

COMMITTEE REPORT

COMMITTEE: Finance, Tax & Budgets
CHAIRPERSON: Ron Smith
DATE/TIME: April 29, 2010

PRESENT: Ron Smith Jody Carroll Gavin Doyle
 Alan Kent Ron Mapes Marvin Schultz

Other Board members:

Others: Carol Soat, Donna Berlage, Larry Weidenheft, Edna Penticoff, Peg Murphy, Dan Reimer, and Heidi Hobkirk.

Ron Smith called the meeting to order at 7:05 p.m.

Chairman Smith moved item 4a forward at this time.

Auditors report by Heidi Hobkirk and Sarah Bohnsack from McGladrey & Pullen. Heidi Hobkirk, Audit Manager from McGladrey & Pullen, distributed a summary handout of the November 30, 2009 audit report. Hobkirk reviewed the handout including assets, expenditures and revenues by function for all governmental funds. She informed the committee that the County did implement two new GASB standards in this year's audit. GASB Statement 45 covers post employment benefits other than pensions (OPEB). The County is required to record any liability of post employment benefits on the financial statements at the government wide level. The effect of the adoption of this Statement was to record a liability of \$12,754 for the net OPEB with an actuarial accrued liability estimate of \$216,885. The other standard was GASB 49 which involves pollution mediation and did not have an affect on the County this year. Hobkirk noted that for the most part revenues stayed consistent but some sources did decrease. The largest decreases were in intergovernmental revenues which includes taxes, federal awards and state grants. Hotel/motel tax decreased about \$590,000 (\$421,000 was due to the City of Galena keeping their portion). State income tax receipts decreased about \$250,000 of which \$103,000 was due to the delayed timing of the payments received from the State. In addition the State was behind by about \$54,000 in salary reimbursements payments at year end. Expenditures by function for all governmental funds were reviewed and Hobkirk noted that total expenditures did decrease from the prior year by about \$500,000. The transportation category experienced the largest decrease at about \$350,000 and this is mainly due to the timing of scheduled road and bridge projects. The County's net assets increased about \$566,000, from \$21,535,074 in 2008 to \$22,101,441 in 2009. Hobkirk reviewed a chart of the General Fund balance, unreserved and undesignated, which indicated the number of days (2009-30, 2008-44) that operations could continue if only unreserved, undesignated fund balance was used. She also explained that per the FY2009 General Fund reserve fund balance policy that there was about 128 days of working capital available at year end. This was a decrease from 136 days at year end in 2008. Hobkirk reviewed some of the control deficiencies listed in the compliance report and explained some of the deficiencies listed in the letter to the Finance Committee. Hobkirk will present

a brief summary of the final audit report and findings to the County Board on Tuesday, May 11, 2010.

Chairman Smith moved forward item 3f at this time.

Discussion and possible action on request from Board of Review. Larry Weidenheft reported that the Board of Review has met 32 days to review complaints and hold hearings and this year the complaints and reviews have been more technical and intense. More professional appraisers and attorneys are now representing the property owners. Because of this he feels the County should look at providing more opportunities for members of the Board of Review to participate in continuing education. He also discussed the Board of Reviews request to increase the compensation that they are currently receiving. The committee discussed with the Board of Review the current system, the issues and findings from the hearing process. Edna Penticoff stressed the importance of the Township Assessors actually going to the individual properties and looking at the houses and land so that they have an accurate information for updating the property record cards that is needed during the review hearing process. Larry reported there were 686 complaints filed this year. The Committee discussed compensation for the Board of Review and that per States Attorney Kurt the statute, 35ILCS 200/16-40 does not allow that the County to pay a per diem to the Board of Review only a fixed amount. Marvin Schultz discussed that members of the Board of Review are paid a salary (\$2,500 annually) and are not paid on a per diem basis and that the amount of salary is set prior to the beginning of the fiscal year but that does not mean that the County will not research and look into the possibility of increasing the salary. Ron Smith asked the Board of Review to research their needs for continuing education and the costs associated and bring back a recommendation to the finance committee so funding can be considered during the FY2011 budget process.

Chairman Smith moved forward 4b at this time.

Discussion and possible action on a resolution to amend the Public Health Capital Investment Fund (055). Peg Murphy reported to the committee that the Health Department has recently discovered two issues that were unanticipated at the beginning of the year and will require immediate attention and both are capital related. The unexpected needs are for erosion control adjacent to the septic drain field at the Health Department building and the need for software licenses for Health Department computers. These projects are estimated at about \$7,000 and \$3,000 respectively. The fund balance of the Public Health Capital Investment Fund, as of 03/31/10, is \$425,121 but because there were no funds appropriated in the FY2010 budget, Murphy is recommending that the Public Health Capital Investment Fund (055) budget be amended to pay for these projects. Dan Reimer reminded the Committee that per statute in order to amend the budget it must be an immediate emergency and it requires a two-thirds vote of the County Board to make appropriations that are in excess of those authorized by the budget. **Ron Mapes made a motion to forward a resolution to amend the Public Health Capital Investment Fund to the County Board. Seconded by Gavin Doyle and motion passed.**

1. **Minutes** – Marvin Schultz made a motion to approve the minutes of the March 25, 2010 meeting. Seconded by Ron Mapes and motion passed.

2. Staff Reports

- a) Chief County Assessment Officer. Donna Berlage reported that the goal of the Board of Review is to be completed with their work on April 30, 2010. Berlage will then print the final decisions in the local papers. She will put together the final abstract for the State and close the books for 2009. It is her goal to be completed by May 14th at the latest.
- b) Treasurer's Office. Carol Soat discussed the limited amount of time the County Clerk and County Treasurer will have to complete their portion of the tax cycle and the dates that will need to be achieved before tax bills can be printed and sent out. Soat discussed a possible timeline that if, after the Board of Review adjourns, Donna Berlage can have the County's final abstract completed and sent to the State by May 14th and if the State's decision on the final equalization factor can be received back by the end of May and if the County Clerk's Office can then receive the assessment books from Berlage and complete their work of extending taxes for the various taxing districts in about 10 days then the Treasurer's Office could possible process, print and mail out tax bills by June 15th. This would allow for a first payment due date of July 15th and would allow the second payment to be due 60 days later on September 15th.
- c) County Administrator. Dan Reimer provided the committee with a FY2009 summary recap of revenue/expenditures and fund balances for all (54) county funds. Reimer discussed that total revenue for all funds in FY2009 was about \$797,000 less than budget and is a decrease of \$308,238 from prior year. Expenditures decreased \$451,500 from prior year. Reimer discussed the continuing problem of receiving timely payments from the State and read from an article published by the Illinois Comptroller's office that reported that at the end of March the volume of unpaid bills associated with the State's general fund is currently at \$4.5 billion, at this time last year, payables were at \$3.4 billion. Delayed state payments, some of which are in arrears 8 to 10 months, are causing cash flow problems for more and more governmental entities statewide. Reimer reviewed an updated handout of economic indicators for Jo Daviess County including unemployment, building permits, sales tax receipts and hotel/motel taxes.

3. Unfinished Business

- a) Jo Daviess County strategic goals. Ron Smith went over the goals for the finance committee and the timeline. This item will be reviewed and updated monthly.
- b) Township Assessor pilot program. There were updates provided from the township assessors that are participating in the program. This item will be reviewed and updated monthly.
- c) Township Assessor program intergovernmental agreement. No updates. This item will remain on the agenda.
- d) Software agreement with Devnet for Township Assessor Program. Ron Smith updated the committee that he is waiting on a proposal from Devnet. This item will remain on the agenda.

- e) Re-districting per tax code for multi-township assessment districts. Ron Smith discussed the current assessment district map for Jo Daviess County and the statute 35 ILCS 200/2-10. Marvin Schultz asked Donna Berlage for her opinion regarding re-districting, and if the County Board should consider fewer districts which would require fewer assessors, which would provide more money to increase the assessor pay and hire professional assessors. Berlage discussed that if the current township assessment districts would agree to combine districts and elect full time assessors and pay them a better wage then these individuals would be able to devote more time to gathering information and determining values. Schultz recommended that Berlage be asked to develop a plan and timeline for the re-districting of Jo Daviess County assessment districts. It was decided that Donna Berlage will draft a re-districting timeline and bring it back to the committee at the June meeting.
- f) Discussion and possible action on request from Board of Review. see above

4. New Business

- a) Auditors report by Heidi Hobkirk and Sarah Bohnsack from McGladrey & Pullen. see above
- b) Discussion and possible action on a resolution to amend the Public Health Capital Investment Fund (055). see above
- c) Discussion and possible action on a resolution to approve line item expenses to account for the additional personnel costs previously approved for Chief County Assessment Office. There was a draft resolution reviewed and **Gavin Doyle made a motion to move forward a resolution to approve line item expenses to account for the additional personnel costs previously approved for the Chief County Assessment Office. Seconded by Ron Smith and motion passed.**
- d) Discussion and possible action on committee recommendations of cost/fee study. Peg Murphy reported that the Board of Health currently has the ability to charge and set fees and the only time that the County Board would be involved is if there is an ordinance that is related to a fee. Dan Reimer recommended moving forward to the County Board the fees currently being recommended by the Committees and other participating Departments. If the Public Health Department and the Board of Health have any fees that need County Board approval after their meeting in June they can be brought forward at that time. **Ron Mapes made a motion to move forward a resolution to adopt fees from the cost study as recommended by the Committees except the Public Health Department with an effective date of July 1, 2010. Seconded by Marvin Schultz and motion passed.**

5. Other. None

6. Board member concerns. None

7. Citizens' comments. None.

Next committee meeting is on Thursday, May 27, 2010 @ 7:00 p.m.

Motion was made to adjourn by Gavin Doyle and second by Ron Mapes. Meeting adjourned at 9:35 p.m.