

## COMMITTEE REPORT

**COMMITTEE:** Finance, Tax & Budgets  
**CHAIRPERSON:** Steve Rutz  
**DATE/TIME:** March 27, 2014 @ 6:00 p.m.

**PRESENT:**  John O'Boyle       Rick Dittmar       Randy Jobgen  
                   Steve Rutz             RJ Winkelhake       Ron Smith

Other Board members:

Others: Dan Reimer, Donna Berlage and Carol Soat

**1. Review and approve minutes – Randy Jobgen made a motion to approve the February 27, 2014 Finance, Tax and Budget Committee minutes. Seconded by Rick Dittmar and motion passed.**

**2. Citizens Comments**

**3. Staff Reports**

- a) **Chief County Assessment Office** – Chief County Assessment Officer, Donna Berlage, handed out information from her monthly report. Berlage reported that Board of Review hearings were held March 10<sup>th</sup> and 11<sup>th</sup> and 36 cases were heard. The final abstract was prepared and given to the County Clerk on March 21st. Nothing new to report on PTAB cases. Berlage reported that she has received 5 township resolutions for assessment redistricting; the deadline for the Townships to return resolutions is May 1st. On March 4<sup>th</sup> Berlage, Treasurer Carol Soat and County Clerk Jean Dimke spoke at the League of Women Voters forum about the property tax cycle. Berlage announced that Deb Wunsch will be the new Township Assessor for the Berreman, Derinda, Pleasant Valley and Wards Grove Multi-Township Assessment District.
- b) **Treasurer's Office** – County Treasurer, Carol Soat, reported that she hopes to send out tax bills the first part of May, the first installment would then be due the first part of June and the second installment would be due September 1<sup>st</sup>. Soat reported that she is working on updating the Jo Daviess County investment policy. Soat reported that as of March 1, 2014 the Treasurer's Office will be paying and tracking claims for the ETSB/911.
- c) **County Administrator** - Dan Reimer, County Administrator, provided the Committee with several financial reports. Reimer discussed the FY2014 three month revenue comparison report. Reimer reviewed updated year to date economic statistics. Final 2013 sales tax receipts for all Jo Daviess County municipalities combined were up 4.5% from prior year, final hotel/motel tax receipts for the City of Galena and Jo Daviess County combined were up 2.49%, 2013 transfer declarations were up 7.7% from prior year, and new home building permits, septic and well permits were all down approximately 10% from prior year. Reimer reported that the annual health insurance meeting with Steve Hamilton from Tricor Insurance is planned for early April, to review past year claims and the Affordable Care Act. The field portion of the audit has been completed; staff is still working

with the auditors on other portions of the audit process. The auditors will present the audit report at next months Finance, Tax and Budget Committee meeting.

#### **4. Unfinished Business**

- a) Jo Daviess County strategic goals – Nothing new to report.
- b) Township Assessor Pilot Program – Ron Smith reported that two of the four Township laptops needed to be upgraded and memory added to allow them to connect with the VPN at the courthouse. This was an unanticipated expense and will require an emergency claim.
- c) Township Assessor Program Intergovernmental Agreement – Nothing to report at this time.
- d) Update on options to fund the Public Safety Radio Communications System- RJ Winkelhake reported that the Law Enforcement & Courts Committee discussed court ordered fines and costs. Circuit Clerk Sharon Wand presented the process for collection of these fines and fees.
- e) Update on five year capital improvement plan from standing committees – Rutz suggested that a list of departmental projects be available for the budget season so that funding of the projects can be discussed and determined.

#### **5. New Business**

- a) Discussion regarding Jo Daviess County policies that establish and designated minimum fiscal year end fund balances for certain governmental funds and GASB 54 - Reimer reviewed R2011-34 a resolution establishing a fund balance policy for financial statement reporting which is required by GASB54 (Government Standards Accounting Board). The Resolution established the following policies: It is the policy of Jo Daviess County to establish and designate minimum fiscal year end fund balances (Committed Fund Balance) for the following governmental funds: General Corporate Fund, County Highway Fund, Public Health Fund, Social Security Tax Fund, Illinois Municipal Retirement Fund, Insurance Fund, Home Health Care Fund, Tourism Promotion Fund, and the GIS Automation Fund to ensure that these funds retain sufficient revenue to meet cash flow timing needs, seasonal cash flow shortfalls, and/or to provide funding for unforeseen emergencies, economic downturns or local disaster. Committed Fund Balances must be re-established annually before fiscal year- end: It is the policy of Jo Daviess County to maintain committed fund balance in the General Fund to fund operations for a period of at least three months (“Cash Flow Commitment”). The Cash Flow commitment in the General Fund is adjusted annually with the adoption of the annual budget and is calculated as three months (25%) of General Fund expenditures; Fund balance will be maintained to provide the County with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing; It is the policy of Jo Daviess County to assign a portion of Fund Balance in the amount of debt service payments for governmental debt for the following year. These funds may be assigned in either the General Fund or an appropriate Special Fund. A designation for debt service that is equal to one year of debt service payments will

be maintained; The County will spend the most restricted dollars before less restricted, in the following order: 1) Nonspendable (if funds become spendable), 2) Restricted, 3) Committed, 4) Assigned, 5) Unassigned

- b) Discussion and possible action to indentify unreserved fund balance that could possibly be used for future life safety projects - The committee reviewed the budget process and the importance of timing of the review and approval of the ten County property tax levies and the budget allocation of County 1% sales tax receipts. The general fund and several special fund budgets are dependent on the property tax levy as a major source of revenue and each has an established minimum fiscal year-end fund balance policy. The purpose of the minimum fiscal year end fund balance policies is to ensure that the fund retains sufficient revenues to provide for revenue and cash flow timing needs, to ensure against revenue short falls and fluctuation in revenue receipts, to provide funding for unforeseen emergencies, and to account for specific purpose fund balance that per GASB 54 is classified into one of the following categories: nonspendable, restricted, committed, or assigned. Each year during the budget workshop process the County Board has an opportunity to review and consider the possibility of allocating undesignated fund balances from the General Capital Equipment Fund and/or General Capital Investment Fund for the purpose of funding unfunded capital activity requests. The committee reviewed the amounts appropriated in the FY2014 General Capital Equipment Fund and the General Capital Investment Fund and the remaining amounts of designated and undesignated fund balance. Reimer reviewed several funds that have a minimum fiscal year end fund balance policy and accompanying charts showing revenues, expenditures, fund balance, minimum year end fund balance, and unassigned fund balance for the period 2009 to 2014. The undesignated fund balance in the General Capital Investment Fund is approximately \$170,881 and the undesignated fund balance General Capital Equipment Fund is approximately \$145,858. The FY2014 General Capital Investment Fund budget includes \$18,391 for Courthouse exterior improvements. These funds can be used to address life-safety issues identified in the ShiveHattery Courthouse exterior condition study. Reimer reviewed a salary & benefits summary spreadsheet by budget for the period FY2009 to FY2013. During that period county wide total salaries/wages for all funds increased 0.1%, health insurance increased 21.7% and pension contributions increase 43.1%. The Committee discussed other budget related issues and requested that this information be considered again during the budget process.

- 6. Board Member concerns** – A special Finance Committee meeting needs to be scheduled prior to the County Board meeting on April 7, 2014 to consider a resolution from the Public Works Committee to amend certain highway engineering fees. The consensus of the committee was to have a special Finance, Tax and Budget Committee meeting on April 7, 2014 at 6:30 pm.

**7. Citizens' comments**

Next committee meeting is on Thursday, April 24, 2014 @ 6:00 p.m.

Randy Jobgen made a motion to adjourn at 8:30 pm. Seconded by John O'Boyle and motion passed.