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JO DAVIESS COUNTY
FINANCE, TAX, & BUDGETS COMMITTEE
MEETING MINUTES
JUNE 25, 2026

I. Call to Order

Committee Chairperson Schultz called the meeting to order at 6:00 PM on Thursday, June 25, 2026 in the Jo Daviess County Board Room, Jo Daviess County Courthouse in Galena, Illinois.

II. Roll Call

Roll Call was answered as follows: Present – John Creighton, Michael Dittmar, Diane Gallagher, Michael Holt, John Lang, John Schultz, LaDon Trost. Present: 7. Present electronically: 0. Absent: 0.

III. Approval of Minutes

A motion to approve the minutes of the May 28, 2026, Finance, Tax, & Budgets Committee meeting was made by Diane Gallagher and seconded by John Lang. The motion carried by voice vote.

IV. Citizens' Comments

There were no citizens' comments.

V. Unfinished Business

FY2025/FY2027 Strategic Goals were not reviewed.

VI. New Business

Don Shaw of Lauterbach & Amen presented the FY2025 Annual Financial Report, thanking County staff for their cooperation and noting that the County received a clean, unmodified audit opinion. He highlighted that the General Fund experienced an operating increase of approximately $1 million due to revenues exceeding expectations and expenditures remaining below budget, offset by a $1.2 million transfer to the Courthouse Capital Projects Fund. The General Fund ended the year with a $12.5 million fund balance. Shaw also reviewed the management letter, which included four recommendations, none of which were considered red flags. Committee members asked questions regarding SLEP and IMRF rates, special service area fund balances, and OPEB liabilities. Staff provided clarifications, including that the OPEB liability reflects actuarial projections for retiree benefits, specifically health insurance.

The Committee considered a resolution authorizing payment of FY2026 mandatory accelerated IMRF payments from the Contingency Fund, to be reimbursed in FY2027. Staff explained that an employee retired earlier than anticipated, resulting in a recalculated accelerated payment. The recommended payment amount from the Contingency Fund is $52,492.16, with $33,744.34 already available in the IMRF Fund. **A motion to recommend a Resolution to Authorize Payment of FY2026 Mandatory Accelerated Payments to the Illinois Municipal Retirement Fund (IMRF) from the Contingency Fund (016) to be Reimbursed in FY2027 from the Municipal Retirement Fund (013) was made by Michael Dittmar and seconded by Diane Gallagher. The motion carried by voice vote.**

The Committee reviewed a recommendation from the Personnel Review Committee to eliminate the State's Attorney's Executive Secretary position and create an Executive Specialist position at Grade 9. State’s Attorney Allendorf explained the need for a designated staff member to manage discovery processes and coordinate with law enforcement. The additional salary for the position would be funded within the existing budget. **A motion to recommend approving a request to eliminate the Executive Secretary position, create the Executive Specialist position, and adopt the revised position description with a Grade 9 placement on the non-represented merit pay scale was made by John Schultz and seconded by Michael Holt. The motion carried by voice vote.**

The Committee considered revisions to Policy P2025-4, including establishing one-time seniority recognition steps when 10, 15, 20, 25, and 30 years are reached; increasing starting wages by $1 per grade; revising promotion pay adjustments to a flat $1.50 increase; adding “Reclassification” to the heading; and adopting a simplified evaluation tool. Extensive discussion followed regarding seniority adjustments, wage compression, implementation dates, and cost estimates. Staff reported that approximately 17 employees would qualify for seniority adjustments, with an estimated initial wage impact of $32,000. The Committee agreed that the policy changes would apply to new employees beginning December 1, 2026, with further discussion to occur regarding application to existing employees once cost modeling is completed. **A motion to recommend the following revisions to P2025-4 Non-Represented Employee Classification/ Compensation Plan Policy: Establish one-time seniority recognition steps at 10, 15, 20, 25, and 30 years, using flat dollar increases as discussed, increase all starting wages by $1 per grade, revise the promotion pay adjustment to replace the existing $0.50/2% rule with a $1.50 increase, while removing percentage language and adding “Reclassification” to the heading, and to revise the evaluation tool to be simpler, tied to job descriptions, and more consistent across departments to be effective December 1, 2026, was made by John Lang and seconded by Diane Gallagher. The motion carried by voice vote.**

The Committee engaged in an extended review of the FY2027 budget development process, covering financial highlights, revenue estimates, levy allocation, sales-tax allocation, and expense guidelines. Staff began by presenting the County’s overall financial position, including minimum year-end fund balance policies and the General Fund cash-flow analysis. Members discussed the importance of maintaining adequate reserves to support operational stability, noting that the General Fund’s strong FY2025 performance, driven by higher-than-expected revenues and lower-than-budgeted expenditures, positioned the County well heading into the FY2027 planning cycle.

The Committee then reviewed the Round 1 revenue estimates for FY2027. Staff explained the methodology used to develop the projections, including trend analysis, historical performance, and known statutory or economic factors. Members discussed the anticipated growth in the County’s 1% sales tax, referencing statewide forecasts indicating modest but continued growth. Staff also reviewed the estimated 2026 payable 2027 property tax levy under PTELL, noting the allowable increase of approximately 3.51%. **A motion to accept the FY2027 Round 1 revenue estimates was made by John Schultz and seconded by Michael Holt. The motion carried by voice vote.**

The Committee considered the initial allocation of the 2026 property tax levy (payable 2027). Staff presented several allocation scenarios and recommended Option 4, which applied the estimated allowable PTELL increase, directed required increases to IMRF and Social Security funds, and assigned the resulting reduction to the General Fund. Members discussed the impact of rising IMRF rates, the

County's long-term pension obligations, and the need to maintain levy stability while supporting core services. **A motion to approve Option #4 to establish the initial allocation of 2026 property tax levy (payable 2027) using the current estimated allowable PTELL increase, to support the mandatory increases in the IMRF and Social Security funds, and reducing the General Fund if needed was made by John Lang and seconded by Diane Gallagher. The motion carried by voice vote.**

The Committee reviewed the allocation of the FY2027 1% County sales tax. Staff recommended continuing the 75% allocation to the Highway Fund and 25% to the General Fund, noting that this distribution has supported long-term capital planning for transportation infrastructure while still providing meaningful support to General Fund operations. Members agreed that the current allocation remains appropriate given the County's capital needs and revenue trends. **A motion to establish the initial allocation of FY2027 County (1% CT) sales tax allocation of 75% to the Highway Fund and 25% to the General Fund was made by John Lang and seconded by Diane Gallagher. The motion carried by voice vote.**

The Committee reviewed the FY2027 expense budget guidelines. Staff presented recommended parameters for departmental budgeting, including a proposed 3% wage increase for non-represented employees, updated IMRF and SLEP contribution rates, and an estimated 10% increase in health insurance costs. Staff also noted that preliminary modeling using the Round 1 revenue estimates and the recommended expense guidelines showed a projected General Fund deficit of approximately $503,386 for FY2027. Members discussed the drivers of the projected deficit, including personnel-related cost increases and the structural limitations imposed by PTELL. The Committee acknowledged the guidelines may need to be revised once the Round 2 revenue estimates are known. **A motion to establish the FY2027 expense budget guidelines as presented was made by John Creighton and seconded by John Schultz. The motion carried by voice vote with a nay vote recorded for Michael Dittmar.**

VII. Reports

Assessments: A written report was provided and Laura Edmonds, C.C.A.O. provided updates on township submissions, new construction review, PTAB cases, and farmland lease verification.

Grants Administrator: A written report was provided and Tammy Cahill, Grants Administrator reported on recent grant awards, upcoming federal rule changes affecting grant administration, and ongoing projects.

Treasurer: A written report was provided and Melisa Hammer, County Treasurer reported that 65% of annual taxes and 95% of first-installment taxes had been collected, and noted recent fraud mitigation efforts with the County's bank.

Financial Reports: May 2026 reports were provided.

VIII. Citizens' Comments

There were no citizens' comments.

IX. Committee Member Concerns

Member Dittmar discussed mental health board funding allocations, economic development, housing initiatives.

Member Diane Gallagher encouraged all to participate in the upcoming UCCI Annual Conference.

Member Holt reported on the recent Information Communications & Technology Committee meeting, noting increased server replacement costs driven by supply-chain pressures and indicating that a recommendation for Contingency funding would be presented at the next County Board meeting.

X. Adjourn

A motion to adjourn was made at 8:26 PM by John Lang and seconded by John Schultz. Motion carried by voice vote.

Next committee meeting: Thursday, July 30, 2026 at 6:00 p.m.