

FINANCE COMMITTEE MEETING
Special Meeting – Budget Hearing #1
August 7, 2017 @ 5:15 P.M.

MEMBERS PRESENT

Kevin Greenfield, Chairman
Jay Dunn
Greg Mattingley
Patty Cox – arrived @ 5:17 p.m.
Tim Dudley
John Jackson
Debra Kraft

COUNTY PERSONNEL PRESENT

Carol Reed, Auditor
Josh Tanner, S of A / BOR
Kathie Powless, Veterans Administration
Doug Harlan, U of I Extension
Rocki Wilkerson, Workforce
Jeannie Durham, County Board Office

MEMBERS ABSENT

CALL TO ORDER

The meeting was called to order at 5:15 p.m. by Chair Kevin Greenfield at the Macon County Office Building.

APPROVAL OF MINUTES

Motion to approve minutes of prior meeting on 7/31/2017 was made by Mr. Dunn seconded by Ms. Kraft and motion carried 6-0.

Budget Proposals

Veterans Administration:

Chair Greenfield asked Ms. Powless if she had been able to make the 6.2% cut. Kathy Powless explained that they have the levy and she had reduced it down, but the only real change was a move of \$2,000 from Emergency Assistance changing that from \$20,000 to \$18,000 to Contractual Help. Everything else, with reductions, is the same as last year. She stated that she had stayed within the levy.

Mr. Dunn said he didn't think letters had been sent out to departments that do not use the general fund. Chair Greenfield agreed and asked Ms. Powless to explain their funding. Ms. Powless explained that they are funded by a levy that is taxed against the county. They don't have anything else coming in from state grants. They do have a line item 4970 that is Help for Heroes. That program was started 11/11/16. Money is raised and then is matched x 5 by the Howard Buffett Foundation. That makes the department able to do a lot more for the veterans without having to take so much out of the county budget, but they do still have the emergency assistance for help with power bills, etc. Mr. Dunn reminded the members that they had raised this levy last year. It is reflected in the projected fund balance for this year.

Mr. Dunn made a motion to approve the proposed budget and forward on for display, seconded by Ms. Kraft, and the motion carried 6-0 with Ms. Cox present.

Historical Museum:

Ms. Reed presented for Mr. Pierce who had to be out of town and could not be in attendance for the meeting.

The current taxes are the same. It has been \$33,000 for several years. The budget is basically the same. It covers part of Mr. Pierce's salary. They have a refund from payroll line that comes from fundraisers and whatever else is needed to fill his budget comes from the Historical Society. There is no money from the general fund.

Mr. Dudley made a motion to approve the proposed budget and forward on for display, seconded by Ms. Cox and motion carried 7-0.

University of Extension

Mr. Harlan explained that his budget is also a tax levy with no general fund in it. They are funded through the tax levy, state money & federal money. No state money has been received for the last 2 years although money has been appropriated for this year. The difference is being made up with federal money that the Extension has in its coffers, but that money is really starting to dwindle away. The tax levy remains the same for last year. Expenses were reduced by 6.4% by not replacing retiring staff members until the state works it problems out. He said they are doing the best they can to meet programming needs and still hold the line on the budget. Mr. Dunn asked where the levy was currently at. Mr. Harlan said it is 2.6(ish)%. It was raised by 15% two years ago. Mr. Dunn asked if that had been helpful. Mr. Harlan assured him that it had absolutely helped a lot.

Ms. Kraft made a motion to approve the proposed budget and forward on for display, seconded by Mr. Jackson and motion carried 7-0.

Supervisor of Assessments

Mr. Tanner explained that he had sent a letter out as requested that states how the 6.2% could be achieved. That would be by eliminating a position. He presented a revised budget showing a reduction in the Supervisor of Assessments line. Mr. Dunn asked what the effect would be to the office. Mr. Tanner explained that the only thing in the office that does not statutorily have to be done is the township work. The office is authorized to do that work, but not required to. There had been two field assessors at one time. Two years ago, one was lost because of budget cuts, so this would be eliminating the second one. If townships don't do their work, it would have to be contracted with a vender to perform the work and then the bill would go directly to them. Their charge would probably 3, 4 or 5 times what the county charges. That would be the township's bill, not the county's. Mr. Jackson asked if there were any way to adjust the fees to change the department over into a profit center. Mr. Tanner said it could be done, but it wouldn't get a 6.2% cut in expenditures. Nothing done to revenue will affect the cut in expenditures. If the position is kept, the contract needs to be renegotiated. It is not coming in anywhere close to covering expenses. Mr. Mattingley asked about the length of the contract. Mr. Tanner said it is indefinite where either side has the option of opting out. It would have to be renegotiated with the townships. All of them signed it last time, probably because it was pretty beneficial for them. As time passes and things change, like this year, if we didn't have this position, Mt. Zion Township just would not get reassessed. A vender is not going to be able to respond in that short notice. If books are received back empty and a vender is called to do 3,000 (approximately) parcels, they wouldn't be able to do it. Typically, the books are in the Supervisor's of Assessment hands for 6 or 7 weeks. There is just really no way a vender can step in and do 6 or 7 weeks worth of work. Venders could be contacted for townships that have vacancies and let us know they are not filling that spot. There are five townships (Niantic, Harristown, South Wheatland, Whitmore & Oakley) like that this year. We would have

scheduled with a vender and gotten it taken care of. But with Mt. Zion Township, their books would just go through untouched. Mr. Dunn asked how much the county is getting back on their total costs. Mr. Tanner said it is a pretty low number, about \$3,000 because the contract is relatively beneficial to them, but also the county does not anticipate doing a lot of work for them. The ones that are vacant are pretty small. Mr. Dunn asked if we get 50% or what of our costs back. Mr. Tanner said the way the contract is written, the most they would ever pay is 75% of our costs, but that was 75% of the costs 4, 5 or 6 years ago. We did not put in increases for any kind of inflation. Chair Greenfield commented that in a quadrennial year, it is pretty much work. Mr. Tanner agreed. He explained that they do not have the staff to completely replace what a township assessor is supposed to do. He said they make sure that everything that was demolished is taken off the tax rolls and everything that was built or added gets put on. He explained that they don't have the staff or time to actually reassess things. This year, because Mt. Zion had a new Township Assessor, it was anticipated that he would not do any of the the advanced work, so the office did some of that in January and February. There were a couple of neighborhoods that were out of balance and so they went in and fixed those. Typically, there is not time or resources to do what the township assessor is supposed to do. This proposal would essentially zero out the income line (4920) for the township assessor contract from \$3,000 to zero. Next year, a vender would have to be contacted for the vacant townships and they would get the bill for it. If another large township would just not do their work, it just won't get done. Mr. Tanner explained that this position is the only thing the office does not statutorily have to do, so it makes sense to cut this if we're talking about less personnel.

Chair Greenfield asked about the \$1,000 in the travel line and where they travel to. Mr. Tanner explained that there are 3 in the office that have to maintain a CIO designation. One class a year or 4 classes in 4 years have to be taken. He explained that they normally spread them out over 4 years so it is easier on the budget. Some classes are in Springfield. Some are in Bloomington or Effingham. They try to keep it local so overnight expenses aren't a factor, but mileage still has to be paid.

Mr. Tanner summarized, saying that the adjustment in the budget to reflect the 6.2% cut was made in just one line item and that was the salary which is the Deputy Supervisor of Assessments (5400). Mr. Dunn asked what the expenses were on the original proposal. Mr. Tanner said total expenses were \$272,511 and the new one is \$251,000.

Mr. Jackson commented that it seems like the assumption is that the townships can just let it go and the county's budget can handle it. Mr. Tanner added that it is a typical downstate problem that it is hard to hire township assessors. They do the work or they don't and the county comes in and fixes the problem. Mr. Dunn added that another issue that is run into too is that in the past, some of the township assessors might not raise the assessed rates properly, which makes them popular in the township, but it hurts the county overall. He said that he personally kind of likes for Mr. Tanner's staff to keep an eye on it so that doesn't happen. He went on to explain that this is just one of several budgets talked about last year. This year, there are two or three that aren't going to make it. Mr. Mattingley added that he did not feel it should be overlooked that Mr. Tanner had far exceeded the cuts last year. Mr. Tanner said that last year, they had gotten a flat figure from the committee of \$40,000 which factored up to about 13%. That was made. This is the only way to get there this year. Mr. Dudley reiterated that if the townships don't do the quadrennials and assessments, its all about the additions being put on the property roll and that is our income. If we trust that to someone else, we're not that smart. Ms. Cox said

they also do not realize it affects the township income too. Mr. Dudley continued, saying that we should not put things that affect our income in someone else's hands if we can avoid it. He said we are also in the business to provide services. That is what Mr. Tanner does. Not only to the people, but to the Board too. You have to weigh whether the positives outweigh the negatives, and in this case, it does.

Chair Greenfield asked Mr. Tanner what month he would suggest a new fee system be put in place. Mr. Tanner suggest January 1st so townships have some time to acclimate to it and an opportunity to fill the position if they'd like to do so. He suggested that rather than an hourly rate, they should probably move to a per parcel rate so they know, every year, exactly what it will be. He also suggested pursuing 4 year contracts with them so it will give opportunity to adjust it every four years. The problem is that, on a quad, the work is 10 times that of a non-quad. That is hard on townships to absorb that big cost every four years. If a four year contract is done, the total can be spread across 4 years and it is even for them over 4 years, but we get the right amount of money over the 4 years.

Chair Greenfield made a motion, seconded by Ms. Kraft to pass the budget on as originally presented and a new fee schedule is adopted prior to January 1st, and the motion carried 7-0.

Mr. Tanner will put a proposal together so it can be reviewed by Chairman Dunn and Finance Chair Greenfield and to the County Board so it can then be presented to the townships.

GIS

Mr. Tanner explained that this is not a general fund account, but is lower by \$700. There was a significant increase in the income line because of a fee change in the Recorder's Office about a year and a half ago. This is the same budget proposal that was presented to the committee last week.

Mr. Dunn made a motion, seconded by Mr. Dudley to approve the proposed budget and forward on for display and the motion carried 7-0.

Board of Review:

Mr. Tanner explained that the 6.2% cut had been achieved by cutting some lines but mostly the Appraisal Research line.

Mr. Dudley made a motion , seconded by Mr. Mattingley to approve the proposed budget and forward on for display and the motion carried 7-0.

CITIZEN REMARKS – PUBLIC COMMENT - None

OLD BUSINESS - None

NEW BUSINESS - None

CLOSED SESSION - None

NEXT MEETING - Tuesday, August 22, 2017 @ 5:15 p.m. (2nd Budget Hearing) which will

include Circuit Clerk, State's Attorney, Treasurer, Circuit Courts & Regional Office of Education.

Tuesday, September 5, 2017 @ 5:15 p.m. (next regular Finance Committee meeting)

ADJOURNMENT - Motion to adjourn made by Ms. Kraft, seconded by Mr. Mattingley, motion carried 7-0, and meeting adjourned at 5:35 p.m.

Minutes submitted by Jeannie Durham, Macon County Board Office