

COMMITTEE REPORT

COMMITTEE: Finance, Tax & Budgets
CHAIRPERSON: Yerda Potter, Chair
DATE/TIME: January 27, 2005. 7:00 p.m.

PRESENT:

Berlage
 Carroll

Creighton
 Mapes

Potter
 Schultz

Other Board members:

Others: Troy Brown, Betsy Eaton, Linda Delvaux, Rose Imbus, Rose Marie Steuart, Donna Berlage, Jean Dimke

MINUTES

1. Minutes

Marvin Schultz made a motion to approve the minutes of December 30, 2004. Ron Mapes seconded and the motion passed.

2. Old Business – none

3. New Business

- a) Discussion regarding new construction & taxes. At previous committee meetings there was confusion regarding building permits, new construction and property taxes. Linda Delvaux distributed a building permit application that is used in their office. The applicant is required to fill in the estimated value of the project, excluding land. The office also does an estimate based on the building plans they submit. If they vary and the Zoning Office's estimate is higher, the office uses their own figure. Delvaux stressed that these numbers are estimates at the beginning of the building process. A copy of the application is given to the Assessor's Office. Last year Delvaux did an extensive study on how the estimates compared with the final cost and that is how her office developed their guide they use for costs. Since she has done that, she finds that their estimates are much closer to actual than they were in previous years. Donna Berlage distributed a spreadsheet with new construction values from 1995. Once the information is received in the Assessor's Office, it is transferred to the property cards and given to the township assessors. It is the township assessor's job to go out and confirm that everything was completed consistently with the application. The Assessor's Office researches the sales to determine the value of the house. The values on Delvaux's sheets are at full value, but the Assessor's Office is only 1/3 of the value. When she compares her numbers to Delvaux's, they are very close. Values can vary based on location, and the length of time that it may take to complete a construction project. Sometimes it can take a couple years of partial assessments before the house is completed. Also, a spec home is not taxed until it is sold. Jean Dimke receives the figures of new construction from the Assessor's Office. She distributed an example of how her office processes the figures. Improvements to property also

receive a 4-year exemption from new taxes. Annexation and TIF districts also affect what is considered and included in new construction. The gross EAV is used to determine an estimate for the limiting rate, before the exemptions are applied. Mapes questioned and Berlage replied that a not-for-profit organization can apply for tax-exempt status. It must pass through the Board of Review and then the State of Illinois has the final ruling on if they will be tax-exempt.

Merri Berlage asked Donna Berlage how the assessments were progressing and if she needed anything from the County Board. Donna replied that the Board of Review is coming in next week to start reviewing complaints. The Village Voices delayed printing some assessments, so deadlines for those townships have also been delayed. At this time, she has 77 complaints, but she expects that number to go up.

- b) Discussion of FY2004 audit and GASB 34 requirements. The County Administrator distributed a memo and a draft hand-out of a Management Discussion & Analysis (MD&A). This is the year that the County needs to achieve a reasonable level of compliance. The first thing to be done is to adopt a capitalization policy to set thresholds for value and inventory of the capital assets that meet the criteria of the policy. Once that is done, the County needs to provide the auditor with an inventory that falls under the guidelines of that policy. As the audited information becomes available, management needs to create an MD&A that becomes a part of the audit document. He requests that the committee members read the information and contact him with any questions. He stressed that the MD&A is a draft document based on GASB and GFOA model standards, and as more information becomes available items may be added or taken out of the document as necessary. The law requires that the auditor cannot write the MD&A.
- c) Budget survey results. The County Administrator reviewed the surveys that were returned and generally speaking the staff found it a significant and positive improvement in the process. There were some concerns from the Board members' returns regarding the initial baseline budgets and how unallocated revenue was distributed. Staff indicated a desire to have a list of all of the unfunded requests and a structured chance to amend their total submissions. The County Administrator recommended that the information given tonight about the property tax should be available or presented in a condensed version at the beginning of the process as revenues are being estimated.
- d) Request from CVB for line item transfers in FY2005 budget. Betsy Eaton presented the following requests to the committee.

Mapes made a motion to recommend approval of a resolution to allocate \$15,405.00 from the FY2004 ending fund balance of fund 027-Tourism Promotion to reimburse local promotion grants approved in 2004. Jody

Carroll seconded and the motion passed.

Schultz made a motion to recommend approval of a resolution to transfer \$2,000.00 from Community Outreach Salaries – Full-time (027-45161-401-13) to Community Outreach, Salaries – Part-time (027-45161-403-13) for the purpose of paying contract labor during a staffing vacancy for the Director of Communications/Internet Marketing. Mapes seconded and the motion passed.

- e) Discussion of Optional Insurance Incentive Program. Jean Dimke addressed this topic with the Executive Committee and they recommended sending it back to this committee. She stated that there are seven County employees that traditionally waive participation in the County's health insurance policy. The way the new policy is written, these employees need to be eligible to get on the insurance policy. Because the open enrollment period is past, these employees are not eligible for the incentive. Because these people have waived the insurance in the past, they have saved the County thousands of dollars. Dimke feels that these people have fallen through the crack regarding this incentive policy and is concerned that everyone is treated equally and fairly. Mapes questioned and was advised that there is only one open enrollment period per year. The policy was implemented after the open enrollment period was over. The County Administrator estimated that there are approximately 10 people that qualified and opted-out under the new program. The committee discussed the issue at length.

Carroll made a motion to follow the policy that was put in place regarding reimbursement of employees for opting out of the County's health insurance program. Yerda Potter seconded and the motion passed with Schultz and Mapes voting no.

4. Other

- a) Treasurer's reports – no comments.
- b) Board member comments.
Berlage commented that she attended a County Board chair meeting and stated that Carroll County saved money on health insurance this year with Blue Cross/Blue Shield. She encourages the County Board to look at other options this year.

5. Citizens' Comments

Several Health Department employees had comments regarding the Optional Insurance Incentive Program.

The meeting adjourned following a motion by Mapes and seconded by Carroll.