

COMMITTEE REPORT

COMMITTEE: Finance, Tax & Budgets
CHAIRPERSON: John Creighton, Chairman
DATE/TIME: September 17, 2003 7:00 p.m.

PRESENT:

<input checked="" type="checkbox"/> Berlage	<input checked="" type="checkbox"/> Hasken	<input checked="" type="checkbox"/> Schubert
<input checked="" type="checkbox"/> Carroll	<input checked="" type="checkbox"/> Mapes	<input checked="" type="checkbox"/> Schultz
<input checked="" type="checkbox"/> Creighton	<input checked="" type="checkbox"/> Potter	

Other Board members: Bill Cooper
Joanne Bielenda
Dane Jackson

Others: Duane Olivier, County Administrator
Glen Weber, States Attorney
Steve Keeffer, County Engineer
John Mazor, CVB Executive Director

1. **Minutes.** Vince Hasken made a motion to approve the minutes of August 20, 2003. Merri Berlage seconded the motion and it was approved.

2. **FY2004 Annual Budget**

a. **Budgetary Issues and Concerns**

(1) **Balanced operation budget policy.** It has been the policy of the County Board to adopt a “balanced” budget, i.e. estimated expenditures = estimated revenues. With the exception of FY2003 when an annual budget with a deficit in excess of \$150,000 was approved in anticipation of fees being increase to cover the budget deficit, all annual budgets in recent years have been “balanced”. The goal of this year’s budget process is to prepare and adopt a “balanced” operational budget for FY2004.

(2) **Capital Improvement Funding.** To date, the proposed General Fund budget contains no funding for needed capital expenditures. John Creighton commented on the capital improvement needs of the Courthouse, the Sheriff’s Office, and the Highway Department. Steve Keeffer commented on the capital improvements program that he is developing for facilities and equipment under his department, but no funding is included, nor is available at this time, for the improvement of Blackjack Road.

b. **General Fund Budget Update.**

(1) **Revenues.** A summary of General Fund revenues was reviewed by the Committee. Duane Olivier commented on several specific revenue items and their prospect of increasing or decreasing. Overall, with the fee adjustments approved by the County Board to date it is anticipated the General Fund revenues will be up about 3% despite an estimated reduction in property tax revenues, state income tax revenues, and 1% sales tax revenues.

(2) Expenditures. A summary of General Fund expenditures was reviewed by the Committee. At this point in the budget process the estimated General Fund deficit is \$162,113 without any funds being included for salary increases for non-union employees. If included, each 1% of salary increase for non-union employees will cost \$12,500.

c. Budget Balancing Alternatives. The Committee reviewed a list of possible “budget balancing” alternatives (attached). Each item was discussed with the following Committee agreement:

(1) Non-County Agencies. The budget requests for the non-county agencies on the attached list would be reduced by 10% each for an estimated savings of \$6,797. Funding for the budget request of the RC&D and EDD should be moved to the Economic Development Investment Fund.

(2) Weed Inspector. Funding for the Weed Inspector would be reduced to \$1,000 for an estimated savings of \$4,000.

(3) Regional Superintendent of Schools. Funding requested by the Regional Superintendent of Schools should be reduced by \$20,000.

(4) Economic Development Expenses. All expenditures for economic development, except for the Economic Development Director’s salary, should be moved to the Economic Development Investment Fund for an estimated savings to the General Fund of \$17,852.

(5) Social Security and IMRF Tax Levies. The tax levies of Social Security and IMRF should be reduced by \$20,000 each with such reduced tax levy funding to come from the fund balances of each fund. This reduction will result in a \$40,000 increase in the General Fund tax levy.

(6) Health Fund, Mental Health Fund, and Extension Education Fund Tax Levies. The tax levies for the Health, Mental Health, and Extension Education Funds should be reduced by 10% or an estimated total amount of \$76,256. This reduction will result in a \$76,256 increase in the General Fund tax levy.

(7) Additional “Revenues”. The following additional revenues should be anticipated and included in the revenue estimate:

(a) Sheriff’s Village of Hanover service contract - \$45,000

(b) Increased animal control fees - \$17,000

(c) Maintenance/Child Support Fund transfer - \$10,000

(8) General Fund Transfers. A \$50,000 transfer should be included in the General Fund of which \$25,000 should be transferred to the General Capital Investment Fund and \$25,000 to the Highway Capital Investment Fund.

(9) Employee Salary Increases. 2% should be added to all General Fund budgets for Performance Evaluation-based pay increases for non-union employees.

- d. Additional Budget Proposals.** Proposed budgets for the Social Security, IMRF, and Insurance Funds were distributed. Each of these proposed budgets will change depending on final decisions of the County Board relative to the tax levy and receipt of the liability and workers compensation insurance premium for FY2004.
- 3. Public Safety Sales Tax.** Information regarding the Public Safety Sales Tax was distributed. Discussion regarding this matter will be scheduled for a future meeting.
- 4. FY2002 Financial Report – Annual Audit.** Discussion regarding the FY2002 Financial Report – Annual Audit will be scheduled for a future meeting.
- 5. Other.**
 - a. Treasurer’s Reports.** Monthly reports of the Treasurer were received and placed on file.
 - b. Golf Trust of America (former owner of the Eagle Ridge Inn & Resort).** A decision on this matter has been rendered by Judge Kelly in favor of the County and county taxing bodies. This may not be a final determination on this matter since the appellant has 30 days to file an appeal.
 - c. Revenue and Expenditure Summary.** 75.0% of the year is represented on the attached summaries. General Fund revenues are estimated at 78.1% collected, excluding property taxes and the transit grant, and expenditures at 72.9%, excluding transit grant expenditures.
 - d. Year-to-date building permit information.** (Attached)
 - e. Final 2002 Assessed Values by Community and Township.** (Attached)

Meeting adjourned at 10:00 p.m.