

COMMITTEE REPORT

COMMITTEE: Finance, Tax & Budgets

CHAIRPERSON: Steve Rutz

DATE/TIME: July 31, 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, Carol Soat, Donna Berlage, Sheriff Turner, Melisa Hammer, Aaron Abt and Bill Kimball.

1. Review and approve minutes – John O'Boyle made a motion to approve the June 26, 2014 meeting minutes. Seconded by RJ Winkelhake and motion passed.

2. Citizens Comments

3. Staff Reports

a) **Chief County Assessment Office** – Chief County Assessment Officer, Donna Berlage reported that her office has reviewed township assessor work from 14 townships and rolled these townships over to the Supervisor level. Her office is currently working on reviewing the quad townships. Berlage has received 2 new 2013 PTAB cases; evidence for these cases is due in September. Berlage reported that she received a signed assessment redistricting resolution from Dunleith Township and a signed letter from the Supervisor of Berreman Township stating that they agree to the proposed assessment redistricting map. Steve Rutz asked if all Township Assessor's have turned in their work. Berlage reported that all have except for the Berreman/Derinda district. The assessor in this district is new and was hired in 2014. Berlage has been in contact with the township assessor and the work from this district is in the process of being completed and will be turned into the assessment office.

b) **Treasurer's Office** – Carol Soat reported that she completed a second property tax distribution on July 24, 2014. Soat reviewed a letter that her office sent out to the quest accommodation owners and agents in regards to Jo Daviess County hotel/motel tax. The reminder letter notifies owners that a parcel ID number is required to be listed on the hotel/motel use tax form for each property engaged in the business of renting, leasing, or letting rooms in a hotel or motel.

c) **County Administrator** – Dan Reimer, County Administrator, reviewed the FY2014 YTD revenue comparison report for 7 months ending June 30, 2014. Reimer reported that the GIS Automation fund is experiencing a significant decline in revenue from prior year. This was discussed at a recent Information & Communications Committee meeting. The main revenue source for this fund is GIS automation fees; these fees are assessed for every filing of instruments, papers, or notices for record in the County Recorder's office. The number of recorded documents has decreased by more than 30% and is not expected to increase in the foreseeable future. The Committee requested GIS/IT Coordinator Joe Kratcha to

look for options to increase revenue and decrease expenses. One of the options being reviewed is the reallocation of personnel costs between the GIS Department and IT Department. This would result in shifting some of the costs from the GIS Automation Fund to the General Fund.

4. Unfinished Business

- a) Jo Daviess County strategic goals – Nothing new to report at this time.
- b) Township Assessor Pilot Program – Nothing to report at this time.
- c) Township Assessor Program Intergovernmental Agreement – Nothing to report at this time.
- d) Update on options to fund the Public Safety Radio Communications System- Nothing to report at this time.

5. New Business

- a) Discussion and possible action regarding a Resolution to approve line item transfers to account for compensation associated with two new part time positions - Jo Daviess County Animal Control Officer and Jo Daviess County Emergency Management Agency - Reimer reviewed a draft resolution. **Randy Jobgen made a motion to approve a resolution to approve line time transfers to account for compensation associated with two new part time positions - Jo Daviess County Animal Control Officer and Jo Daviess County Emergency Management Agency. Seconded by RJ Winkelhake and motion passed.**
- b) Discussion and possible action to exercise a County option to extend for two additional years a professional audit services agreement with Clifton Larson Allen for fiscal year 2014 and fiscal year 2015 - Reimer reviewed the professional service agreement with Clifton Larson Allen. The agreement is for five years with a county option for the final two years. The FY2013 audit was year three. The County must decide if it wants to exercise its option for fiscal year 2014 and fiscal year 2015. Per the agreement the FY2014 audit cost is \$60,500 and \$62,300 for FY2015. **RJ Winkelhake made a motion to exercise the county option to extend for two additional years a professional audit services agreement with Clifton Larson Allen for fiscal year 2014 and fiscal year 2015. Seconded by Ron Smith and motion passed.**
- c) Discussion and possible action regarding a plan to finance a purchase and license agreement with Spillman Technologies, Inc for certain Spillman software, professional services, first year maintenance service, and 4 years of prepaid maintenance services - Sheriff Turner explained that the current RMS/CAD/JMS software system that is being used by ETSB and the Sheriff's Department is 18 years old and has very limited support. The ETSB, the IT Department and the Law Enforcement & Courts Committee developed an RFP to fit the needs of Jo Daviess County. The project was bid out. It is recommended by the ETSB and the Law Enforcement & Courts Committee to enter into an agreement with Spillman Technologies. Aaron Abt, ETSB Board Chairman, reviewed a draft spreadsheet with a breakdown of the expenses for the system for seven years and how funding would be allocated. The total cost of the project including 5 years of maintenance

service is \$375,924. The County portion of the project would be \$135,000, funded at \$45,000 per year for three years. The ETSB fund would pay \$240,924 over a three year period. Turner discussed that if the agreement was signed by the end of July, Spillman would give the County a \$8,000 discount on the first year's maintenance. **RJ Winkelhake made a motion to approve a plan to finance the purchase license agreement with Spillman Technology, Inc for certain Spillman software, professional services, first year maintenance service, and 4 years of prepaid maintenance services. Seconded by Rick Dittmar and motion passed. RJ Winkelhake made a motion to have the \$8,000 reduction in the price of the Spillman Technologies, Inc agreement be allocated to ETSB and reduce the ETSB FY2014 first year cost from \$105,000 to \$97,000. Seconded by Randy Jobgen and motion passed.**

- d) FY2015 Jo Daviess County Budget Update - Dan Reimer reviewed the Step 6 FY2015 Budget handout which included reviewing target funding amounts and department head and agency memos regarding FY2015 expense budgets. Reimer stated that the overall goal is to achieve a balanced General Fund operating budget. Round 1 FY2015 GF revenue estimates and initial GF target expense estimates serve as the basis or starting point for developing the overall FY2015 budget. Round 1 General Fund revenue estimates for FY2015 are projected at \$7,159,837. General Fund target expense estimates (as of 07/17/14) are projected at \$7,306,452. The initial GF operating budget deficit for FY2015 is \$146,615; this difference between revenue and expenses does not consider the allocation of fund balances. This initial FY2015 GF deficit of \$146,615 is \$39,758 more than the initial FY2014 deficit of \$106,857 and \$122,760 more than the initial FY2013 deficit of \$13,855. Reimer reviewed the summary of FY2015 round 1 General Fund revenue estimates and the FY2015 General Fund core revenues. A summary of initial FY2015 General Fund target expense estimates were reviewed, these amounts were established using the guidelines approved on June 26, 2014 by the Finance, Tax & Budget 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 FY2014 target amount less any non-recurring expenses added during the FY2014 budget process including any approved unfunded request. The total preliminary General Fund target expense estimates (as of 07/14/14) is \$7,306,452; this is a decrease of \$88,348 or 1.2% less than the final approved FY2014 target amount of \$7,394,801. In conclusion, based on preliminary Round 1 revenue estimates and initial GF target expense projections, FY2015 revenue will fall \$146,615 short 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 FY2015 General Fund budget is not expected to change significantly.
- e) Approve initial FY2015 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 Emergency Services Communication Fund. This amount was considered a non-recurring necessary expense in FY2014 budget. This amount is included in the initial FY2015 GF target amount – needs approval.
2. **\$12,190.00** - Request to adjust (increase) the target amount of the General Fund Emergency Management budget \$12,190.00 to pay the part time wages of the new part time Emergency Management Coordinator. This is considered a necessary recurring expense – needs approval.
3. **\$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).
4. **\$1,575.00** - Request to adjust (increase) the target amount of the Communications budget \$1,575 for 5% increase in JDC Public Safety Radio Communications System Maintenance Agreement. This is considered a mandatory recurring expense – needs approval.

Randy Jobgen made a motion to approve initial FY2015 General Fund target budget amounts including new mandatory and necessary expenses. Seconded by Rick Dittmar and motion passed.

f) Review and discussion of the FY2015 Chief County Assessment Offices budget - Donna Berlage, Chief County Assessor, presented general fund budget 001-40108 Chief County Assessment, which has a target amount of \$304,818. Berlage requested additional funding for postage as a new necessary expense in the amount of \$500. **Rick Dittmar made a motion to move forward budget 001-40108 Chief County Assessment with the necessary expense of \$500 for postage line item 703 to the draft budget document. Seconded by Randy Jobgen and motion passed.** Berlage presented general fund budget 001-40109 Board of Review; this budget has a target amount of \$14,636. **Randy Jobgen made a motion to move forward budget 001-40109 Board of Review to the draft budget document. Seconded by John O'Boyle and motion passed.** Berlage submitted an unfunded activities request in the amount of \$9,840.00 for the purchase of 2 laptop computers, software and training for 2 additional township assessors in the CAMA program to continue with the township assessor's software incentive program. **Ron Smith made a motion to forward the unfunded request in the amount of \$9,840.00 to the unfunded request list. Seconded by RJ Winkelhake and motion passed.**

6. Board Member concerns - Rick Dittmar stated that earlier in the meeting GIS/IT funding issues were discussed and the IT committee would like to take the reduction of staff off the table. Dittmar stated that nothing should be taken off the table, all thou a reduction of staff would be the last thing that he would want to do but feels that everything should be left on the table for discussion purposes.

7. Citizens' comments - None

Next committee meeting is on Wednesday, September 3, 2014 @ 6:00 p.m.

John O'Boyle made a motion to adjourn at 8:47 pm. Seconded by Rick Dittmar and motion passed.