

COMMITTEE REPORT

COMMITTEE: Finance, Tax & Budgets
CHAIRPERSON: John Creighton, Chairman
DATE/TIME: October 15, 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: Richard Alexander
Sally Toepfer

Others: Duane Olivier, County Administrator
Steve Allendorf, Sheriff
Steve Keeffer, County Engineer

1. **Minutes.** Marv Schultz made a motion to approve the minutes of September 9, September 17, September 23, and October 1, 2003. Vince Hasken seconded the motion and they were approved.
2. **Public Safety Sales Tax.** Sheriff Steve Allendorf presented information regarding the “public safety sales tax” (Attached) A sales tax for funding law enforcement, the Coroner’s Office, and the States Attorney’s Office may be adopted by the County Board following referendum approval. The proposed sales tax at the 1% level would generate an estimated \$1.3 million in revenues to support these County activities. In turn, General Fund monies replaced by the public safety sales tax could then be used for other County needs. On a motion by Domer Schubert, 2nd by Ron Mapes, the Committee agreed that the Sheriff should make this presentation to the full County Board at the budget workshop on November 4th and should also present a draft of a plan on how the funds would be expended.
3. **Illinois Counties Risk Management Trust, Insurance Program Renewal.** Marc McCoy, McCoy Insurance Services, presented the renewal proposal from the Illinois Counties Risk Management Trust for the County’s Workers Compensation and Property and Casualty Insurance Program (Cost summary attached). The proposal included the cost of renewal with the current policy deductible of \$1,000 and an optional deductible of \$5,000. The \$5,000 deductible would result in a premium savings of \$32,702. However, the premium savings would be off-set by an estimated annual additional claims cost of \$18,180. On a motion by Vince Hasken, 2nd by Jody Carroll, the Committee approved recommending Program renewal with a \$5,000 deductible at an annual cost of \$207,544.
4. **FY2004 Annual Budget**
 - a. **Budget Review.**
 - (1) **ETSB/911 Fund.** Marv Schultz, in his position as a 911 Board member, reviewed the proposed ESTB/911 Fund budget (Attached). The 911 Board pays the salaries and benefits of four (4) Communications Officers in the Sheriff’s radio dispatch center as well as other 911 emergency telephone system

expenses. The budget proposal also includes \$200,000 for replacement and upgrade of the PSAP, TDDS, and UPS. Vince Hasken stated that he felt that the 911 Board should also pay the cost of overtime and the uniform allowance of the Communications Offices for which it pays the salary. There was also some discussion about having a written "agreement" between the 911 Board and the County Board about the expenses that the 911 Board would pay relative to the operation of the 911 emergency telephone system. On a motion by Ron Mapes, 2nd by Domer Schubert, the Committee accepted the proposed budget for the ETSB/911 Fund with Vince Hasken voting no.

(2) Drug Enforcement & Education Fund. Sheriff Steve Allendorf reviewed the proposed Drug Enforcement & Education Fund budget (Attached). Revenues for this fund are derived from court imposed drug case fees. Expenses of the Fund are related to drug enforcement needs of the Sheriff's Office. On a motion by Marv Schultz, 2nd by Yerda Potter, the Committee accepted the proposed budget for the Drug Enforcement & Education Fund.

(3) D.A.R.E. Fund. Sheriff Steve Allendorf reviewed the proposed D.A.R.E. Fund budget (Attached). Revenues for this fund are derived from donations. Expenses of the Fund are related to activities of the D.A.R.E. program of the Sheriff's Office. On a motion by Domer Schubert, 2nd by Marv Schultz, the Committee accepted the proposed budget for the D.A.R.E. Fund.

(4) Mental Health Fund. Gary Jobgen, President, 708 Mental Health Board, presented the request 708 Mental Health Board's request for \$285,000 in funding for FY2004 (Attached). The requested funding is \$41,609 more than the Committee's preliminary allocation of funding for the 708 Board. Marv Shultz made a motion to accept the 708 Board's budget proposal, but his motion was not seconded. The Committee agreed that a final recommendation on this budget proposal should await consideration of the whole FY2004 budget.

b. Regional Superintendent of Schools. John Lang, Regional Superintendent of Schools, requested that the Committee reconsider its previous decision to recommend a \$20,000 reduction in the Regional Superintendent of Schools' budget proposal. He stated that funding for the staffing and required functions of his office is not available from any other source, that grant-funded and other programs administered by his office could not be used to pay for staffing and supporting his office. He presented the Committee with an opinion from the law firm of Hodges, Loizzi, Eisenhammer, Rodick & Kohn, Arlington Heights, IL, that based on the statute providing for regional offices of education the County is required to approve the budget submitted by the Regional Superintendent of Schools on a shared cost basis with Stephenson and Carroll Counties. Without taking action relative to the Regional Superintendent of School's budget, the Committee referred the law firm's opinion to the States Attorney for comment.

c. General Fund and Special Funds budget update and discussion. Duane Olivier reviewed a memorandum (attached) with the Committee stating that through a number of reductions throughout the budget, the proposed General

Fund budget has a balance of \$29,023 in excess of estimated revenues. Additionally, the memorandum contained three suggestions for making additional resources available for General Fund expenditures: 1) eliminating the Indemnity Fund and transferring the Indemnity Fund balance to a new "contingency fund" thereby eliminating the need for the \$50,000 contingency line item in the General Fund budget; 2) spreading the cost of the annual audit to more funds thereby reducing the cost to the General Fund from \$33,000 to \$18,775; and 3) spreading the cost of the Workers Compensation & Property and Casualty Insurance Program to various funds thereby reducing the Insurance Fund tax levy and providing the opportunity to increase the General Fund and/or other tax levies.

The Committee discussed the suggestions of the foregoing memorandum as well as expressed other ideas relating to the proposed annual budget. Marv Schultz suggested using the, yet to be received but apparently forthcoming, DNR Grant for an eligible Highway Department project and reducing Highway Department funding in a like amount. John Creighton indicated that elimination of the Indemnity Fund and using those monies in some manner is a good idea. Ron Mapes stated that he would like to see funding returned to prior levels before the 10% reduction for the Health and Mental Health Funds and non-county agencies funded in the General Fund. Marv Schultz expressed a concern for the extraordinary fund balances in the Social Security, IMRF, and Insurance Funds and that these fund balances should be reduced to the level required for cash flow purposes.

Vince Hasken expressed a desire to reduce the previously agreed upon reduction of the Health Fund and Mental Health Fund tax levies from 10% to 5%. To that end, Vince moved: 1) to eliminate the Indemnity Fund and distribute the current balance of that fund as follows - \$24,244 to reduce the 10% cut in the Health Fund and Mental Health Fund tax levies, \$50,000 to a new "Contingency Fund", and \$50,000 to the new "Election Fund" to help pay the cost of new voting equipment; and 2) implement the proposal to spread the cost of the annual audit to more funds and use the estimated \$14,000 General Fund savings to further reduce the 10% cut in the Health Fund and Mental Health Fund tax levies. Ron Mapes 2nd the motion. On a vote of 6 to 1 the motion was approved with Marv Schultz voting no.

In regard funding for non-County agencies in the General Fund, Ron Mapes moved to restore full funding requested by these agencies. Marv Schultz 2nd the motion. On a vote of 2 to 5 the motion failed.

Merri Berlage moved to reduce: the Sheriff's Office budget by \$80,000 with the reduction being distributed proportionately between the County Sheriff budget, the Safety Building budget, and the Communications budget; and the States Attorney's budget by \$10,000. Vince Hasken 2nd the motion. On a vote of 5 to 2 the motion was approved with Yerda Potter and Marv Schultz voting no.

In a new motion on funding non-County agencies in the General Fund, Vince Hasken moved that requested funding be restored for these agencies, except for the Soil and Water Conservation District. Ron Mapes 2nd the motion. Following

discussion, the motion was amended to include restoration of funding for all non-County Agencies in the General Fund. On a vote of 6 to 1 the motion was approved with Jody Carroll voting no.

Merri Berlage moved that the 1% Sales Tax currently distributed 50% to the General Fund and 50% to the Highway Fund be changed to increase the Highway Funds share by 10%. Jody Carroll 2nd the motion. The motion was approved on a vote of 4 to 3.

Vince Hasken then moved that the suggestion of spreading the cost of the Workers Compensation & Property and Casualty Insurance Program to various County funds (item 3 in the above memorandum) be implemented. Ron Mapes 2nd the motion. The motion failed on a vote of 6 to 2.

- 5. FY2002 Financial Report – Annual Audit.** Due to the lateness of the hour, discussion regarding the FY2002 Financial Report (Annual Audit) was deferred until the next regular Committee meeting. However, County Board acceptance of the Report will be placed on the Board's Agenda for November at which time a representative of the auditing firm will be present to present the Report and answer questions.

County Board member Dick Alexander commented on and quoted from a memorandum that he had distributed to the County Board regarding his analysis of past annual audits and statements in the auditor's management letter.

6. Other.

- a. Treasurer's Reports.** Monthly reports of the Treasurer were received and placed on file.
- b. Revenue and Expenditure Summary.** 83.3% of the year is represented on the attached summaries. General Fund revenues are estimated at 87.5% collected, excluding property taxes and the transit grant, and expenditures at 79.6%, excluding transit grant expenditures.
- c. Year-to-date building permit information.** (Attached)

- 7. Special Budget Review Meeting.** A meeting to review the updated budget was scheduled for Thursday, October 30th, at 7:00p.m in the County Board Room.

Meeting adjourned at 11:00 p.m.