

FINANCE COMMITTEE MEETING
May 31, 2016
5:15 P.M.

MEMBERS PRESENT

Jay Dunn
Kevin Greenfield
Patty Cox
Linda Little
Greg Mattingley
Tim Dudley
John Jackson

MEMBERS ABSENT

COUNTY PERSONNEL PRESENT

Mike Baggett, State's Attorney's Office
Josh Tanner, S of A
Lisa Wallace, Auditor's Office
Carol Reed, Auditor
Ed Yoder, Treasurer
Bruce Bird, County Engineer
Lt. Butts, Sheriff's Department
Rodney Forbes, Public Defender
Pat Berter, Probation
Jeannie Durham, County Board Office

CALL TO ORDER

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

APPROVAL OF MINUTES

Ms. Cox made a motion to approve minutes of prior Finance Committee meeting, May 2, 2016 seconded by Mr. Greenfield and motion carried 7-0.

CLAIMS

Motion to approve the report of the Finance claims as presented made by Ms. Cox seconded by Mr. Jackson and motion carried 7-0.

REPORTS –

Audit Sub Committee – no report

Auditor –

Ms. Reed announced that we do have the audit now and it will be posted to the website. Copies will be provided to departments and granting agencies that need them. It has been submitted to the Government Finance Officers Association for the Certificate of Achievement in Excellence in Financial Reporting. We've gotten this for the past 13 years. She introduced Cathy Mansur from May, Cocagne & King who will explain a little about the audit and will answer questions if anyone has any.

Ms. Mansur said they've done the audit for several years and appreciate the openness they get from throughout the County. Every department is always ready and willing to help by answering their questions and taking the suggestions they provide.

She explained that Ms. Reed writes the transmittal letter which talks about the County as a whole and its goals in regard to financial reporting. Also included is the Independent Auditor's Report which is a clean opinion this year. That means that they found nothing to report through their normal testing. She pointed out that the Government Accounting Standards Board put out

Statement #68 that said you have to record your pension liability on the books. That was about a \$13 million liability that had to be put on the financial statement. That is based on an actuarial calculation that is done through IMRF. They had actuaries contracted to do all the governments through IMRF. This is a Macon County specific liability. The total liability was around \$80 million and then there are assets there to pay that liability for a net \$13 million.

The Management Discussion and Analysis is also prepared by Ms. Reed. It goes through and lays out what happened as far as the big numbers and changes compared to last year. It describes what is in the book and is a good tool to start with as it gives an overview of the audit.

The general fund statements, the IMRF fund, Highway fund, Health fund, and all the other funds are also in the book Ms. Mansur distributed to the members of the committee. The footnotes to the financial statement are also included. These go into a lot of detail as far as what the accounting methods are, what the numbers are made up of, the capital assets, depreciation, debt, etc.. There is a lot of detail and it takes a lot of effort for the Auditor's office team to put it together. There is a lot of activity under the County's umbrella. This is a BIG report.

Ms. Mansur distributed a couple of letters and a page with some graphs & charts showing the last ten years of where the fund balance, expenses, etc... have gone. The biggest expense is Public Safety with Public Health & Welfare being the next one. That stays pretty steady. Property Taxes are the biggest revenue source. Assessed value changes a bit and is starting down. One letter is the management letter which explains that there were no findings this year, but there were some suggestions and operating efficiencies. All departments have been spoken with on these. There have been some marked improvements all over throughout every department. She said the commitment that folks have shown to the County is very nice. Some of the suggestions include supervisory reviews of grant reports, watching the grant drawdowns, etc... and making decisions about whether they need to be tracked outside the general ledger, if it is necessary or too much duplicated work. Just fine tuning whether it needs to be done a different way or if the granting agencies are good with seeing the reports as they are. The other letter is the Audit Committee Letter and it explains what was done, what was found, that there were no disagreements with management, there were no issues. Some journal entries were made as suggested, mainly a little year end cleanup, but the biggest entries had to do with how late the state is paying. Even though it is a receivable on the books, it cannot be counted as revenue unless it is paid within 60 days.

Chair Dunn asked about the Assessed Value chart and why it is going down. Mr. Tanner explained that some of it is that the value as a whole is going down, but it is more that the taxable value is going down. He said perhaps taxable value and total value should be represented in the future as a better marker so it can be seen. The hospital was an issue, but a lot of it is just exemptions. What seems like a small change to the legislature when amplified over 20,000 to 30,000 people getting the exemption, it really draws the taxable value down. He said he did not think the value of the property in Macon County has declined, but it is the amount of exemptions increasing and outstripping the growth rate. He suggested that for next year's CAFR, they could go back and put in 10 years worth of assess value and ten years worth of taxable value to give an indication of whether the value is going down or whether the exemptions are going up. He said he thought it is likely the exemptions going up. The one in

particular is the Senior Homestead Exemption that went up \$1,000 which does not seem like a lot, but there are a lot of them and when multiplied out, it amounts to quite a bit. The Senior Freeze is another one that anyone that qualifies for the Senior Freeze and the value of their home goes up, the taxable value does not go up because the Senior Freeze counteracts that increase. There are also the TIFs. Again, the taxable value of the County goes up, but all the money goes into the TIF, not into the taxing bodies.

Ms. Mansur added that the next Government Accounting Board's Statement that will have to be addressed is a tax abatement disclosure. So, you will have to actually say that these are the things that are affecting our tax values. This is why we haven't been able to collect this. It's because the City of Decatur or the Village of Forsyth, etc.. have TIFs. It will all have to be disclosed. This has been an issue for every form of government and now they are coming to the conclusion that they need to let everyone know how much is being lost out on because of giving corporations, etc... breaks.

Mr. Greenfield asked for an explanation on the \$13 million liability. Ms. Mansur explained that this is based on the current employees. The actuaries are estimating how long they will live, how much they will make, and how much they might get paid. This is an estimate of how much their investment return is. They are estimating the life expectancy, the spouse's life expectancy, the beneficiaries, etc... it is a HUGE estimate. They go through every single person based on age, length of service, department, etc.. It never had to be included before. IMRF has done very well with investing the money that is entrusted to them. They've grown assets and are keeping track of rates and when your IMRF employer rate goes up, that means they need more money because the estimations were off or when it goes down, they don't need as much because the estimations are going along as they should be. You won't have to write them a check for \$13 million, but they're saying that based on the pool of current employees, that may be what you pay out. If Macon County were to shut the doors right now and nobody has a job, you'll have to come up with \$13 million to pay everybody who has worked. Mr. Dunn pointed out that in perspective with the state whose figure is \$110 billion. Ms. Mansur agreed that this is a relatively small amount for such a big organization. Mr. Jackson commented that this is just accounting for potential future liability.

Ms. Reed thanked Ms. Mansur and her team from MCK and said they did a great job for us. They were in and out pretty quickly and things seemed to go very well.

Board of Review –

Mr. Tanner said the BOR begins their organizational session tomorrow and will organize, elect a new chair, and adopt the rules for the 2016 session.

Supervisor of Assessments –

Mr. Tanner reported that the Township Assessors will turn their work in June 15th. He said he does not expect any problems. The office has been asked to perform work for Whitmore / Oakley, Niantic / Harristown, and South Wheatland Townships. Almost all of that has been completed. They have about a month and a half to get it completed. They will then review all the townships that turn their work in. There were a number of Townships in the quadrennial reassessment this year. They are Maroa, Austin, Illini, Niantic / Harristown, South Wheatland,

South Macon, Blue Mound and Pleasant View. All of those properties will be reassessed and photographed either by the Township Assessor or by the S of A office.

Chair Dunn asked what rate the Townships are being charged adding that he knows it changes every 4 years. Mr. Tanner said it depends on the quad and he thought that this year, for these townships, it is 50% of the billing rate. He said this is probably something that will need to be addressed in the future about changing the contract with the Townships and updating the hourly rate. As expenses change, it needs to be passed on to the Townships. The percentage won't be able to be modified, but at least the hourly rate could be.

GIS – no report

Treasurer –

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

Motion to approve placing the resolution on the consent calendar of the agenda for the June 9, 2016 Macon County Board meeting made by Ms. Cox, seconded by Mr. Jackson, and the motion carried 7 -0.

Mr. Yoder reported that the first installment is due June 10th. The office has been busy and as far as he could tell, they are on track.

CITIZEN REMARKS – PUBLIC COMMENT - None

OLD BUSINESS - None

NEW BUSINESS –

Highway

Macon County Board Resolution Approving a Road Use Agreement with Twin Forks Wind Farm, LLC

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Ms. Little, and the motion carried 7 -0.

Macon County Board Resolution Approving an Intergovernmental Agreement with Austin, Maroa, Illini, and Hickory Point Township Road Districts

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Mr. Jackson, and the motion carried 7 -0.

Macon County Board Resolution Approving the Purchase of Right of Way from Rodney Damery for the CH 36 Baker Road Bridge Replacement Project

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Mr. Greenfield, and the motion carried 7 -0.

Macon County Board Resolution Approving the Purchase of Right of Way from Sequoia Farm Foundation for the CH 36 Baker Road Bridge Replacement Project

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Mr. Greenfield, and the motion carried 7 -0.

Macon County Board Resolution Approving the Purchase of Right of Way from Herbert Dale Gulick for the CH 41 Wyckles Road White Topping Project

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Mr. Jackson, and the motion carried 7 -0.

Macon County Board Resolution Approving the Purchase of Right of Way from Herbert D. Gulick (17) for the CH 41 Wyckles Road White Topping Project

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Ms. Little, and the motion carried 7 -0.

Macon County Board Resolution Approving the Purchase of Right of Way from Herbert D. Gulick (18) for the CH 41 Wyckles Road White Topping Project

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Mr. Jackson, and the motion carried 7 -0.

Macon County Board Resolution approving the Purchase of Right of Way from Beverly A. Gulick for the CH 41 Wyckles Road White Topping Project

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Mr. Jackson, and the motion carried 7 -0.

Macon County Board Resolution Appropriating Funds for the Construction of a Bridge on CH 38 Washington Street East of Maroa

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Mr. Jackson, and the motion carried 7-0.

Macon County Board Resolution Appropriating Funds for the Joint Microsurfacing Contract for 2016

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Ms. Little, and the motion carried 7-0.

Macon County Board Resolution Appropriating Funds for Engineering on CH 21 Kenney Blacktop Northwest of Warrensburg

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Mr. Jackson, and the motion carried 7-0.

Macon County Board Resolution Approving a Memorandum of Agreement Among the Federal Highway Administration, Illinois Department of Transportation, Macon County, and Illinois State Historic Preservation Officer, Regarding the Macon County Beltway, Macon County, Illinois

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Little, seconded by Ms. Cox. Chair Dunn asked if that is the last hurdle. Mr. Bird confirmed that it is one of the last ones. It is the big one we were waiting on. The motion carried 7 -0.

Mr. Greenfield asked how many did not go through the Transportation Committee and if the board rules would need to be suspended. Mr. Bird said that one had not, the last one. Mr. Baggett said that since it went through one committee the rules would not have to be amended. Mr. Bird commented that the memorandum had shown up in his email box the day after the Transportation Committee meeting.

Macon County Board Resolution Amending the Probation's FY16 Budget

Mr. Berter explained that they had been fortunate enough to receive additional allocations from the Administration Office of Illinois Courts in the amount of \$53,648.98.

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Little, seconded by Mr. Mattingley, and the motion carried 7 -0.

Macon County Board Resolution Repealing Resolution No. G-4476-04-16 Regarding an Increase in Probation Service Fees

Mr. Berter explained that the reason for repealing is that after speaking with Chief Judge Flannel, according to the language in the Statute, we cannot just change it from 25 to 30, 35, or 45. It is an administrative sliding scale rule that it goes from zero to 50. It is based on the number of dependents, amount of income, etc... Chief Judge Flannel would have to do the Administrative Order and since the judges have rejected this, they are afraid we would lose more money than what would be brought in.

Motion to approve forwarding to the full board with recommendation to approve made by Mr. Mattingley, seconded by Ms. Cox, and the motion carried 7 -0.

Sheriff's Department

Macon County Board Resolution Approving An Agreement for Macon County Sheriff's Part Time Police Services for the Village of Long Creek, Illinois

Lt. Butts explained that this is a service that has been provided to the Village for several years. They are off duty deputies that work part time. They are employees of the Village at the time they are working for them. The Village covers all insurance, liability, workers comp, vehicle and expenses for that vehicle.

Motion to approve forwarding to the full board with recommendation to approve made by Ms. Cox, seconded by Mr. Jackson, and the motion carried 7-0.

Lt. Butts informed the committee members that they have an opening in the Animal Control shelter for a warden and requested permission to fill it. It would cut down on the amount of overtime that is being worked. It is entry level starting at \$22,000 a year. They do a great job out there and there are 5 positions, but currently only 4. Chair Dunn asked if anyone has a problem with it. There were none.

CLOSED SESSION - None

NEXT MEETING – Tuesday, July 5, 2016

Chair Dunn said that he would be speaking with Vice Chair Cox and by the next meeting, they should have an idea of how the upcoming budget hearings would go. The letters should go out to the office holders just after that meeting. He said they've talked about it enough, but this is going to be a bad year for all office holders and department heads for their budgets.

ADJOURNMENT

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

Minutes submitted by Jeannie Durham, Macon County Board Office