COMMITTEE REPORT

COMMITTEE: Finance, Tax & Budgets
CHAIRPERSON: John Schultz, Chairman
DATE/TIME: May 30, 2024 at 6:00 p.m.

PRESENT: ☒ John Schultz ☒ John Creighton ☒ Michael Holt
☒ John Lang ☒ Diane Gallagher ☒ Don Zillig
☒ LaDon Trost

Other Board members: Michael Dittmar.

Others: Melisa Hammer, Scott Toot, Tessa Moore, Laura Edmonds and Tammy Cahill.

1. **Call to Order –** John Schultz called the meeting to order at 6:00 pm.
2. **Roll Call –** A quorum was established.
3. **Approval of Minutes**
   a) Minutes of the April 25, 2024 Finance, Tax & Budgets Committee meeting – **Zillig made a motion to approve the minutes of the April 25, 2024 Finance, Tax & Budgets Committee meeting. Seconded by Gallagher and motion passed following a voice vote resulting in all Ayes.**
4. **Citizens Comments –** None.
5. **Unfinished Business**
   a) FY2023/FY2024 Strategic Goals and Plans – The committee briefly reviewed their Strategic Goals and Plans.
6. **New Business**
   a) Discussion and possible action to approve the purchase of Multi-Township Assessment District/Council Hill, Guilford, Scales Mound Laptop Computer and accessories at a cost not to exceed $1,140.98 – Laura Edmonds, Chief County Assessment Officer, explained that the Township Assessor for Council Hill, Guilford and Scales Mound, was a contracted position and that she's going to be resigning on July 15th. Her elected district of Menominee, Rawlins and Vinegar Hill, she will continue to assess. Edmonds reached out to Steve Stadel, the Multi-Township Assessment District Supervisor. There is a quad next year and he has found someone willing to take it on. Edmonds believes that she is going to do an amazing job. She is a certified assessing officer. They have already contracted with her and had the meeting last week. She's on board and just needs the equipment. In the past, the laptops have been paid for due to the Intergovernmental Agreement. **Lang made a motion to approve the purchase of a Multi-Township Assessment District / Council Hill, Guilford, Scales Mound Laptop Computer and accessories at a cost not to exceed $1,140. Seconded by Gallagher.** There was some more discussion. Melisa Hammer stated that in the Capital Equipment Fund, activity code 503, there is a balance of $10,875.00. There is sufficient funding there. **Lang amended the motion to include the Capital Equipment Fund, Activity Code 503. Seconded by Gallagher and motion passed following a voice vote resulting in all Ayes.**
   b) Discussion on new U.S. Department of Labor Overtime Rule – The U.S. Department of Labor amended their Overtime Rule. The actual rule is about 900 pages long. There was a synopsis in the packet. There was some discussion. This shouldn't affect the exempt

employees that are currently with the County. There were several pay adjustments in the last few years that helped with this. The rule could also change when a different administration potentially comes in. If someone's pay needs to be increased, we will need to take action. This has been reviewed by the Administrator's Office and shouldn't be an issue. Hammer asked if the employees who do payroll are aware of this new rule. Toot explained that they were informed.

c) Discussion and possible action on the FY2025 Budget Preparation Schedule – Tessa Moore, Financial Administrative Manager, briefly reviewed the FY2025 Budget Preparation Schedule and explained to the committee that they were contemplating eliminating one of the three Budget Workshops, however, as we get closer to the end of the Budget Preparation, they want all the departments to have a chance to have as accurate projections as possible.

d) Discussion and possible action on the FY2025 Budget Review Schedule – The Joint Review Committee Meetings have been consolidated from four into two. There will be a little more time in between those meetings. This gives the County Board some more time to look over the budgets prior to the meetings. A lot of the agencies don't typically have changes, and the presentations are the same year over year. There will not be presentations this year unless there are significant changes. This will eliminate lengthy meetings. Gallagher asked if the reason for the lengthy presentations could potentially be because the department heads don't have time throughout the year to have discussions with the Board. Toot replied that each department has a minimum of 12 chances to speak with their parent committee at the monthly committee meetings. He said it's specifically the outside agencies that have the lengthy presentations.

7. Staff Reports

a) Chief County Assessment Office – Laura Edmonds, Chief County Assessment Officer, said their office has been bombarded with phone calls since tax bills went out. Her staff has done an amazing job with everything. Schultz asked if she was thinking of doing another letter in the paper explaining the process of assessments like she did last year. She said she would more than likely do it again. They received the preliminary sales ratio study. They received the final sales ratio on May 15th. Township assessor's work is due on June 17th this year. The Board of Review opened their session yesterday. The Annual Farmland Assessment meeting was recently held as well. Edmonds explained that two days ago, she received an update – there are no changes to the Senior Freeze. They wanted to increase it to $75,000 per household, however, it's staying at $65,000. The standard homestead exemption for Veterans with disabilities, she explained, that currently, if your assessed value goes over $250,000, you lose the exemption. Now, they're putting a cap, which the exemption goes to $250,000 and then you are paying on the rest. This just needs to be signed by the Governor at this point. It will be payable in 2024 if all goes as planned. Edmonds said the chart for the sales ratio is in the packet. Some townships are low and you can see where they started to drop off. The fluctuation is caused by homes selling for more than they are assessed for. Gallagher said it's basically a fairness value. Edmonds said it's hard to explain to the public. People are hiding their remodels and that skews the numbers and makes it difficult to assess properties fairly and correctly. Schultz asked what kind of leverage the assessors have to find out if properties have done remodeling. Edmonds said that they use Zillow, but that's after the sale. It's up to the property owner to prove differently if their assessment goes up and they haven't done any work. There are records of permits, and the assessors get copies of those. Certain municipalities don't require permits. It's really difficult to get property owners to be truthful about the work they've done on their homes, especially when they don't want their assessed values to rise. Edmonds stated that she is down one farm member on her farmland committee. Sadly, Tom Schudt of Stockton passed away earlier this year. She has contacted Drew Groezinger and is waiting for his reply.

b) Treasurer's Office – Melisa Hammer, County Treasurer, reported that in collections for the year, they are levied at $70,388,981.02. As of today, in their system, $25,563,159.82, which is only 36%. She is concerned – Monday is the first due date for taxes. There will be a lot of penalties and a lot of upset individuals. Another concern of hers is that they're a little behind on getting information into the system to make sure they're up to date. They haven't been able to get any part-time help because her part-time wages were taken away. If you look at the payroll report, they're at their maximum for their budget this year. She has an employee retiring on October 31st. Hammer will need to hire someone and train them but she doesn't have any extra in her budget to do so. When she asked for the money during the budget season, she was told it would be covered if needed. Schultz commented that they will keep their word. They sent out tax bills to over 22,000 parcels. She said that since online payments have started, those have been utilized, however, not so much this year. Toot asked if there are possibly batches sitting with banks and that maybe the banks are waiting to send things in until the last minute. Hammer said that's a possibility, but they're also behind on putting the information in, so that could be some of it. She also said that the mail system has been bad. The amount of tax bills returned is tremendous. She's been working with the postmaster in Galena to see if they can resend some if they come back. By statute, people are liable whether they receive their tax bill or not. It's been posted on the website and social media. Nothing was published in the paper because of the cost. Trost asked Hammer about the Country Inn & Suites in Stockton and their arrears. There was also some discussion on mobile home parks and their taxes. Gallagher asked if there was anything instructing taxpayers to the temporary location at the Former Galena Primary School. Hammer explained that each tax bill had a notice included. There is ample signage at the Courthouse as well directing people up here. Holt asked the percentage of people that pay in person. She guessed around 25%.

c) Grants Administrator – Tammy Cahill, Grants Administrator, gave her report that was included in the packet. She was able to complete and submit the FY2023 Consolidated Year End Financial Report to GATA. She's also completed the ICQ, Internal Control Questionnaire. She met with former EMA Coordinator Mike Simmons and Administrator Toot regarding the EMA grants moving forward. Cahill submitted a pre-application for the FEMA Hazard Mitigation Grant Program for possible grant funding for the JDC Local Hazard Mitigation Plan Update that will expire in January of 2026. She said that she has sent the Jo Daviess County 708 Mental Health Board signed FY2025 contracts to providers. Schultz asked about the potential grant for communications and whether it's been funded or not. Cahill said she reached out to LaHood's office and there is no timeline as to when it will be received.

d) County Administrator – Scott Toot, County Administrator, gave an update to the committee. He spoke about the Corporate Personal Property Replacement Tax. He's a little concerned because it's down. It's down from last year, but it was surprisingly high last year. The State has also reduced the amount that we receive. Toot also gave an update on the Courthouse Renovation Project. YTD expenditures are $1,501,799.20. Next week they will begin working on the parking lot. They're behind on the schedule, but do not anticipate being behind on the overall project. The cable is in the conduit in the parking lot but not hooked up yet. IT is waiting on iFiber to complete it. There was also the groundbreaking recently. The next step will be Furniture, Fixtures and Equipment. Toot continued to describe the current events regarding the Courthouse. When we go through the budget process, although there are unfunded requests, the main focus needs to be on the completion of the Courthouse this year. Nobody can predict the future; although we have estimates, we cannot predict completely what will happen. This is our third year using the budget software and the process we're starting tonight will go all the way into November.

8. **Citizens' comments –** None.

9. **Board Member Concerns** – Gallagher wanted to share the news through Development & Planning, the individual that installed the 9-1-1 signs has resigned. It's been a topic of discussion lately that potentially, property owners will be installing their own signs. Creighton said Public Works didn't meet this month. He explained that he and Michael Dittmar have been exploring some Economic Development ideas within the County. They are open to any and all ideas. Zillig asked if there was a replacement for Emergency Management yet. Scott Toot said that there were two applicants.

The next Finance, Tax & Budgets Committee meeting will be on Thursday, June 27th, 2024 at 6:00 p.m.

Lang made a motion to adjourn at 7:26 pm. Seconded by Holt and motion carried.