

FINANCE COMMITTEE MEETING
Special Finance Committee Meeting
October 3, 2018 @ 5:15 P.M.

MEMBERS PRESENT

Kevin Greenfield
Jay Dunn
Patty Cox
Tim Dudley
John Jackson

COUNTY PERSONNEL PRESENT

Ed Yoder, Treasurer
Judge Webber

Carol Reed, Auditor

MEMBERS ABSENT

Debra Kraft
Greg Mattingley

Jeannie Durham, County Board Office

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 10/1/18 was made by Ms. Cox, seconded by Mr. Jackson, and motion carried 5-0.

CITIZEN REMARKS – PUBLIC COMMENT - None

Chairman Dunn updated the committee on some future plans that he and Mr. Greenfield had met with Josh Tanner about. One is the software that Mr. Tanner had mentioned at the last Finance Committee meeting. He said they had resolved that by telling him to get another bid. There is someone in Florida that he can get one from. That will be three bids for that.

The other thing was looking at hiring an IT person. There is a lot of Homeland Security issues that are being worked through with the voting stuff. Right now, there is not enough time to hire someone and get them in place to work on it, so he is trying to cover it between his time and Frank Miller's at the Sheriff's Office getting through the hoops the Homeland Security is wanting us to do. There is someone coming in to test our systems. Long term, though, we do need an IT person. Right now, we contract with MCK and they don't have the expertise and time to spend on the IT we need on a daily basis. Mr. Tanner has put together a list of requirements for hiring someone. Mr. Dunn said he and Mr. Greenfield had spoken to him about trying to get someone through Workforce Investment because potentially, they could help find someone and help fund that salary for some amount of time. He said they wanted to get a headshake from the committee members to go ahead with that process because if he gets somebody he likes and thinks is qualified, we really need to go ahead and hire them before we lose them. He's looking at \$45,000 to \$65,000. Chair Greenfield added that what is paid to MCK would help offset the salary. Chairman Dunn agreed adding that the Public Building Commission had talked about maybe utilizing and reimbursing for the use of the person too. Also, CASA and Mr. Dunn said he was going to check with the State's Attorney to see if they might have some need for them as well. He said he thought we could keep this person busy. Everyone on the committee agreed. Ms. Cox asked where the money would come from to pay

the person. Mr. Dunn explained that it would come from the users' budgets. He said they would contract out with them on an hourly basis because they don't need somebody all of the time. He explained that Mr. Tanner has had to do various things for CASA and now he's just getting swamped with his own work since we've taken over several townships assessments and he just doesn't have time to do it anymore. He's probably even sent MCK to help out, but our IT guy could take care of it and then they could reimburse us. Ms. Cox asked what we pay MCK now. Auditor Reed said that to date, she thought we had paid about \$39,000, but that includes the web site, and the whole group associated with IT services. MCK is a part of the IT thing that goes through the General Fund. She said she didn't think it was over \$30 some thousand a year. Chairman Dunn agreed that that sounded right saying that prior to MCK, we were paying the other group around fifty. That would go away with the hiring of an IT guy. Chair Greenfield asked if everyone was ok with it. Everyone agreed that they were.

FY19 Budget Proposals

Courts –

Judge Webber commented that hearing about CASA had caused him to want to make a comment. Every day now, he said he is reminded of the fees that we charge. There is a CASA fee and the Criminal Traffic Assessment Act that we are still working our way through touches most all fees. He said he had exchanged letters/ emails earlier with the Auditor about the CASA budget for the coming year which is about the same as before, but we scratched our heads wondering if the CASA fee will be affected by that act. Nobody knows. That is going to be coming up before this committee again and again and again where we are going to find that all sorts of fees that we did not realize might be affected by that will be. That would include CASA and one thing Judge Webber said he does know is that Court Security has been zeroed out. He said he thought they'd be finding more land mines than that over the next year. It doesn't take effect until July 1 of next year, so it's going to be FY20 when we have to worry about this, but he said he thought we would see a big impact across the board on it. He said that the committee would probably be hearing from him and other office holders as they find more hidden treasures in this latest favor the General Assembly did for us.

Back on topic, Judge Webber explained that after he had presented his budget, Chairman Greenfield had indicated that he might submit a letter to the committee requesting a 2% raise for the judicial staff. The total cost would be about \$6,600. One of the high-step rate clerks is leaving and will be replaced by a lower-paid step-one clerk. So, this is basically a wash. Clerks are given their increases on their anniversary dates throughout the year. This increased the total budget by \$6,600, all on the judicial staff line.

Mr. Dunn made a motion to approve, seconded by Mr. Dudley and the motion carried 5-0.

Treasurer

Mr. Yoder explained that Chairman Dunn and Chair Greenfield had met with Auditor Reed and suggested that the part time line be lowered down to \$9,000 and he had agreed. He pointed out that this is lower than what was used in FY17. On the Automation side, the extra help has been zeroed out. He said he feels that the extra help line might need to be a little higher, but he is fine with it the way it has been changed.

Mr. Jackson made a motion to approve, seconded by Ms. Cox. Chairman Dunn asked about the increase in postage in FY17. \$35,838 was spent, but the budget is now for \$24,240. He asked

the reason for the increase in postage for that particular year. Mr. Yoder said there were a lot of delinquent notices that had to be sent out and a lot of letters are mailed to the different property owners and other entities. Auditor Reed said that in FY17, all of the postage came from the Treasurer's budget and in FY18, it is split between the Treasurer and the Automation Fund. Mr. Yoder agreed saying that is why it looks kind of lopsided. The motion carried 5-0.

Social Security

Ms. Reed explained that SS stays pretty steady, but goes up as the wages go up and the wages are up some this year, like about a million for next year's budget. In the past, 1.1 million was levied and that has enabled us to have a decent fund balance. So, the levy will be kept the same. It is estimated that the cost will go up a little, but we have plenty in the fund balance. All the funds, except the General Fund, pay into it and the employer portion comes out as an expense.

Mr. Jackson made a motion to approve, seconded by Ms. Cox, and the motion carried 5-0.

IMRF (Retirement) FUND

Ms. Reed explained that they are keeping the levy on this one the same also. The other good thing is that the IMRF rate went down from 10.84% to 8.29% for next year. That enables us to cover any increases caused by increases in salaries. There is a pretty healthy fund balance of about a million there too.

Mr. Dunn made a motion to approve, seconded by Mr. Dudley, and the motion carried 5-0.

BUILDING COMMISSION LEASE FUND

Ms. Reed explained that they back into the amount needed for taxes. They take what they know the lease to be, which next year is \$5.2 million, then part of the Health lease of \$17,000 that we pay, and an agreement for basement parking spaces of \$4,000. She said we know what those are going to be. Then, the Circuit Clerk / Court or about everybody over there are about to enter into an agreement with Tyler Technologies and the Building Commission is talking about it tomorrow to finalize it, but there is a \$1.5 million startup costs, which is due now. We will pay \$750,000 of it from our excess funds that we have put aside for the last two years from the Building Commission and the other remaining \$786,000 will come from the Building Commission itself, but we will pay them back over 3 years. So, putting that in there plus the annual maintenance fee of \$295,000 a year for the next 4 years or years 2-5, we need to levy now for that fee for next year, to be able to pay it. That is \$295,000 and then paying back the Building Commission for what they are paying to Tyler Technologies for us now is another \$262,000. All in all, these total up to \$5.8 million. That is the amount that has been put in for the levy. That is an increase of about \$550,000 from the year before. Chair Greenfield asked about the timeframe it was going to take for Tyler to do that. Chairman Dunn said he thought 18 months. Ms. Reed said she thought they would be starting in November. According to Circuit Clerk Durbin, we would owe that next November for year 2. Chairman Dunn agreed that the maintenance fee starts 12 months after signing the contract. Ms. Reed said she had tried to think of all the costs we would be incurring over the next year. Ms. Cox asked if the lease agreement would be brought through Finance for review. Chairman Dunn said yes.

Ms. Cox made a motion to approve, seconded by seconded by Mr. Jackson, and the motion carried 5-0.

At Risk Services, Criminal Justice & Branding Grant

Ms. Reed explained that are funds 97, 98, & 99. These are funds that were set up 3 or 4 or 5 years ago to hold the Buffett Foundation Grant money for a 5 year grant that he made and we dole it out each year to the other budgets. These are just pass throughs to other funds.

The At Risk (97) Services fund is from a Buffett Foundation Grant from December, 2015. It was for \$1.5 million. We've spent \$480,000 each of the last 3 years. There is \$60,000 left. That budget is \$60,000 plus some interest.

The Criminal Justice (98) Grant was a grant from 3 years ago for the Elder Victims DUI Enforcement and Drug Interdiction Grant. Those are all winding down too. There is \$115,000 left in that grant to be disbursed to those other grants. Chairman Dunn asked if FY19 will be the last year for this. Ms. Reed confirmed that it will be, but explained that some of the other grants that we have spent the money from the Buffett Foundation to them, they may not have spent it all in their budget. So, there may be some carry-over for them, but the money we are holding from the Buffett Foundation will be gone.

The Branding (99) Grant is a pass through from us to the EDC (Economic Development Corporation). They submit statements quarterly. It is ok'd by the Buffett Foundation and we pay it out. That one is also on its last year. There is \$192,000 left there.

Mr. Dunn made a motion to approve all three, seconded by Mr. Jackson and the motion carried 5-0.

Winding down, Ms. Reed presented the General Fund Revenues. This is all of the General Fund monies. This is kind of a guessing game. She said it is predicted for next year, based on the assessed valuation increase and us applying our rate to that, we've kept it steady for the last couple of years. General Fund current tax is at \$3.995 million. So, we are kind of going out on a limb, saying based on what we know now, it will be \$4.2 million. We want to get the maximum we can for the General Fund. These are what the departments have projected what they think their fees will be. All in all, we are pretty close to what we had last year. These are just the general accounts that go into the general fund. These are not in other funds or other departments budgets.

Ms. Cox asked what the Civic Contribution Fee was. Mr. Dudley explained that that comes from the electrical aggregation. We get a fee off of that for administrative costs. It is like 1/10th of a penny per kw hour. A separate revenue line was set up this last year so we could track it better. He said he does the quarterly review at Ameren. Ms. Reed said it has gone up in the past year, so it is to our benefit. Mr. Dudley commented that the hotter or colder it gets, the more it grows.

The levies from FY14 to Proposed FY19 are pretty much the same except for the Building Commission Lease and General Fund which is an attempt to raise up to its full potential. The Health Department has a slight decrease. Based on all of those, a Truth in Taxation, is required at 5% and we are only at 2.13%, so there is no need for that. The only proposed changes are for the Lease Fund and getting the most out of the General Fund.

The Macon County FY19 Budget in Brief is a summary of everything and shows revenue and expense for every fund.

Chair Greenfield said he hadn't thought we were that far off. Ms. Reed asked if he meant the \$5 million. He confirmed. She explained that Highway is about \$2 million in itself. They may budget for something, but if they don't get the revenue or if the timing is not right for the project, they won't do it. So, Highway is not going to spend more than they bring in, but they do have it in their budget so that if State funds come through, they can do it. The other ones would be the Building Lease Fund. Chair Greenfield asked if Ms. Reed had a ballpark figure of where we are, actually, not counting Highway, not counting the General Fund. Ms. Reed said every fund is pretty much self-sufficient. So, their expenses may be more. They may be drawing on some of their fund balance if their revenue is short. Really, the only one that gets our attention all the time is the General Fund and that one's expenses have been kept down and the revenue estimates are still a little short from what we needed them to be. That is probably the one that would garner the most attention because all of these other ones are not going to spend the money if they don't have it. Some of them rely on fund balance from prior year to carry them through. Chair Greenfield said that, basically, our budget is \$69,638,000. Ms. Reed said yes, that is what is expected for revenue. Mr. Greenfield asked what the budget was last year. Ms. Reed said it was slightly less than that. It was closer in number than these are now. But, a lot of that is the highway because he put some projects in that he may not be able to do. Ms. Reed explained that she did not have last year's book with her, but it was a little closer last year. She said the one that really concerns her is the general fund. The full expense budget is never spent, so, we know there is a little room there, but \$1.965 million is a pretty wide gap. Mr. Greenfield asked about sales tax. Ms. Reed said the LEST is going to be right on target or a little above and it would be assumed that that will translate to the General Fund sales tax too.

Chair Greenfield asked Ms. Reed to put something together on paper showing where we're at for the Finance Committee so they could all be on the same page as they bring it all together.

NEW BUSINESS -

APPROVAL OF BUDGET FOR DISPLAY

Mr. Dudley made a motion to approve and put the budget on display, seconded by Ms. Cox, and the motion carried 5-0.

The budget will go on Display on October 9th. The Board meeting is November 8th. That makes the Budget on Display for the required 30 days.

OLD BUSINESS - None

CLOSED SESSION - None

NEXT MEETING - Monday, October 29, 2018 Regular Finance Committee meeting

ADJOURNMENT - Motion to adjourn made by Ms. Cox, seconded by Mr. Jackson, the motion carried 5-0, and meeting adjourned at 5:50 p.m.

Minutes submitted by Jeannie Durham, Macon County Board Office