

## COMMITTEE REPORT

**COMMITTEE:** Finance, Tax & Budgets  
**CHAIRPERSON:** Steve Allendorf, Chairman  
**DATE/TIME:** July 26, 2018 @ 6:30 p.m.

**PRESENT:**  Steve Allendorf       Rick Dittmar       Randy Jobgen  
                  John Schultz       RJ Winkelhake       Ron Smith  
                  Scott Toot (7:12 pm)       John Lang

Other Board members:

Others: Donna Berlage, Trina Orr and Dan Reimer

1. **Call to Order** – Steve Allendorf called the meeting to order at 6:35 pm.
2. **Roll Call** – A quorum was established.
3. **Approval of Minutes** – **John Lang made a motion to approve the June 28, 2018 Finance, Tax & Budgets Committee meeting minutes as presented. Seconded by John Schultz and motion passed.**
4. **Citizens Comments** – None
5. **Unfinished Business**
  - a) FY2017/FY2018 Strategic Goals & Plans – The committee reviewed their strategic goals and plans. One of the goals is continue to examine additional revenue sources (sales tax, fees). The committee discussed the idea of asking Representative Stewart and Senator Bivins to sponsor special legislation for just Jo Daviess County that would allow an additional tax to the Hotel/Motel tax for the purpose of public safety. This would not be a sales tax on all good it would be a tax imposed on guest accommodations and would not be a tax on the citizens of Jo Daviess County. The Jo Daviess County Legislative Committee has started discussing the idea.
  - b) Update on request to GGMI Board to amend the DMO agreement to allow additional reimbursement to Jo Daviess County for direct and indirect expenses incurred by County Treasurer’s Office to collect, distribute, administer, and enforce the Hotel/Motel Tax RJ Winkelhake discussed a possible ongoing violation of the Open Meetings Act regarding how citizens comments is provided for on the agenda for the GGMI. This item will be placed on the Executive Committee Agenda.
  - c) Update on Intergovernmental Agreements with Multi-Township Assessment Districts Donna Berlage, Chief County Assessment Officer reported that she is waiting on a signature from Council Hill, everything else is signed with the exception of West Galena Township. The agreement will be discussed at their August meeting. Allendorf offered discussion and possible action regarding the lack of cooperation by the West Galena Township Assessor. This item will be placed on the Executive Committee agenda.
  - d) Update on Jo Daviess County Grants Administration Oversight Policy Dan Reimer reported that on July 10, 2018 the County Board adopted Resolution R2018-28 the resolution amends Resolution R2017-34 A Resolution to Establish the Jo Daviess County Grants Administration Oversight Committee. The amended resolution addresses the relationship between the Jo Daviess County Health Department and the Jo Daviess County

Grants Administration Oversight Committee. The Committee drafted a policy several months ago but has been waiting on the outcome of the amended resolution before making any final recommendations on the policy. The committee will be scheduling a meeting to rewrite the policy to fit the amendment.

- e) Update on MyDec Training Berlage reported that training went well and there was a good turnout.

## 6. New Business

- a) Jo Daviess County FY2019 Budget Update – Dan Reimer, County Administrator, reviewed a handout for STEP 6 of the FY2019 Budget process. The Budget Preparation Schedule was approved in May. The Committee reviewed Round 1 Revenue Estimates at the last Finance Committee meeting and set budget guidelines for the 2019 budget. From those guidelines the County Administrators Office prepared expense budget documents, set the salary/benefits portion of the budget for each of the departments and calculated target amounts for the twenty-eight (28) General Fund budgets. The week of July 2<sup>nd</sup> the County Administrator's Office started sending out memos, notices, budget forms and spreadsheets. The last couple of weeks the department heads have been working on developing their budgets which are due August 3<sup>rd</sup>. Since early August, the County Administrator's office has been reviewing General Fund and Special Fund budgets, working with Department Heads and agencies to accurately record and organize budget information, evaluate projections/changes, assemble a preliminary FY2019 budget document, and prepare summary reports and projections for the Joint Committee budget review meetings.

The joint committee budget meetings are scheduled for August 20<sup>th</sup>, August 22<sup>nd</sup>, August 29<sup>th</sup> and September 5<sup>th</sup>. On June 28, 2018 the Jo Daviess County Finance, Tax & Budgets Committee reviewed Round 1 revenue estimates, established the initial distribution of the FY 2018 property tax levy (payable FY2019), determined the initial allocation of County (1%) sales tax, established guidelines for the development of FY2019 expense budgets, and set initial target funding amounts for departments and agencies. Our overall goal is to achieve a balanced budget, especially for each of the County's operational fund budgets. Round 1 FY2019 revenue estimates and initial target expense estimates serve as the basis or starting point for developing the FY2019 budget. Preliminary (Round 1) FY2019 revenue estimates for the seven (7) Jo Daviess County operational funds is projected to be \$12,012,472; this is an overall increase of \$46,517, or 0.4% more the FY2018 budget amount of \$11,965,955.

Preliminary Round 1 revenue estimates do not include a property tax levy increase. Departments with budgets that receive an annual property tax allocation were requested to leave this line item at the same amount as the FY2018 budget amount. On July 19, 2018 the Health Department notified the County Administrator's Office that the FY2019 Round 1 Revenue Estimate for the Public Health Fund (003) would be \$150,000 less than anticipated due to the revised timeline for completion of the new Dental Clinic in Elizabeth. The Finance Committee allocated FY2019 County (1%) sales tax receipts 50/50 between the Highway Fund and the General Fund.

Three (3) of seven (7) active operational funds are projecting revenue increases: **County Highway 1.3%**. The County Highway Fund is indicating a revenue increase of \$19,827 or 1.3%. Revenue sources anticipated to increase in FY2019 from FY018 budget amounts include sales tax (\$15,857), fuel reimbursement (\$7,000), and permits (\$1,000), these increases are partially offset by anticipated decreases in reimbursement from Townships (\$2,500) and insurance settlement payment (\$1,000). **GIS Automation 18.6%**. The GIS

Automation Fund is indicating a revenue increase of \$31,355 or 8.6%. Revenue sources anticipated to increase in FY2019 from FY2018 budget amounts include GIS automation fees (\$27,570), GIS digital data base license fees (\$2,000) and GIS website subscription fees (\$2,000), these increases are partially offset by an anticipated decrease in GIS mapping fees (\$300). **General Fund 1.8%**. General Fund is indicating a revenue increase of \$137,898 or 1.8%. Three (3) of seven (7) active operational funds are projecting revenue decreases in FY2019. **Motor Fuel Tax 1.9%**. The Motor Fuel Tax Fund is indicating a decrease in revenue of \$10,000 or 1.9%. The revenue source anticipated to decrease in FY2019 is Reimbursements from Townships (\$10,000). **Animal Control 17.3%**. The Animal Control Fund is indicating a revenue decrease of \$44,571 or 17.3%. Revenue sources anticipated to decrease in FY2019 from FY2018 budget amounts include Rabies Tags (\$60,000) and City Contracts (\$4,000); these decreases are partially offset by an anticipated increase from Rabies Penalties (\$6,500). **Public Health 22.5%**. The Public Health Fund (revised 7/23/2017) is indicating a revenue decrease of \$224,388 or 22.5%. Revenue sources anticipated to decrease in FY2019 from FY2018 budget amounts include Transfer in from PH Capital Investment Fund (\$100,000) and Space Rental (\$11,256); these decrease are partially offset by anticipated increases from Environmental Health Fees (\$17,000), Immunizations Medicaid Match (\$5,000), B&B Annual Inspection Fee (\$2,050), Health Protection Grant (\$1,720), Vector Control Grant (\$1,082) and Dental Program Fees (\$150,000). Dental Program Fees were decreased from \$300,000 to \$150,000 due to the revised timeline for completion of the new Dental Clinic in Elizabeth. One (1) operational fund is projecting revenue to remain the same. The Tourism Promotion Fund is indicating revenue to remain the same in FY2019.

Core Revenue is total revenue less state and federal grants, state revenue stamps, and inter-fund transfers. Core revenue provides a majority of the revenue needed to maintain levels of service currently offered by General Fund departments. General Fund revenue consists of eleven (11) revenue categories and a total of one hundred-one (101) individual revenue line items. Round 1 revenue estimates – twenty-one (21) revenue line items indicate an increase, eighteen (18) indicate a decrease, and sixty-two (62) indicate no change from prior year budget estimates. Round 1 FY2019 General Fund core revenue is estimated to be \$6,229,644; this amount is \$119,958 or 2.0% more than the FY2018 budget amount of \$6,109,686, this increase is primarily due to anticipated increases in Intergovernmental revenue (\$105,876) and Service Charges (\$31,882). The most significant line item revenue increases are anticipated to occur in State Income Tax (\$69,672), County Clerk's Earnings (\$22,212), Local Use Tax (\$16,856) and County Sales Tax (1%) (\$15,857).

- b) Approve initial FY2019 General Fund target budget amounts including any new mandatory and/or necessary expenses – On June 28, 2018 the Finance, Tax & Budgets Committee approved guidelines for establishing FY2019 General Fund and Special Fund expense budgets and agency funding amounts. Target expense amounts for General Fund budgets, were set at the same level (zero increase) as the final FY2018 target amount less any non-recurring expenses added during the FY2018 budget process including any approved un-funded requests and increased/decreased for allowable mandated expenses.

Guidelines include the following: a) Any new mandated expense or any new expenses which will increase per an existing contract or agreement shall be allowed to increase the target amount accordingly, b) Any new necessary expense that causes the target amount to be exceeded should be submitted to the County Administrator's Office as an overage request with a detailed letter of explanation. Overage requests will be reviewed by the Finance, Tax & Budgets Committee. If the Committee determines the request is a necessary expense, the target amount will be increased accordingly. If the Committee does

not consider the request a necessary expense, the request will be submitted as an unfunded activity, c) Any new General Fund request or activity not considered a mandatory or necessary expense, and exceeds the department target amount(s), the requesting Department Head(s) shall submit as an unfunded activity on an unfunded expense estimate form. These forms will be used to rank unfunded activities and be used as a reference point for approving further expenditures if additional revenue is identified or resources are allocated. **John Schultz made a motion to approve initial General Fund target amounts included the following non-recurring necessary expenses: Holiday Patrol Grant – increase Sheriff's budget (001-41121) \$40,150.00; BGM Custodiam Position – increase Courthouse budget (001-40101) \$6,656; Communication System Maintenance Agreement - increase the Communications budget (001-40110) \$1,915.00. Seconded by Scott Toot and motion carried.**

## **7. Staff Reports**

a) **Chief County Assessment Office** – Donna Berlage, Chief County Assessor, reported she received the Jo Daviess County Sales Ratio Study back from the State.. The three year average for the County was 32.92. The lawsuit that had been filed has been dismissed. Her staff did a wonderful job managing the office in her absence.

b) **Treasurer's Office** – Melisa Hammer, County Treasurer, was unable to attend the meeting.

c) **Grants Administrator** - Trina reported she is working on the Internal Control Questionnaire, which is due the end of the month. Orr discussed GATA compliance and GATA requirements.

d) **County Administrator** – Dan Reimer noted that financial reports thru seven months are included in the meeting packet.

## **8. Citizens' comments - None**

9. **Board Member Concerns** – RJ reported that the closure of Highway 20 outside of Stockton has caused a lot of issues with increased traffic on local gravel roads. Many people attended the Public Works Committee meeting. Due to safety issues associated with gravel dust caused by traffic on Townline and Logeman Road Winkelhake authorized an emergency purchase so Stockton Township could purchase calcium chloride to abate the problem. Winkelhake also reported that Stagecoach Trail is now open.

The next Finance, Tax & Budgets Committee meeting will be on Thursday, August 30, 2018 @ 6:30 p.m.

John Schultz made a motion to adjourn at 8:14 pm. Seconded by Scott Toot and motion passed.