COMMITTEE REPORT

COMMITTEE: Finance, Tax & Budgets
CHAIRPERSON: John Schultz, Chairman
DATE/TIME: December 29, 2022 at 6:30 p.m.

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

Other Board members: John Heitkamp

Others: Laura Edmonds, Melisa Hammer and Scott Toot

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 of the November 17, 2022 Finance, Tax & Budgets Committee Meeting – Minutes were not included in the packet at this time.
4. **Citizens Comments -** None.
5. **Unfinished Business**

   a) FY2021/FY2022 Strategic Goals and Plans – The committee reviewed their FY2021/FY2022 strategic goals and plans.
6. **New Business**

   a) Discussion and possible action on establishing meeting dates and start time for the FY2023 Finance, Tax & Budgets Committee meetings – John Schultz commented that Scott Toot requested a start time of 5:30 p.m. so Schultz said they would start at 6:00 p.m. Diane Gallagher questioned why this committee meets on the last Thursday of the month when most committees meet on the third Tuesday or third Thursday of the month. Melisa Hammer commented that it was done this way so that they could get this committee meeting in as late as possible before the Executive Committee meets. Don Zillig agrees with Toot that he would like to see the meeting time earlier so that department heads would not have to wait around so late for the meeting. Schultz is willing to move it to 6:00 p.m. if that helps any. **Diane Gallagher made a motion to approve the meeting schedule with a new start time of 6:00 p.m. Seconded by Don Zillig and motion passed following a roll call vote resulting in all ayes.**

   b) Discussion and possible action regarding the 2023 Jo Daviess County standard mileage rate – John Schultz commented that the IRS has gone up to 65.5 cents per mile. John Lang would like to see an even amount. He does feel we will have to raise it from the current rate of .58 cents per mile. Melisa Hammer suggested to make the motion that it be the IRS standard rate so if it changes throughout the year ours would go up as well or if you want to have strictly a number put on there. **LaDon Trost made a motion to set the 2023 Jo Daviess County standard mileage rate at $0.65 per mile. Seconded by Don Zillig and motion passed following a voice vote resulting in all ayes.**

   c) Discussion and possible action on H2 Healthcare, LLC Proposal – Laura Edmonds commented that this is the proposal from Dr. Reginald Hislop who runs H2 Healthcare, LLC. It is for the Prairie Ridge financial analysis. Edmonds reached out to the taxing bodies per the request of this board and everyone is in agreement to split the cost of that $3,000. The next step is for this committee to move this proposal forward and then she would try to gather the information from Prairie Ridge that Dr. Hislop is requesting. He would then perform the financial analysis. Edmonds provided background to the new committee members to bring them up to speed on this issue. Diane Gallagher commented that she feels Edmonds plan of action is right on, but she really takes issue with the credentials of the individual who has prepared this proposal. Gallagher feels that there should be more review of companies that could do this. Gallagher requested that Edmonds look for someone else to perform this analysis. Much discussion followed. John Lang stated that the work Edmonds has done on this issue is commendable. He would like to have something put together to move forward with at the next meeting. Edmonds will see what she can find out. Prairie Ridge has not filed a PTAB case yet. She is assuming that they will because they have been asking for comparables. Edmonds is just trying to be prepared for the PTAB case and to collect data for the next assessment year. This can be brought back to committee. She did get a PTAB case today and she usually has 90 days to file the appeal on the PTAB case to prove her case. This item was postponed.

7. Staff Reports

a) Chief County Assessment Office – Laura Edmonds reported that they have sent the final abstract to the Clerk. She sent it down to the state after she signed it. The state verified that they have received it and they are working on our final equalizer factor as we speak. We are busy gearing up for 2023. They are printing out the Senior Freezes and the state did make a rebranding of this form and they now call it the Low Income Senior Citizen Assessment Freeze Homestead Exemption form. They did a revamp of the form themselves for seniors to try to make it a little clearer with the directions. We usually just tell them to come in and we will help them fill out the form. They are also busy printing their Class 90 forms. There are slightly just over 1,000 properties and that is anybody who is an exempt affiliate – school, church, conservation foundation, cemeteries. They have to fill out this form and state that they are legitimately using it for exempt purposes and that they are not leasing it. The Disabled Vet form was also rebranded. They added a question asking if they own property anywhere else in the United States. You can only have exemptions on your primary residency. Scott Toot will report on the lawsuit. There are no legislative updates. Edmonds is pleased to announce that we are fully staffed. We made a new hire with Michael Tasler and he started on December 5th. It has been three years since we have been fully staffed. One other tidbit that may become an issue – she had a disabled vet come in who was 50% disabled so he got a $5,000 exemption. The VA redid his disability and he is now at 80% disabled so now he would be 100% exempt. They made it retroactive back to 2016. Edmonds told him there is nothing we can do for that. Once the books are closed she cannot authorize for us to do a certificate of error and he claims that she is wrong and he is going to prove her wrong. Edmonds feels that this gentleman will be addressing the County Board sometime in the near future. Edmonds has reached out the State's Attorney Allendorf and explained the situation as well as the Department of Revenue. They said everything she has done is correct.

b) Treasurer's Office – Melisa Hammer reported that her and Scott Toot met with Illinois Bank & Trust to discuss the commercial card program (purchasing card) and to inform us of the program that they provide for paying vendors and the analysis of payables. We also discussed the treasury management program that our office utilizes for deposits and online banking. We reviewed the different options for the types of accounts that we currently have and what types of accounts would pay the best interests for our usage. A local bank reached out to let us know that they were running a special on 13-month cd's at a rate of 4.25%. Hammer discussed with Chairman Trost and Administrator Toot about placing some of the ARPA funds into a cd. We were able to invest $2 million in a cd with the special rate. On December 20th there was the initial kick off meeting with the auditors (WIPFLI) to discuss the 2022 audit and go over the PBC list and the new GASB standards for this year's audit. The field audit dates are set for February 27th thru March 3rd. We are working on ending the year. Our fiscal year is over November 30th and we are looking at closing the books. They are finding that they are having an issue with some departments holding revenues. Hammer has addressed this many times with different departments. The auditors will ding us for holding any money and they have been receiving checks in their office that have been held for months in different departments. Hammer suggests after talking to Scott Toot and Angie Kaiser that we look seriously at the accounts receivable program that we currently can purchase through our financial software and have accounts receivable be in one module and reported one way coming in to one office and not having to worry about checks traveled from different County facilities. This module is an $800 to $1,200 annual fee to pay for this program. It would add on to our current financial program and we would be able to receipt things faster, easier, less people handling so it would be less likely to have mistakes or lost money.

c) Grants Administrator – Tammy Cahill was unable to attend the meeting due to illness. Melisa Hammer reported that she has been working on a few different things. We did receive our first $50,000 payment from the extra ARPA money. We will be receiving another $50,000 after the first of the year. Cahill is also researching and looking into grant funding for buildings that are deteriorating and we will determine if our Courthouse would be considered deteriorating. This grant is for any historical building that is deteroriating.

d) County Administrator – Scott Toot reported the Administrator's Office continued with FY2023 Budget preparations by distributing paper copies of the Comprehensive Budget Document to Board Members and Department Heads. Intergovernmental Revenue for FY2022 is at 130.1% of budget. The FY2022 Budget amount is $4,566,046.92 and the year to date actual amount is $5,942,420.50. State Income Tax, County Supplemental ¼ %, County Sales Tax, and Cannabis Sales Tax have all contributed to the increase. As an example, the county received $778,346 in Cannabis Sales Tax Revenue in FY2022, and budgeted for $480,000 in revenue. The financial highlight of the month, outside of the start of the fiscal year, was the pre audit meeting that was held with Wipfli on December 20th. The auditors are planning on doing audit fieldwork Monday, February 27th - Friday, March 3rd. The auditors provided the PBC list at the pre audit meeting, documents are being placed in share files provided by the auditor or being emailed directly to Wipfli. Last but not least, the County won the appeal on the Hurlburt lawsuit. The decision is in the packet. Due to the persistence of Laura Edmonds and Joe Kratcha, the County prevailed. Start audio at 54:41

10. Citizens' comments – None.

11. Board Member Concerns – Don Zillig commented that with all of the new County Board members he would like to see a name placard for each member on the Board Room table. John Heitkamp asked for someone to explain the Veterans' Assistance Program. John Schultz responded that we were approached a few years ago by the local VFW and other organizations that there were veterans that needed assistance but basically didn't know where to go or were too proud to ask for help. We set up a program where we allocate a couple of thousand a year and they try to give some assistance to these people if they need it. It's a wonderful program. The people administering it are doing it gratis essentially with some expenses naturally that we reimburse. Scott Toot added that it is a state statute that we were told we were told about that we are required to have something. We could even be required to provide them with office space but they basically operate it out of a file cabinet. The way we are doing it provides the service and saves the County money. They have a rigorous screening process and they make sure there is a need. Diane Gallagher spoke to the accomplishments that each county department had included in previous years budget books that identified the progress and goals that were accomplished during the year and as we look at our goals we agreed on yes we can speak to those but it is probably true that the departments and committees have done other things during the year and Gallagher would like to see us think about those things and try to put them into some kind of written form prior to when we have this summer board retreat so that we can really know what each other committees and departments are doing that may not be well known. LaDon Trost elaborated on Gallagher's words. In the height of COVID what the County Board did was we assisted financially to many small businesses in the County to try to keep them afloat and help them during a tie when we couldn't even leave the house. The County Board does a lot of different things to assist the citizens of our County. Trost added that this is his first time attending a Finance Committee meeting since he was not on the committee in previous years. As Board chairperson he is now a member of this committee and he found that it might be best to just listen tonight.

The next Finance, Tax & Budgets Committee meeting will be on Thursday, January 26, 2022 at 6:00 p.m.

Don Zillig made a motion to adjourn at 7:29 pm. Seconded by John Lang and motion carried.