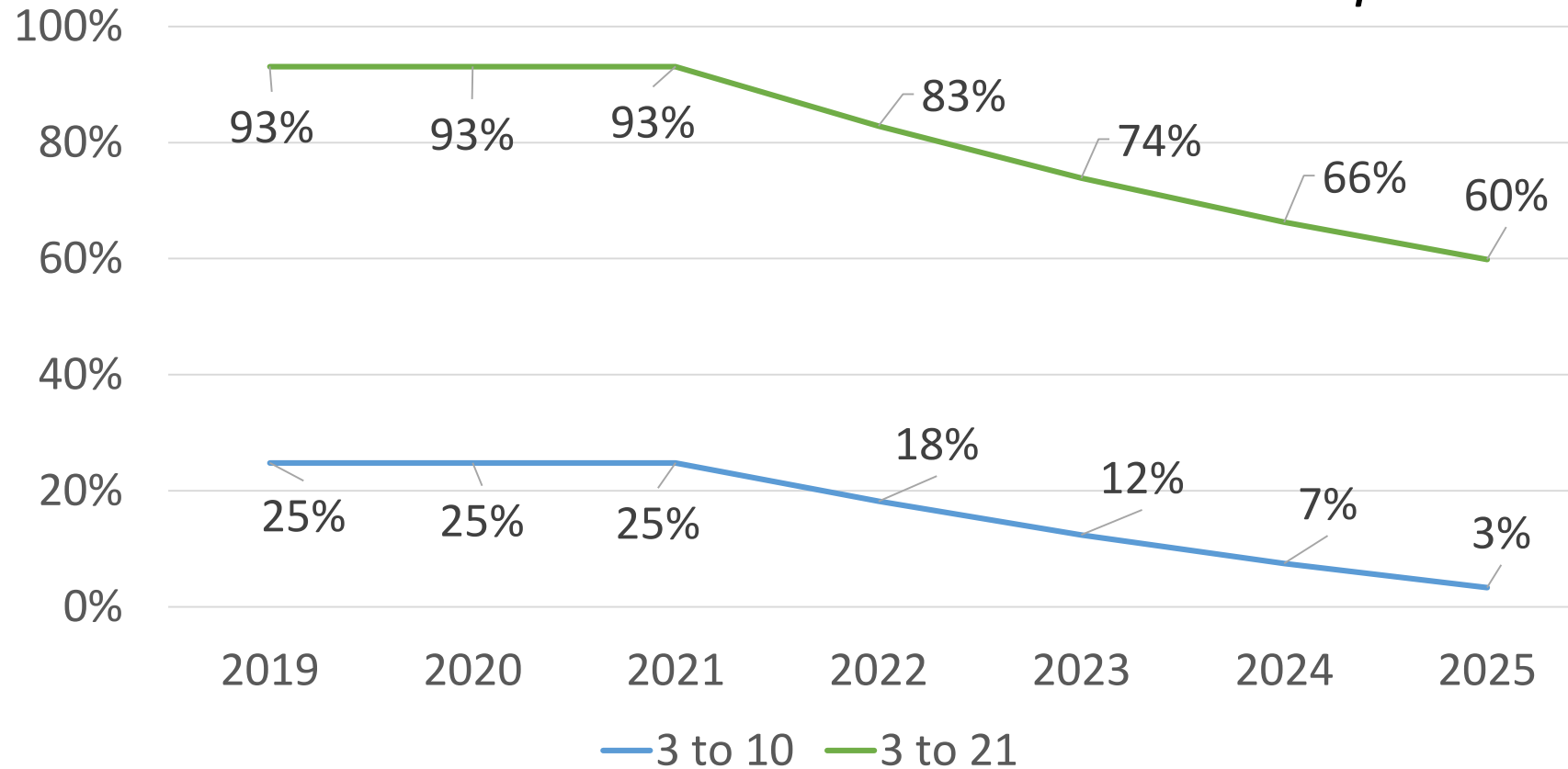


Years of Service



Longevity Value

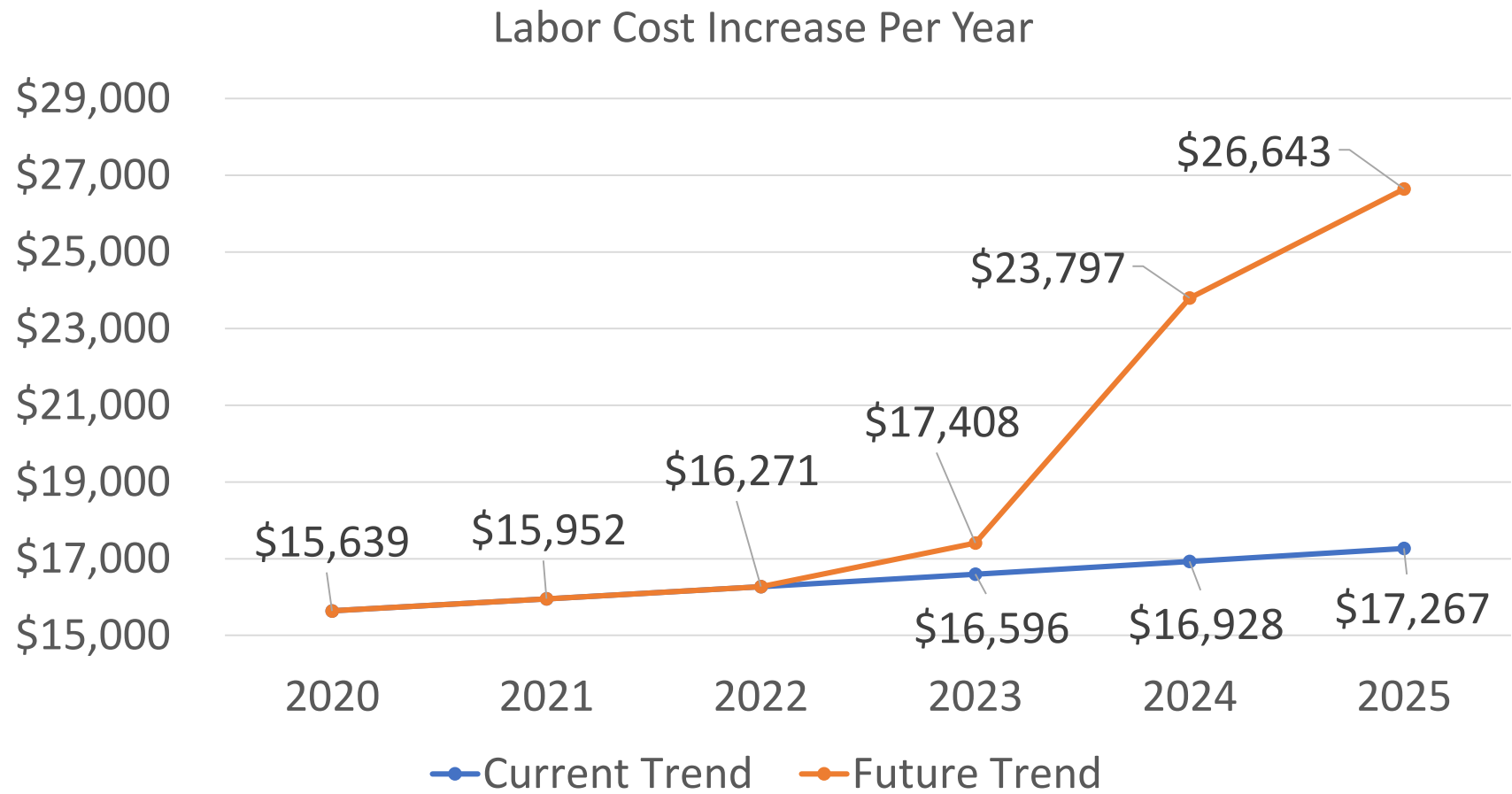
31 Impacted



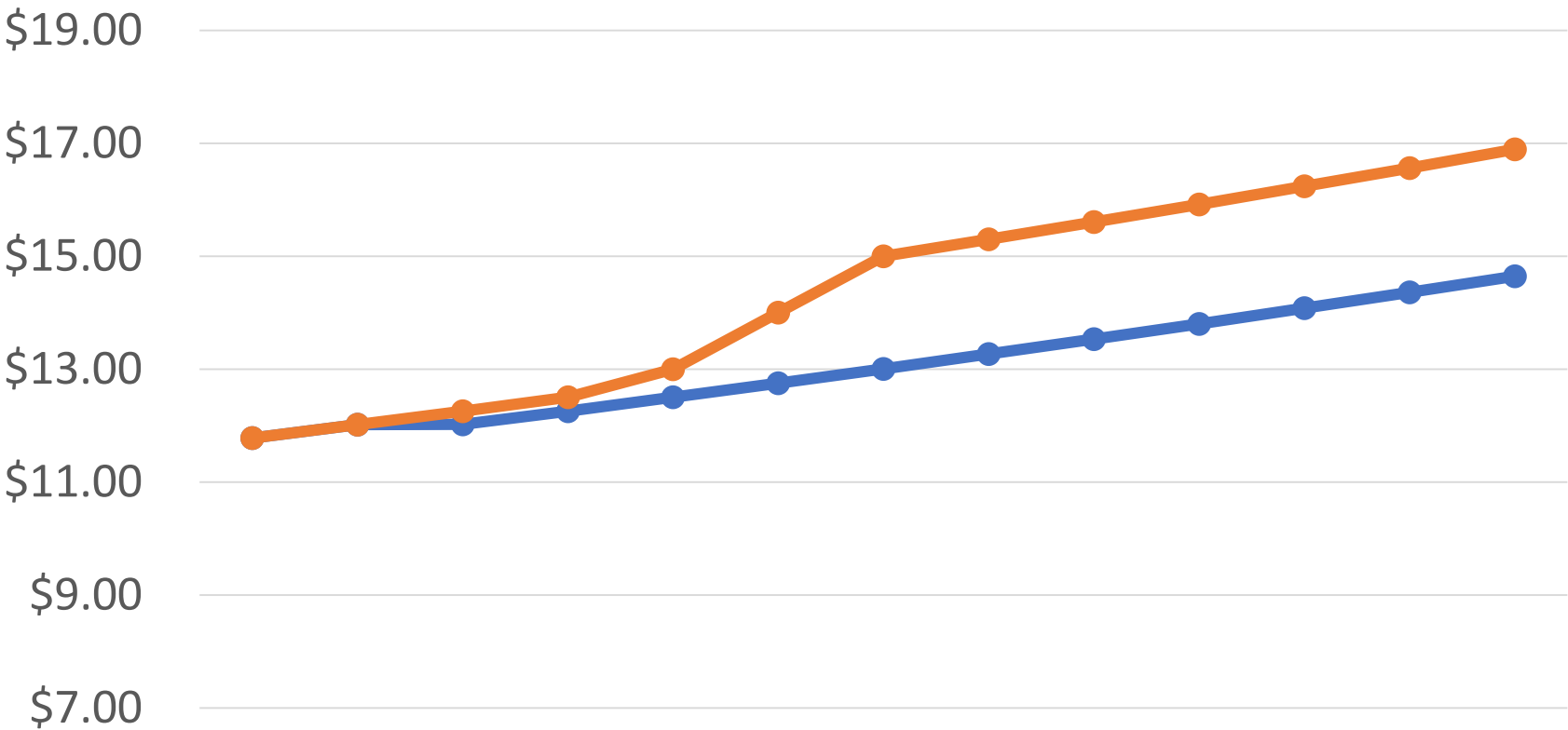
The Cost of Entry Level Employees Increase by 22%

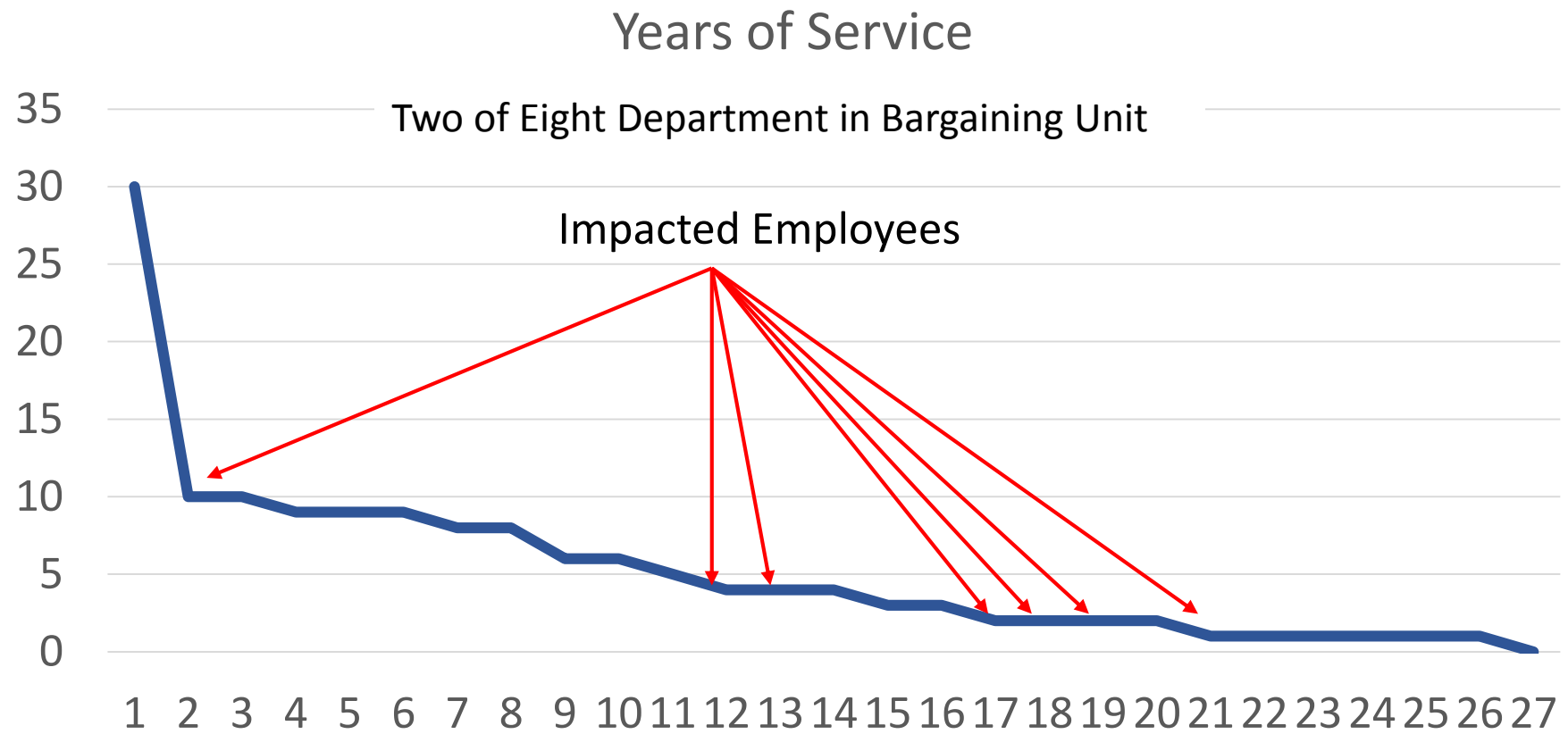
	Hourly	Annualized	Employer Paid Tax	Total
Current	\$11.78	\$21,439.60	\$2,787.15	\$24,226.75
2020	\$12.02	\$21,876.40	\$2,843.93	\$24,720.33
2025	\$15.00	\$27,300.00	\$3,549.00	\$30,849.00

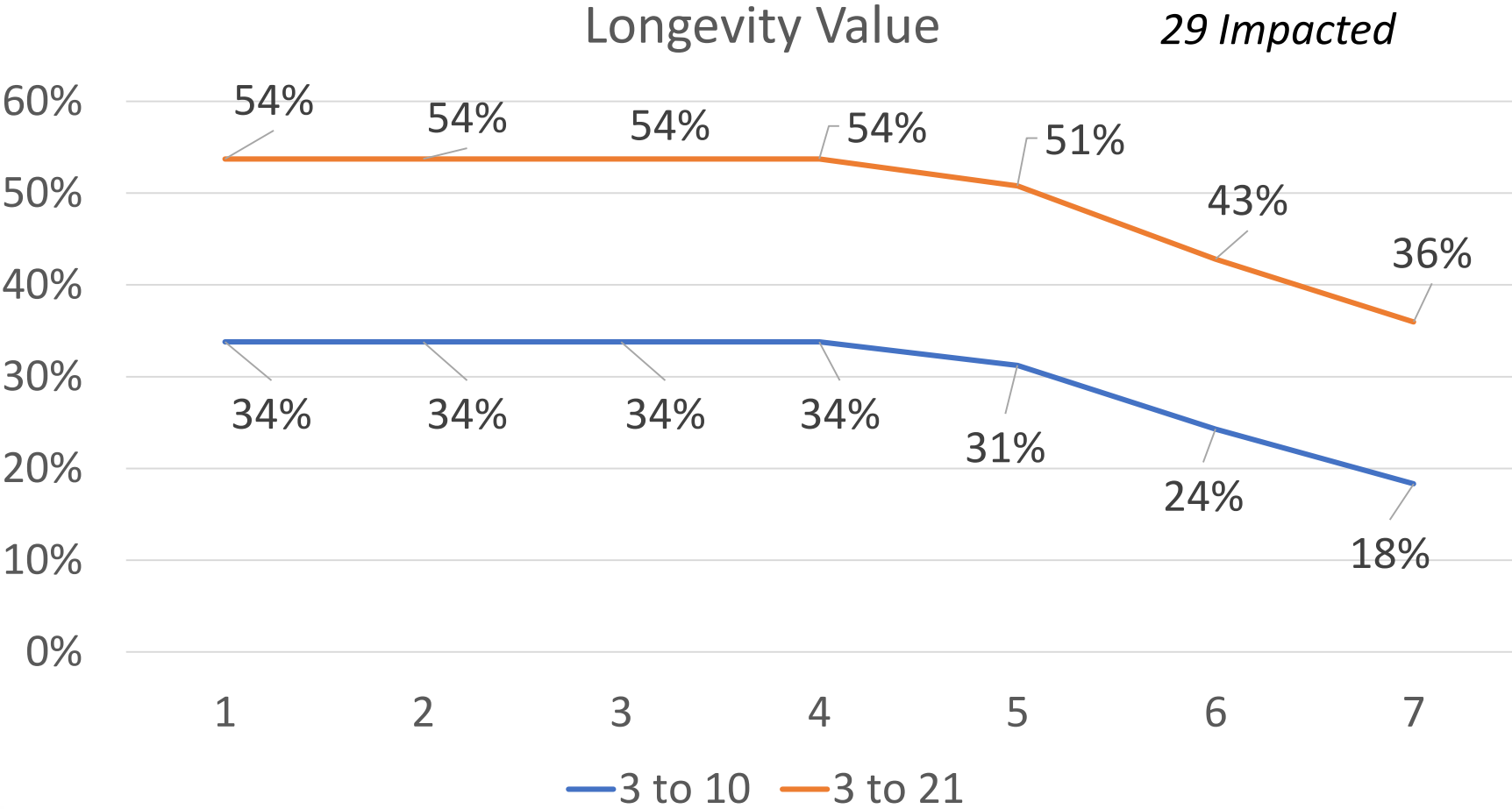
7 of 36 Employees Impacted



10 Year Projection of Impact on Entry Level





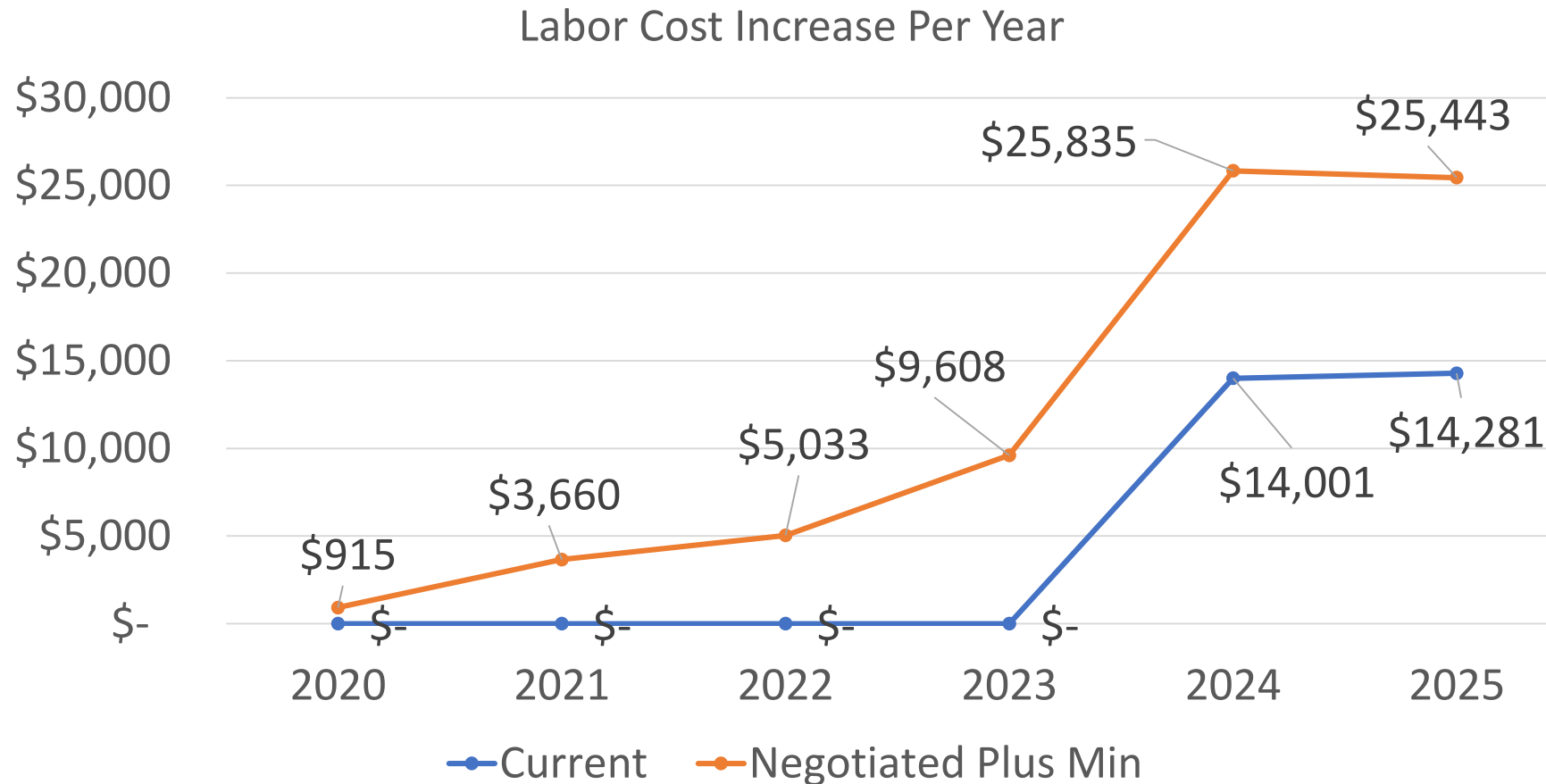


The Cost of Entry Level Employees Increase by 36%

	Hourly	Annualized	Employer Paid Tax	Total
Current	\$9.50	\$17,290.00	\$2,247.70	\$19,537.70
2020	\$10.00	\$18,200.00	\$2,366.00	\$20,566.00
2025	\$15.00	\$27,300.00	\$3,549.00	\$30,849.00

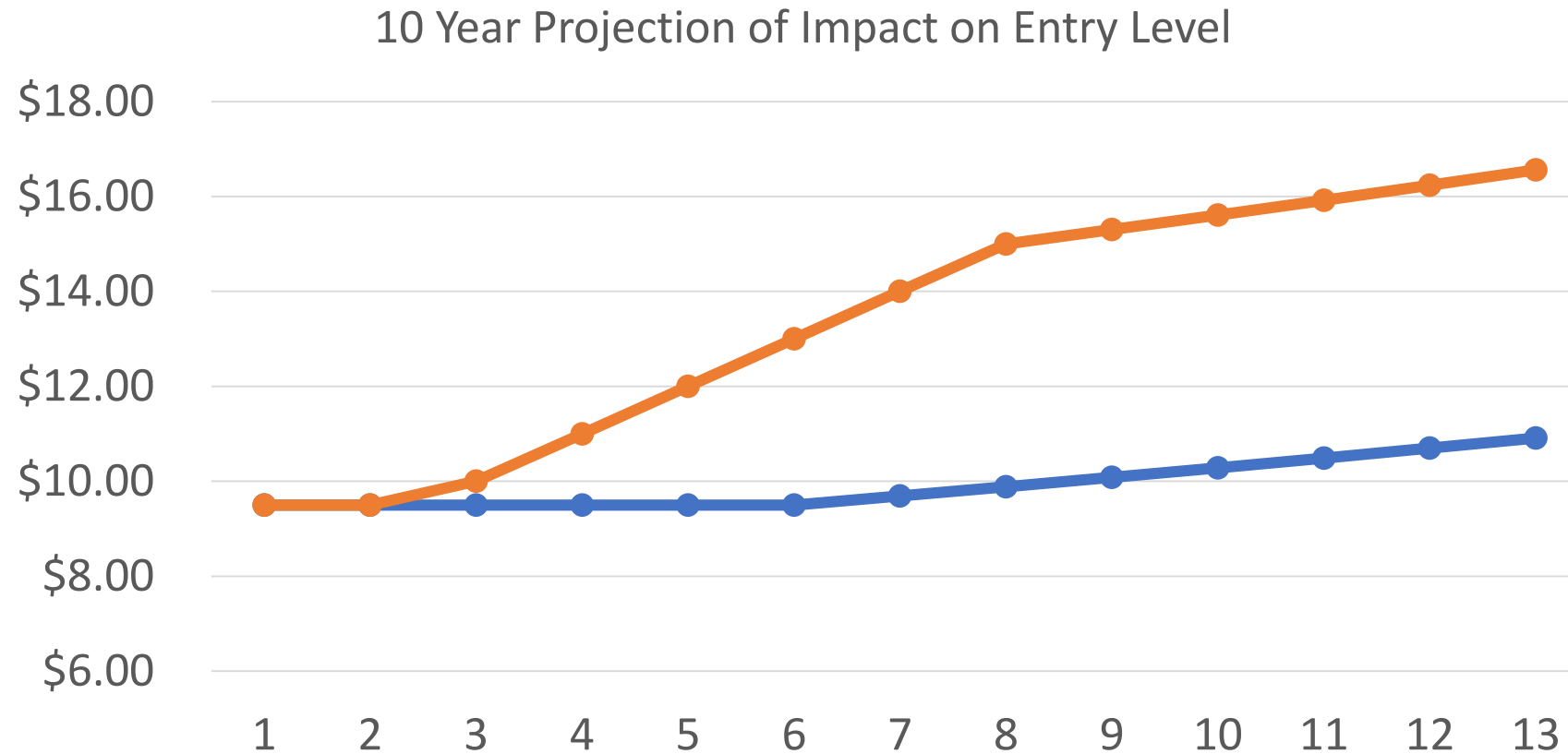
County C (5,000 population, agri-business, no inter-state, no rail head)

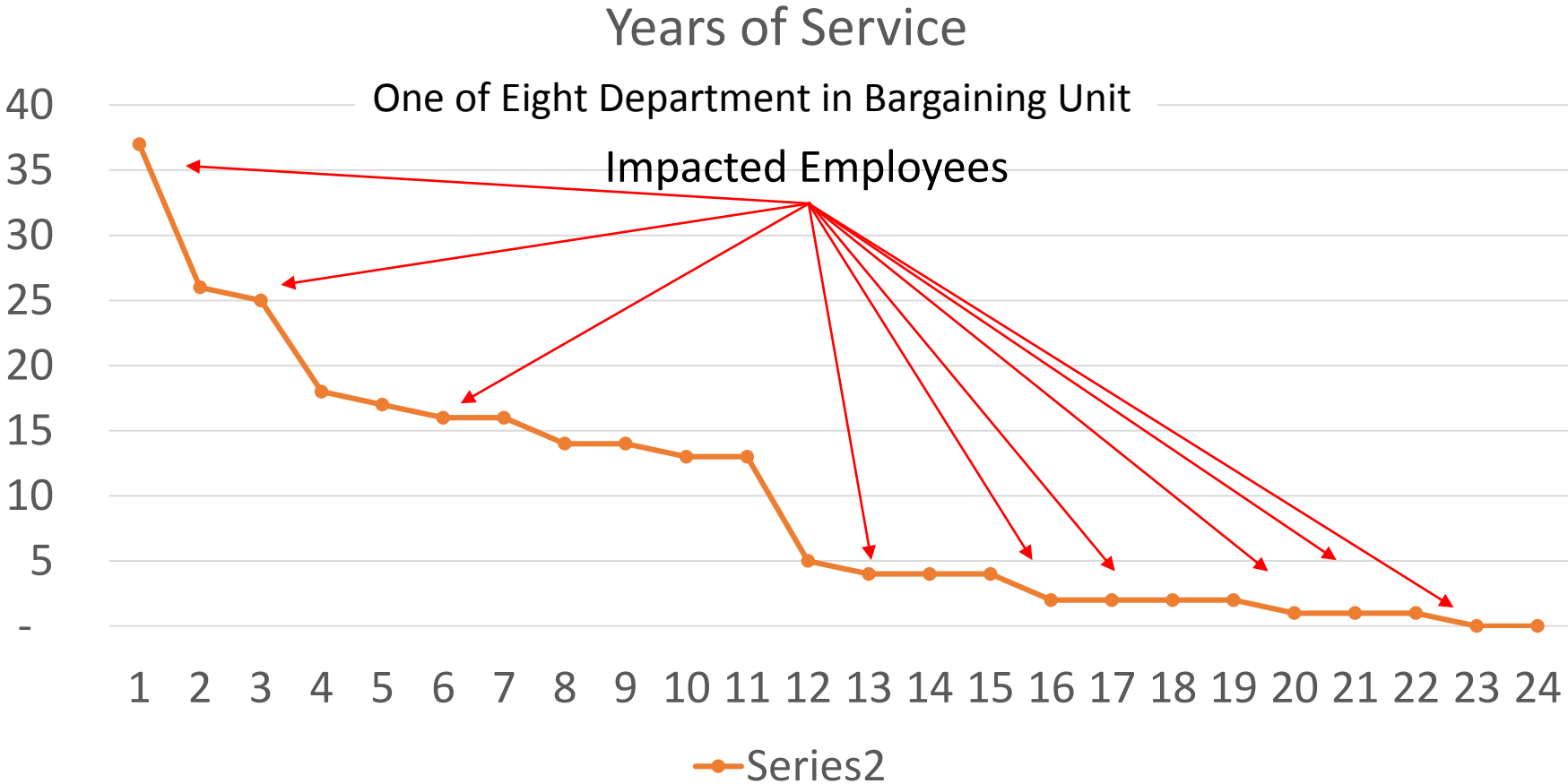
8 of 24 Employees Impacted



County C (5,000 population, agri-business, no inter-state, no rail head)

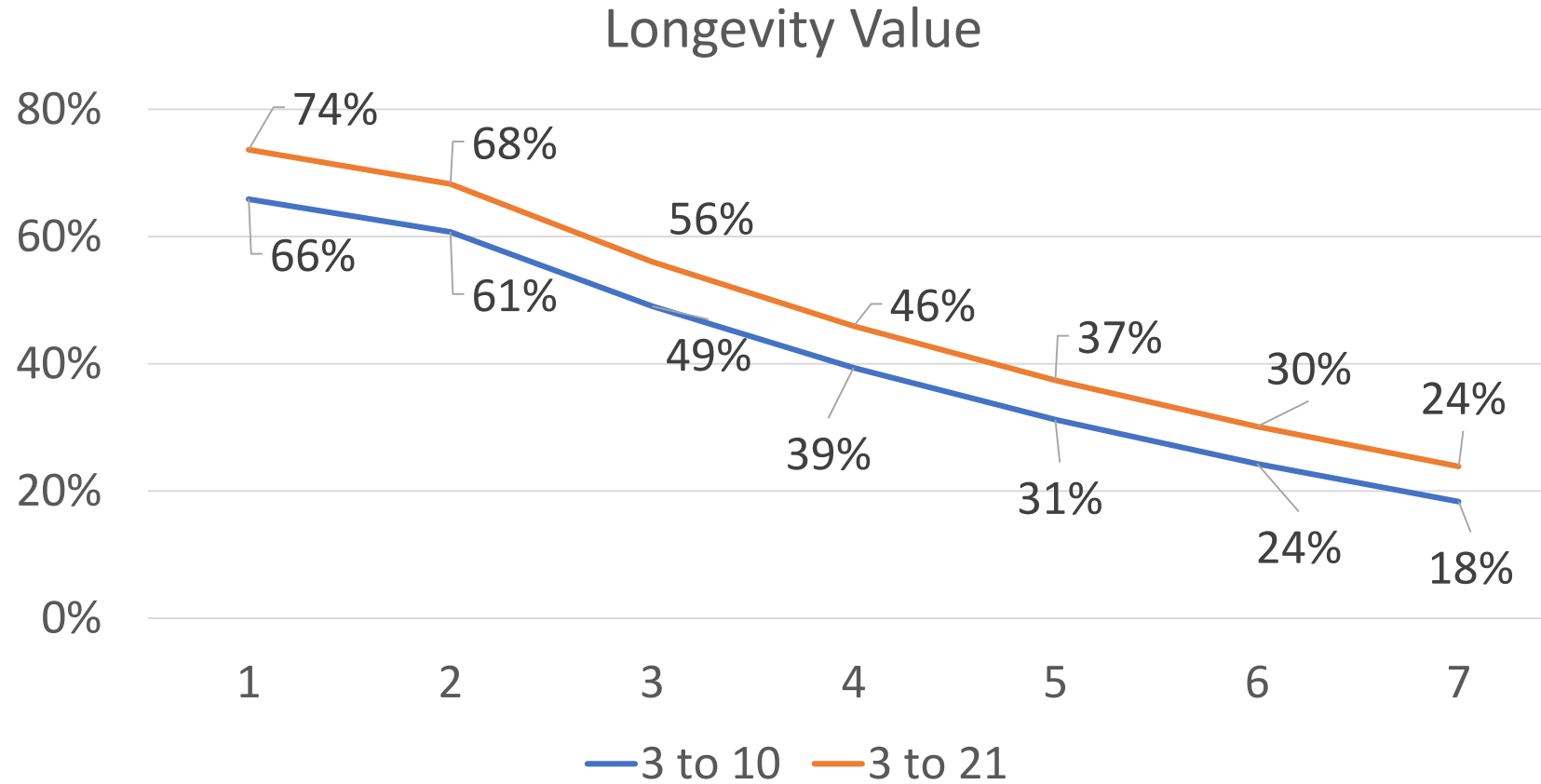
8 of 24 Employees Impacted





County C (5,000 population, agri-business, no inter-state, no rail head)

8 of 24 Employees Impacted

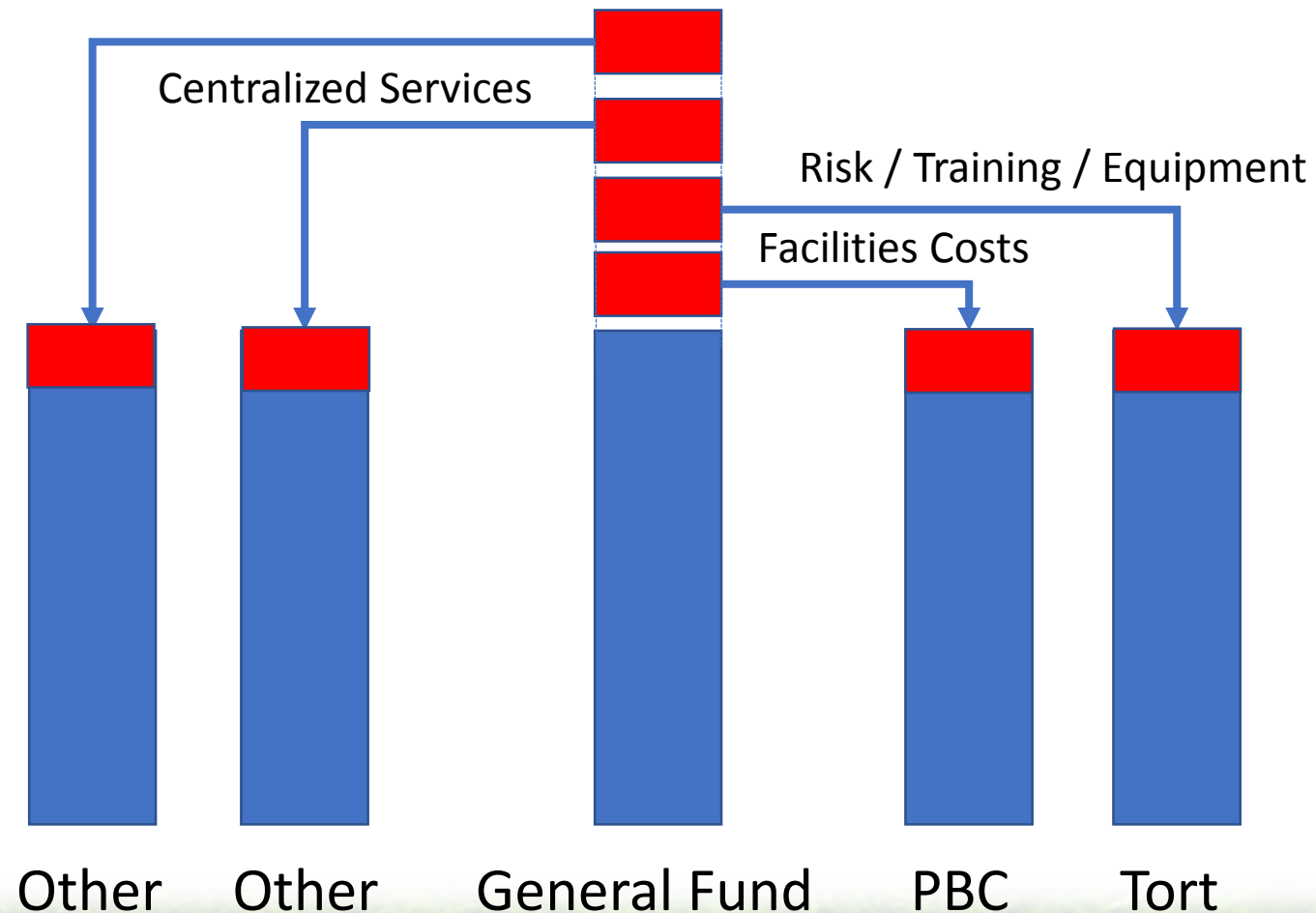


The Challenge

- State Mandated Increased Labor Costs
- Organized Labor Pressure
- Exceeding the EAV Organic Growth in a PTEL Counties
- Exceeding General Fund Caps

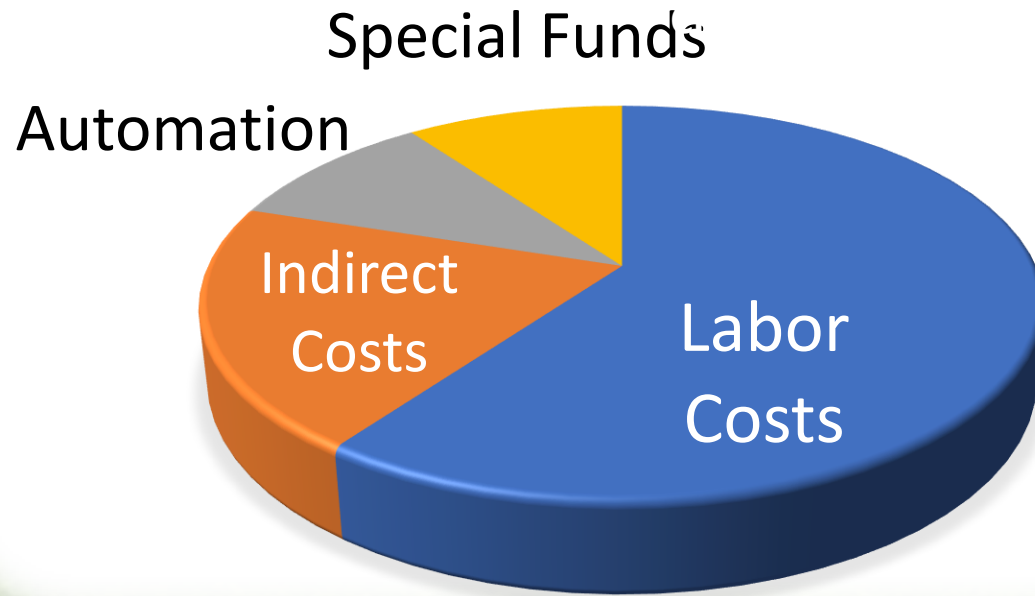
What Can Be Done?

Allocate Permitted Expenses to Other Funds



What Can Be Done?

Insulate Departments by Ensuring Fees
Cover all Labor and Service Costs



- Clerk / Recorder
- Sheriff
- Animal Control
- Environmental Health

What Can Be Done?

Deferring Capital Improvements Comes at a Cost

Vehicle Replacements → Increase Maintenance Cost

Facilities Upgrades → Decreased Utilities Costs

Software Upgrades → Service Interruptions

Communication Upgrades → Service Interruptions

What Can Be Done?

Aggressively Pursue Collections

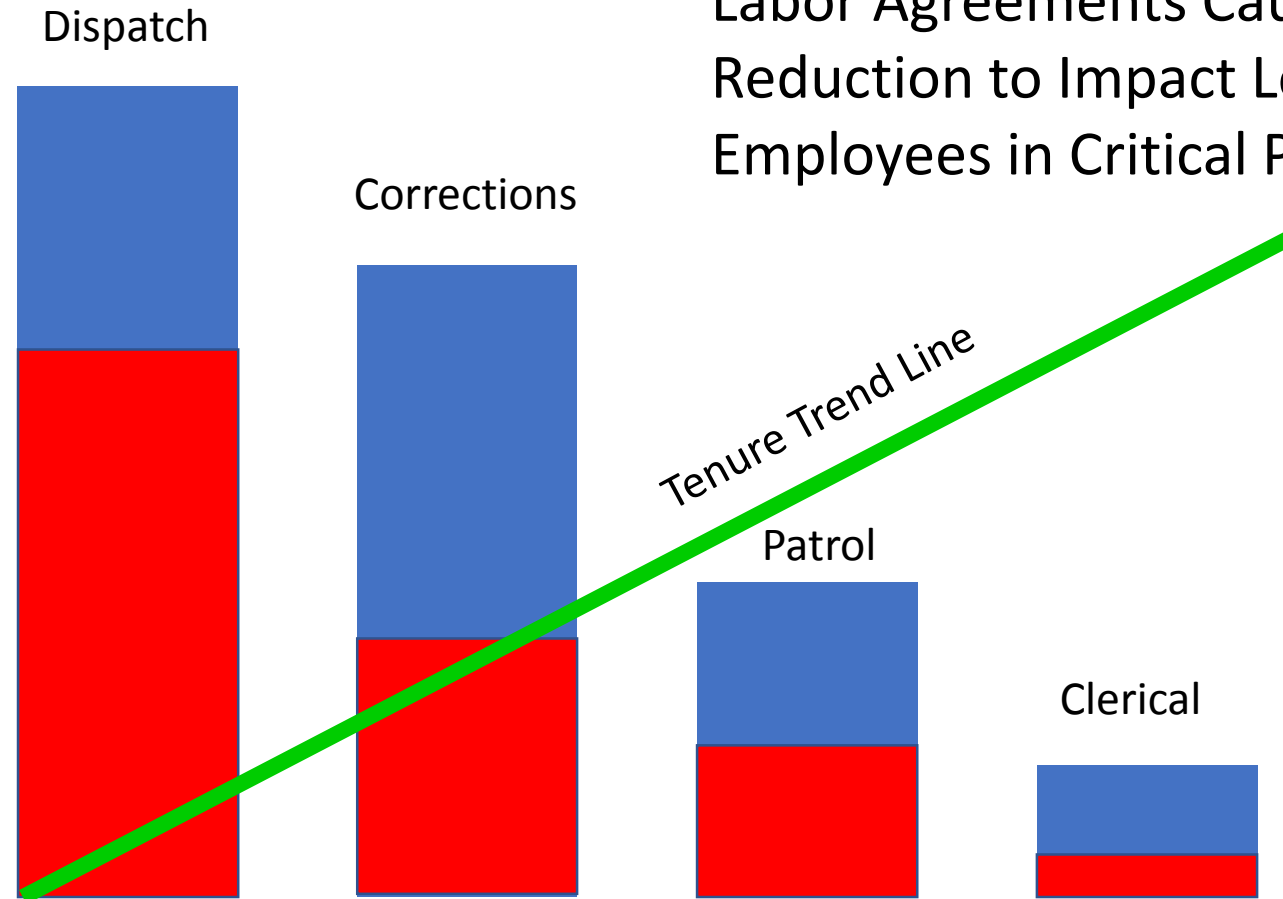
- Design Effective Collection Strategies
 - Report and Monitor Accumulating Receivables
 - Leverage Multiple Strategies
 - Smart Collection Contracts
 - Illinois Comptroller Programs
- Monitor Collections Using Strong Tracking Tools



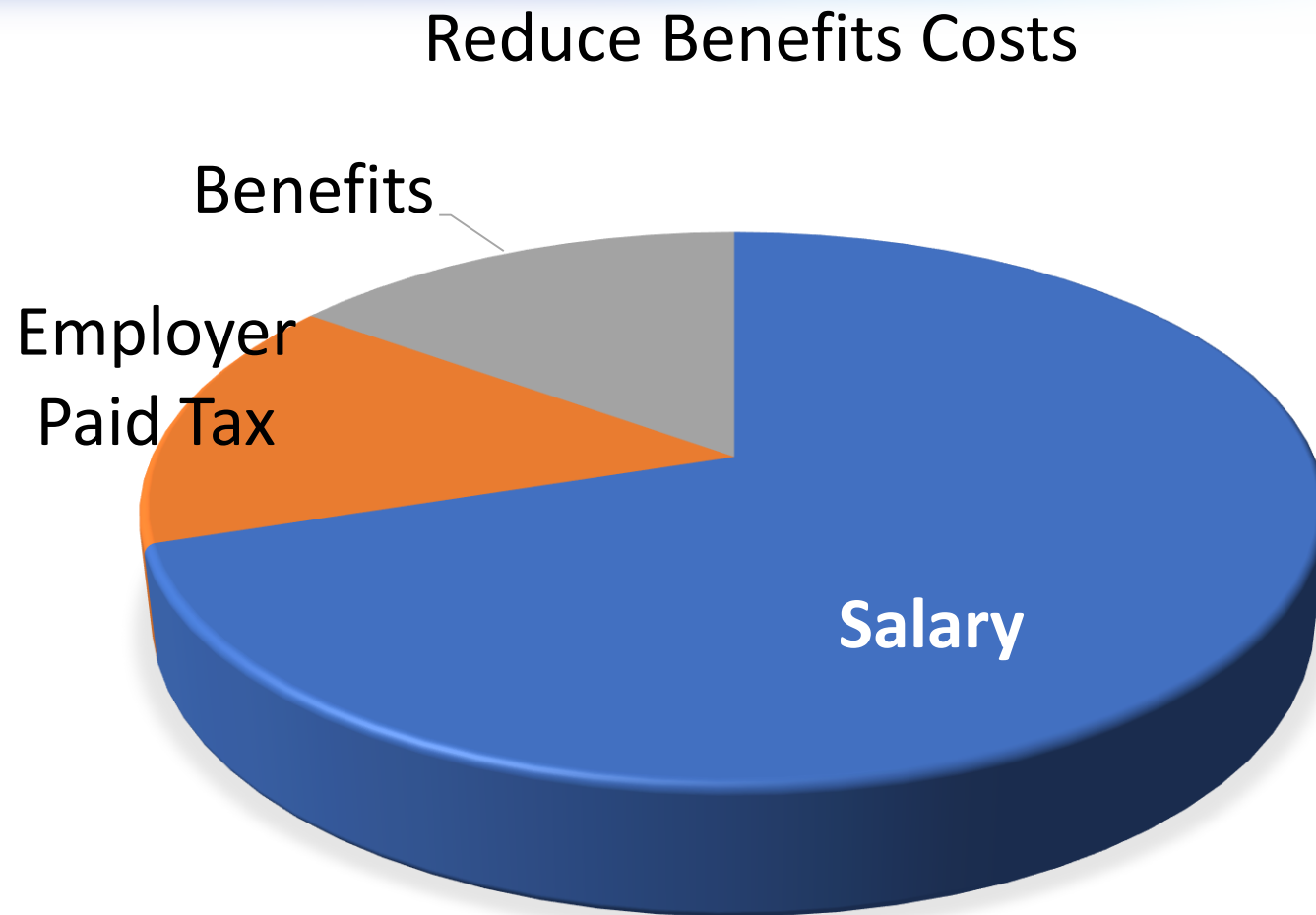
What Can Be Done?

Force Reduction

Labor Agreements Cause Force Reduction to Impact Lowest Paid Employees in Critical Positions



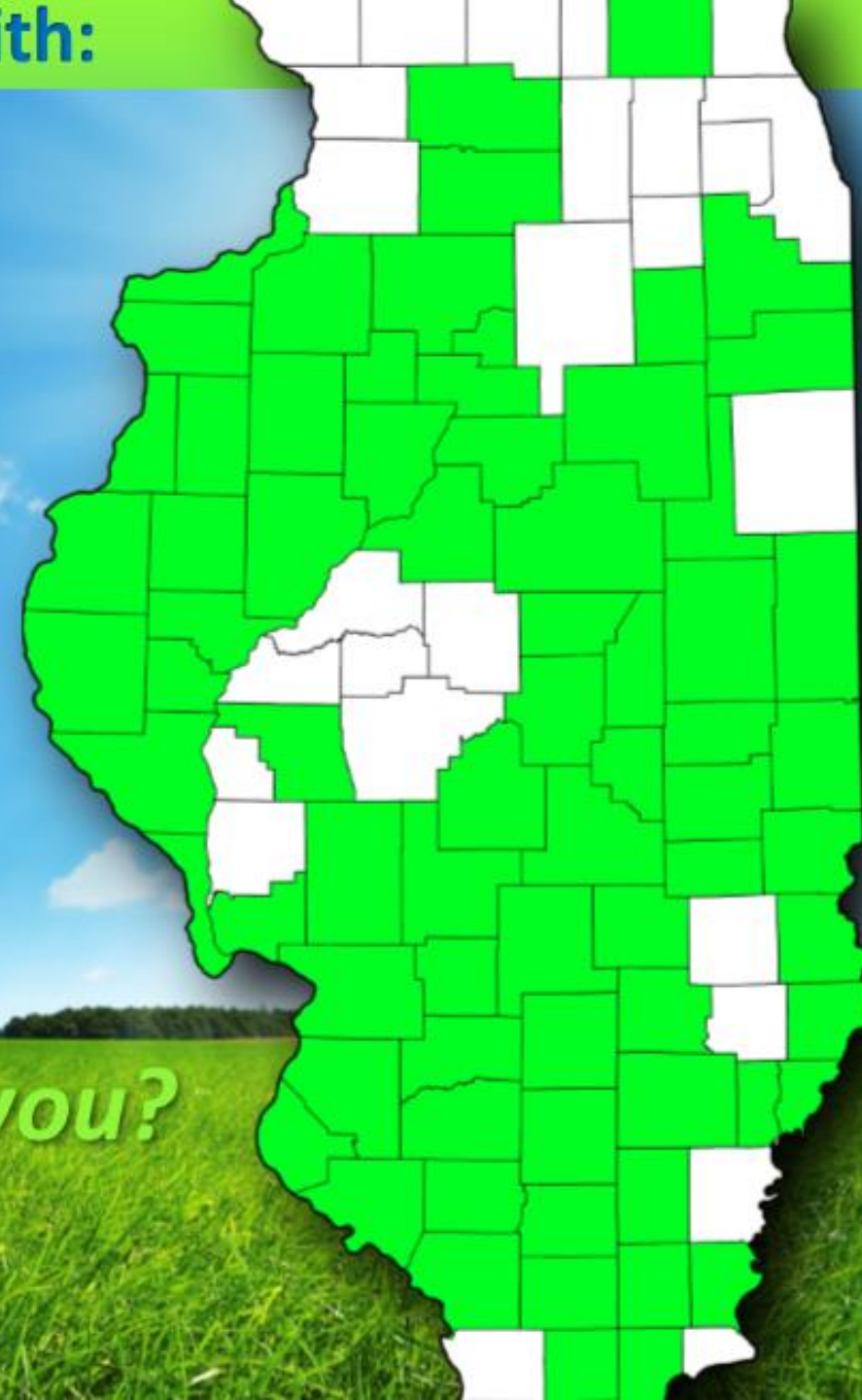
What Can Be Done?



Assured To Be Met With Bargaining Unit Resistance

Bellwether Has Helped Illinois Counties with:

- Fee Based Revenue Improvements
- Budget Development and Tracking
- Department Operations Review
- Labor Contract Valuation
- Staffing Models / Gap Impact Analysis
- Issue Management
- Inter-Governmental Agreement Valuation
- Public Hearing Planning / Facilitation
- Media / Public Affairs Support



How can we help you?



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