

COMMITTEE REPORT

COMMITTEE: Finance, Tax & Budgets
CHAIRPERSON: Steve Rutz, Chairman
DATE/TIME: July 30, 2015 @ 6:00 p.m.

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

Other Board members:

Others: Melisa Hammer, Donna Berlage, and Dan Reimer.

1. **Call to Order** – Steve Rutz called the meeting to order at 6:00 pm.
2. **Roll Call** – A quorum was established.
3. **Review and approve minutes** – **John O'Boyle made a motion to approve the June 30, 2015 Finance, Tax & Budgets Committee meeting minutes as presented. Seconded by Rick Dittmar and motion passed.**
4. **Citizens Comments** – None
5. **Unfinished Business**
 - a) Jo Daviess County Strategic Goals – The Committee reviewed their current list of strategic goals. The Committee made the following updates/revisions to the Finance, Tax & Budgets Committee list of strategic goals: continue implementation of planned improvements to the property tax cycle with a target date of June 1st – marked as completed; continue to implement fixed asset management policy, marked as ongoing; develop a plan for additional revenue options, marked as ongoing; continue to monitor payoff of debt associated with the Radio Communication System-timeline 5 years; establish 5 year capital improvement plan for all departments, including a financial plan for implementation (much discussion continue to August/September); continue balancing the budget; develop a vehicle/major equipment replacement schedule with accompanying financial plan for implementation (continue discussion September/October); removed implement 5 multi-assessment with township assessors responsible, this is complete and was removed.
 - b) Township Assessor Pilot Program – Committee recommended that this item be removed from future agendas.
 - c) Township Assessor Program Intergovernmental Agreement – Nothing new to report at this time. Ron Smith will review with States Attorney.
 - d) Update on options to fund the Public Safety Radio Communications System – revised to state Update on options to maintain the Public Safety Radio Communications System.
 - e) Update on Jo Daviess County Purchasing Card program – Melisa Hammer, Jo Daviess County Treasurer reported that the transition to a new purchase card program with Illinois Bank & Trust has been completed. This item will be removed from future agendas.
 - f) Discussion and possible action on Special Service District #6 – Galena Area Emergency Medical Service District – The Committee discussed that a public hearing on Special

Service Area #6 will be held on Thursday, August 13, 2015. This item will be removed from future agendas.

6. New Business

- a) Discussion and possible action on committee assignments from the 2015 County Board retreat -The Committee reviewed their four committee assignments from the 2015 County Board Retreat. Develop balanced budget process; find more streamlined budget process; complete implementation of fixed asset management policy; investigate combination of township assessment districts. The Committee discussed ideas and possible options to streamline the joint committee budget review meeting process. Streamlining the budget process and complete implementation of the fixed asset management policy will be kept on the list and marked as ongoing. Steve Rutz discussed investigate combination of township assessment districts and this item will not be added to the list of goals at this time.
- b) FY2016 Jo Daviess County Budget Update - Dan Reimer reviewed the Step 6 FY2016 Budget handout which included reviewing target funding amounts and department head and agency memos regarding FY2016 expense budgets. Reimer stated that the overall goal is to achieve a balanced General Fund operating budget. Round 1 FY2016 GF revenue estimates and initial GF target expense estimates serve as the basis or starting point for developing the overall FY2016 budget. Round 1 General Fund revenue estimates for FY2016 are projected at \$7,536,469. General Fund target expense estimates (as of 07/23/15) are projected at \$7,594,486. The initial GF operating budget deficit for FY2016 is \$58,017; this difference between revenue and expenses does not consider the allocation of fund balance. This initial GF deficit is \$88,598 less than the initial FY2015 deficit of \$146,615. Reimer reviewed the summary of FY2016 Round 1 General Fund revenue estimates and the FY2016 General Fund core revenues. A summary of initial FY2016 General Fund target expense estimates were reviewed, these amounts were established using the guidelines approved on June 30, 2015 by the Finance, Tax & Budgets Committee. Target expense amounts for General Fund budgets, after allocating increases/decreases for allowable mandated expenses, were set at the same level (zero increase) as the final FY2016 target amount less any non-recurring expenses added during the FY2015 budget process including any approved unfunded requests. General Fund target expense estimates (as of 07/23/15) are \$7,594,486; this is a decrease of \$187,234 or 2.4% less than the final approved FY2015 target amount of \$7,781,720. In conclusion, based on preliminary Round 1 revenue estimates and initial GF target expense projections, FY2016 revenue will fall \$58,017 short (deficit) of the amount needed for a balanced budget. It is also apparent that revenue will not be sufficient to support increased spending on new recurring activities unless there is a redistribution of revenues, reductions in funding of current programs/operations, or allocation of fund balance. Although minor adjustments are likely to occur in subsequent rounds of revenue estimates, the revenue side of our FY2016 General Fund budget is not expected to change significantly.
- c) Approve initial FY2016 General Fund target budget amounts including new mandatory and necessary expenses- Reimer reviewed the following necessary General Fund expense items that require approval of the Finance, Tax & Budgets Committee.
1. **\$117,200.00** - Debt service payment - Interfund transfer – \$117,200 debt service payment to the Emergency Services Communication Fund (066). This amount was considered a non-recurring necessary expense in the FY2015 budget. This amount is included in the initial FY2016 GF target amount – needs approval.
 2. **\$5,200.00** - Request to adjust (increase) the target amount of the General Fund Miscellaneous budget \$5,200 for a GASB 54 Study. JDC is required to conduct a

- GASB 54 study for post-employment benefits every other year. This is considered a mandatory non-recurring expense – needs approval
3. **\$26,323.20** - Holiday Patrol Grant – Request to adjust (increase) the target amount of the General Fund Sheriff's budget \$26,323.20 for the Holiday Patrol grant (\$20,884-Overtime, \$1,295-S.S., \$303-Medicare, \$3,843-SLEP). This is a federal STEP reimbursement grant; revenue offsets expenses. The total amount of the grant application is \$31,441.60. The federal fiscal year starts October 1, 2015. Two campaigns estimated at \$5,118.40 (Halloween and Thanksgiving) will occur in County fiscal year 2015. This amount **was not** included in FY2015 Sheriff's target budget amount. As of July 29, 2015 Sheriff Turner has not received notification if this grant has been approved. If it is not approved this request will be withdrawn – needs approval (committee may want to consider approval based on approval of the grant).
 4. **\$9,690.00** - Request to adjust (increase) the target amount of the General Fund Emergency Management budget \$9,690.00 for operational expenses for this department. Beginning with the FY2015 budget, responsibility for the Emergency Management budget was transferred from the Sheriff to a separate department of County government. These operational expenses including maintenance, fuel, telephone, office supplies, utilities and rental expenses were unanticipated at the time the FY2015 budget was adopted. Some of the additional expenses will be eligible for reimbursement through the Emergency Management grant program. Requested line item increases include:
 - \$4,000.00 – 601 Maintenance Supplies
 - \$200.00 - 605 Office Supplies
 - \$2,000.00 - 611 Automotive Fuel/Oil
 - \$50.00 - 703 Postage
 - \$1,440.00 - 704 Telephone & Electronic Communications
 - \$2,000.00 - 711 UtilitiesThe above expenses are considered necessary recurring expenses – needs approval
 5. **\$45,000.00** - Payment for RMS/CAD/JMS software project. When first approved in the FY2014 budget this amount was considered a necessary recurring expense for four (4) years – does not need approval (for awareness and information purposes).
 6. **\$1,655.00** - Request to adjust (increase) the target amount of the Communications budget \$1,655 for 5% increase in JDC Public Safety Radio Communications System Maintenance Agreement. This is considered a mandatory recurring expense – needs approval

Rick Dittmar made a motion to approve initial FY2016 General Fund target budget amounts as presented. Seconded by Merri Berlage and motion passed.

Randy Jobgen made a motion to approve the following new mandatory and/or necessary expenses requests: \$117,200 debt service payment, \$5,200 for a GASB 54 study, \$26,323 for a Holiday Patrol grant only if grant is approved, \$9,690 target increase for the Emergency Management budget for operational expenses, and \$1,655 for 5% increase in Public Safety Radio Communication maintenance agreement. Seconded by Merri Berlage and motion passed.

5. Staff Reports

- a) **Chief County Assessment Office** – Donna Berlage reported that her office continues to work on reviewing the work of the Townships Assessors and rolled over from the Township

level to the Supervisor of Assessment level. On June 29th Devnet provided training to the two township assessors who received new laptops this year for the CAMA program. Berlage reported that she prepared evidence for six PTAB cases and recently received decisions from the State on five PTAB cases and the County won all five cases.

b) Treasurer's Office – Melisa Hammer reported that her office was informed by the Illinois Department of Revenue that salary reimbursements have been placed on hold. Hammer discussed that the second property tax distribution of approximately \$10 million was sent out electronically to the taxing districts. The treasurer's office is currently working with local banks to implement online banking.

c) County Administrator –Dan Reimer reviewed several financial reports including the seven month revenues/expenditures compared to budget by fund summary. Reimer provided a report from the Ad-hoc Health Insurance Committee. The Committee is currently researching a dual option health insurance plan from Medical Associates. This would be a high deductible plan with a Health Savings Account. Reimer reviewed the Labor Market Analysis report from Carlson Dettmann. The Executive Committee will be making a recommendation at their next meeting. The Committee discussed the uncertainty of the State budget and the effect that it might have on local government budgets once the State budget is finalized.

6. Citizens' comments - None

7. Board Member Concerns – None

The next Finance, Tax & Budgets Committee meeting will be on Tuesday, September 1, 2015 @ 6:00 p.m.

Randy Jobgen made a motion to adjourn at 9:05 pm. Seconded by John O'Boyle and motion passed.