

COMMITTEE REPORT

COMMITTEE: Finance, Tax & Budgets
CHAIRPERSON: John Creighton, Chair. Yerda Potter, Co-Chair
DATE/TIME: August 18, 2004. 7:00 p.m.

PRESENT:

<input 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:

Others: Troy Brown, Diane Williams, Carol Soat, John Lang, Marie Stiefel

MINUTES

1. Minutes

Minutes of the July 29, 2004 meeting were approved following a motion by Yerda Potter and seconded by Domer Schubert.

2. Unfinished Business

- a) How to fund Purchase Order and budget module training, and accrual accounting conversion. The County Administrator informed the committee that the financial system software provider, Civic Systems, can provide some accounting service with their training, but they appear to be basic and limited. He feels that it would be more desirable to have the auditors from Lindgren, Callihan and VanOsdol involved. He expects the project cost will be approximately \$12,500 plus mileage from Sterling and Madison. Vince Hasken made a motion to recommend that the County Board transfer \$15,000 from the Contingency Fund to line item 001-40102-702 to cover training and mileage for the accrual conversion and related training. Marvin Schultz seconded and the motion passed.
- b) Capital Equipment Fund. Treasurer Carol Soat distributed an update on the funds set aside by various departments in the Capital Equipment Fund. When she last addressed this committee on the subject, she was not aware of the \$89,295 that was deposited from the Riverboat money to start this fund. She had a conversation with the former county administrator, Duane Olivier, and he told her that the \$5772 that was listed under Information & Communications/Copier should have been applied to the Assessor Copier. She also advised the committee that the Building & Zoning department has made a recent transfer and their activity code now has a positive balance. The Assessor's Office has also made a recent transfer, but their line will still have a negative balance at the end of this fiscal year. Hasken made a motion to transfer the balance of \$5772 from activity code 391, Info & Comm/Copier to the Assessor Copier and to use \$5307 from the beginning fund balance to bring the Assessor Copier activity code to a zero balance. Potter seconded and the motion passed.

3. New Business

- a) Equipment replacement. The County Administrator reported that he has spoken with the auditor regarding this subject, as well as the GASB 34

compliance, and that Leon will send him some model policy documents. Brown also distributed examples of spreadsheets he has used in the past to create inventory lists and replacement schedules for items such as vehicles, computers, and furniture. These are the appendices that were referred to in the draft Limited Asset Inventory and Budgetary Policy that was distributed at the July committee meeting. He told the committee that the inventory is a process that could begin now, but that the replacement policy is going to be presented to the departments after most of them have already turned in their first round expense estimates for FY2005. Some departments may have budgeted for their future equipment needs, but others may not have or those items may have been listed among their unfunded items.

- b) General Fund fund balance. Brown reported that he has discussed the fund balance in the General Fund with the auditor who will provide a written opinion projecting the year-ending fund balance on the accrual basis. Brown commented that it may be possible to make a minimal appropriation from that fund balance for the FY2005 budget.
- c) Inventory software. Creighton stressed the importance that software licenses are included in an inventory. The County Administrator reported that County Board Chair Merri Berlage had given the office some information about an inventory software program used by Carroll County. The cost of the software is approximately \$600. The County did purchase an Asset Management module with the financial software they bought in 2002, so as a result, the need to purchase another software program at this time seems unclear. Most of the initial work can be completed using Excel and the spreadsheets demonstrated earlier in the meeting. The information can then be integrated with the County's financial system. The inventory process can begin once the policy has been determined, regardless of what software is ultimately used for tracking purposes.
- d) Mediacom. Brown reminded the committee that Jo Daviess County renewed the cable franchise agreement in 2001 and had never received a signed copy of the agreement. Brown reported that he was recently able to obtain a signed agreement. He also reported that Mediacom has stated that they have their accountants reviewing payment of the franchise fees that are three years in arrears. It is difficult to determine the significance of how much money those delinquent fees will amount to. Mediacom is required to pay 5% of their gross revenue in the service area to the franchise holder. Brown expects that there should also be some interest paid on the delinquent fees. As is required in the agreement, cable franchise fees should be a recurring revenue source for the County and needs to be integrated into the budget.
- e) CVB advertising costs. Brown reported that ads have been placed in local newspapers and on various websites for the CVB Executive Director position. He spoke with Nancy Breed about how these have been funded in the past, and she recommended that the ads should be paid from line item 027-45161-901.19, Admin Contingency. Brown also asked the committee to consider where the costs for a search firm should be charged to, if the County decides to hire a firm to complete the search for an Executive Director.

- f) Budget process update. Brown reported that the budget process is generally on schedule. He is still waiting for expense estimates from the 708 Mental Health Board, Sheriff's Office, Jo-Carroll Solid Waste Agency, Special Service Areas 2 and 4 and the Health Department. He is aware that several of these departments or organizations have budget meetings scheduled within the next few days and he expects to have their budgets soon. A special meeting, or two, will need to be scheduled with this committee once the preliminary balanced budget is assembled. Upon question from the committee members, Brown stated that a draft should be available within the next few weeks. He is currently working on the 2nd-round revenue estimates and reviewing them with the various departments. In response to questions, he reported that everyone except the Sheriff's Office and States Attorney submitted their budgets in the format requested and met their assigned target funding amounts as directed by the committee. The County Administrator has met with the Sheriff and Chief Deputy and is working with them to get their submission in the proper format. He also commented that most of their requests for extra funding over their target amount are for capital acquisitions.

4. Other:

- a) Board member comments:
Schultz requested that the "7% Solution" be included as an agenda item for the next regular meeting of the Finance Committee, and that Treasurer Carol Soat and County Clerk Jean Dimke be involved in the discussion. Brown reported that he has been talking with the Supervisor of Assessments Donna Berlage about the subject, and that she is trying to gain a better understanding of the program in order to pass the information along to him and the County Board. The committee questioned when the bill was signed. John Lang also commented that the "7% Solution" has some effects on the homestead and senior exemptions.

Potter questioned when the new election equipment needs to be in place. Soat commented that she believes the deadline is 2006. Brown reported that he has spoken with Dimke and that she is still uncertain about the type of equipment that the County will be required to purchase. He said that she is aware of the need and is working to budget the money for the new system. She is also looking into what intergovernmental or grant money might be available to offset some of the costs.

5. Executive Session.

Schubert made a motion to enter into Executive Session. Schultz seconded and the motion passed.

Hasken made a motion to return from Executive Session. Mapes seconded and the motion passed.

Meeting adjourned at 7:50 p.m.