

FINANCE COMMITTEE MEETING

July 31, 2017

5:15 P.M.

MEMBERS PRESENT

Jay Dunn
Kevin Greenfield
Debra Kraft
Greg Mattingley
Tim Dudley
Patty Cox
John Jackson

MEMBERS ABSENT

COUNTY PERSONNEL PRESENT

Josh Tanner, S of A
Lisa Wallace, Auditor's Office
Carol Reed, Auditor
Ed Yoder, Treasurer
Pat Berter, Probation
Mike Baggett, State's Attorneys Office
Lt. Jon Butts, Sheriff's Dept
Rocki Wilkerson, Workforce
Jeannie Durham, County Board Office

CALL TO ORDER

The meeting was called to order by Chair Greenfield, at the Macon County Office Building.

APPROVAL OF MINUTES

Ms. Kraft made a motion to approve minutes of prior meeting, seconded by Mr. Jackson and the motion carried 7-0.

CLAIMS

Motion to approve the report of the finance claims as presented made by Ms. Cox, seconded by Mr. Mattingley and the motion carried 7-0.

REPORTS –

Audit Sub Committee – no report

Auditor –

Ms. Reed reported that they are working very diligently on the software conversion. It's going ok, but reports may be a slow in coming to you.

Treasurer –

Macon County Board Resolution to Execute Deeds to Convey Property on which Taxes were Delinquent

Motion to approve placing the resolution on the consent calendar of the agenda for the August 10, 2017 Macon County Board meeting made by Mr. Dunn, seconded by Mr. Jackson, and the motion carried 7-0.

Fy18 Budget Presentation

Chair Greenfield asked everyone to remember that departments are being asked to cut 6.2%. He asked Mr. Yoder if he had achieved a 6.2% cut. Mr. Yoder said that he had not been able to do so. He was able to get down only ½%. The proposed amount was \$377,417 and he came out

at \$375,422 which is \$2,000. He explained that he had moved practically everything to automation that he could.

Chairman Dunn commented that he was trying to think back to the last time he had seen a Treasurer work behind the counter. He said he thought it went back to Julie Curry and Kathy Ashby. He said that as far as he was concerned, some extra help needs to be cut and Mr. Yoder needs to help with the collection of taxes. He said he was not saying that the 6.2% cut could be made, but he has spent a lot of time around the offices and he has just not seen Mr. Yoder or some of his predecessors behind the counter working. He said he has an issue with that. Mr. Yoder replied that he is in the office and is back and forth behind the counter. He said he does not physically take payments. Mr. Dunn replied that he is saying it is time that he did. Otherwise, you're going to have to anyway if we start laying off people. There are only four people in the office. We have to get as close as we can to the 6.2% cut and ½% is not there. He told Mr. Yoder that he could cut it or the committee could cut it, but it needs cut more. Mr. Jackson commented that we are only talking about \$22,600. Mr. Yoder said he has some part time help in it and some contract help that is used on the second installment mostly with some on the first installment. If any of that is cut out, people will have to be waiting outside the door when they come in to pay and he said he could not help that. Mr. Jackson asked what if they would restructure to where half of them were cut and temporary help was brought in during busy times. Mr. Yoder asked if he meant to cut out the temporary help. Mr. Jackson said ¾ of all the help and bring in temporary help when needed. Mr. Yoder said he did not want to cut out any full time help. Ms. Kraft asked how many full time help he has. Mr. Yoder said four. Mr. Dunn said he would agree with Mr. Jackson and look at that as far as eliminating some full time help and using more part time just when it is needed because he said he was not sure four full time employees are needed all year around. Mr. Jackson asked Mr. Yoder if he could quantify the workload for most of the year where you know you do X amount in Q1, Q2, etc. so when you break it out, you can justify the hours with the quarters. He asked if Mr. Yoder could say what the average workload per day is. Mr. Jackson explained that he was trying to get it down to where Mr. Yoder could be more efficient in the measurement. Mr. Yoder asked if he meant more efficient whereas talking about how many people there are in the office. Mr. Jackson asked what the average time it takes to process a return. Mr. Yoder said about 5 minutes, but the crunch time is about 5 days before each installment date, then there is a lot of bank and mortgage stuff that takes about 10 days to reconcile. He said he has been fortunate since being elected, that he has been able to get everything processed and out to the taxing bodies. State law says we have 30 days to get it out to the taxing districts and everything has been done in about 2 ½ weeks after the due date. If all the extra help, contract help is eliminated, it would take every bit of 30 days to get all that part done after each installment because there is a lot of work that comes in the mail and UPS that you do not see. We deal with 120,000 transactions on a yearly basis.

Chair Greenfield said that the county is looking at over a \$2 million shortfall, so we cannot spend what we do not have. He suggested that Mr. Yoder write up a summary of what he could do, who you would lose to get to that 6.2% cut. Then the committee will decide what route to go. A lot more than what was cut must be cut. There is no question about that. Whether it means the Treasurer works on the floor or whatever – for \$88,000 that should not be a problem. He told Mr. Yoder that when he comes back to Finance for the budget hearing, they would need a reason why he can't reach 6.2% cut or what it is going to take to get to 6.2% cut and the

hardships that will incur and the committee can decide if it is a hardship we can live with as a county or if we have to try to find money somewhere else. He said he didn't know where it could be found. It is not a pretty picture for anybody right now.

Board of Review –

FY18 Budget Presentation

Mr. Tanner said the 6.2% cut had been taken out of the appraisal research line which is just about the only line you can take it out of. \$500 came out of postage, \$500 out of training, \$4,500 out of appraisal research.

Mr Dudley made a motion to approve forwarding the proposed budget on to the finance committee budget hearing with recommendation to approve, seconded by Mr. Jackson, and the motion carried 7-0.

Supervisor of Assessments –

FY18 Budget Presentation

Mr. Tanner explained that he had cut some of the areas that were not completely spent last year such as \$1,500 out of training, car expense, legal advertising which really eats it up. Chair Greenfield asked if he had gotten to the 6.2% cut. Mr. Tanner said no, it is up because of raises by \$4,500 over last year. 80% of the budget is employees and there's only one way to get there. Last year, a 13% cut was taken. Chairman Dunn asked if an employee had been lost. Mr. Tanner confirmed that one had been lost in 2016. He went on to explain that part of his salary (\$39,793) is reimbursed by the state and it shows up kind of funny on the spreadsheet. There is an increase in the income line, but when you only look at expenditures, you only see the increase in expenditures, not the increase that offsets the salary. On the expense side, every dollar of the salary is seen, but to the general fund, you only see fifty cents. Because the request is to reduce expenditures, you won't see the decrease of the salary from the state reimbursement. If the salary were to be decreased, you'd see \$1 reduction on the expenditure side, but it would only be fifty cents difference to the general fund. For every dollar the salary is reduced, you get 50 cents from the state. It is a little deceiving when it comes to the budget. Mr. Tanner said his organization had worked pretty hard on a bill this year that would eliminate the legal advertising. The advertising that has to be published each year by state mandate has a set price at 80 cents a line. Not much went through the state legislatures this year. \$15,000 a year is still paid to the newspaper to publish something that is mailed as well. The requirement is that it be mailed and that it be put in the newspaper. So, for everybody taking the newspaper, they get notice. Outside of salaries, everything was spent last year. Two years ago, it came to within \$20. This year it is less than that. Mr. Dunn asked if there was any extra help in the budget. Mr. Tanner said no. Mr. Dunn asked if there was a line for overtime. Mr. Tanner said no. There is no overtime, no part time, no extra help. Ms. Cox asked about the deputy assessor salary line (\$116,000). Mr. Tanner explained that the line includes all of the deputy assessors which includes 4 people. Of the 7 people in the office, 3 of them are paid out of GIS. Only 4 come out of the general fund. Mr. Dunn stated that he thought there had been discussion early on about a few budgets that were not going to be able to make the 6.2%. This was one of them. The Judge's budget is another. It has already gone through the Justice Committee. The Public Defender which hasn't come up yet, but probably won't make it. The question mark was on the County Clerk depending on spending & how many elections there will have to be. There will

be two this time. Mr. Tanner explained that when he took office in 2014, the general fund expenses were at \$320,546. This year, the proposed budget is \$272,000. Over 4 years, that is a \$48,000 cut. Chairman Greenfield said that in order to get there, Mr. Tanner would have to cut an employee. Mr. Tanner confirmed. Chair Greenfield requested of Mr. Tanner, like the committee had done with Mr. Yoder, that he write up what it would take to get to the 6.2% cut and the hardship it would cause on the office. He said he would like to have it a few days prior to the budget meeting so it can be emailed out to all committee members. Chairman Dunn said he would also like to know what you were doing a couple of years ago, what you're doing now, and what you expect to do next year on township assessments. Mr. Tanner agreed and said he needed to update the board too. Mt. Zion Township did not do any work this year. This is their quadrennial reassessment. They turned the books in about 5 weeks late and they look exactly like they did when they were given to them. Chair Greenfield asked who they were given to. Mr. Tanner said the Township Assessor, Aaron Johnson. He has had them since the first part of the year. When the book came back it was empty, so there will be income for that. There is a possibility it could delay the tax bills next year. 4 or 5 weeks behind puts everybody 4 to 5 weeks behind. He said his office will do everything they can to try to cover the loss of time so that when it is handed over to Board of Review, it is closer and they can work to try and compress their schedule to get it closer. When you get nothing 5 weeks late and only have one field assessor, it causes problems. He said he would have to pull some people off the front desk to get out their and do the work. Mr. Greenfield commented that it will probably be a heck of a bill for Mt. Zion. Mr. Tanner confirmed that it will be pretty good sized, but more importantly, if the tax bill is delayed, the disbursement is delayed. He repeated that the office will try to cover the loss of time because he thought probably no taxing body could afford a late disbursement. Mr. Jackson asked if there were any steps to remove that position out there. Ms. Cox said it is an elected position and only the Township can do anything. Mr. Tanner agreed, saying we can bill for the work, but any action has to be taken by the Township. Mr. Dunn asked if Mr. Tanner could estimate how much it will be and if it would make a difference on the budget. Mr. Tanner said no, because income doesn't make a difference in the cuts of expenses. It doesn't matter how much we bring in. Two years ago it was revenue minus expenditures, and that is where you see some of these differences. If we bring in more money, it offsets the loss, but just looking at expenditures, it doesn't matter how much you bring in. Chairman Dunn said that one reason they had gone to that was because some officeholders were getting way off on their revenue anticipation and were not being realistic, but, at the same time, the bottom line is, this is a justifiable argument in front of this committee. Bringing in more real money and the salary explanation are things Mr. Tanner can use when he comes back. Mr. Tanner agreed to put it in a report and said he would also keep them informed as to how much time they are able to gain back. Chair Greenfield asked if the Mt. Zion Township is aware that they will be getting that bill. Mr. Tanner said yes, he had contacted Mr. Trusner and notified him ahead of time.

GIS –

FY18 Budget Presentation

Mr. Tanner reported that the GIS expenditures are down \$700. This is not a general fund account. A year and a half ago, the GIS fee was increased, so there is now a full year's worth of data on the income side. So, the income was increased by \$20,000 which is in line with the 2016 actual and with the 2017 projected. More could be cut out of here, but typically when

expenses were being shifted out of general fund, this is where they were going. Mr. Dunn asked how much has been built up. Mr. Tanner explained that there is no fund balance. He said it is dwindling every year, but he had not brought the information with him to the meeting. This will be the first year it should be close to break even. Mr. Dunn asked if that would be another area where more costs could be shifted to. Mr. Tanner said not really. Based on what the outside auditors have recommended along with our Auditor, we have everything that we can possibly put in there already in there. It is also not enough to help. With the budget income and expenditures, we are still losing money every year. Chairman Dunn asked if any of the Supervisor of Assessments (Mr. Tanner) salary was included in that. Mr. Tanner said no, per State Statute, that salary cannot be put in a fund. It has to come out of the general fund, but he said his insurance comes out of it. There are also 3 employees in it. That makes a total of 4 employee insurances and 3 employee salaries. He summarized, saying this is not general fund. It is just a special fund. It is lower by \$700. He said he could take it back and lower it again, but the income side is significantly higher based on 2016 actual and 2017 projected. It should come in higher than the estimate, but he wanted to be a little conservative.

Mr. Dunn made a motion to pass the GIS budget proposal on to the Finance Committee Budget Committee, seconded by Mr. Dudley, and the motion carried 7-0.

CITIZEN REMARKS – PUBLIC COMMENT - None

OLD BUSINESS - None

NEW BUSINESS –

Probation

Macon County Board Resolution Amending the Juvenile Redeploy SFY17 Budget

Mr. Berter explained that this is an end of the year clean up. It is a bucket transfer moving money from one line to another. The fiscal year ended June 30 and this is clean up for the grant.

Ms. Kraft made a motion to approve forwarding to the full board with recommendation to approve, seconded by Mr. Jackson and the motion carried 7-0.

Macon County Board Resolution Approving Revenue in the Macon County Mental Health Court

Mr. Berter explained that because of the fiscal year when the 708 Board starts on July 1, it does not coincide with the county's fiscal year, so each year a resolution has to be done. The Mental Health Court budget has been cut 10% by the 708 Board. Mr. Berter said he cut money out of the Probation Officer position and eliminated the hospitalization line.

Mr. Dunn made a motion to approve forwarding to the full board with recommendation to approve, seconded by Mr. Mattingley, and the motion carried 7-0.

Sheriff's Department

Macon County Board Resolution Approving Donation from Howard G. Buffett Foundation to Fund Macon County Sheriff's Office School Resource Officer, Street Crime Detective, and Criminal Drug Interdiction Officer from 8/1/17 through 3/1/18

Lt. Butts explained that this will be a 7 month bridge period to allow the county to collect the much needed taxes from the LEST. These specialized positions were reduced several months ago due to funding. Those officers were reassigned to the patrol division and now there have been some people leave in the last several months and two additional deputies will be leaving in the next six weeks. The three positions are very important. Having an officer in the schools, having a detective working with the Decatur Police as a Street Crime Detective, case loads and the Drug Interdiction Officer works with the Decatur Police on the interstates stopping the drugs and guns from coming into the county are very important positions. The total 7 month projected donation will be \$193,407.69 and would cover all benefits and salaries for the 3 positions for the time period specified. This is to get the three positions back sooner rather than later without it being a budget issue for the county. There are 2 deputies in the Suburban Law Enforcement Academy.

Ms. Cox made a motion to approve forwarding to the full board with recommendation to approve, seconded by Mr. Mattingley and the motion carried 7-0.

State's Attorney

Macon County Board Resolution Entering into Contract with Milliken University for Transition of Macon County Teen Court Program to Macon County Teen Justice Program

Mr. Baggett explained that over the last 15 or so years, the Teen Court Program which is a diversion program for youth offenders where they go in before a jury of their peers. The jury hears the facts of the case and makes recommendations for sanctions that the youth offender can accept or reject. If they are rejected, the youth offender could be prosecuted in juvenile court and be subject to the sanctions that that entails. If accepted, then they could do anything from Community Service, writing letters of apology, attending presentations, anger management programs, restitution, etc. It has been an incredibly successful program, but over the past several years donations and grants from state partners and both community and outside of the community. The county's ability to raise fines and fees for this is limited to \$5 per case which comes out to be about \$20,000 a year. That is not enough to fully implement the program. They have tapped as many wells as can be tapped to the point where they have dried. Fortunately, Milliken University has stepped up and indicated a desire to make this into part of their Criminal Justice curriculum within the university. This will offer learning opportunities for their classes of students as well as an opportunity to develop a role model that can be used across the state and nation for teen restorative justice. There are very high hopes for what this can do for this community and communities across the country because of Milliken's willingness to take this to the next level. This will be a 3 year contract with Milliken University transferring administrative operational costs as well as the operational aspects of it to Milliken entirely. The current county staff's last day was today. As of 4:30 p.m. today, they are no longer county employees. Beginning August 1st, they are Milliken University employees.

Milliken will be responsible for paying their salaries & fringes and the county will give them office space at the County Courthouse and County Health Department where the Teen Court is held. The county will also supply them with office furniture, computers, telephones, etc. Other than that, that is the entire cost to the county from this point forward for the next three years during the test program. Actual administrative costs to the county will be kept, but beyond that, the money raised through the payment of the fines and fees through the criminal cases will be paid to Milliken and they will supplement it with their own revenue streams such as the one major grant they were able to obtain along with more funding they may be able to get as the years progress. This will make Teen Court into a better program. Exactly what that will be is unknown, but everyone is eager to find out what Milliken has in store for the program and it will save the county from having to scrounge every year to find the ability to fund this worthwhile program.

Mr. Dunn made a motion, seconded by Ms. Kraft to approve forwarding the resolution on to the full board with recommendation to approve. Mr. Jackson asked if the program would still meet all the state standards and criteria. Mr. Baggett confirmed saying that the contract that has been agreed upon would have a list of deliverables. The County has some obligations such as supplying office space, parking for employees and interns. Measures of success are going to have to be reported to the county on an annual or as requested basis. If at any point, the program is believed to not be sufficient or correct, the agreement can be terminated. That is not foreseen. The staff that has been doing it for the last 4 years is being transferred over to Milliken so there is no change in leadership. No issues are foreseen. They know what they're doing and they're going to keep doing that & more. The motion carried 7-0.

Chairman Dunn commented that some budgets have already gone through Justice that were sent on for the budget hearings, but of the ones that were heard, two did not make the 6.2% cut. One was the State's Attorney. Mr. Dunn said he had spoken to Mr. Baggett about doing away with the 4D Program which has been talked about for several years. Mr. Baggett was asked if the 4D program was done away with, could he make the 6.2% cut. At the time, he thought he could but he was going to present that at the budget hearing. So, he has been forewarned like Mr. Yoder and Mr. Tanner about bringing a written explanation of what they can do to get to the 6.2% and what problems it will cause in the office. The other one was the Judge's. The committee did not really realize they should have done that, but Mr. Dunn will contact the Judge and let him know. He suggested Chair Greenfield might send out a note telling the other chairmen that will be reviewing budgets the same information.

Workforce Investments

Ms. Wilkerson informed the committee that State Representative Sue Scherer and Workforce Investment Solutions have an annual job fair coming up on Wednesday, August 23rd from 10 a.m. to 2 p.m. at the Knights of Columbus Hall located at 520 E. North St. in Decatur. It is free and anyone can attend

CLOSED SESSION - None

NEXT MEETINGS –

Budget Hearing #1 – Monday, August 7, 2017

Budget Hearing #2 – Tuesday, August 22, 2017

Regular Finance Committee Meeting- Tuesday, September 5, 2017

Budget Hearing #3 – Wednesday, September 6, 2017

Budget Hearing #4 – Monday, September 11, 2017

Budget Hearing #5 – Monday, September 28, 2017

Chair Greenfield addressed the committee members saying that the next couple of months are going to be tough. This is the worst committee to sit on, but we're two million dollars short and even though all these people are our friends, we know them well, we don't like to be the hard guy, but we've got to cut as much as we possibly can. It is going to be painful and will hurt, but its got to be done.

ADJOURNMENT

Motion to adjourn made by Mr. Jackson, seconded by Ms. Cox, the motion carried 7-0, and meeting adjourned at 5:55 p.m.

Minutes submitted by Jeannie Durham, County Board Office