

**PROCEEDINGS
OF THE
MACON COUNTY BOARD**

**SPECIAL BOARD MEETING
NOVEMBER 19, 2013**

BUDGET SESSION

**Jay A. Dunn
Chairman**

**Stephen M. Bean
Clerk**

The Chairman called the meeting to order at 6:00 p.m. with the Sheriff and State's Attorney present.

Mr. Bean: Mr. Bean read the request for the Special Call Meeting which is for the purpose of approving the 2013-2014 budget and related matters, and for any other business that may properly come before the board.

The Roll Call showed all members present at the meeting with the exception of Mr. Bird, Mr. Dudley, Mr. Smith, and Mrs. Zimmerman.

Mrs. Taylor led the members in Prayer.

All led in the Pledge of Allegiance.

Mr. Dudley was now present at the meeting.

FINANCE COMMITTEE

PRESENTATION OF THE ANNUAL APPROPRIATIONS BUDGET FOR DECEMBER 1, 2013 THROUGH NOVEMBER 30, 2014

1. Mr. Ashby presented Resolution B-1-11-13 which is a statement to establish budgets for the 2013-2014 fiscal year.

MOTION

Mr. Ashby moved, seconded by Mr. Meachum to approve Resolution B-1-11-13.

QUESTION:

Mr. Oliver: Mr. Oliver asked if there was to be any additions to the budget as far as salaries are concerned for officeholders, what jurisdiction would that fall under.

Mr. Dunn: Mr. Dunn asked if he is talking about salaries for elected officials. Mr. Dunn said there is nothing in here for that other than the salaries that have already been approved by the board in prior years.

Mr. Oliver: Mr. Oliver asked if there was nothing new for this year.

Mr. Dunn: Mr. Dunn said there are raises in there that might be in these funds; he is not sure. Those were approved prior to the last election.

Mr. Oliver: Mr. Oliver asked if there was to be any would it have to have been done during this budget year for the next election coming up in 2014.

Mr. Dunn: Mr. Dunn said no. It has to be done 180 days prior to the November Election in 2014.

ROLL CALL.

Ayes: Ashby, Baxter, Cox, Dawson, Drobisch, Dudley, Dunn, Greenfield, Hogan, Jacobs, Little, Mattingley, Meachum, Minich, Oliver, Potts, Taylor, Williams

Nays: (None)

AYES = 18

NAYS = 0

MOTION CARRIED.

2. Mr. Ashby presented Resolution B-2-11-13 which is establishing valuation of all taxable property in Macon County, Illinois

MOTION

Mr. Ashby moved, seconded by Mr. Drobisch to approve Resolution B-2-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

3. Mr. Ashby presented Resolution B-3-11-13 which is establishing a tax levy for General Corporate Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mrs. Cox to approve Resolution B-3-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

4. Mr. Ashby presented Resolution B-4-11-13 which is establishing a tax levy for Retirement Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mrs. Taylor to approve Resolution B-4-11-13.

MOTION TO AMEND

Mrs. Little moved, seconded by Mr. Hogan to amend Resolution B-4-11-13 by reducing the dollar amount to last year's level of \$2,100,000.

QUESTION:

Mr. Oliver: Mr. Oliver asked what the proposed amendment is, to lower it how much?

Mrs. Little: Mrs. Little said the amendment is to lower it \$200,000 which would take it back to last year's approved level.

Mr. Oliver: Mr. Oliver asked if she had a purpose in mind.

Mrs. Little: Mrs. Little said she doesn't think that it is necessary this year. She thinks things are going to be tight, but she doesn't think that is a reason to raise it right away.

Mr. Hogan: Mr. Hogan said he would just add that if we don't lower it, it will be a tax increase; and he doesn't think any of us want that.

Mr. Oliver: Mr. Oliver asked if they could have an explanation from the Auditor as to why this levy has been proposed.

Ms. Stockwell: Ms. Stockwell said we proposed this increase because of course this is a lagging indicator. This is simply the result of the decisions you made on staffing throughout the county. To fulfill our obligations for retirement for the people that were approved in the department budgets, we believe, based on our calculations that to meet our obligations we need this additional money. This is not a new program we are offering. This is not a new activity. This is a result of the decisions you made on staffing, both numbers and salaries of people in the departments. So our calculation is that to meet our obligations to IMRF for the employees approved in the budget, that we need this levy increase. She is advising them of that fact.

Mrs. Cox: Mrs. Cox asked how much we have in reserves, restricted and unrestricted. The difference, if we do use more it would come from what we have in reserve.

Ms. Stockwell: Ms. Stockwell said what we have in reserves in the retirement fund, which is what we are talking about, which is fund five, is that it is just about right. It is 3 point something months. Of course, we are projecting based on the results of the budget, but it's tight. Retirement is tight. We are managing tightly. We are managing it not to have extra reserves. But, to be able to fulfill our obligations every month on the 10th of the month we have to pay IMRF for the salaries, wages and benefits that we wrote last month. We are not accumulating reserves; it is pretty much in balance. So, our projection is based on the decisions that were made in the department budgets for salary levels, and she was advising them of that.

Mr. Ashby: Mr. Ashby asked Ms. Stockwell what would be the downside of approving this amendment.

Ms. Stockwell: Ms. Stockwell said based on our calculations, she is not sure we could fulfill our obligations to IMRF. An approach would be that we would come to the board for an emergency loan. We've gone 10 years without having to do that, 12 years without having to do that; but it is certainly a possibility.

Mr. Oliver: Mr. Oliver said the reason he addressed this is not to get back in the same situation that we were in, in previous times. We could take this thing in increments rather than have to do it in an emergency amount of money like we have before, and slam it all in, in one time. He would rather see us ease up as we go toward whatever goals we have got to do to accomplish paying our bills, because we are almost \$3,000,000 in the hole. The way he understands it started off like this. It was very, very strange when he came in and we were so far behind. The city is now getting tapped themselves because of not being as frugal as they ought to have been. So now they are in a situation where they are in an emergency situation. He does not want to see that happen to us.

Mr. Dudley: Mr. Dudley asked if this amendment was proposed in finance.

Mrs. Little: Mrs. Little said the levy wasn't discussed. There was a presentation made in finance. We approved to send it to the display and there was discussion in finance that we would send it to display knowing full well that after it was on display that this would be the night that amendments would be offered up. The budget process approves the budgets; we don't vote to put levies on display.

Mr. Dudley: Mr. Dudley said he understands, but his question was if this proposal was made in finance; yes or no.

Mrs. Little: Mrs. Little said it was discussed and not a direct proposal.

Mr. Dudley: Mr. Dudley questioned, but an amendment wasn't made in finance?

Mrs. Little: Mrs. Little said correct.

ROLL CALL.

Ayes: Ashby, Cox, Drobisch, Greenfield, Hogan, Jacobs, Little, Mattingley, Williams

Nays: Baxter, Dawson, Dudley, Dunn, Meachum, Minich, Oliver, Potts, Taylor

AYES = 9

NAYS = 9

MOTION FAILED. (AMENDMENT TO B-4-11-13)

ROLL CALL.

Ayes: Ashby, Baxter, Dawson, Dudley, Dunn, Meachum, Minich, Oliver, Potts, Taylor, Williams

Nays: Cox, Drobisch, Greenfield, Hogan, Jacobs, Little, Mattingley

AYES = 11

NAYS = 7

MOTION CARRIED. (MAIN MOTION AS PRESENTED B-4-11-13)

5. Mr. Ashby presented Resolution B-5-11-13 which is establishing a tax levy for Social Security Fund Purposes.

MOTION

Mr. Ashby moved, seconded by Mr. Oliver to approve Resolution B-5-11-13.

MOTION TO AMEND

Mrs. Little moved, seconded by Mr. Hogan to amend Resolution B-5-11-13 by making the dollar amount \$1,119,814.00, which is the level approved for last year's budget.

QUESTION:

Mr. Dudley: Mr. Dudley asked if this amendment was proposed in the finance committee.

Mrs. Little: Mrs. Little said no, for the same reason the other one wasn't; and the next two.

Mr. Oliver: Mr. Oliver asked if we don't have increases in salaries that would carry the Social Security amount to be paid, upward.

Mr. Dunn: Mr. Dunn said he would assume so.

Ms. Stockwell: Ms. Stockwell said she would make the same comment about the Social Security situation. It is exactly the same as the IMRF situation, except that instead of paying our bills once a month, the Feds come and take the money as soon as we issue the paychecks. This is based on our calculation of what we need to support the staffing levels in the department budgets that you have approved. The Social Security Fund is extremely tightly managed, so the same comments apply.

Mr. Greenfield: Mr. Greenfield asked if it is possible with these increases in levies that we have, that we could use some of the reserves we have in General Fund to offset these costs.

Ms. Stockwell: Ms. Stockwell said you are now making a number of demands on those reserves, and once the money is gone; the money is gone. This budget includes a huge hunk out of it. You know there are many indicators pointing down. That certainly is a possibility, and once again she would say that would happen as an emergency loan essentially against the next year's levy.

Mr. Greenfield: Mr. Greenfield asked how much we currently have in reserve in the General Fund.

Ms. Stockwell: Ms. Stockwell said we have \$7,400,000 in unreserved where there are no stipulations on it. The balance to get to \$10,000,000 is based on stipulations you have made for specific purposes. She also cautioned that the most important number here is what's in the current budget for fiscal 2014 which is to remove just under \$3,000,000 from those reserves based on what's on paper right now. So, it is a situation that could rapidly deteriorate.

Mr. Greenfield: Mr. Greenfield said so basically we have roughly \$9,000,000 in reserve.

Ms. Stockwell: Ms. Stockwell said in General Fund reserves.

Mr. Greenfield: Mr. Greenfield said which we could use to offset these costs.

Ms. Stockwell: Ms. Stockwell said you could do that. She would not advise it.

Mr. Greenfield: Mr. Greenfield asked why when we have \$9,000,000 in reserve, would we ask the people of Macon County for a tax increase when we have the highest unemployment in the State of Illinois, when that is what that reserve is for. It is for a rainy day. Ms. Stockwell it's raining.

Ms. Stockwell: Ms. Stockwell said she understands, but remember we are running a \$60,000,000 operation here. Our employees like to get paid every two weeks. You could change that.

Mr. Greenfield: Mr. Greenfield said the truth is that even after that we will still have over 10% surplus which is \$6,000,000 or \$7,000,000 which is 10% over our natural budget; and in today's economy that is pretty good.

Ms. Stockwell: Ms. Stockwell said the reason we always talk in finance about months is because we have, you know the whole story. The expenses are every two weeks or every week. We get a big chunk of our income in the summer. The accepted practice that you all have set is that we need 3 to 4 months of that fund's budget in each levied fund for reasonable, prudent operations.

Mr. Greenfield: Mr. Greenfield said in good times he would say she was right, but these aren't good times.

Ms. Stockwell: Ms. Stockwell said this is your decision. She advised them of the consequences.

Mr. Greenfield: Mr. Greenfield said with \$7,000,000 or \$8,000,000 in reserve how do we go back to our district and tell our constituents we are going to raise your taxes instead of using up some of the reserve.

Mr. Ashby: Mr. Ashby said he thinks the argument this year is how much reserves we want to keep in these funds, whether we want to keep 3 months, 4 months or 5 months. Personally, he thinks 3 months is acceptable. You may disagree with me. You may want 4 months or more, or less. If we get down to 2 months we are really cutting ourselves pretty thin.

Mr. Williams: Mr. Williams said he is a bit confused about some of the figures here. You mentioned we have \$9,000,000 in reserve in the General Fund. He thought he also heard where we also had \$7,400,000 unreserved in the General Fund.

Ms. Stockwell: Ms. Stockwell said she would draw their attention to page 226 because it is always easier to look at a piece of paper. It shows the separation. It is \$7,500,000 unrestricted, and \$2,700,000 for which this board has indicated specific purposes.

Mr. Williams: Mr. Williams said those two are more than the \$9,000,000 that you said we had in General Fund.

Ms. Stockwell: Ms. Stockwell said this is as of the end of last year. We are going to take something out this year. We are working on that right now. We have a huge volume of claims we are processing right now.

Mr. Williams: Mr. Williams said so actually of the \$9,000,000 in the General Fund that includes the \$2,800,000 we have reserved for specific purposes.

Ms. Stockwell: Ms. Stockwell said that is correct.

Mr. Greenfield: Mr. Greenfield said in what Ms. Stockwell explained to him that in the \$2,700,000 is part of that rainy day fund.

Ms. Stockwell: Ms. Stockwell said yes. That was set by this board for that specific purpose.

Mr. Greenfield: Mr. Greenfield asked if she would agree with him that it is raining.

Ms. Stockwell: Ms. Stockwell said yes, but unfortunately this is not a short-term event. This is a long-term event; so you all are stewards of the immediate, what's happening

now but also what's happening in the longer term. The indicators that are pointing down are not going to suddenly start pointing up.

Mr. Greenfield: Mr. Greenfield said he would like to paint the glass half full instead of half empty, but there are some possibilities that the county may take in some new revenue next year.

Ms. Stockwell: Ms. Stockwell said there is a possibility she could win the lottery. It could happen.

Mr. Greenfield: Mr. Greenfield wished her well.

Mr. Dudley: Mr. Dudley wanted to remind them not to forget that last year we did refund \$1,000,000 of reserves back to the tax payers. Over the course of the last several years we have zeroed out a lot of these levies that we are having to raise back up because we dwindle down the reserves. He wanted to make that well known to the public.

ROLL CALL.

Ayes: Cox, Drobisch, Greenfield, Hogan, Jacobs, Little, Mattingley

Nays: Ashby, Baxter, Dawson, Dudley, Dunn, Meachum, Minich, Oliver, Potts, Taylor, Williams

AYES: 7

NAYS: 11

MOTION FAILED. (AMENDMENT TO B-5-11-13)

ROLL CALL.

Ayes: Ashby, Baxter, Dawson, Dudley, Dunn, Meachum, Minich, Oliver, Potts, Taylor, Williams

Nays: Cox, Drobisch, Greenfield, Hogan, Jacobs, Little, Mattingley

AYES = 11

NAYS = 7

MOTION CARRIED. (MAIN MOTION B-5-11-13 AS PRESENTED)

6. Mr. Ashby presented Resolution B-6-11-13 which is establishing a tax levy for Insurance Loss and Liability Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mr. Dudley to approve Resolution B-6-11-13.

MOTION TO AMEND

Mrs. Little moved, seconded by Mr. Hogan to amend Resolution B-6-11-13 to reduce the levy to last year's level of \$700,000.

Mr. Dudley: Mr. Dudley asked if this proposal was made in finance committee.

Mrs. Little: Mrs. Little said no, and neither was the next one.

ROLL CALL.

Ayes: Cox, Drobisch, Greenfield, Hogan, Jacobs, Little, Mattingley

Nays: Ashby, Baxter, Dawson, Dudley, Dunn, Meachum, Minich, Oliver, Potts, Taylor, Williams

AYES = 7

NAYS = 11

MOTION FAILED. (TO AMEND RES. B-6-11-13)

ROLL CALL.

Ayes: Ashby, Baxter, Dawson, Dudley, Dunn, Meachum, Minich, Oliver, Potts, Taylor, Williams

Nays: Cox, Drobisch, Greenfield, Hogan, Jacobs, Little, Mattingley

AYES = 11

NAYS = 7

MOTION CARRIED. (MAIN MOTION B-6-11-13 AS PRESENTED)

7. Mr. Ashby presented Resolution B-7-11-13 which is establishing a tax levy for Judgment Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mr. Meachum to approve Resolution B-7-11-13.

MOTION TO AMEND

Mrs. Little moved, seconded by Mr. Hogan to amend Resolution B-7-11-13 to reduce the levy to last year's level of \$325,000.

Mr. Dudley: Mr. Dudley asked if this proposal was made in finance.

Mr. Greenfield: Mr. Greenfield said he believes it was.

Mr. Dunn: Mr. Dunn said Linda already answered no on that one.

Mrs. Little: Mrs. Little said she did not make the proposal in finance.

Mr. Oliver: Mr. Oliver asked the auditor to comment on this.

Ms. Stockwell: Ms. Stockwell said this is a somewhat different situation, because our expenses in both insurance and judgment are of course unknown. We are attempting to smoothly and gradually move back to where we were when we gave the taxpayers back excess reserves. We did that several years ago. When she talks about this in finance she always says we are turning the boat. We are attempting to provide a smooth glide path from that zero level that you all did to give the taxpayers the benefit of the reserves back to the current level. In this case there is more uncertainty than there is in some of the other funds. In Social Security we can figure out exactly what that is based on the people we have standing here. For both insurance and judgment, we are making our best educated guess. It is not the same situation. If you chose to make a different guess that.... We are attempting a smooth glide path. If you want the glide path to be different that is certainly possible.

Mr. Oliver: Mr. Oliver asked what the liability has been to the Judgment fund, on the average, for the last three years.

Ms. Stockwell: Ms. Stockwell said we have been reasonably lucky. She said to look on page 229. We have been running as low as \$350,000 and as high as \$700,000. It depends on what claims are brought, and that is the most uncertain of any of the funds that we have.

Mr. Oliver: Mr. Oliver asked if that is averaging about \$400,000.

Ms. Stockwell: Ms. Stockwell said she would say about \$500,000. That is in the absence of any.... We've definitely had claims that could have turned into much more than that, which haven't. You never know what tomorrow brings.

ROLL CALL.

Ayes: Cox, Drobisch, Greenfield, Hogan, Jacobs, Little, Mattingley

Nays: Ashby, Baxter, Dawson, Dudley, Dunn, Meachum, Minich, Oliver, Potts, Taylor, Williams

AYES = 7

NAYS = 11

MOTION FAILED. (AMENDMENT TO RES. B-7-11-13)

ROLL CALL.

Ayes: Ashby, Baxter, Dawson, Dudley, Dunn, Meachum, Minich, Oliver, Potts, Taylor, Williams

Nays: Cox, Drobisch, Greenfield, Hogan, Jacobs, Little, Mattingley

AYES = 11

NAYS = 7

MOTION CARRIED. (MAIN MOTION B-7-11-13 AS PRESENTED)

8. Mr. Ashby presented Resolution B-8-11-13 which is establishing a tax levy for Health Department Unit Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mrs. Cox to approve Resolution B-8-11-13.

There were no questions or comments from the board floor.

ROLL CALL.

Ayes: Ashby, Baxter, Cox, Dawson, Drobisch, Dudley, Dunn, Greenfield, Hogan, Jacobs, Little, Mattingley, Meachum, Minich, Oliver, Potts, Taylor, Williams

Nays: (None)

AYES = 18

NAYS = 0

MOTION CARRIED.

9. Mr. Ashby presented Resolution B-9-11-13 which is establishing a tax levy for County Highway Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mr. Potts to approve Resolution B-9-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

10. Mr. Ashby presented Resolution B-10-11-13 which is establishing a tax levy for Matching Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mrs. Cox to approve Resolution B-10-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

11. Mr. Ashby presented Resolution B-11-11-13 which is establishing a tax levy for County special Bridge Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mr. Oliver to approve Resolution B-11-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

12. Mr. Ashby presented Resolution B-12-11-13 which is establishing a tax levy for DPBC Lease Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mrs. Cox to approve Resolution B-12-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

13. Mr. Ashby presented Resolution B-13-11-13 which is establishing a tax levy for Historical Museum Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mr. Potts to approve Resolution B-13-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

14. Mr. Ashby presented Resolution B-14-11-13 which is establishing a tax levy for the Veterans Commission Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mrs. Cox to approve Resolution B-14-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

15. Mr. Ashby presented Resolution B-15-11-13 which is establishing a tax levy for Mental Health Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mrs. Little to approve Resolution B-15-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

16. Mr. Ashby presented Resolution B-16-11-13 which is establishing a tax levy for Macon County Extension Fund purposes.

MOTION

Mr. Ashby moved, seconded by Mr. Meachum to approve Resolution B-16-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

17. Mr. Ashby presented Resolution B-17-11-13 which is authorization for Tax Anticipation Warrants against levies for various funds herein.

MOTION

Mr. Ashby moved, seconded by Mr. Oliver to approve Resolution B-17-11-13 by prior roll call vote.

There were no questions or comments from the board floor.

MOTION CARRIED.

18. Mr. Ashby presented Resolution B-18-11-13 which is approving the 2013-2014 budget.

MOTION

Mr. Ashby moved, seconded by Mr. Potts to approve Resolution B-18-11-13.

There were no questions or comments from the board floor.

ROLL CALL.

Ayes: Ashby, Baxter, Dawson, Dudley, Dunn, Meachum, Minich, Oliver, Potts, Taylor, Williams

Nays: Cox, Drobisch, Greenfield, Hogan, Jacobs, Little, Mattingley

AYES = 11

NAYS = 7

MOTION CARRIED.

There were no citizens' remarks presented at the meeting.

OFFICEHOLDERS' REMARKS:

Mrs. Little: Mrs. Little wanted to thank the Finance Committee we did work very hard on this budget. However, she is disappointed that with a \$7,000,000 to \$9,000,000 reserve balance in our General Fund, and each of our other funds having approximately 3 months reserves in them, that we couldn't support cutting the levy by \$460,000.

Mr. Ashby: Mr. Ashby thanked all of the members of the Finance Committee for all of the hard work they put in on this. This was a difficult year and next year will probably be even more difficult. He wanted to thank everyone that participated and especially the officeholders who were very accommodating.

Mr. Dunn: Mr. Dunn said he would like to echo Linda and Keith. The Finance Committee faced a tough year, and next year is going to be even tougher. We've seen our sales tax going down in Macon County and LEST, and the EAV going down. Our population is going down. It makes it tough. We do have some reserves that we have taken many years to build up. Last year's budget, that is not over, we anticipated spending \$1,600,000 out of reserves and this 2014 budget anticipates spending \$2,600,000 out of those reserves. Mr. Dunn said if that happens that will get us down to

kind of a critical number on what the Finance Committee set for reserves. Time will tell. He appreciates all the effort and time put in it from everyone here and the board. Everyone has their own ideas on it. It is tough times, and he just appreciated everyone's help.

There was no old business presented at the meeting.

There was no new business presented at the meeting.

MOTION TO ADJOURN

Mr. Potts moved, seconded by Mr. Drobisch to adjourn until Thursday, December 12, 2013 at 6:00 p.m.

MOTION CARRIED.

Meeting adjourned at 6:46 p.m.