COMMITTEE REPORT

COMMITTEE: **Finance, Tax & Budgets**
CHAIRPERSON: **John Schultz, Chairman**
DATE/TIME: **January 28, 2021 @ 6:30 p.m.**

PRESENT: ☒ John Schultz ☒ Staci Duerr ☒ Steve Allendorf
☒ Diane Gallagher ☒ John Lang ☒ Scott Toot

Other Board members:

Others: Laura Edmonds, Melisa Hammer, Angie Kaiser, Anna Marie Kowalik, Emily Legel, Dan Reimer and Andy Shaw

1. **Call to Order –** John Schultz called the meeting to order at 6:30 pm.
2. **Roll Call –** A quorum was established.
3. **Approval of Minutes -**
   a) Minutes from October 29, 2020 Finance, Tax & Budgets Committee Meeting – **John Lang made a motion to approve the minutes from October 29, 2020 Finance, Tax & Budgets Committee meeting. Seconded by Diane Gallagher. A roll call vote resulted in all ayes; motion passed.**
4. **Citizens Comments:** Emily Legel, Stockton resident and representing Northwest Illinois Economic Development, voiced her support for the C-PACE Program later on the agenda. She has several clients who may be interested in this program.
5. **Unfinished Business**
   a) FY2019/FY2020 Strategic Goals and Plans – Review Committee Assignments from 2019 County Board Retreat – Update Status/Progress – The committee reviewed each of their strategic goals and plans that were assigned at the 2019 County Board Planning Retreat.
      i. Fund exterior Courthouse repairs, immediately - 2021 Project, repair/paint fascia/soffit Courthouse/PSB
      ii. Fund County-wide space needs study for all County facilities - No action - on hold
      iii. Research expense saving measures (using employee incentive, i.e.) No action, however implemented three Category 2 expense reducing options in FY2020 which were carried over to FY2021.
      iv. Investigate and implement additional revenue sources for the County – Ongoing
      v. Revise practice of splitting 1% sales tax with the Highway Department and put it all into the General Fund - Completed, implemented with the FY2021 budget.
      vi. Increase contingency fund to $500,000 by 2022 - In progress, will be close to $400,000 after $75,000 interfund transfer is made in FY2021 budget from the General Fund.
      vii. Establish and objective rubric/criteria for making Board decisions - No action

b) Update on Hotel/Motel Tax/Guest Accommodations/OTA's/Education and Enforcement – Melisa Hammer, County Treasurer, reported that there is nothing new to report at this time. The County continues to collect the 8% administrative fee which was implemented with the new DMO agreement on July 1, 2020. Last month this amount was approximately $8,000.

c) Update on Jo Daviess County Purchasing Card Policy – Dan Reimer reported that there been no issues reported with the purchasing card policy..

6. New Business

a) Discussion and possible action on C-PACE Program – Anna Maria Kowalik, SVP, Director Business Development, The Illinois Energy Conservation Authority NFP and team members, Jason Stringer, Program Administrator, and Larry White, representing IECA Counsel, Chapman & Cutler – John Schultz discussed that many of the committee members sat in on a C-PACE Program presentation earlier this week at the Development & Planning Committee meeting. It is basically a tool to set up long-term financing for energy upgrades at a fixed rate, funds are provided by private investors. The fixed rates run between 5.75% and 7% depending on the assumed risk of the borrower. You can borrow moneys in this program so that you get essentially 100% equity in whatever project you are working on. Unlike a mortgage where 80% is probably what you top out at. Schultz introduced Anna Maria Kowalik SVP, Director Business Development for the Illinois Energy Conservation Authority. Kowalik commented that Schultz gave an excellent introduction to the program. He hit all of the major points and there have been materials that have been disseminated so she will not take a lot of time. Kowalik opened it up for any questions that the committee might have of her or Andy Shaw from Blackhawk Hills Regional Council.. Melisa Hammer, County Treasurer, discussed that it was her understating that the loan goes with the parcel not the individual company. Kowalik stated that is correct and that the underwriting is on the property not the property owner. It is a type of a nonrecourse loan, although there are forms of recourse to it. It works through the special assessment process and tax lien and runs with the property just like a tax bill would. Hammer asked what happen if the special assessment is not paid, currently parcels that are not sold at the tax sale go the County trustee, so who is now responsible for the loan. Kowalik responded that the loan remains on the property until it settles into a disposition. Hammer questioned during the disposition is the County or the trustee responsible for paying that loan. Kowalik responded, no, not at all. It accrues. Schultz commented that the County should build into that some compensation to deal with the paperwork they have to do to collect. Kowalik said yes. There is a one-time closing fee that is included It is typically a percentage of the full amount of the project being financed as well as there is a recurring fee that you will be charging at every semi-annual collection. That is about $150 - $200. That is the only recurring fee. Everything else is a one-time fee paid at closing. Schultz asked what Blackhawk Hills Regional Council hope to gain from supporting this program. Andy Shaw commented that they do not know exactly yet, but hope to have a role in recruiting projects to the program and getting the word out and maybe getting a payment of some sort to find projects. They really have just come around to it as something they found fascinating and thought would be really useful in the region. They wanted to encourage it because it is a great program. Reimer asked if any of the other Counties in the Blackhawk Hills Region have already adopted a resolution to move forward. Shaw responded Ogle, followed by Stephenson a few months later. Neither has established their program completely. They are in the kick-off stages. Carroll, Lee and Whiteside are still looking at it. Kowalik added that all the resolution does is state the County's intention to want to have a C-PACE Program and to engage their services at no cost as the facilitator of the program. The program is their program alone and they need to have a resolution in place to share the program with the County. The program has officially been adopted by five counties in Illinois; they are Cook, DuPage, Kane, McHenry and Will Counties. IECA was awarded a contract for the County of Peoria. They are waiting on responses from the RFP's submitted to Lake County and the City of Springfield. They are working on resolutions with Kankakee, Kendall and LaSalle. Angie Kaiser commented that she would like to understand more about this before the committee makes a decision on this and how it will affect the day to day operations of Jo Daviess County. Kaiser feels we don't know anything about this program. It sounds great, but she is hesitant to move forward without know more about what happens after the program is implemented. Kowalik responded that there are two pieces that the County gets involved with. After the initial review of documents, passing of the resolution and ordinance, getting this program set up, there are only two functions left. Every time a deal comes through the program administrator that is the IECA themselves, for a closing before that deal can close there is going to be an oversight committee that the County appoints. It will be two or three people. They won't be approving anything; they will merely be given all of the tools and information regarding that deal. This oversight committee gives their benediction that they have reviewed it, understand it's coming their way and that is all that they do. In the tax office this is where the assessment will be placed on the tax bill. Kowalik is not well versed in how this is done, but can direct you to Kane and DuPage Counties who have each had at least two deals cross their desks. Hammer asked the committee to not move this item forward until we have had the opportunity to do more research on this program. Kaiser echoed Hammer's concern. Diane Gallagher shared the support of the Development & Planning Committee for this program. **John Schultz made a motion to postpone any decisions on the C-PACE Program until the February Finance, Tax & Budgets Committee meeting. Seconded by John Lang. A roll call vote resulted in all ayes; motion passed.**

b) Discussion and possible action on the Jo Daviess County 2021 standard mileage rate –Dan Reimer explained that each year the County reviews the new IRS standard mileage rate, which for 2021 is $0.56. The current Jo Daviess County rate per policy is $0.54. **Diane Gallagher made a motion to continue the mileage rate at $0.54. Seconded by John Lang. A roll call vote resulted in all ayes; motion passed.**

c) Discussion and possible action to amend the Jo Daviess County Board Per Diem/Mileage Allowance Policy – There is no need to amend the policy since there was no change to the standard mileage rate.

d) Discussion and possible action on a request from the Jo Daviess County Clerk to reimburse the County Clerk Automation Fund (030) from the Local CURES Program Grant for expenses associated with a vital records software upgrade needed to meet COVID-19 protocols – Angie Kaiser reviewed a memo that she prepared for the Committee regarding the Local CURES Program Grant and reimbursement for a vital records software upgrades that were necessitated by COVID-19 which made remote functions necessary. Kaiser originally looked into upgrading her vital records software. The majority of the expense was not the upgrade of the software but they still had a lot of documents that hadn't been scanned. They weren't in the system to be issued remotely. This was before we knew how we were going to apply for the CURES money, how much we were going to get, what would be approved, what wouldn't be and within her organization there was a lot of talk about this vitals remote option being something that would be eligible for the Local CURES Program Grant. The State made some changes to eligible expenses that included certain payroll and benefits eligible that is what the County submitted to receive its full grant allotment. Resolution 2020-53 established Local CURE Program guidelines for eligible Jo Daviess County expenses. The determination of whether or not the vital record upgrade is considered an "eligible expense" is yet to be determined. Kaiser had put a line in her automation budget to pay for this upgrade with the idea that we would submit her expense along with everyone else's for CURES reimbursement. Right now this expense is on the list for reimbursement to her automation fund. She doesn't know for sure if 100% would be approved as an eligible expense. Some counties were approved but others were not. Kaiser wanted to be up front and make the Committee aware of this situation before reimbursing the automation fund, if we would have gone the other direction and submitted this expense to CURES instead of payroll and benefits it may have been rejected.

e) Discussion and possible action on allocation of revenue received from Local CURES Program Grant – Reimbursement to County Funds for eligible expenses associated with COVID-19 – Dan Reimer reported that the County did receive an allocation of $478,000 from the Local CURES Program and County Treasurer Melisa Hammer has deposited the check in the bank. We still need to determine the final amount of reimbursement to the respective funds. Melisa Hammer reported that she has distributions broken down by department and the amount of payment that each department will receive. Hammer discussed her plan to reimburse each special fund the amount of eligible COVID-19 expenses paid. Anything that was paid out of the general fund will go back into the CURES general fund as revenue. The Contingency Fund will be reimbursed $134,040. There were a lot of COVID expenses paid from that fund. Reimer added that there was discussion among staff on how we will proceed moving forward. Once this money is put in the general fund would you want to earmark it for future use? In the 2022 budget we may want to transfer some of that those funds into the contingency fund in an effort to reach the goal of $500,000. John Schultz added that there may be more COVID expenses that we don't know about yet. Reimer recommended that we draft a resolution that allows the use of the contingency fund to pay eligible FY2021 COVID related expenses. **John Lang made a motion to reimburse County special funds for eligible FY2020 COVID-19 expenses from funds received from the Local CURES Program grant and the balance remaining to be deposited into the General Fund. Seconded by Scott Toot. A roll call vote resulted in all ayes, motion passed.**

f) Discussion and possible action on a commercial appraisal for property located in Rawlins Township – Laura Edmonds, Chief County Assessment Officer, reported that Midwest Medical Center requested a reduction in assessed value of over $2 million. We do have an appraisal that is good for three years and are in line with what the appraisal says for 2020. They are not satisfied with the Board of Review decision; Edmonds just wanted this committee to be aware of the situation.

g) Discussion and possible action on renewal of Pollution Liability Insurance with Westchester Environmental – Illinois Union Insurance Company at a cost of $6,790.00 to be paid from line item 017-48118-721 – Reimer reviewed the renewal quote for pollution insurance which was included in the informational packet. Every year we have to re-apply. This is not an automatic renewal. Steve Keeffer, Sheriff Turner and Sandra Schleicher were all involved in the renewal application process. We provide them with an inventory of all of our buildings and receive a rate quote back through IPMG. The total amount is very similar to last years, $7,000 was budgeted for this item and we are just under that amount. **Staci Duerr made a motion to approve the renewal of Pollution Liability Insurance with Westchester Environmental – Illinois Union Insurance**

Company at a cost of $6,790.00 to be paid from line item 017-48118-721. Seconded by Diane Gallagher. A roll call vote resulted in all ayes, motion passed.

7. **Staff Reports**

   a) **Chief County Assessment Office –** Laura Edmonds, Chief County Assessor, reported that the Board of Review met Monday, November 30 & Tuesday, December 1st. They reviewed and made tentative decisions on 93 complaints. Tentative decision (values) was inputted in the system, along with notes and notices were mailed out on Thursday, December 3rd, 2020. Final hearings were scheduled for Jan 4, 5 & 6th; deadline to schedule a final hearing with the Board of Review was Tuesday, December 22nd. 30% of tentative decision requested a final hearing. 21 hearings were schedule on Jan 4, 2021. Seven hearings were scheduled on Jan 5, 2021. NOTE: We fill up the first two days before the third day is needed; saving on mileage cost for the county; especially when normally it's only for a handful of cases. We have also set up a new way of scheduling the final hearings through our software program, so it is more streamlined and efficient. Final BOR decisions were sent out on January 8, 2021. Our tentative abstract was received by the State on Tuesday, December 8, 2020, it is a 1.00. The office held its annual Township Assessor meeting on Monday December 14th in the County Board room. We distributed TA guidelines and went over expectations for work being completed and professionalism out in the field. The final abstract was prepared and given to the County Clerk on January 12, 2021; which was then mailed to IDOR with all supporting documents. We rolled to the New Year in our software program on Wednesday, January 13, 2021. The roll was successful and no issues occurred. The townships assessors can now start with their 2021 values. With 20 years of service to the County, Beth Strack will be retiring January 26th, 2021. An ad for her replacement was sent to the paper on January 21, 2021, and all applications are due by February 5th. Even though the courthouse is closed to the public, this office is allowing the public access to this office (1 person/couple at a time), security is assisting with this process. This is one of our busiest times, as exemption renewals just went out and they need to be completed & returned, and assistance is needed by many.

   b) **Treasurer's Office** – Melisa Hammer, County Treasurer, reported that one of her employees, Tammy Cahill, has been hired to the Grants Administrator position. She started that on Monday. They are looking to fill her Deputy Treasurer position. Hammer has advertised the position. Tomorrow is the deadline for submitting applications. There are seven or eight applicants at this point. Staff is all back in the office on a daily basis at this time. We need to determine who is going to take on some of the responsibilities of the vacant position in the meantime. We are working on getting audit information completed.

   c) **Grants Administrator –** Tammy Cahill, Grants Administrator, was unable to attend.

   d) **County Administrator** – Dan Reimer, County Administrator, reported that Nicole Hermsen is our new Program Compliance Oversight Monitor. Her office is at the Health Department. She started a week ago Tuesday and is off to a great start and is working with Rich Machala, our interim PCOM. Reimer reviewed some updated statistics. General Fund Cash Flow Analysis Report. We weathered the storm pretty well and are ahead of last year which is a good thing. Sales Tax Update indicates we are down 4.1% for ten months. Third quarter was amazing, actually up 3.7%. Fourth quarter we started out a little bit down so we will have to watch and see how November and December come in. Transfer declarations of 1,151 deeds were recorded. That is right up there with 2006 numbers. Since July it has been tremendous. December was a record month. Real estate sales for 2020 were $187 million. Local shared revenue indicates state income tax was up 15.9% for January. We are still doing really well on our Local Use Tax, we ended the year up 25%. Reimer reviewed the one month actual financials for FY2021. We should end FY2020 with an overall surplus of approximately $1.9 million for all County funds. This is a big positive moving into 2021.

8. Citizens' comments – None.

9. Board Member Concerns – Diane Gallagher thanked Dan Reimer for giving us such a good budget report. Steve Allendorf asked where we are at finding a board member for District 11. Scott Toot responded that there will be an appointment made at the February County Board meeting. We also need to find a board member for District 6.

The next Finance, Tax & Budgets Committee meeting will be on Thursday, February 25, 2021 @ 6:30 p.m.

Scott Toot made a motion to adjourn at 8:12 pm. Seconded by John Lang. A roll call vote resulted in all ayes; motion passed.