COMMITTEE REPORT

COMMITTEE: Finance Committee
CHAIRPERSON: Yerda Potter, Chairperson
DATE/TIME: May 13, 2002 9:00 am

PRESENT:

_x_ Berlage	___ Lyons	_x_ Schubert
___ Bielenda	_x_ Montelius	___ Sisler
___ Breckenridge	_x_ Potter	___ Stoffregen
___ Carroll	_x_ Powers	___ Toepfer
___ Creighton	___ Rosenthal	___ Zillig
_x_ Hasken	_x_ Rutherford	

Others: Terry Stoffregen, County Board Member
Duane Olivier, County Administrator
Steve Allendorf, Sheriff
Jean Dimke, County Clerk/Recorder
Sharon Wand, Circuit Clerk
Bill Miller, County Coroner

1. Claims review. The Committee reviewed the claims to be considered for approval by the County Board at its meeting on May 14, 2002.

2. Approval of Minutes. On a motion by Domer Schubert, 2nd by Dutch Powers, the Committee approved the Minutes of April 8, 2002.

3. Treasurer's financial reports. The Committee reviewed several monthly financial reports prepared by the County Treasurer. (Attached)

4. FY2002 year-to-date summaries of revenues and expenditures. The Committee reviewed year-to-date summaries of revenues and expenditures prepared by the County Administrator for the General Fund, Highway Fund, Health and Home Healthcare Funds, Tourism Promotion Fund, and ESTB (911) Fund. (Attached)

5. "Resolution Concerning State Income Tax and Photoprocessing Tax Shared With Local Government." and "Decoupling" legislation, SB1543. The Committee reviewed a resolution (attached) regarding proposed State legislation reducing local government's share of the state income tax from 1/10th to 1/11th and eliminating the payment of the photoprocessing tax to local government. If approved by the General Assembly, this change in revenue sharing would cost Jo Daviess County in excess of $91,000 per year in lost revenues. On a motion by Vince Hasken, 2nd by John Rutherford, the committee approved recommending adoption of the resolution opposing the change in the sharing of the state income tax and the photoprocessing tax.

   The Committee also discussed "decoupling" the Illinois Income Tax from the federal income tax. (Information attached) If this is not done, it is estimated that it would cost Jo Daviess County in excess of $45,000 per year in lost revenues. "Decoupling" legislation has passed the Illinois House and is being considered by the Illinois Senate. On a motion by Margie Montelius, 2nd by John Rutherford, the committee approved recommending that the County

Board Chairperson send a letter to Senator Todd Sieben supporting adoption of the "decoupling" legislation, Senate Bill 1543.

6. Hotel/motel tax collection process. At the last meeting of the Committee, concern was expressed about the timely collection of the hotel/motel tax. Merri Berlage informed the Committee that hotel/motel taxpayers currently have 30-days to pay the tax after the end of the month. If not paid, they are charged a 1½ percent per month penalty. Although the hotel/motel tax ordinance provides a penalty for non-payment of the tax, this must be enforced by the States Attorney through court action. The County currently uses a more practical and apparently effective means of enforcement by terminating a businesses advertising on the Convention and Visitors Bureau website when a hotel/motel taxpayer is 90-days past due. The taxpayer is given a notice of the termination of advertising at 75-days and usually pays before the 90-day cutoff.

7. Health Department cash flow concerns. The Committee discussed the current cash flow concerns of the Health Department. (Attached memo from Peg Murphy) On a motion by Vince Hasken, 2nd by John Rutherford, the Committee approved recommending a resolution authorizing the Public Health Administrator to transfer sufficient funds from either the Home Health Care Fund or the Health Department Capital Improvement Fund to the Health Fund to cover expenditures of the Health Department until tax monies are received. Once tax monies are received, such borrowed funds must be repaid to the fund from which it was borrowed.

8. Financial management software. Duane Olivier reported on two financial management software packages (information attached) that have been reviewed with Carol Soat, Jean Dimke, and other staff, one offered by Civic Systems, LLC of Madison, WI and the other by Devnet, Inc. of DeKalb, IL. Both packages appear to be excellent financial management systems with many installations and both meeting the requirements of the County. The greatest differences in the packages are in the vendor support. Both vendors appear to have hardware/software technical personnel appropriate to the installation, training, and support of the software, but Civic Systems, LLC is owned by Virchow, Krause & Company, LLP, a large accounting firm, and also involves experienced accounting personnel in the installation, training, and support process. Although the cost of the software is generally comparable, Civic Systems - $21,500 (recommended package) vs. Devnet - $23,800 (including the estimated cost of the required Microsoft SQL Server software), the cost of installation, training and support for the Civic System software is more than that of Devnet. Following discussion, on a motion by John Rutherford, 2nd by Margie Montelius, the Committee approved recommending entering into a licensing agreement with Civic System, LLC, for financial management software in the amount of $21,300 plus the cost of necessary implementation assistance, training, and support.

9. Report from States Attorney Glen Weber regarding Attorney Paula Stenlund matter. States Attorney Glen Weber reported that he had not yet received a written statement from the Attorney General regarding this matter, but that in telephone conversations with the Attorney General's Office they have indicated that they can find no precedent for paying the attorney's fees requested in this case. Following discussion, a motion by Vince Hasken, 2nd by Yerda Potter, to deny payment of the requested attorney's fees failed on a 3 to 3 vote. Following further discussion, by consensus the Committee decided to wait for a written statement from the Attorney General's Office before considering this matter further. The Committee also as the States Attorney to ask Judge Kelley if he would offer a written

opinion on this matter.

10. Elected office holder salaries effective December 1, 2002. The Committee reviewed a draft of the minutes of its May 1, 2002 meeting (attached) which summarizes the Committee's and County Board's actions on this matter and discussed what its current responsibilities are. Elected officeholders were given an opportunity to comment. Following discussion, on a motion by Merri Berlage, 2nd by John Rutherford, the Committee approved , on a vote of 4 to 2 (Hasken and Potter opposed), recommending that although elected county officeholders are not on the County's Salary Plan: 1) effective December 1, 2002 the County Clerk/Recorder, the County Treasurer, and Clerk of the Circuit Court be paid at the starting annual rate of Grade 12 of the County's Salary Plan, $44,512, and that such annual salary be increased by 3% each December 1st in 2003, 2004, and 2005; and 2) effective December 1, 2002 the Sheriff be paid at the starting annual rate of Grade 15 of the County's Salary Plan, $59,238, and that such annual salary be increased by 3% each December 1st in 2003, 2004, and 2005. On a motion by Merri Berlage, 2nd by Dutch Powers, the Committee approved, on a vote of 5 to 1 (Hasken opposed), recommending that effective December 1, 2002 the Coroner be paid $13,500 and that such annual salary be increased by $600 each December 1st in 2003, 2004, and 2005.

11. Highway Department fund transfer. The Committee reviewed a memorandum (attached) from Steve Keeffer, County Engineer, to John Creighton regarding the transfer of County Highway funds unused for ice control and snow removal to other budget line items in the Highway Fund. On a motion by Vince Hasken, 2nd by John Rutherford, the Committee recommended that the County Engineer prepare a resolution for a transfer of funds based upon his best judgment about the needs of the County Highway Department, such resolution to be presented at the June County Board meeting.

There being no further business, the meeting adjourned.