

FINANCE COMMITTEE MEETING
Special Meeting – Budget Hearing #1
August 10, 2020 @ 5:15 P.M.

MEMBERS PRESENT

John Jackson, Chairman
Kevin Greenfield
Debra Kraft
Greg Mattingley
Jim Gresham

COUNTY PERSONNEL PRESENT

Doug Harlan, U of I Extension
Bruce Bird, Highway
Carol Reed, Auditor
Lisa Wallace, Auditor’s Office
Matt Snyder, ROE
Josh Tanner, County Clerk

MEMBERS PRESENT TELEPHONICALLY

Laura Zimmerman

Jeannie Durham, County Board Office

MEMBERS ABSENT

Helena Buckner

CALL TO ORDER

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

APPROVAL OF MINUTES

Motion to approve minutes of prior 8/3/20 regular finance committee meeting was made by Ms. Kraft, seconded by Mr. Mattingley and roll call vote showed the motion carried 6-0.

Budget Proposals

Regional Office of Education - Budget Presentation

Mr. Snyder reminded the committee members that the Regional Office of Education is combined between Macon & Piatt Counties. They take the EAV of each of the counties and divide that for the percentage owed by each county. This year the Macon County portion is 77.9% as compared to last year which was 78.2%. That was lowered by the requested 4%. The total is \$147,140.

Chair Jackson commented that it is a straight pass through. Mr. Snyder said that they are about a \$6 to \$7 million operation with about 85 employees. Most of the monies come from other funds, but every bit that Macon County pitches in helps. It is used for truancy, office work and some of the bills.

Chairman Greenfield commented that one thing he would suggest and ask the committee members to keep in mind would be that 4% was set as a guideline and target and hopefully, maybe it won’t be 4%, but his guess is that it will probably be more. So, all officeholders should keep in mind that after the 1st or 2nd quarter, we may be back in revisiting these budgets and adjusting them. He said he hopes that is not the case, but not knowing what the state or the pandemic are going to do and what the future holds, we need to prepare for some not so good news. Chair Jackson agreed and commented that the resolution that had been passed to adjust the budgets based on the COVID a couple of months ago will probably follow suit with every budget going forward if it exceeds the 4%.

Mr. Snyder said that in their office, if it comes to that point, they are good stewards with money and it is totally understood.

Mr. Gresham addressed Mr. Snyder saying that the 4% pertains to the General Fund and the cuts for the ROE share of that is better than expected. That is a good thing. He thanked Mr. Snyder.

Ms. Kraft made a motion to approve the proposed budget and forward on for display, seconded by Mr. Gresham and roll call vote showed the motion carried 6-0.

University of Illinois Extension - Budget Presentation

Mr. Harlan explained that they are asking for level funding from the tax levy this year again. The tax levy request is \$445,136. That puts it at about of a \$5 million levy, it is at about .027 on the tax levy request. He said he had been able to make up the 4% through some revenue increases. He said he has asked one of his foundations to give significantly more money than what they have in the past. Some expenses have also been dropped. He said they are doing very well and are fortunate that the State of Illinois had paid all of the FY19 and FY20 County Board match money that they had been in arrears for quite a while. He said they go back to work in the office on Monday morning.

Chairman Greenfield asked about the \$76,000 increase in wages. Mr. Harlan explained that that is contractual consisting of clerical staff, community worker staff & they are down 4 staff members currently. He said he has to put it in the budget for next year. Mr. Greenfield asked if it was to fill a position then. Mr. Harlan said some of it is. The rest is for union employees. Mr. Greenfield asked how many employees. Mr. Harlan said 9 and the rest of the money is to fill positions that are open. He said they've struggled in hiring people lately. It will be interesting to see how hiring goes as we come out of this. He said he felt that the economy is just doing so well that people just didn't want jobs. There have been some people that have left to take different jobs to better themselves. That is ok. Mr. Greenfield asked if raises are figured in. Mr. Harlan said yes. The contractual percentage is 3%. The academic positions, such as his, are not getting pay raises next year. The only people that are getting pay raises are the 9 union employees. Nobody else gets a pay increase. The additional funds in salaries will go to replace people that are currently not there. There is one educator position included that they have wanted to hire. He said he was not sure he would be able to get that done, but he would like to hire a consumer economics educator.

Mr. Gresham made a motion to approve the proposed budget and forward on for display, seconded by Ms. Kraft and roll call vote showed the motion carried 6-0.

Highway Department - Budget Presentation

Mr. Bird explained that he had forgotten that this is a contractual year. In past years, those figures had been zeroed out until the contract was settled, but the committee could decide what to do with that.

030 – Highway

Revenues

Taxes were based upon last year's percent, but that will most likely change.

Township revenue was adjusted to be more in line with the past year. That is a reduction.

Refund from payroll from MFT – a big portion of payroll is paid for with MFT. It gets refunded into the County Highway line so the salaries can be paid. That shows that revenue that would come over from MFT.

The other decrease was a miscellaneous revenue to put it in line with what was seen in the last year.

Expenses -

The first lines are shown as raises. The Engineer's salary is totally based on what the State gives. It can be anything from 0 to whatever. This is a contractual year. He said he had filled it in and sent the forms in without thinking about it being a contractual year. In the past, typically, those have all been zeroed out until negotiations are done. If that is the committee's preference, it is not a problem. They are added back in once the negotiations are final.

Social Security & IMRF retirement both went down a little.

Construction and maintenance line items -

Highway maintenance was increased a little to better match up with what the expenses were in that line item.

The \$61,144 was shown as zero before, but it is what is paid each year. It looks like an increase, but it is still the same amount as the previous year.

Other lines were tweaked a little ending up with the bottom line of the construction projects going up \$50,000 matching to show what is scheduled for next year.

Machinery equipment is a big one and it went down \$100,000 because a big truck is not being purchased this year. He said they would be buying a couple of smaller pick up trucks and smaller pieces of equipment.

031 – Matching

The taxes are bumped up a little based on last year.

State of Illinois revenue sticks out. It is for an additional million dollars. Some of these numbers that pop out, especially here in the matching, are numbers that are placeholders. He said they have been applying for grants and funds for the next phase segment of the Beltway which is across the lake. Those grant applications have varied anywhere from \$5 to \$7.5 million. These are placeholder numbers. If we don't get the money, we will not build the project. Yes, they are big numbers, but they are not anything to be scared about. Nothing will be spent that we don't have.

032- Motor Fuel Tax

Last year's amount was based upon what the agreement was at the time. That was that they were doubling the Motor Fuel Tax funds. As everybody knows, yes, they did double the Motor Fuel Tax funds, but we only got a 68% increase instead of a 100% increase. The difference goes to a dedicated fund stream for transit. That is the difference. That is the biggest chunk of the difference. However, there is also an additional line called grant revenue Rebuild Illinois.

The new, additional 68% money that we get, a portion of that is bonded and it comes to us in upfront bond amounts for the first three years. The state wants that tracked differently because of the way the Statutes were written for those funds. They have to be tracked and spent on a construction project. You cannot spend it on chip seal work. It is limited to construction or reconstruction type projects. He said they will be able to handle that. Chair Jackson asked if that would be the deficit on the State of Illinois on the 032-000-4255. Mr. Bird confirmed, saying the deficit is pulling out the grant revenue and the 34%. Taking a look at the difference between the \$1750 and the \$1258, that is the difference between doubling the revenue and getting 68%. Last year, there was no idea so the figures were thrown in. Now, we have history and it can be lined up and tracked better from here on out.

The other side of the revenue that came in on the highway side – so it matches up here is shown.

The project expense lined up for next year is \$160,000 which is less than what was lined up for this year. That is reflected at the bottom.

034 –Special Bridge

Revenue – this is property taxes. It is just a number

Project amounts were kept the same because they were approximately the same as what was set up for this year. Again, between matching and special funds, these funds all go towards construction or capital projects and it is real simple. If we don't have the money on hand or know its coming in, we are not going to build or schedule it. That is how things have always been handled.

State Township Bridge –

Again, this is pass through money. This is the Township Bridge money. It goes to townships for bridge money. We don't get this until the project is let. Historically, we always got about \$170,000 to \$175,000. It has been that way for 30 plus years.

Some of the townships that are shown had to be zeroed out. That is for some specific township bridge projects that are set up for next year.

036 – Project City

This is pass through money. An amount is always put in, especially with a Progress Show Year coming up. It is based strictly upon whether Richland is able to acquire some money to have some work on the facilities out there done. Lines are put in, but it is only if they get funds to do it. Otherwise, they just sit there.

Mr. Gresham asked about the 030 highway and if anticipated contractual funds were put in. Mr. Bird said they are in there, but this is a contract year. Traditionally, those have been zeroed out until negotiations are done. Chair Jackson asked when he would know. Mr. Bird said not until the contract negotiations are done. Chairman Greenfield said they would start in about 6 weeks. He said it would be a good idea to zero them out.

Dr. Zimmerman asked about the audit questions about reconciling things and what they were doing about fixing those issues that were brought up. Chair Jackson read from the audit findings, *highway projects typically spend multiple over multiple periods, have federal, state*

and local sources of revenue and consist of expenditures of various highway funds. All of these issues complicate accounting for a single project which makes it important to emphasize reconciliation of projects are kept by the County Engineer in the software used for the financial reporting. It is recommended establishing a procedure to capture all accounting led activities in order to assure all project led activities are recorded timely and within the proper period fund and project. He said he thought they just want a balance sheet for a point in time so they can look at it and see where you are at that point in time. You don't have to explain it away. Mr. Bird said the office does track expenditures. The difficulty with matching that with, as with the vast majority of the projects, is that the State is the signator. He said they track expenses. The ones that are kept in house are usually the smaller projects and those are usually able to be flipped and done in the fiscal year. So, those are easy to track. The issue that always comes up year after year is that on anything that has federal funds and some that have state funds in them, the state is the signator in the contract. They front the money for everything. They bill us our match. It depends on how many people they have in Springfield that does the billing. For most of the past five years, they have had one person that bills out all projects for the entire State of Illinois. There was a point in time, where we were four years behind. We typically pay a 20% match and we hadn't been billed for 4 or 5 projects for almost 4 years for a match. Then they billed us for all of them. It hadn't been set up in that fiscal year to cover the amount. They worked with us, but the billings that come from the state are very unpredictable. Lately, they've been good and on top of things, but in the recent past, they were horrible. He said he had looked at it with the Auditor and the biggest issue is that they are relying on someone else to bill for them and they are uneven at best. He said they do track what they know goes into the projects. Everything is broken down on individual sheets. Some of the projects, in fact most of the ones involved with the beltway have multiple sources of income and revenue that has to be tracked. He said they have that on sheets. It's just trying to summarize that and get it done by the end of the fiscal year is very difficult. He said they know what it is. Even if you put a placeholder into the next budget, you go three or four months without knowing if they will bill in months or years.

Chairman Greenfield said the other recommendation was in regard to inventory and asked Mr. Bird if anything had been done about that. Chair Jackson said it was reconciliation of the ledger items. You are not keeping track of when you take something off the ledger; when you sell a piece of equipment, there's not a tie out with a serial number that comes back to the ledger and gets written off. Mr. Bird said he thought they'd done that but would double check. Mr. Greenfield said the other thing was rock, salt, etc that is hard to keep track of. Mr. Bird said they have weigh scales on the hopper of the truck and this past year they kept track of the salt per storm. They have a pretty good measure of what is there in the shed. The rock piles always have a certain amount there and there are formulas that are used to calculate what's there. When you pull the material off those piles, as you are doing it, the hopper is there to keep track of it while it is being loaded up. If you send a backhoe down, it doesn't have the weigh scale on it, so that is an approximation. He said they do track it and it is closer than what it was, but it is not perfect. Mr. Jackson read from the audit findings, *development of a control system and risk management to assure adequate safeguarding to prevent loss damages and theft, adequate maintenance procedures to keep property in good condition and establish a sales procedure for taking the asset reconciliation off the ledger.*

Mr. Gresham asked if they were going to ask for the zeroing out of the lines until negotiations are complete. Chair Jackson confirmed.

Mr. Gresham made a motion to approve the proposed budget with the change and forward on for display, seconded by Mr. Mattingley and roll call vote showed the motion carried 6-0.

County Clerk -Budget Presentation

Mr. Tanner presented the 001-030 budget saying it is almost identical except for one line item which is the pay raise. He said he had had someone retire this year, so the raises were covered by that person's savings. That budget is \$800 difference.

001-031 is where last year, all the variable election expenses were shifted to. Next year there is only one election, so that account is down 15% or \$143,000. That is assuming there will not be a municipal primary which has become very rare.

Those are the two general fund accounts.

065-000 is Clerk Automation and is basically flat. Some things were moved around, but other than that, it is flat.

Mr. Gresham asked about the postcard people had received and asked how much that cost. Mr. Tanner said it was expensive. The office is scheduled to receive almost \$200,000 from the state as the allotment for election reimbursement. All of the expenses associated with that post card that was mailed as well as any additional mail in ballots above and beyond normally done in a presidential cycle should be covered by that \$200,000. At this time, we are already past that. Any extra employees that are hired on a part time basis to handle the surplus should also be covered by the grant. We will have the normal election expenses that we would normally have, but as far as the mail in, the state has a grant that will cover all of that. The paperwork has already been started. Mr. Tanner said he would try to submit it all in one shot, but because of the mail at the very end toward Election Day, we may get two payments; one large and then one supplemental in the December timeframe which would be on next year's budget. The bulk of it should be on this year's budget. Fortunately, we should receive reimbursement for all of the additional mail in voting expenses. That includes labor, mailing costs and some equipment that was procured to help speed up the process.

Chair Jackson asked if some of that had been accounted for. Mr. Tanner said no, in this budget, it is just a reduction because of only having one election. It doesn't really cut the bill in half. The things that get cut in half would be election judges because with one less election, there is half the need for judges. Delivering the election equipment would be half. But, as far as the contract with the election vender, they've spread that out evenly over the entire contract. One less election does not effect that expense. Fixed employee expenses were able to consume all the contractual raises without increasing the budget.

Chairman Greenfield asked about expenses for the attorney for the recount. Mr. Tanner said that is paid from the judgement fund. Mr. Greenfield asked if they knew where they're at on that. Mr. Tanner said he did not, but would put a report together tomorrow and send it to the committee members. The attorney was only in the office one day for the recount. That part of the expense is minimal. It's the court that is expensive. He has to represent us in court and that is where the expense comes from. Mr. Greenfield asked Ms. Reed if she knew where we're at on it. Ms. Reed said she did not, but knew of several invoices that had been paid so far over the

last several months. Mr. Tanner said he was in court probably 4 to 5 days when it came to testimony. Mr. Greenfield said probably \$30,000 to \$40,000. Ms. Reed agreed that was probably close. Mr. Greenfield asked Mr. Mattingley to take a look at the bill because it seemed overly excessive to him.

Mr. Gresham commented that the net effect is \$100,000 less. Mr. Tanner agreed saying that it is not a shell game. In the even years, that number goes back up, but in the odd years it goes down. He said that when he had first come into office the direction from Finance was to budget what was anticipated to expend. There is typically not a primary for municipal elections, so he said he had taken all of that expense out. If we do have it, he said he'd have to come back and get the money to pay for it. He explained that with his first budget, he had transferred all of the variable expenses into the one account. So, any time there are two elections, that is the only account that will go up and anytime there is only one election, that is the account that will go down.

Ms. Kraft made a motion to approve passing the proposed budget on for display seconded by Mr. Mattingley and roll call vote showed the motion carried 6-0.

Mr. Tanner reported that the post cards that went out last week are generating a massive response. He said they had run some basic statistics on them, but the age range is all over the place. Party affiliation is all over the place. He said he was surprised that it is as diverse as it is. There are younger people, older people, rural people, inner city people as well as relatively equal representation from both parties. In Macon County, in most elections, the mail in vote favors Republican participation, but this seems to be pretty evenly spread across both parties and all age groups. There are more requests now than there were in all of 2016. There were over 3000 requests in 2016 but only a little over 2000 were received back. A lot of them did not come back. He said they already have over 3000 requests as of now. They come in at 100 to 200 a day.

Mr. Gresham asked when the ballot actually gets sent. Mr. Tanner said September 24th. It will be mailed then, but depending on your mail service, and it doesn't come from Decatur. He explained that the vender mails it from Tremont, IL. Most people will receive it within 2 – 3 days.

Supervisor of Assessments / Board of Review / GIS - Budget Presentation

Ms. Fowler started with the Board of Review General Fund Budget saying that they had been able to decrease the appraisal research line by about \$1,500. That line item is one that can fluctuate every year depending on how many appeals go to the property tax appeal board. That money is so the Board of Review board can obtain appraisals or appraisal reviews. Sometimes that money can help offset expenses, but unfortunately sometimes all of that budgeted money is spent. There are a large number of appeals right now at the state. Hopefully, they will not all require appraisals, but some of them do require appraisals and reviews. Otherwise, this budget is about the same.

For the Supervisor of Assessments budget, there was one staff member that is taking the early retirement for this budget year. All of the contractual raises were offset by that savings. With the savings, roughly around \$7,000, hiring a new staff at the entry level position.

The GIS budget is funded by the automation fund which is self funded. The only change to that budget was the contractual raises as well. In the salary line items, there is a change with Deputy Supervisor of Assessments within the software. There were some changes moved around with the Tax Mapping Specialist and the Chief Deputy salaries. It all came out of that same budget any way.

IT services / EDP budget also comes from the GIS automation fund.

Chairman Greenfield asked if there is a staff shortage in the office currently. Ms. Fowler said they are fully staffed at this time.

Mr. Gresham commented that dollar wise, it is not quite where they had wanted it to be, but he didn't know how an office of that size could do it. He said we just have to hope that some of these expenses won't be needed. Ms. Fowler agreed, saying that she had gotten about halfway there and was hoping that there would be some cuts and savings later. Usually, in things like legal advertising, postage and office supplies toward the end of the year some of those costs can be offset, but it is pretty thin.

Mr. Gresham made a motion to approve passing the proposed budget on for display seconded by Ms. Kraft and roll call vote showed the motion carried 5-1 with Mr. Greenfield voting no.

CITIZEN REMARKS – PUBLIC COMMENT - None

OLD BUSINESS - None

NEW BUSINESS - None

CLOSED SESSION - None

NEXT MEETING -

August 17, 2020 @ 5:15 p.m. Budget Hearing #2
Historical Museum, Veterans Assistance, Animal Control, Circuit Clerk

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

Minutes submitted by Jeannie Durham, Macon County Board Office