

**FINANCE COMMITTEE MEETING
FEBRUARY 4, 2013
5:15 P.M.**

MEMBERS PRESENT

Keith Ashby, Chair
Jay Dunn, Vice Chair
Tim Dudley
Kevin Greenfield
Susanna Zimmerman
Linda Little

MEMBERS ABSENT

Patty Cox

COUNTY PERSONNEL PRESENT

Judge A. G. Webber
Ed Yoder, Treasurer's Office
Daysa Miller, SOFA
Mike Baggett, Asst. State's Attorney
Amy Stockwell, Auditor
Sheree Zalanka, Health Department
Julie Aubert, Health Department
Josh Tanner, GIS
Lori Long, Probation
Sheri Oleson, HR Specialist
Rodney Forbes, Public Defender's Office
Lt. Jon Butts, Sheriff's Dept
Jeannie Durham, County Board Office

CALL TO ORDER

The meeting was called to order by Chair Keith Ashby at the Macon County Office Building.

APPROVAL OF MINUTES

Motion to approve minutes of prior open meeting on 1/2/13 was made by Tim Dudley, seconded by Jay Dunn, and motion carried with 5 Ayes & 1 Present by Linda Little
Motion to approve minutes of prior closed meeting on 1/2/13 was made by Kevin Greenfield, seconded by Tim Dudley and motion carried with 5 Ayes & 1 Present by Linda Little.

CLAIMS

Motion to approve the claims as presented made by Jay Dunn, seconded by Tim Dudley, and motion carried 6-0.

REPORTS

Audit Sub-Committee

Amy Stockwell reported that the committee had met and reviewed some items. They plan to meet again once the field work has been completed.

Auditor

Amy Stockwell reported that the IMRF reported excellent performance last year with an investment return for 2012 was 13.7%. As a defined benefit plan, we the employers, take the full risk and reward of the investment earning. Last year, investment earnings were down so, they took money out of our reserves. They are expecting that they are going to be adding money to our reserves because of last year's performance. The memo does a good job of explaining how the averaging method works. To kind of insulate us from the ups and downs of the market, the returns are averaged and they explain that calculation. There will also be a meeting that you are all invited to attend in April where they go through this in more detail. We will get the numbers from Macon County, what has happened to the reserve, and what they expect to have happen for our rates for next year in the next couple of months. I will give that

to you as soon as we get it. I would expect, that given this good return, that we will see little or no change in our IMRF rate.

Amy introduced Sheri Oleson, Macon County's new HR Specialist. This is the beginning of her 4th week. She has been able to meet with all the department heads and get an orientation. She is now off to starting projects. Just a reminder on the structure, this does not change any of the hiring or firing responsibilities in the departments. Sheri is here to work on general policies and to be a resource to the departments. They have already started asking her for things and that is great. I encourage all of you to meet Sheri and to talk to her.

Board of Review

No Report

Supervisor of Assessments

Daysa Miller reported that the 2013 Assessment Freeze Form is now available from the Department of Revenue.

We received our final multiplier for 2012 and it was a 1. We can proceed now with the work that has to be done by the other offices to generate tax bills.

Daysa thanked everyone for all the support she has gotten through the years and announced that she is retiring at the end of the month.

Treasurer

Macon County Board Resolution to Execute Deeds to Convey Property for Delinquent Taxes
Motion to approve moving Resolution on to the Full Board was made by Kevin Greenfield, seconded by Jay Dunn and motion carried 6-0.

Ed Yoder reported on the DMH refund. There were 4 hospitals in the State of Illinois that got the exemption. One of these was DMH. I will have to pay from the first tax distribution in June to DMH. I am waiting on the State's Attorney's opinion on interest. There may be some interest added on to this number. This is all by State Statute. This is a sizeable hit, but there's not much we can do about it at this point. Linda Little asked if there wasn't something in place that required us to put taxes into an escrow account so that if something like this happened, we would just be refunding the money. Ed explained that this has been going on for a while. Daysa assisted in the explanation saying that this is actually an application for non-homestead exemption. The Department of Revenue came along and denied the application for the hospital to be exempt from property taxes. Then, because of the hospitals that were involved in this, they have gone in and passed a new law that involves these hospitals. It took effect in 2012. However, in the meantime, there were pending cases for prior years. This was from 2006 forward for DMH and for St. Marys which we have not heard about yet. What they did on the appeal to the denial for the hospital to be exempt from property taxes at the state level was that they withdrew their appeal – The Department of Revenue did. What we had to do was come along and do a certificate of errors to exempt these property's assessments so that they were zeroed out. It's not really an appeal at the local level; it's not a property tax case or anything like that. It is actually the Department of Revenue that determined this should be done. Tim Dudley asked if the assessment is actually zeroed out or if an exemption for that amount is given. Daysa explained that you are actually exempting the property. You don't

zero out the assessed value. They are just exempt from paying taxes. Tim asked if there is an assessed value there and it is not zero. Daysa said that no, it is not, but the program is such that we have to use a zero for the class code of the property. Tim stated that he just does not want the assessment to say zero. Daysa said they have to do it that way. There has to be some way, either through a law or something that says that there is value to this property, but they exempt from paying on that value. It is just like we do on non-homestead exemptions. It is unclear. Tim asked if the assessment of those properties say zero. Daysa said that in the programming, yes. Tim repeated that there is no assessed value. Daysa stated that there is not on the assessment books for that year. There is a record of the assessment. It is in the application for non-homestead exemption. Tim asked if he pulled a property card on the property, would it say the assessed value is zero. Daysa replied that in the programs they are using, the answer is yes. If you pulled the application for exemption, the answer is that the assessed value is there. Tim questioned again why the properties don't have an assessed value and the exemption be for the whole total of the assessment. For example, if a homestead exemption is \$5,000, why is there not an exemption for the \$5,000 to make it zero taxes, but it does have an assessed value. Daysa stated that it is because it is at a State level. Tim stated that he does not want to run into the same thing we had happen previously. Daysa stated that the law needs to be changed then. When we do the abstract, what it does, is it says how many parcels are non-homestead exemption and there is a count for it, but it does not have any value to it.

Jay Dunn stated that while we are on the subject, we ran into this in the Eastgate Commons TIF with the assessed value on the old Kmart building being zero due to the Department of Revenue requirement. That doesn't make sense. All property has value. The next question is whether there is an exemption. I think that played into the lawsuit there. The way the money is that if they file a protest rather than just an appeal we can keep the money in reserve. In the DMH case, I sent letters out twice to all the taxing bodies appraising them on the fact that at some point they very well could have to pay this money back and to call if they had questions. My thought was that if they all agreed, we could keep that money in escrow which is the only way to legally do it. I never got any phone calls from any of them on that. In the case of the Eastgate Commons, I think that was reported in the article in the paper wrong because I don't think the County was irresponsible. We did keep money back one year when it was legally required for us to keep it back in escrow. The other years, we couldn't statutorily keep it in escrow. So, to say the County was irresponsible was, I'd say, an irresponsible statement. Kevin Greenfield questioned how the County pays that back. Jay explained that there is about \$20,000 to \$27,000 in escrow. Our parties are going to have to ask for it back. I think we have to go through a judge or court system to get that back. It is sitting there. Kevin said that we actually owe about \$170,000. Ed clarified that it is \$171,841. Kevin asked that for them to get that back, they have to petition the court. Jay stated that he was not sure how they could get that back. They might have to petition the taxing bodies, but they haven't. Kevin asked if we are not the ones responsible to forward that money. Both Kevin & Jay agreed that they did not know. Keith Ashby asked what the difference was between being on the hook for \$171,000 and \$1.6 million. Jay said we are not responsible for the \$1.6 million, but we are responsible for \$180,000 of it. We take it out of the distribution, but that was something that came down through the court system. Keith asked if we had \$27,000. Jay said we do have that in escrow for the Eastgate Commons thing. Keith stated that we are going to be at \$140,000 we paid back and how is that going to be paid back, Ed? Is that going to be held back or is that going to cause cash flow problems? Ed said he is not sure how it will work

out yet, that he needed to check with the States Attorney to see how he can do it. It is going to have to come out of tax distribution. Keith stated that we need to find that out. Mike Baggett stated that the States Attorney's office is working on it. They have been in contact with the Treasurer's Office regarding how the payment of overpaid taxes by DMH is going to work. Very likely, when the taxes come in for 2012 payable in 2013, the taxing bodies distributions are going to be smaller than they are accustomed to getting out of that because the County does owe that money back to them by virtue to multiple sales and error that have been entered. So, that's going to come back their way, but at this point, the question becomes when they are going to be able to receive their money which will be no sooner than this summer simply because the money won't be coming in before the first tax payments. The Treasurer's Office has already sent out a letter to the taxing bodies indicating what their portion or share may be as an estimate. Certainly no finalized numbers yet, but that money will be accumulated that way and paid back that way. Kevin Greenfield asked if DMH & Eastgate are the only two we have. Jay replied that that is all as far as he knows. He said that as far as Eastgate goes, he had talked to Randy Waks about it because he felt that the statement made by the City manager was incorrect. Randy agreed that it was incorrect. They have protested the one year. That money is in escrow. As for the rest of it, he is not aware of whether they had asked for it back or if it goes through the same process as DMS. He said he was not asking for it back – that would be up to somebody else.

Ed continued with an update on mobile homes. He stated that last year he mailed out approximately 1,300 in March 29, 2012. This year on January 14, 2013, he mailed out 346 delinquent notices and as of today, there are just under 46 paid. Out of 346, 88 were returned with no forwarding. Nine with forwarding addresses were resent. After February 11, 2013, liens on the mobile homes will be filed. Eventually, some of these mobile home delinquent people will buy property and that is when they will have to come in and pay. They have to be clear for the closing.

The last item, the Treasurer's Automation fund, was handed out and Ed requested that if there are any questions, to please come and see him about it.

Keith asked how much we are owed on the mobile homes delinquent accounts at this point?
Ed replied \$55,000.

GIS

No report

CITIZEN REMARKS – PUBLIC COMMENT

None

OLD BUSINESS

Ed Yoder invited the Finance Committee members to a presentation in his office on property taxes and how the County can possibly bring it a little more up to date for greater ease in finding problems and answering questions when people come in. It will be about an hour long demonstration. He will send details soon.

NEW BUSINESS

County Board

Macon County Board Resolution Approving the Proposed Transfer of the Cable Franchise Currently Held by Suddenlink

Jay Dunn explained Suddenlink is being bought out by New Wave. Josh & Mike have looked into it and we should be ok with the sale.

Motion to approve made by Jay Dunn, seconded by Linda Little, and motion carried 6 - 0.

Macon County Board Ordinance Giving Consent and Approval of Local Franchising Authority for Extension of CATV Franchise

Jay reported that this is an agreement with New Wave approving cable franchise agreement. This is like the one that we just did with Comcast except New Wave is not big enough or chooses not to have a local channel for city, county or non-profits use. They wanted 5 or 6 changes, but we told them no and they agreed to it. This should conclude our dealings with cable companies. It's been a 4 to 5 year process.

Motion to approve made by Jay Dunn, seconded by Kevin Greenfield.

Keith asked if this has been reviewed by the States Attorney's Office to which Mike Baggett replied yes as well as a review that was done by Moss and Burnett who is an outside counsel and specialists in the field who worked on behalf of the County in review of the contract making sure that everything is above board and where we want it to be. Motion carried 6-0.

Macon County Board Resolution Approving Contract with Decatur Computers Inc for Backup Disaster Recovery

Jay Dunn reported that this is in the budget and that it is something that has been in the works for some time so there would be a backup in case of a tornado or other emergency that might wipe the building out. Jim Root and the EMA is working with all the departments on the Business Continuity Plan and needs for all department heads and elected officials to look at how they back up and keep their records. This should take care of the 141 building. Keith asked about the cost. Jay said it was \$6,500.

Motion to approve made by Tim Dudley, seconded by Susanna Zimmerman and motion carried 6 -0.

Health Department

Sheree explained that all 4 resolutions being presented tonight have been approved by the Board of Health at the January meeting.

Macon County Board Resolution Approving Increase in Appropriations for Digital Health Department – Environmental Health Division

Sheree Zalanka explained that the Environmental Health Division has been looking into adopting a digital health department for about 8 years. Going Digital will help protect important files, fulfill emergency preparedness obligations and help the department run more efficiently. With this in place, the records will be housed off site, accessible by computer 24 hours a day, 7 days a week. This is going to cost \$48,000.

Motion to approve made by Linda Little, seconded by Susanna Zimmerman and motion carried 6-0.

Macon County Board Resolution Approving Increase in Appropriations for Digital X-Ray Upgrade and Additional Doctors – Dental Clinic

Sheree explained that the dental clinic would like to upgrade to digital radiography. This will allow more efficient and high quality services to patients. The system eliminates the wait time in X Ray development which reduces patient wait time and overall appointment length. The Dental Clinic will become completely paperless. It will be paid for by the Federal Dental Matching Funds. The Department recently received \$116,000 for FY10 and expect to receive close to that for FY11. They have added two part time contractual dentists and two part time assistants. They anticipate that each doctor will produce revenue to cover their pay.

Motion to approve made by Tim Dudley, seconded by Kevin Greenfield, and motion carried 6-0.

Macon County Board Resolution Approving Increase in Appropriations in the FY13 Health Fund Budget for Health Matters for Kids

Sheree explained that this grant will provide funding to host a three hour Health Matters for Kids Workshop which aims to maximize the health of people with disabilities. The grant is \$7,500 and there is a small match required for cost allocation and food at the training.

Motion to approve made by Tim Dudley, seconded by Susanna Zimmerman, and motion carried 6-0.

Macon County Board Resolution Approving Increase in Appropriations in the FY13 Health Fund Budget for Teen Pregnancy Prevention

Sheree explained that this is a grant that is already in place, but they have received an increase of \$20,625.

Motion to approve made by Jay Dunn, seconded by Kevin Greenfield. Kevin Greenfield questioned the comparison of the State average of 40 per county to Macon County at 55. We are the highest in the state. He wondered if the program is working. Julie Aubert stated that they are doing measurements as they move forward; and motion carried 6-0.

Sheriff's Department

Macon County Board Resolution Approving Increase in Appropriations in FY2013 Sheriff's Budget for Vehicle Purchase for the Canine Unit

Lt. Jon Butts explained that they have an anonymous donor who would like to donate all funds necessary to facilitate the purchase and equipment for two 2013 Chevrolet Tahoe for utilization by the Canine Unit. The first one is a black 2013 Chevrolet Tahoe two wheel drive valued at \$26,744 with equipment @ \$26,910.70. The second is a 4 wheel drive Chevy Tahoe with a cost of \$30,293 with equipment @ \$26,910.70. These vehicles would be used for both the canine units. The capacity would be a bigger environment for the canines while on duty which would be safer for them while on patrol. The vehicle will also be more appropriate during bad weather. The total revenue and total vehicle expense is \$110,858.40. Keith told Lt. Butts to thank the donor for them.

Motion to approve made by Tim Dudley, seconded by Susanna Zimmerman, and motion carried 6-0.

State's Attorney's Office

Macon County Board Resolution Approving Increase in Appropriations in FY2013 State's Attorney's Budget for Vehicle Purchase

Mike Baggett explained that they have a similar resolution. This is a donation from an anonymous donor for a 2011 Black Chevrolet Tahoe valued at \$37,038 plus equipment @

\$7,000 and \$500 for a repair to a dent in one of the doors for a total donation of \$44,538. This would be revenue line & an equipment expenditure line for the SUV for the State's Attorney's Office for one of the investigators.

Motion to approve made by Jay Dunn, seconded by Tim Dudley, and motion carried 6-0.

Circuit Court

Macon County Board Resolution Approving Increase in Appropriations in Law Library's FY12 Budget

Judge Webber explained that this is a bookkeeping matter. The revenues exceeded the expenses, but the expense line for the electronic research for the West Law Library that is available to the public was greater than anticipated in the budget. We are asking to move \$3000 from revenue line to the expense line to cover that.

Motion to approve made by Jay Dunn, seconded by Linda Little, and motion carried 6-0.

Macon County Board Resolution Approving Increase in Appropriations in the Circuit Court's FY12 Budget for Expenses Fees in Certain Appeals

Judge Webber explained that this is to pay fees for psychiatric evaluations on three cases involving sexually dangerous persons. The County is required through an unfunded mandate to pay for these examinations on these types of cases. The total is \$12,434.02. These go on one of the Court's line items because the statute says that the Circuit Court shall appoint in these cases. Motion to approve made by Jay Dunn, seconded by Susanna Zimmerman. Kevin Greenfield questioned the judge about a past conversation in which he thought the judge had said that he had someone that would do these for \$2,500 for each case. Judge Webber said that was in reference to attorney's fees for appeals. This comes in on the appeal line, but the \$2,000 was what was paid training Monica and she takes the appeals on juvenile cases that are termination of parental rights cases. She also does some of these, but this is separate. This is for the psychiatrist. The law requires there be a psychiatric examination in each case. Judge Webber stated that there are only a few doctors who will do this sort of work. Dr. Killian has been very reasonable in his billings. Motion carried 6-0.

CLOSED SESSION

None needed

NEXT MEETING

Monday, March 4, 2013 @ 5:15 p.m.

ADJOURNMENT

Motion to adjourn made by Jay Dunn, seconded by Susanna Zimmerman, motion carried 6-0, and meeting adjourned at 5:55 p.m.

Minutes submitted by Jeannie Durham
Macon County Board Office