

**MACON COUNTY BOARD
SPECIAL FINANCE COMMITTEE MEETING**

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

**July 20, 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 – in the board room
Greg Mattingley – in the board room
Laura Zimmerman – via phone
Helena Buckner - via phone

MEMBERS ABSENT

COUNTY PERSONNEL PRESENT

Carol Reed Auditor
Ed Yoder, Treasurer
Josh Tanner, County Clerk
Mike Baggett, State's Attorney's Office
Drew Burge, Treasurer's Office
Kim Fowler, S of A
Craig Culp, Treasurer's Office
Cheryl Wise, Treasurer's Office
Patty Cox, Board Member
Mary Eaton, Recorder
Jeannie Durham, County Board Office

CALL TO ORDER

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

Special Business

Chair Jackson stated the purpose of the meeting as Discussion of the Treasurer's Office's current state of property tax collections as of the close of business on July 17, 2020.

Mr. Yoder: Question 1 – Why is all the tax money received not all being disbursed?
Due to this being such an unusual collection year with the COVID-19 Pandemic and the State of Illinois still being in a state of emergency per Governor Pritzker's executive order, the first installment was not the amount that the taxing bodies are accustomed to receiving. Therefore, Mr. Yoder said he is fully prepared to issue an additional disbursement as described per Statute 35IL220/20-130 on or before August 10th. That allows that to be done by law 30 days after the first disbursement.

Next item under the same question, all monies collected cannot be distributed out as there are various considerations that the Collector must take into account to ensure that monies needed are not distributed to taxing bodies erroneously. These include: Tax Payment Refunds, Property Tax Appeal Board decisions, Certificates of Error and Sale in Errors. The treasurer must hold funds back to ensure that it can pay out for all these requirements. Also, the Treasurer/Collector cannot draw out 100% of funds out of the various banks that it collects through as minimum balances must be held in order that those accounts will not be charged fees.

Under the same question, item c, the Treasurer's office did not refuse or delay in sending out the first installment disbursements to the taxing bodies and it followed all applicable state statutes.

Chair Jackson asked, if that is the case, can you give us a reconciliation of close of business on 7/17. Mr. Yoder confirmed saying he had just handed that out to everyone present. It is, as of reconciliation, the bank balances from all the banks. As of close on Friday, we have reconciled everything through Friday. This is the current balance, but Mr. Yoder cautioned that these are strange times. This is the current balance that has been collected during the collections for this year. So, out of that \$68,501,075.90, there has been \$45,588,558.81 disbursed. That leaves, \$22,912,517. That is a far lower figure than last year. Last year, we had a booming economy. When COVID hit this year, things stopped. This tells me that there are a lot of taxpayers not paying. If we compare this total, \$68,501,075 to the first installment last year, it is almost \$15 million more dollars. Chair Jackson asked for clarification as to if that means there is a surplus of \$22 million. Mr. Yoder said that is what is in the bank as of Friday, but at last week's Finance Committee meeting, there was a question as to why the disbursements were so low. We disbursed everything we had in the disbursement account, but what Mr. Yoder said he was saying, even through Friday of this week, this is all we have. He said he cannot – the numbers don't lie. There are no funds being held. There just are not. Here it is. He said he didn't know what else he could provide, but that is it. State Law does allow, if this committee desires, for you to allow the Collector to do a 2nd one, but it can't be done before August 10th. State Law says you have to wait 30 days.

Ms. Kraft verified with Mr. Yoder that he cannot do the second disbursement before August 10th. Mr. Yoder explained that he has to wait 30 days per state law. It was July 9th, August 9th is a Sunday. State Law does not distinguish Saturdays and Sundays and holidays. So, the next legal day would be August 10th. He repeated that he had said that he can do that if this committee desires the Treasurer to do that.

Mr. Mattingley asked how much lower the tax balances received are at this point compared to last year. Mr. Yoder explained that we are right at \$15 million short compared to last year, but the economy just quit, tanked. If you look at the first installment, and every year it is different what is collected. Mr. Mattingley asked if last year the totals had been \$83 million. Mr. Yoder confirmed that yes, a little more than \$83 million was distributed. He said he understands why taxing bodies are upset with the numbers, but these are the numbers right here. When the first disbursement was done, Mr. Yoder said he has 30 days and it does not distinguish. During that 30 days, there were 2 holidays. State law does not distinguish that. So, we were closed for two days. Two days we were told to go home early because there were going to be some protests. That took time away from staff. Also, in the first part of June, on June 2nd, a long time employee took a buy out. That left the office one full time person short with 3 full time. There are a lot of circumstances that cause a lot of issues. Mr. Greenfield asked who that employee was. Mr. Yoder said it was Laura Lents who had sought other employment. Mr. Greenfield asked if that was the girl who had come from the print shop. Mr. Yoder confirmed. Mr. Greenfield asked how long she had been with the office. Mr. Yoder said she had been with the county for 9 years and about 1 ½ years with the Treasurer's office. At 10 years, she could have gotten retirement, so she walked away from that part. Part of the stress goes back to March and

April when layoffs and turning in extra general fund monies in the budget were being discussed and that caused a lot of stress in the office and throughout the County Building. He said he cannot speak for people and why they do what they do. He said he cannot prevent them from taking a buyout or retiring. Chair Jackson said that he could get a replacement though. You have the budget with the line item for help. Mr. Yoder agreed and said he had gotten it posted per the union contract guidelines so, at some point, he would fill that position. Ms. Kraft said she understood with her leaving the first of June that it is hard to get someone in place and trained. But, with that being said, do you have part time help that was used in previous tax collection times that you could have brought back and did you bring them back? Mr. Yoder said he had brought back one part time person that had worked with him in prior years. He was able to start when we opened June 1st.

Ms. Kraft said that the Statute says that the deposits by the County Treasurer, it shall be the duty of the County Treasurer of such county to deposit daily in separate accounts; was that done? Mr. Yoder said he would answer that question farther down in his explanations. Ms. Kraft said she would wait. Chair Jackson agreed.

Mr. Yoder addressed question 2: What is your understanding of the statute that money be deposited within 2 days? Being the Macon County Treasurer and Collector is more than a name; it is actually two distinct roles that follow two very distinct and separate Illinois Compiled Statutes.

Item b, as County Treasurer, I am obligated to follow County Code 55 ILCS 5/3-10 Treasurer. This is actually the county code written for all counties with a population less than 150,000, of which Macon County falls within that category. Nowhere within this Code does it stipulate that I am to deposit money within 2 days.

Item c, regarding public funds, "He shall receive and safely keep the revenues and other public moneys of the county, and all money and funds authorized by law to be paid to him, and disburse the same pursuant to law." (55 ILCS 5/3-10005)

Item d, as for the Deposit of Public Funds (55 ILCS 5/3-10009), basically stipulates that I can: (1) Request the County Board to designate the depositing institutions. Up to this point, I have not made this request. But here is the 2nd part, which in Mr. Yoder's mind is more important. (2) "...counties are authorized to invest the funds and public moneys in the custody of the County Treasurer in accordance of the Public Funds Investment Act" (30 ILCS 235).

Chair Jackson asked what Mr. Yoder's policy states since this is saying that you can set policy outside of Statute, what is your department policy on deposits? Mr. Yoder said his policy is that he is going to deposit funds and he has to follow the Public Funds Act which is Collateralization. Mr. Jackson said he was wondering because his own experience had been 35 days from drop off at the Treasurer's Office to the cashing of the check. He said he was curious as to what Mr. Yoder's policy is. Mr. Yoder questioned if he was asking about when a payment is dropped off and said that would also be answered farther down in the list of questions, but he could answer now if Mr. Jackson wanted. Mr. Yoder said that the check is not a deposit. It is payment received because a collector is a collector. When any form of payment is received, it

is a payment and it stays as such until it gets reconciled and recorded. Then it becomes public funds and it becomes public record. At that point, it can be deposited. At that point. There is a misconception about someone walking in and giving a deposit. No, you gave a payment received. It is no different than when you pay a credit card. Not until it goes through processing is it a deposit. It is nothing until that company processes your payment. Then it becomes a deposit. Essentially, it is the same way in the private industry. There is a lot of complexity to the tax process. It takes time. That is the way that office has been run. Mr. Yoder said that some people have worked in that office much longer than he has and he has not changed the pattern or the mode. This whole year has been very strange on how things came in, how they were received, and it just take an inordinate amount of time to get all that done. Chair Jackson asked Mr. Yoder what his personal expectation is as being the office holder of the office. When do you want to see reconciliation of your accounts receivable? Mr. Yoder said he likes to get it done as soon as they can, but also, that is a full time position. It is not part time and with this COVID thing, he did not want to bring in extra part time help. He said he would not know their background or health issues. Part time help receive payments. He said he does not even allow them to answer the phones because they are not qualified to do that because there are a lot of questions they get asked concerning this type of thing. Mr. Yoder said that full time staff or he does that. The full time staff does this part and with that going on, when you start having a lot of walk ins and phone calls because the County finally did open on June 1, you can't post payments and reconcile it to public funds if you're up answering phones and that type of thing. It just takes a lot of time.

Chair Jackson said Mr. Yoder might as well finish his list. Mr. Yoder said Mr. Jackson had asked and he didn't know what else you want. That is how the office operates. He said if Mr. Jackson wanted him to close the office, then they could reconcile every day. If you want it closed two days a week, that's really going to make the public mad. If we were to not take phone calls, by all means, we can get reconciled. Chair Jackson said he had just assumed that Mr. Yoder would want to follow state statute. Mr. Yoder said that as far as he knows, he is following State Statute.

It is important to note that 55 ILCS 5/3-10009 references all received public funds within the Treasurer's Office as "custody of the county treasurer", not deposits. All tax payments that are within the "custody of the county treasurer" will remain within the "custody of the county treasurer" until they are processed, recorded, and then deposited into the various banking institutions. At that point, the "tax payments" have been converted into both "public funds" and "public records" and deposited into accounts following the Public Funds Investment Act (30 ILCS 235).

Chairman Greenfield asked Mr. Yoder if he had any idea, by waiting 30 to 45 days to make the deposits, what the amount of money in interest is lost. Mr. Yoder said that bank statements for the past 4 years show that interest rates were flat. The bank is on 30 days cycles. For example, whenever a deposit is made on July 2, if the funds are pulled out before the 30th, that interest is lost. We don't get it. Historically, he said he could come up with a bar graph and overwhelm with information, but didn't have it with him. But, the first installment generate very little interest. At the end of the year, when the final abstract for all the taxing districts, all the interest is distributed at that point. There is no interest distributed with the first and second installments.

Right now, currently, it is 1.1% and last year, which was a good year and Mr. Yoder said he had been able to negotiate it at 2.27%. The year before it was 1% and the year before it was 0.09%. It was flat ever since 2011. Chair Jackson said being flat is irrelevant. If it's not in there, it can't accrue anything. Mr. Yoder agreed and said he had been putting money in and the disbursement was made July 9th. So, whatever money was put in from July 1 through July 9 did not draw any interest. It did in June and May. Ms. Kraft said she understood what he was saying. Chair Jackson asked if Mr. Yoder deposits cash within 2 days or does it follow the same procedure and until it is reconciled it sits in the safe. Mr. Yoder said yes, it is secured in a safe place.

Mr. Yoder continued, saying under the same question, and decided to read the question again. What is your understanding of the statute that money be deposited within 2 days?

The Public Funds Investment Act is a very detailed statute that basically requires for all deposited funds to be insured or collateralized, and the types of financial institutions that are allowed to receive public funds. Basically, that Statute is about collateralization and that type of thing.

As County Collector, I am obligated to follow the Illinois Revenue 35 ILCS 200 Property Tax Code. "County collectors. The treasurers of all counties shall be ex-officio county collectors of their counties" (35 ILCS 200/19-35).

"Taxes collected in counties with less than 3,000,000 inhabitants and not distributed shall be invested in accordance with Section 1 of the Public Funds Deposit Act" (35 ILCS 200/20-140).

The Public Funds Deposit Act (30 ILCS 225/1) states "Any treasurer or other custodian of public funds may deposit such funds - It doesn't say "shall", it just says "may".

Mr. Baggett interjected to make clear for the committee that Mr. Yoder has correctly read the word used in Section 1 of the Public Funds Deposit Act, however, it is important to note that the Illinois Supreme Court has held, for more than 35 years that that "may" is actually a "shall". So, it is a mandatory duty of the Treasurer and Collector to deposit those funds within 2 business days, 2 working days, of receipt. So, Mr. Baggett said he is not disputing that Mr. Yoder is reading that correctly, he just wanted to verify for the committee's purposes that that Statute, while it says "may", means "shall" as dictated by the Illinois Supreme Court and it has been the law for well over 35 years. Mr. Yoder replied that that was his understanding of the Statute. Chair Jackson asked Mr. Yoder if he would feel safe in saying that he has everything "by the book" and no issues would be found. Mr. Yoder said yes, everything he is aware of. He said he didn't know where the Chairman wanted to go with this, but he has done everything that he legally knows that he was obligated to do. Chairman Jackson said that is fair.

Mr. Gresham addressed Mr. Yoder referred to the instance brought up by Chairman Greenfield about the time delay from the time of payment to clearing the bank and asked if in his years in office, and understanding that this has been a little different year, does he think this has gone on in this fashion with these delay problems since he has been in office. In other words, why, when a payment is made, would it take that much time before it becomes public funds. Mr. Yoder said they couldn't get to it and a lot of the payments being referred to was mail and he cannot control

that part. But, he said they received, during the first two weeks of this installment in May, very little mail and then starting June 1st and before the 15th, two to three tubs of mail starting coming in daily. We just got slammed with a lot of mail and we just couldn't process them. Mr. Gresham asked if it isn't normal procedure that people don't rush down here to pay. Don't they wait until a little closer to the due date? Mr. Yoder agreed saying the last 4 to 5 days they had gotten slammed with a lot of mail. People did wait and as shown by the earlier-totals, a lot of people did not pay. Mr. Gresham said he realized that the numbers don't equate to a lot of transactions, but if you're down 18% in paid taxes, it would indicate that the workload would be less. Therefore, the timeframe from receipt to making them public funds should be . . . Mr. Yoder said he did not believe that was a fair statement. You're looking at a percentage of what was paid out. You can't equate that to the volume of mail and payments received during that timeframe. He said he has 3 people reconciling statements to public funds and they're working around all of these distractions. (a lot of speaking over each other) Mr. Baggett intervened saying that there are people listening on the podcast and committee members listening on the phone and this brings us back to the previous reminder. Please do not talk over each other but find a way to talk back and forth. The questions are not necessarily getting answered to Mr. Gresham's satisfaction and Mr. Yoder is having a difficult time understanding what is being asked by Mr. Gresham but he asked all committee members and Mr. Yoder to not speak over each other so everyone can understand what is happening. Thank you.

Chair Jackson asked to go back to his situation because it is simple math. If it takes 40 days to reconcile and to deposit my taxes, when did it get posted in your books as received? Mr. Yoder said it depends on when you paid it and how it was received. Mr. Jackson said it was made in the office. Mr. Yoder said it depends on the day's volume. The payments are in batches according to windows, etc. It may be more than 2 days before that batch might actually be balanced and gotten to public funds. Mr. Jackson said that since he did not get a penalty for paying on the 15th, it must have been reconciled that day. Mr. Yoder said no. It depends on how the check was dated. If it was dated on the 15th and if it came in the mail was postmarked by the 15th, if it wasn't reconciled on the same day, it may be 5 to 6 days later, the interest is backed off. It is an on-time payment. So, the interest is not a factor. It is only a factor if you are a late pay. Mr. Jackson asked what time stamp it is based on as far as receipt of payment. Mr. Yoder said he is not aware that he is supposed to put a time stamp on things. Mr. Jackson asked if he back dated his check and sent it in 30 days late, but put June 15th on it, it would be accepted. Mr. Yoder said if it is postmarked correctly. He said he didn't know. He gets checks with no dates on them. If it is postmarked by the 15th or prior, it's an on time payment. Mr. Jackson clarified that the postmark is the deciding factor. Mr. Yoder confirmed saying yes, the postmark is it. On July 2nd he said he had a payment dated the 25th which was a holiday. It was postmarked July 2nd. So, he said he didn't know, but he goes by postmarks and dates on checks because a lot of checks are received 2 weeks or even longer after the 15th.

Mr. Drew Burge, Chief Deputy, addressed the committee saying that there are a few dates that need to be clarified. The date on the check is not necessarily valid because anybody can date a check any date they want to in order to try to pass off a late payment as an on time payment. So, in that scenario, we would have to go by the postmark that is on the letter that was received. That tells us when it was actually posted at the post office. We honor post marks up to the due date. Any payments that are postmarked up to the due date which would have been June 15th are

considered on time. Now, because of the COVID crisis this year, we did have a very large amount of mail that came in that had to be processed after the due date. But, because it was postmarked on or before the due date, that was where the penalty is backed off. When it is entered into the system, it is put in as the effective date of June 15th because it was received on or before June 15th even though the payment is actually run after the due date. Chair Jackson said then it is entered into the system based on the postmark. He asked if Fike & Fike is the reconciliation for receipt. Mr. Burge said yes, there are two systems. One is QuickBooks, the accounting system but Fike & Fike is where the payment is posted and thus becomes public record. When it gets to QuickBooks, it is accounted for and when the reconciliation process is done, that is where we go through the Fike & Fike report to insure that all tax monies collected in each particular batch are applied to the correct parcels where they need to be in the correct amounts. When that reconciliation is made, that is taken to the bank as a deposit and then it is entered into QuickBooks for accounting purposes. Mr. Jackson said then in using his situation of payment on the 15th at the office and 40 days later the check clearing, when would it have hit the bank or even your books? Mr. Burge said it was posted in Fike & Fike on the day the payment was made. Then it goes to the bank once the batches have been reconciled. Then it is entered into QuickBooks.

Mr. Yoder continued on with question #3:

What is your understanding that all money received be disbursed within 30 days?

Again, as stated above: All money's collected cannot be distributed out as there are various considerations that the Collector must take into account to ensure that monies needed are not distributed to taxing bodies erroneously. These include: Tax Payment Refunds, Property Tax Appeal Board decisions, Certificate of Errors, and Sale in Errors. The treasurer must hold funds back to ensure that it can pay out for these requirements. Also, The Treasurer/Collector cannot draw out 100% of funds out of the various banks that it collects through as minimum balances must be held in order that those accounts be charged fees.

All of the taxes that were processed and deposited for up to the calendar date of June 15, the first installment due date, were disbursed as the first installment payment to the taxing bodies. July 9th was the date of the First Distribution

35 ILCS 200/20-13 does not limit the disbursements to only two per year. Within this Statute, the Treasurer's Office can perform another disbursement as soon as 30 days after the first disbursement. The Treasurer's Office is prepared and plans on making an additional disbursement on or before August 10th if this committee desires the Treasurer's Office to do so.

Again, the Treasurer's Office did not refuse or delay in sending out the first installment disbursements to the taxing bodies and it followed all applicable state statutes.

Mr. Baggett stated that if it was the committee's desire or ultimately the Board's decision that he make an additional disbursement 30 days after the first. He said he agrees that he may do so. However, he said he does not need the committee's or Board's decision to do so. In fact, by reading the Statute, he has no choice but to disburse to the taxing bodies the amounts due them 30 days after the first due date. So, in this case, it would be with June 15 being the first due date

and July 15 being the first disbursement requirement and then 30 day intervals thereafter. Since the Treasurer made the first distribution on July 9, he said he agrees that August 8 or thereabouts is 30 days and if that is a weekend then August 10 as the first business day thereafter. It would be agreed that August 10 is the next required distribution. But, Mr. Baggett said that it is from his reading of the Statute, it is his obligation to make those distributions in line with what he is saying with respect to his responsibilities not to disburse all funds held by the Treasurer. He is correct in that he cannot disburse everything that the County has. He has to withhold certain amounts into these special funds for whatever circumstances may arise. But, what is due and can be paid out, has to be paid out every 30 days after the first due date. That is what Mr. Baggett said is his read of the Statute under Section 20-130 of the Property Tax Code. Mr. Yoder said if he understands correctly, it says he can every 30 days. He said he'd like to suggest, since it has been such an unusual year due to COVID, to do this 30 day pay distribution and then on the 2nd distribution which is due October 1st, do that one. He said he was wanting to do this one time adjustment or disbursement and then after the tax sale on November 23, it will be due December 23rd. That is when everything is cleared up for the year. But, just to move forward 30 days, 30 days, 30 days. The 30 days from December, taxing bodies will get whatever money we have in the account. It is going to get pretty minimal. Mr. Baggett said the Statute says it must be done unless the amount to be distributed is less than \$5.

Mr. Drew Burge said he agrees with Mr. Baggett's understanding of the Statute. However, the precedent that has always been followed in the Macon County Treasurer's Office for as long as he said he is aware, has always been 30 days from 1st due date, 30 days from 2nd due date, and 30 days from tax sale which would be the final. That makes 3 distributions per year. In speaking with Dave Coe with Fike & Fike, they handle 15 counties within their company. Of those 15, there are 1 or 2 that follow the strictest interpretation of that Statute wherein they make the distributions every 30 days beginning 30 days from the first due date and then 30 days later going forth. He said that there are only 1 or 2 of that 15 that do so and it might be because they might have more than 2 due dates set out. So, they have more due dates and more 30 day windows that they have to complete to be in the strictest compliance. The precedent that has always been set at Macon County is to make a 1st, 2nd & final wherein the first pays the majority of what was collected with the first distribution. The 2nd distribution covers anything that was collected from 1st distribution through the second installment due date and then anything that is in the final distribution essentially clears up everything that has been collected from 2nd installment through the tax sale and any interest collect throughout the year.

Mr. Mattingley asked historically, how much has been typically held back for those accounts for the Sales in Error, etc... Mr. Burge said it depends on the tax year. Every tax year is different in that those numbers can vary in terms of the Certificates of Error that are issued by the Supervisor of Assessments, Sales in Error that were paid out from previous years but end up being paid with the collections that we brought in the current year, anything that is a Property Tax Appeal Board which is also previous years taxes. Those can vary in range dramatically. Per distribution, it could be \$20,000; it could be \$50,000. It depends upon the sheer number of each of those mentioned things. Chair Jackson asked if Mr. Burge had said that \$10,000 to \$20,000 is all that needs to be held? Mr. Burge said no, it could be anything from \$10,000 to \$20,000 per item discussed.

Mr. Craig Culp, long time employee of the Treasurer's Office, reminded the members of when Staleys got their assessment. That was a big refund and a whole lot of money had to be held out. This year, we had one court order that was negotiated by Mr. Baggett. Fortunately, we did not have to pay interest on that one. PTABs come in and we never know when we are going to get those. So, it varies. Not everything has been processed that affect the end of the year. We might even have to hold out \$2 million if ADM or CAT would complain. Our collections are down. The Trustee ends up with a lot more parcels at the end of the tax sale than they have in years past for the last 3 years. We don't get money for that at all. That is zero.

Mr. Baggett commented on Mr. Burge's information saying that with no doubt there are very few counties in the state that follow the letter of the law to the T. With that being said, doing things because that is the way they've always been done or doing them because that is the way other counties do them will rarely, if ever, save anyone from being held liable for violating the letter of the law. The letter of the law says that the disbursements must be made 30 days after the first due date and every 30 days thereafter. It may not be a good law; it may not be a practical law; it may be a law written by a bunch of people over in Springfield who don't know how tax collection works in small, medium or large counties, but it is the law and it is the one that is applicable to us. There are penalties built in for not obeying the letter of the law with respect to this particular statute. He cautioned that the excuse that that is what has always been done or that's what other people do cannot be used to get us around that. It needs to be done in conformity with the law.

Mr. Yoder said he couldn't name some of the counties that will have up to six disbursements a year. He thought Madison County was one and then there are some northern counties like Lake, Will and that kind of stuff. They have a huge staff. You're talking over \$700,000 in property tax collections. It's a whole different scenario compared to Macon County.

Chair Jackson asked Mr. Yoder what his policy was for disbursements. Mr. Yoder said the way it has been done as long as he knows; 1st, 2nd & 3rd and final. He said he is showing the totals today as of the 17th. The payments are down. The numbers don't lie. He said he would like to see them a lot higher but they're not. The numbers are not there.

Mr. Jackson said that even if the numbers are not there, you did reconcile an additional \$22 million. Mr. Yoder confirmed that yes, everything is caught up through the 17th. Mr. Jackson asked if it is \$15 million overall short year to date. Mr. Yoder confirmed. Mr. Jackson asked Mr. Yoder what he thought the average length of time was on that \$22 million from the time of receipt and posting. Mr. Yoder said that the last 6 days were fairly quiet and they were able to get caught up on the postings and get them converted over to public funds so they could be deposited. Prior to that, he said they did not have enough time during the day to get every batch done within the 1 to 2 day window. It just was not going to happen. This is not unusual. What little he said he does know is that it is a whole new situation with businesses closing down and the COVID. Mr. Jackson said it is not new business to have the reconciliation of an account that is mandated to be done in two days to take this long. If you are short staffed in June, you come to the board and say, I need to make a change. But, you have a budget. We have understood that in going through the COVID deal since March, that it was the department leads role to manage that office. The Board had no oversight on that at all. At no point in time have you ever come

and said hey, I'm short 2 1/2, 3 1/2, or 4 1/2 people. Mr. Yoder said he had mentioned that last week during the meeting. He said he didn't have a crystal ball and in hindsight you can pick whatever you want apart about me. Maybe I didn't do that. Again, going back to part time, I've got a part time budget and can show what is left today. But, this is not a part time job what we're talking about on reconciliation. Mr. Jackson said that's a good point. When the person quit on June 1st, when was that job posted. Mr. Yoder said it was posted today. Mr. Jackson asked if that wasn't maybe kind of after the fact. Mr. Yoder said, again, he didn't know where they wanted to go with this but . . . Mr. Jackson said he didn't want to go anywhere with it, other than to try to understand. You are saying it is somebody else's fault that you have a problem. Mr. Yoder said he is trying to watch his budget, trying to stay within the budget and didn't have a lot of funds left in that salary line. Again, he said he didn't want to come back to the committee and ask for money just to fill in a salary position. He said he was trying to be mindful of the situation of the budget in all aspects. Mr. Jackson said it was accounted for in the budget. It was a 9 year employee. The money was allocated. Mr. Yoder agreed. He said he could show what was left after she took her buyout package. There is not a lot left in that line item. Again, Mr. Yoder said he didn't feel he had enough money in that line item to hire someone June 2 or 3 in that full time position. Mr. Jackson said, with that being said, we get to the goal line and we are short \$37 million on distributions. Mr. Yoder said no, no, no. It is not \$37 million. That was last year and that is a completely different year. Chair Jackson said it is relevant, year to date. Mr. Yoder interrupted saying no. You're taking \$37 from \$83 million. That has nothing to do with the goal line. Last year was last year and this year is this year. This year, we're up to \$65 million. It has nothing to do with \$83 million and that is all there is to it. That is a long ways from \$83 million. He said he would like to see it up much higher.

Chair Jackson asked if the committee wanted to continue to listen to this or if anyone had any direct questions.

Mr. Mattingley asked what condition the temporary help line item is in. Mr. Yoder said in the part time remaining automation budget, he has \$2,623 and then in the general budget . . . Well, in the two budgets, there is \$12,151 right now in part time. Today, \$4,348 was spent on part time help. Mr. Mattingley asked what was appropriated. Mr. Yoder said \$16,000 was appropriated, but again, if the part time was moved to the full time person, there would be no part time budget and we still have the 2nd installment yet. Mr. Mattingley asked if he could have used more part time people to . . . Mr. Yoder began to speak. Mr. Mattingley asked him to allow him to finish so they would not be talking over each other. He continued asking if he couldn't have used more of that or gotten another part timer in there so you could free up additional time for the people you do trust to do more on the reconciliation? Mr. Yoder said he had a 2nd one come in but that person couldn't come until June 10th. So, he said he did have two. Currently he said he has 2 right now. That person was doing another job and just couldn't come in any sooner. So, he said he has two. In hindsight, should he have gotten another? Probably, but there are two in there right now.

Mr. Yoder continued with his list of questions at number 7 which is where is the mail secured after hours? He explained that it is locked in the Treasurer's Office.

Chair Jackson commented that they had skipped questions 4, 5, & 6.

Mr. Yoder went back to #4 which is How long does it take to process the mail? He explained that the Treasurer's Office for the 2019/Payable 2020 Real Estate Tax Season sent out approximately 57,000 tax bills. So if all of those tax bills were to be paid on or before due date then that is 57,000 payments that have to be processed.

Mail is handled in the following manner: When it is received it is kept together with all mail received on that day. It is then sorted by postmark, this is referring to anything after the 15th, to determine if it is considered an "on-time" or "delinquent/late payment. When mail is opened it then has to be proofed to ensure that all information is correct to run the payment. This includes checking for the bill stub (which is needed for our record-keeping), verifying which parcels are to be paid, that the amounts match what has been billed, that the check is written correctly, and that the check is signed. He explained that the office finds a lot of discrepancies among those things. If all these criteria are met than that payment has been proofed and is ready to be processed, otherwise additional research is required in order to ensure that the payment is applied to the correct parcel. If we cannot determine what is needing to be paid we have to send the payment back in order to provide whatever necessary information we had not received in their first mailing. He explained that this might include an unsigned check, conflicting written versus figure amounts on the check, or the incorrect payment versus amount due. By the time all this has been completed each mail-in payment may take 3-5 minutes per parcel to fully prepare for processing, assuming that there are no other interruptions and he stressed no other interruptions. Even at 3 minutes per parcel or payment received if we are to take in mail in one day containing 300 single payments that equates to 900 minutes, or 15 hours just to proof it, before it is even processed in the computer. If the information is incorrect, then a bill has to be generated. There is a form they have to have. They have to prepare a payment letter describing the issue to the tax payer, prepare the envelope and get it ready to be mailed. In this case, a single payment can easily take 10 minutes to fully prepare and that is just one. If this payment doesn't even get processed, it must go back to the taxpayer for correction. One thing about preparing mail and getting it ready, again, when you have walk ins and phone calls, you have to clear your screen to look up their information. Well, that means you've lost the information on the payment you just got and were processing. So, you've got to re-enter it and all that takes time.

Mr. Yoder said he has copies of Statutes which he would just name unless the members wanted him to read them.

- Define the forms of payments or a received payment by the County Treasurer is IL Statute 200/20-25
- The following defines a record of tax payments or how a payment becomes public record. That is 35ILCS200/20-40

Continuing with question 5: With regard to mail, what is the last day that has been balanced? Mr. Yoder said that was Friday and as of Friday, the office is caught up on everything. All postings and everything are caught up.

Chairman Jackson said it sounds like the process is broken. Mr. Yoder said it is archaic. There may be some automation system, but you better be prepared to pay for it. Mr. Jackson

said he had noticed that the MCK Audit had all kinds of suggestions that could be done without spending money. He asked Mr. Yoder if he'd like to go through those again or not because we've talked about those in the past. Mr. Yoder said it is not on his list, but bring them up if you want. Mr. Jackson agreed that Mr. Yoder was correct.

Continuing with question #6: Since the tax bills went out in May, how many days have you been present in the office? Mr. Yoder said this is not just about him. By May 1st the full time staff of the Treasurer's office was reporting to work for the normal 35 hour work week by the County Office's hours. May 1st through May 15th was spent proofing taxing codes, preparing and printing tax bills, sorting tax bills, and providing to the mailing service for mailing on May 15th. May 18th would have been the first effective date of Real Estate Tax Collection, however due to the building being closed no one was allowed into the office to make in-person payments. I have been in the office every day since the tax bills were sent out in May with a one-day exception for a medical appointment in Springfield. I personally make the daily deposits to the various banks on a daily basis.

Mr. Baggett reported that due to a conflict in his schedule, he was going to have to leave, but wanted to offer an opportunity to members of the committee to ask any questions they might have. This has been a long hearing and there seems to be a bit more to go.

Chairman Greenfield asked if it would be better to recess until the following night. Mr. Baggett left it up to the committee's discretion. Without knowing what questions the members might ask, it is hard to say whether it is worth that or not, but it is an option. Chair Jackson asked if the members anticipate hearing anything different than they already know. Mr. Yoder said a lot of the questions the committee asked have already been covered. Ms. Kraft asked where the list of questions had come from because she did not have them. Mr. Yoder said the auditor had brought them to him. Ms. Reed said that she, Chairman Greenfield and Mr. Tanner had sat down but she had typed them out. Ms. Reed said they were just some general questions. Members of the committee verified that none of them had a copy of the questions. Chairman Greenfield explained the source of the questions and said that he had spoken with Mr. Gresham and also with Ms. Mansur at MCK who had some questions and then Mr. Tanner and Ms. Reed added to it. He said he didn't have a copy of them either. Mr. Baggett commented that for purposes of making a record, it may benefit the committee if the questions as they were drafted and sent to Mr. Yoder are included and attached to the minutes of this meeting. Mr. Yoder appears to have made some sort of written draft answers and it would also be helpful, in addition to his testimony to attach those and distribute them to all the committee members and then to the board if necessary. That way everybody is on the same page and can see the same documents. Chairman Greenfield commented that a lot of them were questions the committee wanted answered at the last Finance Committee meeting.

Chair Jackson said he would like to ask one question before Mr. Baggett left. He asked Mr. Yoder if he was familiar with 55ILCS5/3-10020 Removal for Cause; Other Vacancy. If any County Treasurer shall neglect or refuse to render an account or make settlement at any time when required by law or refuse to answer any question regarding the operation of the County Treasurer's Office propounded to him by the county board, or refuse to provide the county board with any requested information concerning the accounts maintained by the county

treasurer's office, provided the requests are for information that the county treasurer is required by law to maintain and in a format already maintained by the county treasurer, or is a defaulter, and in arrears with the county, or is guilty of any other misconduct in his office, the county board may remove him from office. Mr. Yoder said he is aware and to his knowledge, he has answered everything that this committee asked. Chair Jackson agreed that Mr. Yoder had answered everything, but he asked him if he has followed the law. Mr. Yoder said he had as far as he knows. He asked Mr. Jackson to show him a law he is not following he guessed. He said he did not know. He repeated that he does not know of any law he has broken. He said he did not know. Chair Jackson asked about the posting of receipts in 2 days? Do you carry cash in your safe for 2 days or more? Mr. Yoder said they keep the cash secured. They don't leave it lay around. Mr. Jackson asked if it is deposited per State Statute. Mr. Yoder asked him to repeat the questions. Mr. Jackson asked if it is put into an account, deposited outside of your safe. Mr. Yoder said once they get it reconciled in that batch number, whatever cash and checks that gets reconciled gets recorded and becomes public funds. Then, it is deposited into an interest bearing account. Mr. Jackson asked if Mr. Yoder could share with them how long that time period is. Mr. Yoder said, again, that has been discussed at length during this committee hearing. With the situation we had this year, it is . . . He said he was just saying every day, they could not get that in the bank in two days timeframe and that refers to the Public Funds Investment Act, about that 2 day window.

Chairman Greenfield said that several years ago, a program to scan checks was purchased. Mr. Yoder said it did not work out. There were a lot of problems with it. Again, when checks are written, some are written very illegibly or the amounts are wrong and the scanner can't read them and then they would have to backtrack through a whole batch trying to sort through them to correct it. That scanner was way undersized for what it was intended for. Mr. Greenfield asked if it had never been used. Mr. Yoder said they tried it, but it didn't work out. There were too many problems with it. Mr. Greenfield asked if they still had it. Mr. Yoder said he thought it was in the back room.

Chair Jackson excused Mr. Baggett who then left the meeting with apologies for not being able to stay longer.

Mr. Jackson asked if the committee wanted to hear the rest of the answers to the questions. He asked Mr. Yoder if he wanted to continue. Mr. Yoder said he would if they wanted him to.

Question #7 is Where is the mail secured after hours. Mr. Yoder explained that all mail is either in the vault or safe which are locked or within the locked Treasurer's Office.

Question #8 talks about part time help and how much of the extra help budget was spent on the first distribution. Mr. Yoder said this has been discussed and he would paraphrase now. Part-time help began on June 1st with the opening of the County Building. Due to the budget constraints within Macon County the Treasurer's Office believed bringing in Part-time help too early may backfire, in that we would not have the budget available when it was really needed, nor would there be any extra funds should it be overdrawn. One part time worker was brought in on June 1st with the opening of the building, and the second was brought in the following Monday on the 8th.

Mr. Yoder said he would like to take the opportunity to put a few things in perspective regarding part-time help. Yes, I am budgeted for part-time help, and I still have budget remaining. I have two, part-time folks who primarily work the pay windows. No one, including me, could have predicted or budgeted in 2019 for the COVID Pandemic and subsequent State of Emergency that Illinois is still under in 2020. Collections have not been this year what they had been in past years due to the COVID Pandemic. I personally spent the first two weeks of June in my office opening payment letters and sorting mail by postmark dates. With the upcoming June 15th due date, trying to train additional new part time staff and working the sudden volume of payments was not feasible. Also, working in a Post-COVID world is a new experience with zero precedence for operations policies. I was very concerned about the safety of staff. I could just tell that the office atmosphere was tense with the idea of catching COVID from the general public or the mail. I thought that bringing in complete strangers would have only aggravated the situation. Should I have hired more part-timers for this year? In hindsight, yes, but again, this is a very strange year and we are still operating a tax collections office within a State of Emergency. I am now getting a better grasp on operating this Office during the COVID Pandemic. The Governor is already talking about closing down the State again if COVID cases continue to increase. Therefore, I will bring in additional part-time staff to handle the additional "surge" of payments that I suspect will happen as we approach the 2nd Due Date.

Remaining Budget for Part Time help: \$9,528.50 in General Budget; \$2,623.18 in Automation/
Total Available: \$12,151.68, Total Spent To Date: \$4,348.32

Question #9 – Why is there turnover in your office? I had two employees retire since I have been elected to this position in 2010. My Chief Deputy Collector retired after 40 years of County service in 2017, and my Supervisor of Collections retired after 30 years of County service in 2019. In my opinion, my opinion only, the threat of County Employee furloughs, layoffs, and budget cuts this past spring by this Committee has only aggravated the employment situation. My most recent employee decided to seek employment elsewhere after 9 years of service on June 2. She took a buy out. She left. An aging workforce is a problem everywhere in the United States, both in the public and private sectors. I cannot prevent an employee from retiring or seeking opportunities elsewhere.

Question #10 – When is the next distribution? It would be, the 2nd installment is September 1 and 30 days after that is October 1st or, Mr. Yoder said he is prepared to make an additional one on August 10th, but according to Mr. Baggett, I have to do it every 30 days. Mr. Yoder said that if he goes down that road, it is going to be whatever they have in, whatever it will be. He said he was talking 221 taxing districts that he signs checks for. So whatever it is, is what it is on whatever we have in the Collector's account. Chair Jackson said that he thought it had been discussed that it would be August 10th per the Statute he read. Mr. Yoder said, follow the letter of the law, and if I do that then I have to do it every 30 days the rest of the year. August 10th does not line up with October 1st for the 2nd installment. Then one would have to be done September 10th. Chairman Greenfield commented that the problem is that the small towns and school districts are counting on that money and are not going to survive without it. Chair Jackson agreed saying that they would need an August 10th distribution. Mr. Yoder explained that if he does the August 10th, which is fine with the Treasurer's Office, but the 2nd installment date is October 10th. If the 30 day thing is followed, it will be October 1st. That follows that part

of the Statute. Mr. Greenfield said that school starts in August. They can't wait until October. Mr. Yoder agreed and said he can do the August 10th. What Mr. Baggett said was that if you do the 30 days, you have to do the next 30 days which would be September 10th and if one is made September 10th, do I still have to do one October 1st and then October 10th too? That is the questions. Ms. Kraft agreed that that is a good question. Chair Jackson said he would assume that if it was following the 30 days from the previous, it would be the 10th. You wouldn't do a double. Mr. Yoder asked if he keeps going down that road clear through December. Chair Jackson said it could because as far as your math goes, we're going to be \$15 million short between year to date for the half the year. Mr. Yoder said those are the numbers. He said he'd like to have the numbers we had last year, but we don't. Chair Jackson said that is correct and so it is all the more important that people get their distributions as soon as possible. Mr. Yoder said that he said he could do the 10th, but then should he follow that for the rest of the year. Ms. Kraft said that is the recommendation she would make. That is a recommendation that Mr. Yoder do a disbursement on August 10th and then the 10th of the month throughout the rest of the year. That is what Ms. Kraft said she would recommend. Mr. Yoder said and then do the 2nd on time and the 3rd on time and that is it. That is what he said he is asking. Ms. Kraft said no. Chair Jackson said Mr. Yoder is confused. It is not the 2nd or 3rd, you are going to go August 10th, and then the 10th of the month from then on. You are not going to do your normally scheduled October. So Mr. Yoder clarified that he would be doing it on the 10th the rest of the year. Chair Jackson said however the 30 days falls.

Mr. Mattingley said that based on what Mr. Baggett had said, it is not a discretionary thing. You go 30 days after every one until you have finally gotten to the point that you are dealing with less than \$5. Mr. Yoder said he did not know how they would wind up for the rest of the year on collections. The money that he shows is what is there. How it falls out the rest of the year he does not know. Ms. Kraft, to follow up on her recommendation, said the key that she stresses on everything that is done is communication. Communicate with these bodies; these government bodies; these school districts; the park districts; whatever. Just make the communication open and when they call with a question, please have someone that can answer their question. Please. Mr. Yoder said this shows that it down and he does not know how it will play out the rest of the year. Ms. Kraft said she understands that and everyone has to work together and communicate amongst ourselves and pull together and we will get it done.

Chair Jackson asked for additional comments. He asked Mr. Yoder if he had anything additional. Mr. Yoder said that like he said, unfortunately, this whole year has been really upside down for a lot of people and a lot of businesses and the county, local and state governments. It's a whole new realm going forward.

Ms. Cox addressed Mr. Yoder saying that going forward, does he think he can make the commitment that by the time the payments come in and are received to that 48 hour amount of time. Mr. Yoder said it is possible. Ms. Kraft said you need to do that. Ms. Cox said it is State Statute. Mr. Yoder said they are caught up through Friday and it just depends on how payments come in. In people's minds, September 1st will be the next due date. The ones that are actually paying are going to jam that day and the day before. It is going to be tough to stand here and say I can do that in two days on September 2nd and September 3rd. He said he cannot make that claim and he is not going to.

Chairman Greenfield asked about whether it can be done quicker than the 45 days that some of these checks are taking. Mr. Yoder said that, again, some of those were in the mail. It wasn't the walk-in payments. Mr. Jackson said that his was a walk-in. Mr. Yoder said it got stuck with a batch that they just couldn't get to. They got to it as soon as they could and they worked all the batches in order. He said they don't start with June 15 and then jump back to June 10.

Mr. Greenfield said that one of the reasons the office is getting so many calls is that people don't know whether their check got lost, cleared the bank, or whether they're going to get a late payment. That is why a lot of them are calling. Mr. Yoder agreed and said he understands and has answered a lot of those calls. Ms. Kraft said it's just communication.

Mr. Gresham addressed Mr. Yoder, saying first, he appreciates him getting all this done through the 17th and asked about the \$68 million plus that is public funds and asked if it is true that as of the close of business on Friday, there were no payments left in the office. Mr. Yoder said he had everything reconciled and caught up through that day that was on hand and the mail too. Mr. Gresham clarified that everything in Mr. Yoder's office has been processed. Mr. Yoder confirmed. Mr. Gresham then asked about two emails they had received, one from the Park District and one from Mt. Zion who said their first disbursement was down 40% to 50%. Collections are down about 18%. So, is it safe, when speaking of the August 10th disbursement, they will at least be a lot closer to what they had expected on the first disbursement. Mr. Yoder said it won't be 100%. It depends. The system picks out according to where that person lives, what district gets what. Somebody living in Maroa will not get any money for Mt. Zion. Mr. Gresham asked if it would be closer, understanding we are way short. Mr. Yoder said it will be a move upward. Mr. Gresham referred to the email from Mt. Zion where they requested that the issue be investigated and the conclusion disclosed to the area taxing bodies impacted by the situation. He asked Chairman Greenfield if he thought he was in a position to report back since it was addressed to him. Mr. Yoder said the answer is that with this next distribution, it will get them closer to what the target is in their minds, but they are comparing it to last year and this is a completely different set of circumstances this year. He said he would have liked to have brought in \$84 or \$85 million, but it didn't happen. Mr. Gresham said he understands that he cannot pay out what is not collected. He said his concern is that they should have gotten more in the first disbursement than what they received.

Mr. Greenfield asked if Mr. Yoder has a recommendation of where we should be at on the budget as work begins on a new budget. Mr. Yoder said he believes that with this current state and what he has just shown on current collections, it is down overall across the whole county so that doesn't bode well for the budget. He said he didn't know how much tighter they could get on this. On the outside chance the committee would grant another full time person, the reality of it is that if there was a 5th person, there is about 4 ½ months of the year they won't have anything to do. That is the reality. Full timers are busy most of the time, but when we get slammed with stuff like this . . .

Chair Jackson asked Mr. Yoder about looking at the MCK Audit findings and when they say you have duplication of work, you just start there. There is a list they provided that can make your office more efficient. Mr. Yoder asked for an explanation of duplication of work. Mr. Jackson

said it is in the audit findings and asked if he'd like for it to be read to him. Mr. Yoder said he did not know what duplication there is. During tax collections, if you want to say two people working on two different payments is duplication, I guess, in a sense it is, but its two different payments. It's two people working on posting payments. Mr. Jackson said there are 10 reconciliation suggests that could be cleaned up. He read, during the audit of the Collector, we noticed that there was a great deal of time spent rekeying all the details for the property tax software into the accounting system. With all the detail captured by the property tax program, it appears unnecessary to reenter every transaction in to the accounting system simply to create a general ledger and make reconciliation. It would seem more efficient to post batch entries into an accounting system for accounting purposes and maintain the details and property tax for property tax purposes. This time spent rekeying is most likely a contributing factor to the delay in preparing bank reconciliations. We recommend reviewing the process to determine if the detail is required in both systems. If so, research a way to import the activity rather than rekey. Or if not, determine the most efficient way to enter the activity for reporting purposes. There are 10 different suggestions they've made. Mr. Yoder said he was not prepared to answer those tonight. Mr. Jackson said Mr. Yoder has had them since June 23. Mr. Yoder said, again, it was not on the agenda and he was not prepared to answer them. Chair Jackson said that is fair. Mr. Yoder said he would work on them. Chair Jackson asked him to report back to the committee, the board, or the taxpayers that you've taken some steps to address these steps that we've paid somebody to help you with. These are suggestions from professionals. We outsourced it. Mr. Yoder said that is their call but it still takes more money out of the general fund to do it. He said that is their call. Chair Jackson questioned how making the office more efficient and change the process would cost more money. Mr. Yoder said, not to be argumentative, but you find more efficiency, I don't know.

Citizen Remarks – Public Comment – There were no remarks from anyone present or via email prior to the start of the meeting.

Motion to adjourn the meeting made by Ms. Kraft, seconded by Mr. Mattingley and the meeting adjourned at 6:50 p.m.

Minutes submitted by Jeannie Durham, County Board Office

Questions for Finance Committee July 20

- 1) Why is all the tax money received not all being disbursed?
- 2) What is your understanding of the statute that money be deposited within 2 days?
- 3) What is your understanding that all money received be disbursed within 30 days?
- 4) How long does it take to process mail?
- 5) With regard to mail, what is the last day that has been balanced?
- 6) Since the tax bills went out in May, how many days have you been present in the office?
- 7) Where is the mail secured after hours?
- 8) When did the part-time help start and how much of your extra help budget was spent on the first distribution?
- 9) Why is there turnover in your office?
- 10) When is the next distribution?

Responses to the Questions for Finance Committee July 20

1) Why is all the tax money received not all being disbursed?

- a. Due to this being such an unusual collections year with the COVID-19 Pandemic and the State of Illinois still being in a State of Emergency per Governor Pritzker's Executive Order. The first installment was not the amount that several of the taxing bodies are accustomed to receiving. Therefore, I am fully prepared to issue an additional disbursement, as described per (35 ILCS 220/20-130) on or before August 10th.
- b. All money's collected cannot be distributed out as there are various considerations that the Collector must take into account to ensure that monies needed are not distributed to taxing bodies erroneously. These include: Tax Payment Refunds, PTABs, C of E's, and Sale in Errors. The treasurer must hold funds back to ensure that it can pay out for these requirements. Also, The Treasurer/Collector cannot draw out 100% of funds out of the various banks that it collects through as minimum balances must be held in order that those accounts be charged fees.
- c. The Treasurer's Office did not refuse or delay in sending out the first installment disbursements to the taxing bodies and it followed all applicable state statutes.

2) What is your understanding of the statute that money be deposited within 2 days?

- a. Being the Macon County Treasurer and Collector is more than a name; it is actually two distinct roles that follow two very distinct and separate Illinois Compiled Statutes.
- b. As County Treasurer, I am obligated to follow County Code 55 ILCS 5/3-10 Treasurer. This is actually the county treasurer code written for all counties with a population less than 150,000, of which Macon County falls within that category. Nowhere within this Code does it stipulate that I am to deposit money within 2 days.
- c. Regarding public funds, "He shall receive and safely keep the revenues and other public moneys of the county, and all money and funds authorized by law to be paid to him, and disburse the same pursuant to law." (55 ILCS 5/3-10005)
- d. As for the Deposit of Public Funds (55 ILCS 5/3-10009), basically stipulates that I can:
 - (1) Request the County Board to designate the depositing institutions. Up to this point, I have not made this request.
 - (2) "...counties are authorized to invest the funds and public moneys in the custody of the County Treasurer in accordance of the Public Funds Investment Act" (30 ILCS 235).
- e. It is important to note that 55 ILCS 5/3-10009 references all received public funds within the Treasurer's Office as "custody of the county treasurer", not deposits. All tax payments that are within the "custody of the county treasurer" will remain within the "custody of the county treasurer" until they are processed, recorded, and then deposited into the various banking institutions. At that point, the "tax payments" have been converted into both "public funds" and "public records" and deposited into accounts following the Public Funds Investment Act (30 ILCS 235).

- f. The Public Funds Investment Act is a very detailed statute that basically requires for all deposited funds to be insured or collateralized, and the types of financial institutions that are allowed to receive public funds.
- g. As County Collector, I am obligated to follow the Illinois Revenue 35 ILCS 200 Property Tax Code. "County collectors. The treasurers of all counties shall be ex-officio county collectors of their counties" (35 ILCS 200/19-35).
- h. "Taxes collected in counties with less than 3,000,000 inhabitants and not distributed shall be invested in accordance with Section 1 of the Public Funds Deposit Act" (35 ILCS 200/20-140).
- i. The Public Funds Deposit Act (30 ILCS 225/1) states "Any treasurer or other custodian of public funds may deposit such funds in a savings and loan association, savings bank, or State or national bank in this State, or deposit those funds into demand deposit accounts in accordance with Section 6.5 of the Public Funds Investment Act. When such deposits become collected funds and are not needed for immediate disbursement, they shall be invested within 2 working days at prevailing rates."
- j. I am not aware of anywhere in the Illinois County Code, Illinois Revenue Property Tax Code, the Illinois Public Funds Investment Act or the Illinois Public Funds Deposit Act that states that the treasure or collector is obligated to process tax payments and convert those to deposits within 2 days. I interpret the Illinois Public Funds Deposit Act to mean that once the funds are deposited, and note the word "may deposit", not required or mandatory to deposit, the deposited funds are to be invested within 2 working days.
- k. All public funds, once they are deposited in the banks, are entered into 30-day payout interest paying accounts. Interest rates are again at a historic low, and the interest payouts on these accounts are only once per 30 days. Therefore, if funds are deposited in the banks on the 5th of the month, and withdrawn on the 29th of the same month for disbursement, NO interest will be paid on the amount withdrawn. This is how the bank financing works with public funds. I am bound by Public Funds Investment Act as to where and how the funds are to be "invested". Furthermore, as Treasurer, I have withdrawn public funds from any bank that actually charged the county money to simply take a deposit, thereby saving the county money. Also, I renegotiated the interest rates when the Prime Rates increased, thereby earning this County interest.

3) What is your understanding that all money received be disbursed within 30 days?

- a. Again, as stated above: All money's collected cannot be distributed out as there are various considerations that the Collector must take into account to ensure that monies needed are not distributed to taxing bodies erroneously. These include: Tax Payment Refunds, PTABs, C of E's, and Sale in Errors. The treasurer must hold funds back to ensure that it can pay out for these requirements. Also, The Treasurer/Collector cannot draw out 100% of funds out of the various banks that it collects through as minimum balances must be held in order that those accounts be charged fees.
- b. "All distributions of taxes collected and interest earned thereon by a county on behalf of taxing must be made by the county treasurer, in counties with less than 3,000,000 inhabitants,

within 30 days after the due date and at 30 days intervals thereafter, unless the amount to be distributed is less than \$5" (35 ILCS 200/20-130)

- c. "In counties with less than 3,000,000 inhabitants, the county collector shall (i) pay over to the other proper authorities or persons, as provided in Section 20-130, the amounts in the collector's hands and (ii) together with the final payment, pay over to the other proper authorities or persons the amounts in the collector's hands and payable to them as interest and not previously paid over." (35 ILCS 200/20-140)
- d. All of the taxes that were processed and deposited for up to the calendar date of June 15, the first installment due date, were disbursed as the first installment payment to the taxing bodies. July 9th was the date of the First Distribution
- e. 35 ILCS 200/20-13 does not limit the disbursements to only two per year. Within this Statute, the Treasurer's Office can perform another disbursement as soon as 30 days after the first disbursement. The Treasurer's Office is prepared and plans on making an additional disbursement on or before August 10.
- f. Again, the Treasurer's Office did not refuse or delay in sending out the first installment disbursements to the taxing bodies and it followed all applicable state statutes.

4) How long does it take to process the mail?

a. The Treasurer's Office for the 2019/P2020 RE Tax Season sent out approximately 57,000 tax bills. So if all of those tax bills were to be paid on or before due date then that is 57,000 payments that have to be processed.

b. Mail is handled in the following manner:

- 1) When it is received it is kept together with all mail received on that day.
- 2) It is then sorted by postmark to determine if it is considered an "on-time" or "delinquent/late payment.
- 3) When mail is opened it then has to be proofed to ensure that all information is correct to run the payment. This includes checking for the bill stub (which is needed for our record-keeping), verifying which parcels are to be paid, that the amounts match what has been billed, that the check is written correctly, and that the check is signed. If all these criteria are met than that payment has been proofed and is ready to be processed, otherwise additional research is required in order to ensure that the payment is applied to the correct parcel. If we cannot determine what is needing to be paid we have to send the payment back in order to provide whatever necessary information we had not received in their first mailing. By the time all this has been completed each mail-in payment may take 3-5 minutes per parcel to fully prepare for processing, assuming that there are no other interruptions. Even at 3 minutes per parcel if we are to take in mail in one day containing 300 single payments that equates to 900 minutes, or 15 hours just to proof it, before it is even processed in the computer.

b. Mail is organized based upon the physical date that it is received. It is then reviewed and sorted by the postmark. Any letter that is postmarked by the First Installment Due Date is considered "on time". All letters that are postmarked after the First Installment Due Date are "late", with penalties and interest added to the payment. The mail has been exceptionally

slow this year, and that is beyond my control. I have received payments in the mail that are postmarked before June 15th as late as last week.

5) With regard to mail, what is the last day that has been balanced? X

a. Up to July 17, 2020.

6) Since the tax bills went out in May, how many days have you been present in the office?

a. By May 1st the full time staff of the Treasurer's office was reporting to work for the normal 35 hour work week by the County Office's hours.

b. May 1st through May 15th was spent proofing taxing codes, preparing and printing tax bills, sorting tax bills, and providing to the mailing service for mailing on May 15th.

c. May 18th would have been the first effective date of Real Estate Tax Collection, however due to the building being closed no one was allowed into the office to make in-person payments.

d. I have been in the office every day since the tax bills were sent out in May with a one-day exception for a medical appointment in Springfield. I personally make the daily deposits to the various banks on a daily basis.

7) Where is the mail secured after hours? X

a. All mail has been stored in either the vault or safe, which are locked, within the locked Treasurer's Office.

8) When did the part-time help start and how much of your extra help budget was spent on the first distribution?

a. Part-time help began on June 1st with the opening of the County Building. Due to the budget constraints within Macon County the Treasurer's Office believed bringing in Part-time help too early may backfire, in that we would not have the budget available when it was really needed, nor would there be any extra funds should it be overdrawn. 1 Part time worker was brought in on June 1st with the opening of the building, and the second was brought in the following Monday on the 8th.

b. I would like to take the opportunity to put a few things in perspective regarding part-time help. Yes, I am budgeted for part-time help, and I still have budget remaining. I have two, part-time folks who primarily work the pay windows. No one, including me, could have predicted or budgeted in 2019 for the COVID Pandemic and subsequent State of Emergency that Illinois is still under in 2020. The first installment payments were very light throughout the month of May. After the first week of June, the Office was suddenly flooded with electronic payments, mail payments, and walk-ins. I think that several of the mortgage companies and banks delayed in sending in their payments until the approaching June 15th due date because their own people were probably homebound or furloughed. I personally spent the first two weeks of June in my office opening payment letters and sorting mail by postmark dates. With the upcoming June 15th due date, trying to train additional new part time staff and working the sudden volume of payments was not feasible. Also, working in a Post-COVID world is a new experience with zero precedence for operations policies. I was very concerned about the safety of staff. I could just tell that the office atmosphere was tense with the idea of catching COVID from the general public or the mail. I thought that bringing in complete strangers would have only aggravated the situation. Should I have hired more part-timers for this year? In hindsight, yes, but again, this is a very strange year and we are

still operating a tax collections office within a State of Emergency. I am now getting a better grasp on operating this Office during the COVID Pandemic. The Governor is already talking about closing down the State again if COVID cases continue to increase. Therefore, I will bring in additional part-time staff to handle the additional "surge" of payments that I suspect will happen as we approach the 2nd Due Date.

- c. Remaining Budget for Part Time help: \$9,528.50 in General Budget; \$2,623.18 in Automation/ Total Available: \$12,151.68, Total Spent To Date: \$4,348.32

9) Why is there turnover in your office? X

- a. I had two employees retire since I have been elected to this position in 2010. My Chief Deputy Collector retired after 40 years of County service in 2017, and my Supervisor of Collections retired after 30 years of County service in 2019. In my opinion, the threat of County Employee furloughs, layoffs, and budget cuts this past spring by this Committee has only aggravated the employment situation. My most recent employee decided to seek employment elsewhere after 9 years of service on June 20. An aging workforce is a problem everywhere in the United States, both in the public and private sectors. I cannot prevent an employee from retiring or seeking opportunities elsewhere.

10) When is the next distribution? X

- a. Not including the proposed additional disbursement planned for on or before August 10, within 30 days after the 2nd due date, which is accordance to (35 ILCS 200/20-130)
- b. 35 ILCS 200/20-13 does not limit the disbursements to only two per year. Within this Statute, the Treasurer's Office can perform another disbursement as soon as 30 days after the first disbursement. I can make one as soon as August 10th.