

**MACON COUNTY BOARD
SPECIAL FINANCE COMMITTEE MEETING
MACON COUNTY OFFICE BUILDING
COUNTY BOARD ROOM #514
121 S. MAIN STREET
DECATUR, IL 62523
April 16, 2020
5:15 P.M.**

MEMBERS PRESENT

John Jackson – in the board room
Debra Kraft – in the board room
Kevin Greenfield – in the board room
Jim Gresham via phone
Laura Zimmerman – via phone
Greg Mattingley – via phone
Helena Buckner - via phone

COUNTY PERSONNEL PRESENT

Carol Reed Auditor
Jay Scott, State’s Attorney
Josh Tanner, County Clerk
Mike Baggett, State’s Attorney’s Office
Lt. Jim Root, EMA
Jessie Smalley, HR

MEMBERS ABSENT - none

CALL TO ORDER

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

APPROVAL OF THE MINUTES FROM PRIOR MEETING

Mr. Jackson made a motion to approve minutes of the 3/2/2020 Finance Committee Meeting, seconded by Ms. Kraft, and the motion carried 7-0.

Mr. Baggett addressed those present with guidance for the tele-conference meeting, advising that it would be appropriate to do a role call vote on every vote and that each person wishing to speak would need to identify themselves and then wait to be recognized by the chairman before speaking.

Mr. Baggett further announced that all agenda items set forth in this agenda with the exception of the last item, Discussion and Recommendations to Full County Board Concerning Staffing Adjustments to Accommodate Shortcomings in the Macon County FY2020 Budget Due to COVID-19 are being pulled and no regular business will occur at this meeting.

Mr. Baggett informed the members that County Board Chairman Kevin Greenfield had today declared Macon County a Disaster Area for Coronavirus Response pursuant to the Illinois Emergency Management Agency Act, 20 ILCS3305/11, effective today, 4/16/2020 and for 7 days through and including April 30, 2020 at which time the order would either expire or need to be extended by vote of the full County Board.

CITIZENS COMMENTS -None

Discussion & Final Action Regarding Recommendations to the full County Board Concerning Staffing Adjustments to Accommodate Shortcomings in the Macon County FY2020 Budget due to COVID-19

Chair Jackson opened the discussion saying it looks as if we can make this pay period and two more. He said they need to have a discussion on how changes can be made now to look out for the future as we move forward. We already know that the tax revenue is down. Just using a 35% indicator for the future, which we know is probably worse now, we are looking at a \$1 million shortfall in the near future. We already carried over \$800,000 from the previous year. There are employees that are being short staffed now. There are several departments that are at home now with pay. This is an opportunity while there is funding now above and beyond regular unemployment and it needs to be discussed.

Dr. Zimmerman – asked if something was going to be voted on and what was supposed to happen because they had only gotten an email and no other information as to who would be furloughed, what that would save us, when it would take effect. What are we actually doing with this meeting?

Chair Jackson – this is general discussion. It is real easy. It is about \$1.1 million a month between salaries and benefits. It has to be offset. If half the staff were cut, it would take 2 months to even accrue that loss. We know that there are folks at home that are not working but are getting paid. Do we want that to continue or do we take proactive steps now? We are going to be short.

Ms. Buckner – Is there any way we could get a packet of information so we have a little bit of time to review and be able to further discuss it and go about this in a better manner.

John Jackson - It is not a matter of being able to save money, it's a matter of we won't be able to make payroll for anybody after May. He said he and Carol Reed would put it together and share that information. But, he wanted to give a rough estimate. If you cut everybody in half, right now, the entire staff, it would take two months to get a million dollars. You would have that in savings. That is just a reference point of that is what it would take. If you did 20%, you could calculate it out over 4.5 months and so on. We do know that with the expenses we will have going forward, the federal government has said that they will have funding available, maybe at that time, but it only covers COVID expenses specifically. We are already facing a possibility of being forced into leasing space to house affected COVID patients, out of pocket, meals and all at about a quarter of a million dollars.

Kevin Greenfield – we kind of threw this together in a hurry, but at the time of speaking with Carol Reed, it was a situation of maybe being able to make payroll through May 8th. Time was and I still believe it is of the essence. Payroll is 85% of our budget. If we're going to make cuts, obviously, payroll is where it needs to be. Currently, half of our staff is at home and half is working. Right now, if staff is on unemployment, they will draw an extra \$600 per week. Because of that, we felt like we needed to act quickly. We have been told that this extra bonus is good through the end of July. Hopefully, by the end of July, we will have an idea of where we are financially. I have spoken with Senator Rose & Congressman Davis today, and neither one

of them gave me any good news whatsoever. Congressman Davis told me that there is no bill in place for villages, municipalities, counties, to offset the revenue shortage. Therefore, we know it is coming. Now, we can sit back and wait, or we can be proactive. I think it is to our employee's advantage to act right now because of the bonus. But, regardless of what it is, I think we can all rest assured that this virus is going to take a huge toll on any revenue streams we have. As Mr. Jackson said, we were already \$800,000 in the red and because of this, I think it is very possible, that we could be in the millions in the red after this is all over, especially if we don't act. Now, will reducing the number of employees by 50% solve all our problems? NO, it will not. That is why all officeholders were asked to submit what they are mandated by law to do. I pray it doesn't happen, but it may come down to where we are only going to be able to perform what we are mandated by law to do. If that happens, you are going to see a lot more employees than we are proposing now. Again, I hope that doesn't happen, but I think it is better that we are prepared and proactive and try to get in front of this than to sit back and wait. Some of the board may not agree with me and that is fine. I'm just trying to give you the information I have now and some of the choices we might have to make and none of the choices are good, but any of us that sit back and watch it happen and thought this wasn't going to have an impact and be a hardship on the county has their heads stuck in the sand. This is going to be a terrible hardship on the county and not just Macon County, but every one of the 102 counties in the State of Illinois and every county in the US. As bad as it is to say, this is a fair and reasonable start, but it is not the finish. I don't want to be the only one making this decision and don't want you to think that I am, but I want you to know the information that I have. All of the information I have, none of it is good. We have no idea on when Governor Pritzker is going to lift the ban on people being able to go to work 100% of the time, when restaurants, bars and other restaurants will be able to open. These are a lot of unknown variables. They are variables that no matter who asks the questions, we can't answer them. But, unfortunately, because payroll is 85% of our budget, we have to start there. I believe that under the circumstances we have right now, it will be less hurtful for the county and less hurtful for our employees.

Bryan Smith – Appreciates the clarification on the information. What employees, what departments? Obviously, not all are funded by the general fund.

Kevin Greenfield – mostly it will refer to the County Building and the Courthouse. Highway is funded by Motor Fuel Tax. Workforce Investments and the Health Department are funded through grants. Departments supported by grants will be ok until the grants run out. If grants are not renewed, then obviously they will face this situation as well. The general fund is the one that will take the hit. The Sheriff's Office will probably not get to 50%. The Sheriff has a very aggressive plan and there are several people that will be furloughed in that process. But, the Sheriff has assured me that the plan can work. If it doesn't work, we can always bring these people back. Obviously, this is an unprecedented time that calls for unprecedented choices, but we always have the option that if it doesn't work, we can bring these people back. We will have to figure out a way to pay them because my guess is that once we run out of money, these people are not going to come in and work. That's where we are.

Jim Gresham – We are self-insured for unemployment compensation. What happens with people that are laid off and continuation of their insurance.

John Jackson - There is a distinction between a furlough and a lay off. Layoff is a termination of employment with the county. With a furlough, benefits and pay are stopped and they are offered COBRA.

Mike Baggett – clarified confusion in language of furlough versus layoff. He said they have done some legal research on it and if this is called a furlough, a furlough has to be for a definite period of time. It cannot be for an indefinite period of time as it has been discussed and proposed. The idea here is that we do not know how long this will last; whether it will last 2 weeks or 2 months or 6 months. The very idea of it being for an un-definite period of time will make it, from a legal point of view, a layoff rather than a furlough meaning that it will result in the termination of employment. A furlough will also result in at least a temporary termination of employment. But, you also have to understand that a layoff will entitle any employees laid off to payouts of any unused and accrued vacation and comp time for the normal statutory reasons. If this is done on an indefinite basis, and it becomes a layoff for the affected employees, then those employees can be given the option of banking their accrued time in anticipation of coming back to work at some future date but it is their choice and their choice alone to make. If they choose to take their accrued vacation or other time, we will have to pay that out on their next paycheck. That is without question and obligation of the law. So, that may not help our financial situation as it is currently anticipated. If those persons then go on unemployment and find employment elsewhere and not come back, then we are stuck with the bill. There is a distinction between a furlough and a layoff. What has been proposed and discussed is more of a layoff than a furlough. Everyone on the committee needs to understand that and what it entails.

John Jackson – it is concerning to think that if we go to the end and have to cross that bridge then.

Kevin Greenfield – question to Mr. Baggett – if a person has been furloughed for a certain amount of time and then the finances are not better, can they then be laid off?

Mike Baggett – yes, at which time you will again be faced with the compulsion to pay out for any unused, accrued time even if the person is on unemployment.

Kevin Greenfield – if the person is on a furlough, can you bring them back early?

Mike Baggett – yes.

Laura Zimmerman – It is a huge assumption to say that if we furlough people, we can bring them back. If you look around, other counties are not laying off and they are going to jump on hiring, like if we let anyone go from the Sheriff's Office, they are going to jump on hiring somebody they don't have to train and then, when they're gone, and we decide we need them back in 6 months, then we have to pay for training and everything. That is true of any office. We are going to be paying to train people. So, any savings by layoffs we just going to lose through having to train when we bring people back. You can call it proactive to lay people off, but I feel like that should be the last resort. We should exhaust everything else. We can't be laying off people when we can still make payroll. People's lives depend on it. Just to expect them to come back when we ask them to isn't reasonable. This has just gone too fast. As a board, we don't

have enough information. So, to take this action as our first step is a little unreasonable at this point at least.

John Jackson – Everyone in here would be up for suggestions.

Laura Zimmerman – It's hard to make a decision when we don't have the information. You say the Sheriff has a plan, but we need to see that plan before we can make decisions. We don't have any information to come up with anything or to look at because we've had 48 hours notice of this meeting. The spreadsheet assuming the 35% drop is a starting point, but until more data and information, just laying people off doesn't set well.

John Jackson - totally agrees so he put it out there again. What is an option to not laying people off. You are on the Finance Committee. We've all had these discussions. We're \$800,000 in the red. It's not like we haven't had these discussions. So, I am open to hear from anybody out there.

Lloyd Holman – We had a safety tax imposed several years ago. I assume that money is stockpiling there and can't remember what the amount was. That is one department. I don't know of any others because that money is earmarked specifically for safety. Is there money there that would maybe help sustain us and maybe help not take as deep a cup from the Sheriff's department? Are all of the departments in the same boat as far as finances or do some of them have funds that they could move around to help out? I agree with Dr. Zimmerman that if we lose these people, that's just costs in the future and when you're trying to recover, that additional cost is not going to be good. That's just one idea. Don't know what is in that fund and would like to find out to see if we could possibly use that money. Pretty sure it was because that is what got us the special deputies, I think 3 maybe during the period of time that they had been laid off and when that tax was brought back, they brought them back.

John Jackson – you are correct

Carol Reed – the LEST fund has about \$2.3 million reserve which is unspent money from prior years. So, they do still have some money in that fund and the Sheriff does have plans to use some of that money.

Lloyd Holman – this is a rainy day. We need to do something with it to try to help mitigate losses and they're not just short term losses if this thing goes for a month or two. We don't want to lose good officers if they go somewhere else and I'm sure there are other counties that are not in the same boat we're in. They're going to end up cashing in on this.

John Jackson – good point.

Kevin Greenfield – Dr. Zimmerman, you have about as much information as we do. Unfortunately, much of the information we need is not and will not be available for some time. Currently, the Sheriff's service calls are down 54% to 55%. Therefore, he feels comfortable with the cuts he chose to make. The County Board's top priority is safety. So, obviously the sheriff would be given more leeway than anyone else. But, if you've read the paper, looked in the news

or anywhere else, I've not seen anyone that is hiring. That's not to say that they won't, but I can assure you the City of Decatur is getting ready to go through the same problem we have and in talking with other counties, they are facing the same problems we have, maybe not on as big a note because they are smaller counties, but they are still facing the same situations. So, if you saw in the paper today, the State of Illinois is facing a \$6 billion shortfall. With that being said, we know what the state currently funds for county government, which they are already behind. We need to also keep that in mind. Now, how much are they going to pay? I can't answer that question. There are a whole lot of questions out there we would like to have answers to. The answers are not available. We can sit back and watch the train come or we can get off the track. Regardless of what it is, the train is coming.

Helena Buckner – when Mr. Smith asked what employees were going to be laid off, was it the County Building and Courthouse employees? (yes) Is there any way to get a number of what that would look like if that were to happen?

John Jackson – yes. And to clarify, the 50% number was just a reference point. There will be situations where there will be none. The Coroner's Office can't give up anybody. It is not just 50% across the board. It is solely based on the department head's suggestions and how they can get by with what the current workload is.

Greg Mattingley – So far, in looking at the spreadsheet on the sales tax revenue. Has anyone had any concerns about when it comes to property tax revenue?

John Jackson – That is being anticipated, but Carol Reed has gotten out in front of that. She can take out a tax anticipation warrant for 85% of that.

Greg Mattingley – With the cost of COBRA, will that be a constant or will there be an increase?

Carol Reed – July 1 is the annual renewal time for Blue Cross / Blue Shield and as of now, it will increase about 10%. So, yes there will be an increase coming up.

Jim Gresham – According to the information sent out by the Governor's office and extrapolating their figures to ours in reference to sales tax and income tax, there is the possibility that we will be short \$400,000 to \$600,000 over the balance of this year just in sales tax and income tax. A question for Mr. Tanner – it would appear that it may be possible that we will be looking at a mail in ballot situation for the November election. At one time we had a figure from the County Clerk's Office in regard to what it would cost to send out the mail in ballot with return postage. Do you remember what that figure is?

Josh Tanner – Not off the top of my head, but I and the Association have been speaking with the legislature. It would be quite expensive. If they were to decrease Election Day voting, some of those expenses might be offset. But if they were to do both Election Day voting and mail in to every registered voter, you are talking hundreds of thousands.

Jim Gresham – That is what is feared. On top of sales tax and income tax, and then we do something like this in November. We have a crisis here. We need to be on top of this.

Kevin Greenfield – closing comments, I would suggest that the Finance Committee just make a recommendation to pass our conversations on to the full county board where we will let them continue to discuss it and then take it up at that point in time.

Mike Baggett – What Mr. Greenfield has indicated is that this discussion be forwarded to the full County Board. That is not necessarily a recommendation that calls for any particular action. It is within the committee’s power and discretion for one member to make a motion identifying a particular action and then having a vote taken on that to give it to the County Board. Alternatively, it can simply proceed in this manner to the extent that there are Board members who will be participating in a few moments who have not been a part of this call. Then, this can all be recapped for them after the Board meeting is called to order. He hesitated to question Mr. Greenfield’s intent of the comment.

Kevin Greenfield – I just think this conversation, for the sake of time, be carried over to the full board knowing that the full Board will be signing on any moment now.

Mike Baggett – In that case, there is not a need for a motion or a vote and in the absence of such, at the committee’s pleasure, the finance committee meeting can be adjourned so that the full board meeting can be called to order.

ADJOURNMENT

Motion to adjourn made by Ms. Kraft, seconded by Mr. Greenfield, by role call vote, the motion carried 7-0, and the meeting adjourned at 6 p.m.

Minutes submitted by Jeannie Durham, County Board Office