<u>COMMITTEE REPORT</u>

COMMITTEE: **Finance, Tax & Budgets**
CHAIRPERSON: **John Schultz, Chairman**
DATE/TIME: **April 27, 2023 at 6:00 p.m.**

PRESENT: ☒ John Schultz ☒ John Creighton ☒ Steve McIntyre
☒ John Lang ☒ Diane Gallagher ☒ Don Zillig
☒ LaDon Trost

Other Board members: None.

Others: Scott Toot, Laura Edmonds, Brad Fletcher from the Illinois Finance Authority, Becca Powell and Matt Schueler from Wipfli.

1. **Call to Order –** John Schultz called the meeting to order at 6:11 pm.
2. **Roll Call –** A quorum was established.
3. **Approval of Minutes**
   a) <u>Minutes of the March 30, 2023 Finance, Tax & Budgets Committee Meeting</u> – **John Lang made a motion to approve the March 30, 2023 Finance, Tax & Budgets Committee Meeting minutes as presented. Seconded by Don Zillig and motion passed following a voice vote resulting in all ayes.**
4. **Citizens Comments –** Brad Fletcher from the Illinois Finance Authority, introduced himself and informed the committee he would be present if needed.
5. **Unfinished Business**
   a) <u>FY2021/FY2022 Strategic Goals and Plans</u> – The committee did not review the goals and plans at this time.
   b) <u>Courthouse Update</u> – Scott Toot, County Administrator, told the committee that this past Tuesday, the Ad-Hoc Courthouse Committee met. They recommended to the County Board, a Professional Service Agreement between the County and Shive-Hattery, for the Courthouse renovation project. They discussed the Arndt Municipal Consulting Report regarding the bonding payment cost and they reviewed the bonding Preliminary Official Statement. They also are going to request the County Board amend Resolution R-2023-2, allowing the Ad-Hoc Courthouse Committee to continue to meet and make recommendations regarding the Courthouse renovation project going forward to completion, because there was a clause in the original resolution that the committee would go until April 30, 2023, which is very soon.
6. **New Business**
   a) <u>Presentation of FY2022 Jo Daviess County Financial Audit – Matt Schueler, Wipfli</u> - Matt Schueler commented that they are presenting drafts today; they do not expect any of their opinions to change. Becca Powell shared her screen with the committee. She first went over the Auditor’s Reports. For the County-wide, independent auditor’s report, they will be issuing a clean unmodified opinion on the basic financial statements. There were no issues noted, and no discrepancies or findings. She also noted that the Illinois Downstate Operating Assistance Program (DOAP) audit, has already been issued and finalized. That also had a clean unmodified opinion. The Circuit Clerk audit has not been completed yet,

because there have been some new reporting requirements for Circuit Clerk for this year that are still being worked through. Wipfli is expecting no findings on fees or fines. They will be in touch with that as it progresses. The County was not required to have a single audit for the year since they expended less than the $750k threshold of federal funds during the fiscal year. The net pension asset increased to an overall asset of $4.1 million because the overall net investment income was $7.2 million. Net OPEB liability was $2.3 million for 2022 and the County receives an actuarial study for that. Also noted was that there are no long-term liabilities. There were $29.9 million in fund balances on hand at the end of the year. The comparison between the two years was very similar. Last year there were $26.1 million. The County's General Fund balance on hand at the end of the year was $9.7 million, compared to last year's balance, which was $7.3. The Net change in fund balance was comparable to the prior year – a change of around $174,000. Powell talked about a new accounting principle that will go into effect for the upcoming reporting year ending November 30, 2023. GASB Statement No. 96, Subscription-Based Information Technology Arrangements, or SBITA, requires governments to record both subscription assets and liabilities for SBITAs. An example would be a financial software package like Devnet – they will gather the contract information and record the necessary asset and liability information. Our regular pension is funded at 111%. The Sheriff's plan is funded at 107%.

b) Discussion and possible action to accept the FY2022 Jo Daviess County Audit – **LaDon Trost made a motion to accept the FY2022 Jo Daviess County Audit as presented. Motion was seconded by John Lang and motion passed following a voice vote resulting in all ayes.**

c) Discussion and possible action on Jo Daviess County IFA PACE Program – Schultz said that he, Toot, Trost, Lang and Gallagher attended a meeting for C-PACE a couple of weeks ago. The program was explained to them and it's a lot more user friendly. The elected officials asked that the Board does not take any action on this until the County has their Bond Rating because it might possibly have some effect on that. Schultz had some folders from the meeting to hand out in case committee members were interested in learning more about the program. Schultz asked Brad Fletcher to give some information to the committee and let them know why it's a lot better of a program now. Fletcher explained that this is a voluntary program which is essentially a collaboration between County and State agencies. Under this program, it would be the private agency that finances these private projects by private borrowers and property owners with private lenders and capital providers. It would always be the County that has final say on whether or not a voluntary project is in fact financed by the IFA. By design, the County would own the program, and the lenders would bill and collect, not the County. This eliminates a lot of the administrative burden that would have been otherwise required under the first iteration of the Illinois PACE Act in 2017. Hammer had some questions regarding tax bills and the involvement of the County regarding special assessments and Fletcher answered those questions. There was discussion on some more details and Fletcher informed the committee that there was also a lot of information online.

d) Discussion and possible action to pay expenses from the Contingency Fund (016) of up to $10,000 for shelving and Transportation of materials from the Courthouse 3rd floor to the Highway Department – Toot gave the committee the numbers on what this will take to get done. He explained the process and some had questions on the Highway building and if the records they're looking to move down there would be at risk of being exposed to moisture and causing mold. Toot explained that Steve Keeffer, County Engineer, is who decided where he felt it was best to store everything and that he trusted his judgement. There was some discussion on the length of record-keeping and what could possibly be disposed of. **John Lang made a motion to pay expenses from the Contingency Fund (016) of up to**

\$10,000 for shelving and transportation of materials from the Courthouse 3rd floor to the Highway Department. Seconded by Don Zillig and motion passed following a roll call vote resulting in Ayes and Nays. Ayes – John Schultz, John Lang, LaDon Trost, John Creighton, Steve McIntyre and Don Zillig. Nays – Diane Gallagher.

7. Staff Reports

a) Chief County Assessment Office – Laura Edmonds reported the tax bills went out this month. The Assessment office has been extremely busy. There has been a magnitude of calls and visits from taxpayers regarding their tax bills. They've been working with IDOR and the MyDec System Division collaborating on how to make the system more user friendly. Also, the office has been working on Township Assessor work as four (4) townships have been turned in so far. Edmonds attended the IPAI education conference on Bloomington/Normal at the end of March, and Julie also attended. She completed her and passed her final education requirement to receive her CIAO designation. There was some discussion on Prairie Ridge of Galena and an appeals case. There has also been a legislative update on Disabled Vet Exemptions.

b) Treasurer's Office – Melisa Hammer reported it's been busy in her office as well. Lots of taxpayers are getting their bills paid. They are working with a new provider for online payments so they are getting that handled and working through getting the bugs out of that. They also have a new program with the hotel/motel tax, collecting payments through that portal. They're finding that there are quite a few individuals that are renting in noncompliance. Hammer said Tammy is working on quite a bit of grant information and they've been working with the auditors. She mentioned that she would like to go over the fixed asset policy and procedures with this committee sometime and see what we will do moving forward. There was some misunderstanding with some local towns submitting hotel/motel taxes to the state for the owners, however, this is not something they will do for local taxes. Hammer has been in discussion with Airbnb and VRBO and this is something that needs to be submitted directly to the County from the owners renting out their properties.

c) Grants Administrator – Tammy Cahill reported that the 708 Board had their first quarterly meeting this past month. They have one more contract from the provider to receive and then they'll have all 7. She started working on complete the FY22 CYEFR on the GATA Portal. She will submit that once the Auditors review and complete their end of the audit. They were notified this month by Representative LaHood's office that one of JDC's submissions for Community Project Funding was selected. The Sheriff's office request of \$1.2 million for Starcom was one of the 15 projects chosen. This doesn't guarantee funding, but LaHood's office is recommending it. Cahill also spoke of how she submitted the State and Local Fiscal Recover Funds annual project and expenditure report that is due the end of this month. The County has expended \$53,214 and obligated the entire amount of \$4,124,650 to date. The County website project has been completed and the remaining fund will be put toward the Courthouse Renovation Project. These funds must be expended by September 30, 2026.

d) County Administrator – Scott Toot reported that by the end of March, 33% of the Fiscal Year had elapsed. Fund 1 General County Total Fund Revenue was \$2,836,887 and the prior YTD Actual Revenue was \$2,690,813, an increase of \$146,704 over FY22. Fund 1 General County Expenditures were \$5,115,572 and the prior YTD Actual amount was \$3,298,470. Guest Accommodation fees increased \$68,800 from the prior YTD, and fines and forfeitures increased \$9,404 over prior YTD amount. Sheriff's overtime YTD is

$49,489, which is $17,273 less than prior YTD amount. Cannabis sales tax increased yet again with YTD revenue of $245,077, an increase of $17,017 over the prior YTD revenue. Toot explained that his office has been working with the auditors for the completion of the FY22 audit that was presented earlier to the committee. There were no findings in the audit. He has been working with Baird and Chapman & Cutler regarding the potential Bond issues for the Courthouse renovation project, and Arndt Municipal Supported did a Comprehensive Financial Analysis Report regarding the Bonding and recommended an annual obligation for bond repayment of $600,000. Lastly, he attended a C-PACE informational meeting a couple of weeks ago that was presented by Brad Fletcher from IFA. There were changes made to the State Statute in late 2022.

10. Citizens' comments –

11. Board Member Concerns – Trost said he understands Edmond's frustration getting bombarded with lots of tax assessment questions and phone calls. McIntyre spoke but did not have his microphone on. Toot said that when he went to buy a house last summer, his realtor explained that his taxes would be higher because the current residents had exemptions that he would not be able to have. Hammer said that many years ago, before she was in office, the Chief Assessment Officer, Treasurer and County Clerk would hold public informational meetings and sat down and explained the tax process, how it works and how to read things to make the public aware. She said that maybe it's time to look at doing something like that again since it's possibly been 10 years. She feels the biggest problem is that taxpayers do not understand the process or how to read their bill. McIntyre said that usually people call when they get the bill; the problem with that is it's too late. Gallagher said that a huge reason people love living here is that the schools are great and it's a safe place. People will see the benefit of that when trying to sell their homes.

The next Finance, Tax & Budgets Committee meeting will be on Thursday, May 25, 2023 at 6:00 p.m.

Don Zillig made a motion to adjourn at 7:52 pm. Seconded by John Lang and motion carried.