

**MACON COUNTY BOARD
FINANCE COMMITTEE MEETING**

**MACON COUNTY OFFICE BUILDING
COUNTY BOARD ROOM #514
121 S. MAIN STREET
DECATUR, IL 62523**

**June 10, 2020
5:15 P.M.**

MEMBERS PRESENT

John Jackson
Debra Kraft
Kevin Greenfield
Jim Gresham
Greg Mattingley

Via Teleconference:

Laura Zimmerman
Helena Buckner

COUNTY PERSONNEL PRESENT

Carol Reed Auditor
Ed Yoder, Treasurer
Josh Tanner, County Clerk
Mike Baggett, State's Attorney's Office
Kim Fowler, S of A
Judge Webber
Sherry Doty, Circuit Clerk's Office
Dave Ellison, Public Defender
Jeannie Durham, County Board Office

MEMBERS ABSENT:

CALL TO ORDER

The meeting was called to order by Chair Jackson at the Macon County Office Building. Mr. Baggett reminded all members to state their name before speaking so that they can be properly recorded as to who is speaking and it can be assured that they are not talking over each other and there are no issues with communicating and the recording that will be broadcast out to the public both contemporaneously and afterward.

APPROVAL OF THE MINUTES FROM PRIOR MEETING

Ms. Kraft made a motion to approve minutes of the 5/4/2020 Finance Committee Meeting, seconded by Mr. Mattingley, and the motion carried 7-0.

CLAIMS

Motion to approve the report of the finance claims made by Mr. Gresham, seconded by Ms. Kraft, and the motion carried 7-0.

REPORTS

Audit Sub Committee –

Ms. Reed reported that the audit is just about done. ETSB is a component unit of the County and, as such, they are waiting on their audit to get finished so it can be put with our audit and combine the statements. Everything is about done. It is getting close. An Audit sub-committee meeting will be held in the next few weeks.

Auditor –

Statements have been sent to everyone. We now know how much we are getting for sales tax. It is 83.6% of the normal monthly amount for the month of April. It is down 16.4%. Ms. Reed said she had made a projection as to what it could be by the end of the year. If next month continues that way and May is like that, it should come back up in June, July and through the end of the year. It is more likely that we will probably lose about \$313,000 in sales tax over the course of the year. Added to that would be some fees that were not collected due to being closed or whatever, such as Circuit Clerk fees or State's Attorney fees or whatever kind of fees that there are. It will be a little bit more than that, but it came out better than what she thought it would.

Chairman Greenfield asked about income tax. Ms. Reed said that income tax could be delayed in receiving it, yes. That is one of those things that we are not sure how it will affect everything. Mr. Greenfield asked if it could be short as well as just delayed. Ms. Reed said it would be short if it is not collected. Income tax comes from the state and we only get our percentage of what they collect. Theoretically, we should get it all, but it could be short. Mr. Greenfield said, other than income tax and sales tax, there was something else. Ms. Reed confirmed that there is sales tax, income tax and property (real estate) taxes. Again, that should all be collected, but it may be delayed.

Chair Jackson asked if it would be fair to say that you could use the same assumption with the percentages with lost revenue throughout every department that has a revenue source such as fees like in the State's Attorney's, Clerk's & all of it. Ms. Reed said perhaps.

Mr. Gresham said that according to some information the State put out a couple of months ago, he had projected our income tax is going to be short about \$134,000. That is using some of the figures they put out. On the sales tax, he had projected, based too on what they said, a shortage of \$381,000. He said he likes Ms. Reed's numbers a lot better because she is going on actual numbers where his were only a guess. Ms. Reed said she had a worst case scenario which was \$386,000, but she was hoping it would be the better case.

Chairman Greenfield said that, if you looked at the claims, there was a \$50,000 expenditure in there where they had had to borrow money from another fund. Ms. Reed explained that one of the funds was short and they had temporarily borrowed from the Judgment Fund, but it should get paid back rather soon, at least when they get the tax money. Mr. Gresham asked about the short fund. Ms. Reed said the general fund had nothing to do with it. It was borrowed from the Judgment Fund.

Board of Review –

Ms. Fowler reported that on Monday, June 1, the Board of Review met to hold their organizational meeting. They adopted the rules for 2020 and appointed a chair. They are ready to get their season started.

Supervisor of Assessments

Ms. Fowler explained that the Township Assessor Books are due June 15th. As of now, there are none turned in. They are expected over the next few days. Ms. Kraft asked about township work done by the S of A office. Ms. Fowler confirmed that they do 4 townships.

Ms. Kraft asked about a replacement that Ms. Fowler had emailed about. Ms. Fowler explained that it is for the Farmland Committee and she said there are a couple of people that are interested and potentials that she could work with the County Board on if they need some names.

GIS – No report

Treasurer-

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

Mr. Gresham made a motion to approve placing the resolution on the Consent Calendar with recommendation for approval by the County Board, seconded by Mr. Mattingley and the motion passed 7-0.

Citizen Remarks –

Mr. Baggett announced that no citizen remarks were received via email prior to the 2 hour cutoff for this meeting as set forth in the agenda.

NEW BUSINESS –

Macon County Board Resolution to Approve Lease Renewal Agreement with Senator Andy Manar

Chair Jackson presented and motioned to approve, seconded by Ms. Kraft to forward the resolution on to the full board with recommendation to approve and the motion carried 7-0.

Macon County Board Resolution(s) Regarding Budgetary Actions for Adopting a Plan for Managing General Fund Revenue Shortfalls Resulting from the COVID-19 Pandemic

Dr. Zimmerman commented that she would make a few comments and then if anyone has discussion on it, she would be happy to hear them. There are just a couple of things she wanted to point out that came from some discussions with people on it. One, this is just focused on this fiscal year which ends in a few months. Carol put together some good data that looks like we've got about \$300,000 to \$350,000 less in revenue than we thought we would that we need to be dealing with. That is really what this resolution is addressing, nothing else in terms of money and revenues. This is more of a framework for just this short period of time for this particular situation we find ourselves in, not necessarily a way to address the budget as a whole. The budget process will be coming up. We can think about that separately. The last point she wants to make is that we are definitely still be going to be dealing with estimates and this is just a recommendation. So, again, the office holders are able to do what they feel is best, but it

gives us a reporting mechanism so that we are aware of what they are doing and how we are getting to that number or as close as we can get to that number within the fiscal year. Chair Jackson said he would like to open up discussion of how you'd execute this. What is the indicator? At what point in time do you make any changes?

Dr. Zimmerman asked for clarification. Do you want to know when we would actually change the budget or . . . Chair Jackson said these don't mean anything until you hit a mechanism that would say 10%, 20% down to where you have to make cuts. Dr. Zimmerman said she thought the mechanism is already in place because we see, March was down 7%, April was down 17%, so that is the number they are trying to reach. So, we say, ok, we're down X number of dollars, so let's see how we can save X number of dollars by doing these things. Mr. Jackson said that the lagging indicator would say you need to take action for the forward month. Dr. Zimmerman confirmed saying yes, right, because we are getting that information later and in some of these things, they might have already done. We saw that when they reported to us when we sent out the questionnaire before. In some cases, the office holders have already taken action and that would count towards this and it would then just be some sort of reporting mechanism on that as well. Some people cancelled travel or whatever they have done to adjust their spending would account to this as well. Mr. Jackson said he would like to discuss putting something in place along with this resolution that would say, if it is half of the 16.4% or whatever it is, half of the previous month's lost revenue, you would make changes because it is just verbiage on a piece of paper unless you have something that is going to drive action. Does that make sense to anyone? Dr. Zimmerman asked if he was looking for a trigger mechanism. Mr. Jackson confirmed. Dr. Zimmerman said she understands his concern about that, but she would say that with just the number we are dealing with on our revenue that we need to, in good faith, let the officeholders have a chance to do that. Mr. Jackson agreed, but it is just the honor system now. Dr. Zimmerman agreed. She said they have identified points for cuts, so she didn't think they have forced the board's hand yet. Plus, it is a different voting mechanism if we are going to amend the budget. That is a different set of rules and she said she does not think it would fit well within this resolution.

Chairman Greenfield asked about #2 where it says office holders and department heads will reduce expenses. So, if we are low, say \$300,000 last month, how do we divide that up between the office holders to save another \$300,000? Is that what we are suggesting? Dr. Zimmerman said yes, so we were down in March by 7%, so whatever that number was, maybe \$50,000 or something like that, then we would just need to show that the officeholders have saved somewhere along the lines \$50,000. Then, like already said, they've already identified a good chunk of that already so it is just mostly a reporting mechanism at that point. But then it would continue each month. We already know April was down 17%, so then the number grows to that. Then we repeat ourselves in May. Let's say May is probably a little better, maybe 10% or 15%, then that is our next goal to reduce expenses. The whole fiscal year does not have to be cut in one month. It is an ongoing process based on when we get new information.

Chair Jackson said, but in the absence of not identifying what those savings are to offset, how do you know? How do you measure it? How do you measure success? Dr. Zimmerman said that is what this does. They are reporting that to us so we know. Just like they did when they answered our questions before. She said she added it all up and put it in an excel spreadsheet

and it was almost \$150,000 that they had already identified. So, that is what this does; it provides . . . They tell Carol and Carol tells us and we see what they've done. Now, if they don't come up with enough, then we can step in later. But, as previously said, giving them the opportunity to do that . . . They've already done it. We can just keep going with that going forward.

Chair Jackson said that actually, they haven't. In the fact that we are down that much money, they haven't offset it. Dr. Zimmerman said we haven't given them a target yet. Right? That \$300,000 that Carol mentioned, that is what we are predicting in the future. So, of course, we couldn't have expected them to cut \$300,000 last month. We didn't ask them to do that. And, we didn't need to because we didn't lose \$300,000 last month. This is looking at the budget as a whole and that 7%, whatever that was, in March, was something like \$30,000 or something like that. In their answers, they had already identified \$100,000 of savings, so they've already covered March. This is just a reporting mechanism so that we know that they are doing it. Chair Jackson asked what the reporting mechanism is. Dr. Zimmerman said that they would tell Carol. They would identify what the savings was. Sometimes, in some cases, it will be estimates. Carol combines that and reports that at Finance and reports at the Board meeting. Mr. Jackson asked Ms. Reed if she had shared that with the Finance Committee. Ms. Reed asked about the method that would be done. Mr. Jackson said no, the offset in savings that she is talking about. Ms. Reed said no, she has not done a total of savings from each department. No, nothing like that has been done yet. She said she was waiting to get directions. Dr. Zimmerman explained that that is what the resolution would have her do. She said she is not saying that she has done it yet. That is what this would have her do.

Ms. Kraft said that Carol has these figures. Carol will know. When the time comes and when it is necessary she will know by department where the downfalls are and what they should do. Correct? Ms. Reed asked if she meant looking at each department. Right now, she does not know. Ms. Kraft said Ms. Reed has all the figures and information that they will need. Correct? Ms. Reed said she has the actuals that happen in revenue and expense. But, she said she does not know how much a certain department should trim or things like that. Ms. Kraft said they should know that themselves. Ms. Reed agreed. Ms. Kraft said that one department has already told her that her fees have maintained, even during the lockdown. Chair Jackson asked how the departments would know. Ms. Kraft asked if each department wouldn't know their revenue and expense shortfall from the year before. Ms. Reed said she had given each department their statements from the last month. They will have to do some comparisons to know where they are at.

Mr. Gresham said he doesn't know that it is Ms. Reed's responsibility to decide how much funds from each department. That just doesn't make any sense. Chair Jackson said he agreed. Ms. Kraft said each department should have their figures. Mr. Gresham said yes, they've got them, but the bottom line is, is she going to come in and say, Mr. Treasurer, you're going to have to cut . . . Ms. Kraft said no.

Mr. Baggett addressed Mr. Gresham's point by saying that from a legal point of view, there are certain obligations and duties spelled out for all of the elected office holders by Statute. With some of the offices, the Auditor being one of them, the County Board does have the authority to

impose certain other responsibilities and duties on the office holder. If it were the County Board's decision to adopt this resolution, and that resolution directs the Auditor on a monthly, ongoing basis, to determine what each department should have to cut in order to reach the goal of how much of a cut would be needed to be made, then the Auditor would be able to allocate, based on what each department has in general fund expenses in their budget and say, if the Treasurer's Office constitutes 7% or 8% of the budget versus the Sheriff's Office which constitutes maybe 50% of the budget, then the Sheriff is going to have to make 50% of whatever the goal cut is. The Auditor might be in the best position to do those calculations and if the Board directs the Auditor to do so, then that is certainly within the Auditor's abilities.

Mr. Gresham said his point is this. If we come up at X number of dollars our revenue is going to be down and we want to offset that with a reduction in expenses. We can figure a percentage of the overall budget, what that amounts to, and then rather than Carol saying to each office holder, this is what you have to do, you give them a percentage figure and say this is what it is for every department. He said he doesn't feel comfortable with telling the Auditor that she has to decide which department has to cut what. It just has to be across the board, we need a 3% or 10% or whatever reduction this month.

Chair Jackson said that is the reason KPIs for each department are needed. There is revenue and expenses. It's that simple. Simple math on that side. Ms. Kraft said that is what she thought and what she was trying to imply. She repeated that one department had reported that her fees had maintained. They each know where they're at. Mr. Jackson said that is the reason he is saying there has to be a mechanism that would trigger by department so its not on the Auditor's shoulders.

Ms. Kraft said we know insurance is going to go up 8%, so they've got to find it. That is just one example. Chairman Greenfield asked if we have to ask them all to cut 8% of their budget. Ms. Kraft said that is not what she said, but they've got to find it. Chair Jackson said that, in a sense, that is what she is saying and it is. Who else is going to tell them? Ms. Kraft asked where else they would get it? Mr. Jackson said they had made it clear months ago that the department heads have the final say on everything. Ms. Kraft said correct. Mr. Greenfield asked, what if they don't? Mr. Jackson said that Mr. Baggett had made that clear in the past. There are only so many actions the board can take.

Mr. Baggett explained that with respect to the FY20 budget year, as someone had indicated earlier, and as he had stated on multiple occasions, the only way the Board can modify those budgets is with a 2/3 majority vote. Based on what he has seen in the last couple of months, Mr. Baggett said he did not think that majority exists. So, he said he thinks they have to work with what they do have and . . . Mr. Jackson said tie a trigger to this resolution. Mr. Baggett said that, again, if you put a trigger, if you try to implement some type of automatic cut, then that will require a 2/3 majority. Mr. Jackson asked if that was to modify this resolution. Mr. Baggett said with whatever resolution, this one or any resolution that ultimately makes it before the full County Board has a mechanism in it which effects a cut in a currently existing budget, then it will require a 2/3 majority vote to pass. Mr. Jackson said then, that in a sense, this is just general guidance. Mr. Baggett said that the resolution before them is a policy oriented resolution, not an action oriented resolution. It is guidance, but it is not a directive.

Mr. Gresham said that one of the things that he thinks everyone should keep in mind is that if an office holder says they are not going to cooperate and not make any effort, which he hopes would not happen, but the ultimate penalty for that and he said he hated to use that term, but budget time is coming up. This Finance Committee, he thinks, is all in agreement that they are not going to allow a deficit budget. He said they would have more information about the income at that time. He said that is something they should be thinking about and he knows that they already have with the other things they have asked them to do over the course of the last couple of months.

Mr. Greenfield asked about the Coroner, for instance, where is he going to cut 8%? Mr. Gresham said he does not think they expect him to. He said there are a couple of areas like the Coroner, for example, but you put it out there and see what you get. Whatever that percentage might be.

Dr. Zimmerman said that Mr. Gresham has a good point in that we don't necessarily have to have a trigger in this resolution. Again, she said she thought the office holders can be trusted to make a good faith effort to reach the goal and if they don't, she said she thinks they are kind of complaining two things here, the budget that is going to be created and the budget they are working off of now. They are going to have to be thinking about the budget and making some sort of decisions coming through, but she said she wanted to refocus on the resolution itself. It is just dealing with the revenue that was lost because of the COVID situation and to the point where they are asking Carol to decide what each department needs to do, that can be a collaborative effort. She said she is not trying to turn Carol into some kind of a dictator that has to say, you need to cut X dollars, but if she talks to the office holder and asks if they think they could do this much? And just makes sure that final number adds up is basically how Carol's role is being pictured. That is so that she can report back to us that yes, it does add up to this and this is how we got to that.

Chairman Greenfield said that he knew they had talked about a month or so ago about \$150,000 that had been found. He asked if that had been written down anywhere. Dr. Zimmerman said she has it in an excel file, but all she did was go through the answers that the office holders gave and pulled the numbers straight from there. We don't have this electronic collection made that says that saved us X number of dollars. She said she could send it out. One office holder said they could move a salary out of the general fund till the end of the fiscal year, but can't do it long term because of eating into the fund. That saved us X number of dollars. That was a best guess at putting together what the office holders had answered us. That was back when they gave us those. About a month ago. Chair Jackson asked if those were quantified. Ms. Reed said she did not have the spreadsheet. She did not know. Chair Jackson said they need to be quantified and shared. Mr. Gresham said Ms. Kraft had come up with the same number. Ms. Kraft confirmed saying she had gone through the questionnaires and added them up. Chair Jackson said yes, he knows what they said in the answers, but have we quantified it in the budget?

Mr. Mattingley asked Mr. Baggett if the Board has the ability only to amend the entire budget as it was passed if that were the recourse they decided to take or could they amend a single

department's budget while leaving the other budgets untouched. In other words, if an office holder were to refuse to follow these guidelines, and just dug in their heels and said they are just not going to do it, could just that office's budget be taken up as an amendment item. Mr. Baggett confirmed saying absolutely. Mr. Mattingley said that is the trigger that ought to be in the resolution. Chair Jackson & Ms. Kraft commented that that is a good point.

Mr. Baggett explained that the Board has no obligation to consider the budget as a whole when it is making an amendment mid-year, so you could consider a line item if you so desire. It is no different than when the Board appropriates more money on an emergency basis. That just doesn't require a 2/3 majority. You do that almost every board meeting on several different resolutions. If you are lowering an expense line, that action requires a 2/3 majority. Mr. Mattingley clarified that they could deal with a recalcitrant office holder's budget by just after they've gone through these 8 steps and done nothing and we said, if you do this 2 months in a row, we're going to pull this up for action, that triggers the Board looking at their budget. Mr. Baggett said that is absolutely within the Board's power. Mr. Mattingley said that is what he thinks ought to be in this document. He addressed Dr. Zimmerman saying they can follow all of her steps and give them 2 months to cooperate, but if an officeholder chooses not to cooperate, they ought to know that there is a consequence for that and not simply waiting until next year's budget comes around. Mr. Baggett pointed out to Mr. Mattingley, that with respect to the resolution before the committee tonight, again, it depends on how you wanted to phrase what you just put in, you can certainly put in language that refusal or unwillingness to go along with what is necessary in order to meet these desired cuts, will result in additional action by the Board. If you try to put a trigger mechanism in there that a certain consequence will automatically follow without further vote of the Board, you will require a 2/3 vote on this resolution. If you want to put language in there identifying the threat of punitive action in the event of non-compliance, you can do that so long as the actual action does not occur as a result of this resolution with only a majority vote.

Ms. Kraft said that if they put a trigger in, it makes it a directive resolution. Mr. Baggett said that if you put a trigger in that would cause a budget to be diminished, it would require a 2/3 vote because you are authorizing the changing of the budget. He said that he is certain that every office holder who is presented with this resolution, if passed, would be aware that the Board possesses the ability to take action if the office is non-compliant with the terms of the resolution. If you want to add that language, you are certainly within your power to do so, but if you try to make it into a trigger, an automatic penalty, that will require a 2/3 majority of the full board. It would also require a fairly complex statutory scheme to determine exactly what that penalty is going to be, what that is going to look like. What line item are you going to cut? Are you going to cut the payroll lines? Are you going to cut the expense lines for copy paper? If you put a trigger in there, you are going to have to specify these things from the outset because you will have to effect a change to a specific line item or line items. He said he did not know that that is something you can do on a policy basis.

Ms. Buckner said that at the end of the day, what we have before us is simply a plan and a tool. We shouldn't assume that these office holders won't do their job. Chair Jackson said that he thought that what they are trying to say that in the event that they don't do their jobs, we have to have the ability to act upon it on the County's behalf.

Dr. Zimmerman said she thought it is clear from this discussion that they have the ability. She assumed that all of the office holders are listening to this meeting now. It should be clear without any kind of trigger in the resolution itself.

Mr. Gresham asked about B, offer retirement packages where appropriate. Has there been any thought as to what that package will entail? Ms. Reed said she knows of about 6 packages. They vary depending on the office holder. At least 5 of them have been accepted. There has been some movement in that area. Mr. Gresham asked what the package is. Ms. Reed explained that it could be anywhere from paid health insurance for a month to whatever incentives they feel they need to entice someone to meet the request. It is not a set thing. It is up to the office holder. Mr. Baggett told Mr. Gresham to keep in mind that it would also be somewhat dependent upon the individual negotiation with the person being approached. For some people, a little more enticement is necessary than with others. The office holder has to make a decision as to whether the enticement is worth the trade off. There are a lot of variables, but it also goes down to the employee.

Chairman Greenfield asked Dr. Zimmerman, if we are \$200,000 short last month, then the guidance is that the office holders cut \$200,000 the following month, correct? Dr. Zimmerman said right, essentially. It's a little bit more of a projection, but yes essentially that. Mr. Greenfield said the \$200,000 was just in the general fund, are we going to add up the fees, like the court fees? Are we going to go off everything COVID is responsible for for that month or . . . Dr. Zimmerman said just the general fund if we can estimate it. This is just for the general fund. Mr. Greenfield clarified that if they don't, and we don't put the trigger in place, the office holders would listen to us, but we will take action the following month if they don't. Correct? Dr. Zimmerman agreed saying that that seems to be the general consensus of everybody. Yes, we have that right and again, the estimates of the numbers might not be exact. If we're way off the mark, we can go ahead and take action as a Board. We still have that right.

Chair Jackson said then in the next month, we should have action. Dr. Zimmerman said, right, we would get a report by the next Finance Committee meeting.

Chairman Greenfield made a motion to pass the resolution on to the full board, seconded by Mr. Mattingley, and the motion carried 7-0.

OLD BUSINESS- None

COMMENTS

Dr. Zimmerman asked about the full board meeting intergovernmental agreement agenda items that had come through Finance. She asked if that was something they had voted on previously. Mr. Baggett explained that those intergovernmental agreements were considered and approved by the Finance Committee at an earlier meeting. The committee approved a master agreement that have now been specified out between the townships. Dr. Zimmerman remembered what they were.

CLOSED SESSION None needed

NEXT MEETING - June 29, 2020

ADJOURNMENT

Motion to adjourn made by Ms. Kraft, seconded by Mr. Mattingley, the motion carried 7-0, and the meeting adjourned at 5:45 p.m.

Minutes submitted by Jeannie Durham, County Board Office