COMMITTEE REPORT

COMMITTEE: **Finance, Tax & Budgets**
CHAIRPERSON: **John Schultz, Chairman**
DATE/TIME: **June 27, 2024 at 6:00 p.m.**

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

Other Board members: Diane Gallagher

Others: Tammy Cahill, Laura Edmonds, Melisa Hammer, Angie Kaiser, Tessa Moore, Scott Toot and Kristina Tranel.

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 May 30, 2024 Finance, Tax & Budgets Committee meeting – **Don Zillig made a motion to approve the minutes of the May 30, 2024 Finance, Tax & Budgets Committee meeting. Seconded by John Lang 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 did not review their Strategic Goals and Plans.
6. **New Business**
   a) Discussion and possible action to regarding items associated with the FY2025 Jo Daviess County Budget –
      i. Review FY2025 Round 1 Revenue Estimates – Scott Toot reviewed the revenue estimates on pages 9 and 10 of the informational packet as well as pages 14 through 18. John Lang commented that he appreciated the information that was put together. There is an article in the Review Magazine – February 2024 issues, which is put out by the Illinois Municipal League about corporate personal property replacement tax and how it is unpredictable. We should try to be conservative because the state is doing clawbacks with it and the revenues aren't what was anticipated. Toot left cannabis revenue the same as last year because he feels it has plateaued out. General Fund Core Revenue which is less state and federal grants, state revenue stamps and interfund transfers is being budgeted less than last year but it is somewhat fluid. Melisa Hammer added that we also have to remember that the Department of Revenue told us that we were over allocated money in prior years and now they are taking that away. They are expecting a 26% to 38% reduction. Angie Kaiser stated to keep in mind that in the estimates you got last year's extension for property tax and if you look at your property tax options for this coming year you are going to recoup that amount more than likely.
      ii. Establish initial allocation of 2024 Property Tax Levy (payable 2025) – Scott Toot recommended in his memo to do Option #1 which is what we did last year. Angie

Kaiser commented that because you have additional expense in Social Security, Medicare, IMRF and General Fund Option #4 is taking advantage of a 3.91% increase and allocating it to the funds that need it. If you stick with your allocations as who have them here you won't have enough for Social Security and IMRF, Obviously you can make those changes later but it might not be a bad idea to know that right out of the gate that you are covering those bases. Toot defers to Kaiser's recommendation to go with Option #4. **Diane Gallagher made a motion to approve the 2024 Property Tax Levy (payable 2025) Option #4. Seconded by John Lang and motion passed following a voice vote resulting in all Ayes.**

iii. Establish initial allocation of FY2025 County (1%) sales tax – Scott Toot recommended in his memo to allocate FY2025 County (1%) sales tax the same as last year – 75% General Fund and 25% County Highway Fund. Toot has spoken with Steve Keeffer about this and he is fine with the allocation, however he would always like to see more for the Highway Fund. Given the fact that we have several projects going on Toot felt that was a fair allocation of it. **John Lang made a motion to allocate FY2025 County (1%) sales tax receipts as follows: 75% General Fund and 25% County Highway Fund. Seconded by Diane Gallagher and motion passed following a voice vote resulting in all Ayes.**

iv. Establish FY2025 Expense Budget Guidelines – **John Schultz made a motion to approve the FY025 Expense Budget Guidelines as presented. Seconded by John Lang.** Angie Kaiser commented that there needed to be a percentage in the guidelines for Non-Elected/Non-Represented employees - compensation increase per employee performance evaluations. Scott Toot responded that he was going to bring that up for discussion. The Personnel Review Committee met and made a recommendation of 4%. That needs to go to the Executive Committee. John Lang was the dissenting vote on that and would like to go with 3%. Kaiser explained the rational that the Personnel Review Committee used. **John Schultz made a motion to amend the previous motion to add a 4% increase. Seconded by Diane Gallagher. A roll vote resulted in 3 Ayes: Trost, Gallagher and Zillig, 3 Nays: Lang, Creighton and Holt and 1 Abstain: Trost. Motion failed. John Lang made a motion to amend the FY2025 Expense Budget Guidelines to include a 3.5% increase. Seconded by Diane Gallagher and motion passed following a voice vote resulting in all Ayes. Now we have the original motion to accept these guidelines with 3.5% included. Motion passed following a voice vote resulting in all Ayes.**

7. Staff Reports

a) Chief County Assessment Office – Laura Edmonds, Chief County Assessment Officer, reviewed the Annual County Assessors Report that she prepares each year. The Township Assessors returned their assessment books by the statutory deadline. They are now double-checking each parcel to ensure accuracy by comparing their notes and computations. They have implemented a new policy in the office for all address change forms and owner-occupied exemptions. No email requests will be granted. The exemption must have the owner's original signature. The legislative updates were included in her monthly report. Disabled Veterans can now have an assessed value of $250,000. When you used to meet that threshold in the past that exemption would come off and you would be taxed. Now the exemption will be a max of $250,000. There are no updates on the lawsuits. The Board of Review opened its session on June 29th. They adopted new Board of Review Rules and signed off on exemptions and certificates of errors. Thanks to John Lang's recommendation, Nick Tranel has graciously accepted to serve on the Farmland Review Committee and his appointment will be on the County Board agenda in July.

When she ran the abstract for today from township assessor level to SA level her estimated new construction to Angie was at 5 million, but we are actually at 11 million.

b) Treasurer's Office – Melisa Hammer, County Treasurer, reported that 1st distribution will hit the banks tomorrow. The total amount that we are to collect this year is $70,388,981.04. So far we have collected $41,413,940 which is only 59% of the total. This is concerning because a lot of people have paid both installments at this point. The 1st distribution will be a total of $14,079,236. The county portion of that will be 1.5 million. We are beyond the first due date so we have quite a few upset individuals because of the penalties. We have an issue with the mail this year. The postal service is horrible. We have several envelopes that do not even have a postmark so without that we cannot do anything about the penalty. Hammer met with the State's Attorney and talked about what can be done and he stated that he has concerns with the ordinance and the power that we have in that ordinance to be able to collect delinquent hotel/motel taxes. He is suggesting that the ordinance be rewritten. A certified letter has gone out to the property and they did receive it; they have signed for it. We have heard nothing back from them. She gave them until the 21st to contact her which has gone by.

c) Grants Administrator – Tammy Cahill, Grants Administrator, reviewed her report that was included in the packet. It has been a busy month for grants for the County. The 708 Board had their quarterly meeting this month. Their provider funding requests for FY2025 are due tomorrow. Their budget meeting will be the second week of July. Cahill has completed and submitted quarterly reimbursements up through March for the Emergency Management grants. We are up to date on the HMEP and EMPG grants. She has been working with Andrea Bostwick with American Environmental concerning the HMEP update grant application that is due by July 19th. This week has been challenging. John Schultz had asked last month about the Community Project Funding. Sheriff Turner and Cahill have been reaching out weekly with not getting much information on that but Friday she received an email from COPS Agency concerning next steps needed. That application was due on Tuesday. They got it submitted and it was accepted. We are past the first hurdle. The second part of the application process is due by July 16th having originally been due July 2nd. Sheriff Turner also received a grant from Jo Daviess County Country Fair Charities in the amount of $3,253 for the purchase of a Golden Eagle II Radar with duel antenna. Angie Kaiser was able to get the Polling Place Accessibility Grant for $ 92,000.

d) County Administrator – Scott Toot, County Administrator, commented that he did not have a written report, but he had a couple of things to report on. He gave an update on the Courthouse Renovation Project. We have run into some unforeseen circumstances with the courthouse. The beams on the first floor were rotten. In the 1839 portion the pilings were sitting on stone that was directly on piled rock directly on dirt. Also, in the 1970 portion apparently there was a previous structure there and they built part of it on the stone foundation and poured cement for the rest of it. They are trying to correct that and they are pouring cement footings inside the first floor to ensure the beams that are put in there are stable. The project cannot proceed until this is taken care of. We had mediation with the Teamsters and Transit personnel on Monday. We had a mediator and we didn't get anywhere. Today Nicole Hermsen called and told him there was a notice up about a meeting on Monday from the union. Whatever you read in the paper or on Facebook, or whatever comments are made in public the only comment Toot is going to make is that the County is negotiating in good faith and the County is fair.

8. Citizens' comments – None.

9. Board Member Concerns – John Lang commented that he has nothing against anyone employed here. When he made his motion in regards to compensation increase per employee it was because you have to have the money to do it. Mike Holt apologized for his tardiness. Through some miscommunication we did not make the agenda for some of our economic development discussing some tax abatement so we are going to do it at the next Executive Committee meeting. Don Zillig commented that you all really did a nice job tonight with all of the information. Nice job, everyone! John Schultz let the committee know that he will not be in attendance in person at the July meeting. He is having his left knee replaced on July 22nd. Hopefully he can Zoom in to that meeting.

The next Finance, Tax & Budgets Committee meeting will be on Thursday, July 25th, 2024 at 6:00 p.m.

Don Zillig made a motion to adjourn at 7:02 pm. Seconded by Diane Gallagher and motion carried.