



Finance Committee Meeting Minutes

Lee County, Illinois

Apr 11, 2024 at 9:00 AM CDT

Old Lee County Courthouse, Third Floor Boardroom, 112 E Second St, Dixon, IL 61021

I. Call to Order

Meeting was called to order at 9:02 a.m., by Chair Jim Schielein.

II. Committee Member Roll Call: Chair Jim Schielein, Vice Chair Mike Book, Tom Kitson, Lirim Mimini, Tim Bivins, Nancy Naylor

Jim Schielein, Mike Book, Lirim Mimini, Tim Bivins, and Nancy Naylor all attended in person. Tom Kitson attended via Zoom video conferencing.

Also present: Dean Freil, Keane Hudson, Mike Koppien, Bob Olson, and Jack Skrogstad (Board Members), Charley Boonstra (State's Attorney), Jeremy Englund (Administrator), Sara Leisner (ARPA Grant Coordinator), Laura Mangrum (Deputy Zoning Administrator), Reid Mitchell (Financial Director), Nancy Petersen (County Clerk and Recorder), Clay Whalen (Sheriff), and Becky Brenner (Board Secretary) all attended in person.

Discussion during attendance:

- Charley Boonstra reported that Sara Leisner spent a great deal of time spearheading the submission of the OVW grant extension. The amount requested was roughly \$806,000. The grant, if awarded would run October of 2024 through September 30, 2027, and would benefit the County in many areas. 75% or more of the funding would go towards sexual assault programs.
- Laura Mangrum shared information with the committee regarding the County floodplain status. She provided a summary of the information that will be attached to a copy of the minutes and included in the April County Board agenda packet.

III. Public Visitors

Josh Faivre (Audit Manager at WIPFLI) was present in person to walk the committee through the FY2023 audit report.

IV. Approval of Minutes from Previous Meeting - (March 14, 2024)

Motion to approve the minutes from the March 14, 2024, Finance Committee Meeting. **Moved** by Nancy Naylor. **Second** by Tim Bivins. **Motion** passed unanimously by voice vote.

V. Treasurer's Monthly Financial Report

Reid Mitchell walked the committee through the Treasurer's Monthly Financial Report. Following are the highlights:

- The general fund is roughly \$163,000 over last year's comparison due primarily to the increase in CIRMA insurance and \$35,000 that was required for a health insurance reserve fund.
- Budgeted revenues are in line with last year's comparisons with what is yet to be collected.
- The cash balance is lower than last year's comparisons because of capital improvement projects throughout the County.
- The County has received the \$1.16 million from the New Courts Technology Grant.
- As cautioned by the State, the PPRT has decreased.

VI. Treasurer's Quarterly Financial Report – Presented every December, March, June, September

The next quarterly report will be presented in June of 2024.

VII. Insurance Committee and GREDCO Reports

There was no report from the Insurance Committee.

VIII. Administrator Report

Jeremy Englund reported the following information:

- Upgrades associated with the Technology Grant are expected to be completed by the end of June.

IX. ARPA

A. *Quarterly Report*

Sara Leisner walked the committee through the ARPA Quarterly Report. The report will be attached to the minutes and included in the April County Board agenda packet.

Sara also reminded the committee that ARPA administrative fees have been allocated through December 31, 2024, but reporting will continue into 2027.

X. Approval of Monthly Joseph E. Meyer Resolution(s):

There were no Joseph E. Meyer reports in April.

XI. Unfinished Business

There were no items under Unfinished Business.

XII. New Business

A. *BAR Form for Allied Facility Partners*

Jeremy Englund explained that at the November 21, 2023, Lee County Board Meeting, the County Board approved the \$4.25 million contract from Allied Facility Partners for the Courts Building HVAC Project. In conversation the understanding was that up to \$2.9 million would fall under ARPA funding. He went on to reported that the County had received a second invoice for this

project in the amount of \$460,225.58 and that the project could be completed as early as the end of May.

Motion to approve the expenditure of \$460,225.58 from ARPA Funds to pay Invoice #85, from Allied Facility Partners and move to the Executive Committee for inclusion on the April County Board agenda. **Moved** by Tim Bivins. **Second** by Nancy Naylor. **Motion** passed unanimously by voice vote.

B. Resolution Authorizing Treasurer's Office Signature Authority

Reid Mitchell explained that the change to this resolution was a request from the banks to clarify employee titles. No other changes were made.

Motion to move the Resolution Authorizing Treasurer's Office Signature Authority to the Executive Committee for the inclusion on the April County Board agenda. **Moved** by Lirim Mimini. **Second** by Tim Bivins. **Motion** passed unanimously by voice vote.

C. Presentation and Approval of WIPFLI Audited Financial Statements and Reports

Josh Faivre walked the committee through the PowerPoint presentation he provided. The presentation spelled out information gleaned through the auditing process and will be attached to a copy of the minutes and included in the April County Board agenda packet.

1. Financial Report - County - 2023

Motion to approve the FY2023 County Audit and move to the Executive Committee for inclusion on the April County Board agenda. **Moved** by Nancy Naylor. **Second** by Tim Bivins. **Motion** passed unanimously by voice vote.

D. Presentation and Approval of WIPFLI Required Communications Letter

Motion to approve the WIPFLI Required Communications Letter and move to the Executive Committee for inclusion on the April County Board agenda. **Moved** by Tim Bivins. **Second** by Nancy Naylor. **Motion** passed unanimously by voice vote.

E. BAR Form - Purchase of Satellite Connectivity and Equipment - EMA

This item was tabled earlier in the week by the Public Safety Committee. The item was not discussed, and no action was taken.

F. Board Member Retreat for Budget Process Discussion

Because of employee and Board Members turnover in the last few years, the committee discussed putting together a retreat on June 4, 2024, to education everyone on the County's financial make up and the budget process. Sandwiches would be served at 5:30 p.m. and the retreat would run from 6:00 - 8:00 p.m. The meeting would be on Zoom for anyone that was not able to attend in person.

Motion to approve the June 4, 2024, Budget Retreat. **Moved** by Nancy Naylor. **Second** by Tim Bivins. **Motion** passed unanimously by voice vote.

G. Sheriff's Report form Public Safety - Detailing events within the Department - Information Only

Clay Whelan asked that his report from Public Safety be added to the Finance Committee agenda so Board Members would be up to speed on the events happening at the Sheriff's Office. He also explained that the contracts for law enforcement services for the Villages of Ashton and Franklin Grove had been approved and signed. Services will start May 1, 2024, and a squad car had been purchased and will be outfitted.

XIII. Executive Session:

There was no request for an Executive Session.

XIV. Adjournment

Motion to adjourn at 9:54 a.m. **Moved** by Nancy Naylor. **Second** by Tom Kitson. **Motion** passed unanimously by voice vote.

The next Finance Committee Meeting is scheduled for
9:00 a.m., on Thursday, May 16, 2024

Respectfully submitted by:
Becky Brenner - Board Secretary



On March 22 we had our state audit with Erin Conley of IDNR and were given a list of previously identified properties from 2022 that had to still be dealt with in addition to properties we have identified.

I gave a brief summary of the floodplain in Lee County, noting that we have roughly 1620 properties in the floodplain but only 52 NFIP policies. This is a problem because when a flooding event happens homes without flood insurance will have no claims, and with an inch of water causing an average of \$25,000 in damage that could leave residents looking to the county for assistance that we can't provide. We could end up with damaged or even abandoned properties due to lack of funds.

Assistance without insurance would come from a Presidential Disaster Declaration which has to be requested by the governor. Those are only usually for very large floods. The average FEMA payout from the Individual and Household Program is less than \$6000. SBA makes low interest loans available but you have to qualify for them and of course pay them back.

The average NFIP payment between 2015-2019 was \$69,000 and doesn't require a declaration.

The problem is most people who don't have to buy flood insurance because of loan requirements won't because it can be expensive.

I am working on entering us into the CRS (community rating system) program in which we earn points for going above and beyond the minimum requirements. As we accumulate points we move up levels. Every level is another 5% in premium reduction.

The more we do, the more we lower policies and hopefully it will encourage people to protect themselves with insurance. Doing these activities will also make the floodplain and the public safer as well.

One of the largest components is bringing violations into compliance. As we move into this phase, your support will be essential. I am approaching this from a standpoint of education and a plan for moving forward. If anyone has questions please direct them to me and I will be happy to walk them through everything.

Thank you,

Laura Mangrum, CFM
Deputy Zoning Administrator

Lee County, Illinois

Fiscal Year 2023

Audit Recap

Josh Faivre, CPA
Senior Manager
815.265.6803
jfaivre@wipfli.com

April 11, 2024

wipfli.com



WIPFLI

Auditor's Reports

- Independent Auditor's Report – County
 - ▶ Clean “unmodified” opinion on basic financial statements
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Performed in Accordance with *Government Auditing Standards – County*
 - ▶ No findings over internal control or compliance.
- Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance - County
 - ▶ Clean “unmodified” opinion – no findings over internal control or compliance
- Circuit Clerk audit
 - ▶ No findings on fees and fines

Things to Note:

- County expended \$5,426,774 of federal funds during FY23.
 - ▶ State and Local Fiscal Recovery (ARPA) and Public Transportation tested as major federal program.
- ARPA Funds \$3,240,015 remaining to be spent as of November 30, 2023.
- Net pension asset increased to an overall liability of \$5.6 million as result of investment returns – overall net investment loss of \$9.8 million.
- \$632k of principal paid on long-term debt in FY23.
- The County had \$30k of cash not fully collateralized and insured at Community State Bank as of November 30, 2023.

Change in Governmental Funds – Current Year to Prior Year

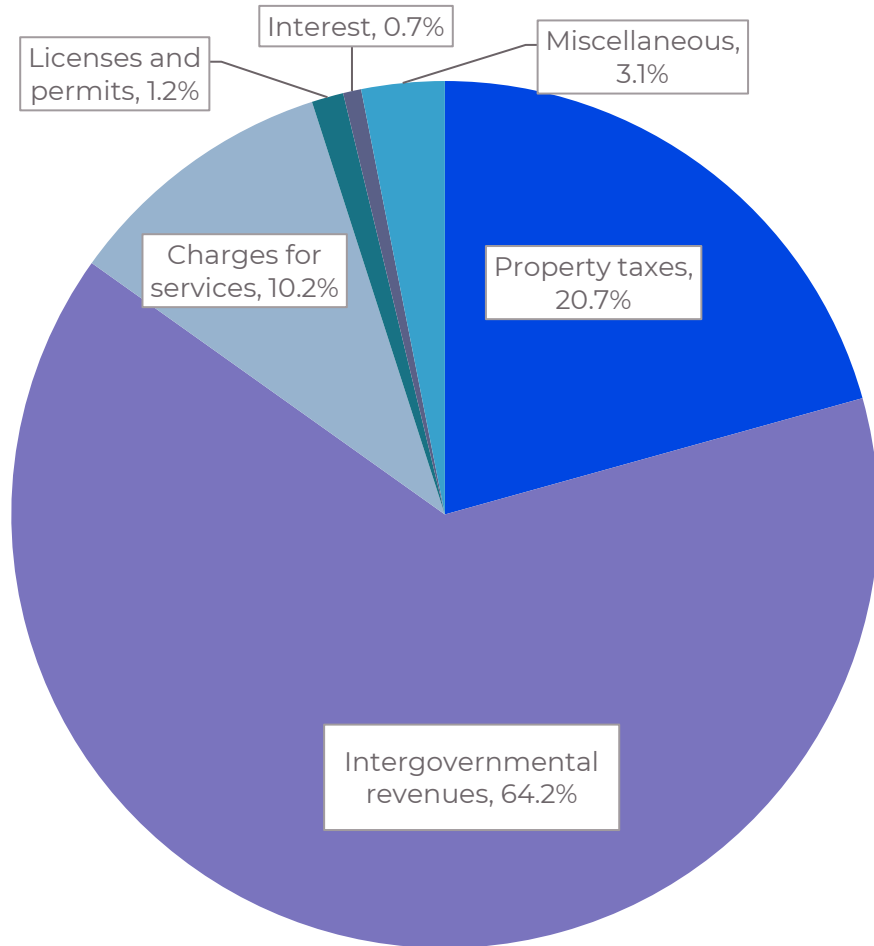
	2023	2022	Change
Revenues:			
Taxes	\$8,277,055	\$7,805,053	\$472,002
Intergovernmental	18,187,902	24,224,784	-6,036,882
Charges for services	4,194,770	3,847,456	347,314
Licenses and permits	908,006	448,001	460,005
Interest	1,069,767	254,680	815,087
Miscellaneous	946,420	1,169,198	-222,778
Total revenues	33,583,920	37,749,172	-4,165,252
Expenditures:			
Current:			
General control and administration	12,728,976	12,877,926	-148,950
Public safety	5,849,523	5,301,748	547,775
Judiciary and courts	3,536,565	3,146,600	389,965
Transportation	3,076,763	5,798,450	-2,721,687
Public health	2,022,184	2,055,911	-33,727
Debt service:			
Principal	632,418	616,965	15,453
Interest on long-term debt	385,434	408,330	-22,896
Capital outlay	2,573,121	1,477,950	1,095,171
Total expenditures	30,804,984	31,683,880	-878,896
Excess (deficiency) of revenues over expenditures	2,778,936	6,065,292	-3,286,356
Other financing sources (uses):			
Transfer in	4,203,058	4,812,378	-609,320
Transfer out	-4,203,058	-4,812,378	609,320
Total other financing sources (uses)	0	0	0
Net change in fund balance	2,778,936	6,065,292	-3,286,356
Fund balances, beginning of year	27,606,727		
Fund balances, end of year	\$30,385,663		

Change in County General – Current Year to Prior Year

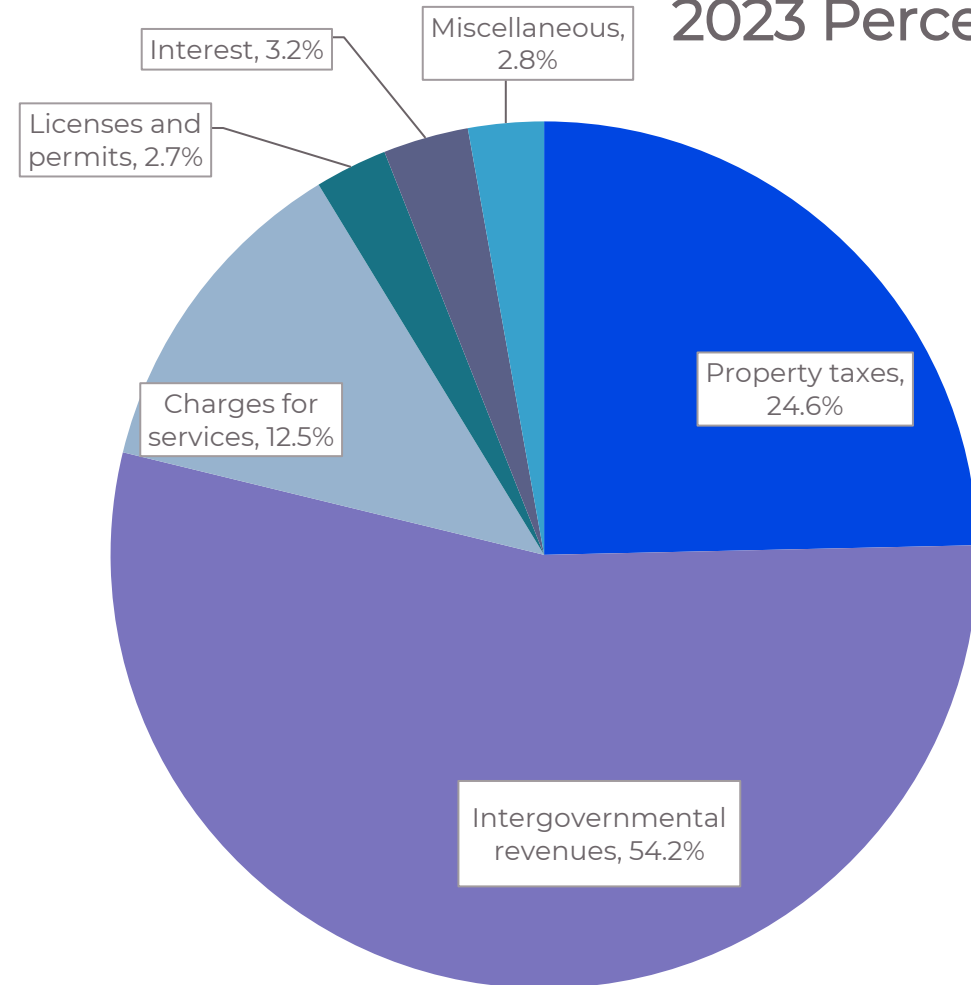
	2023	2022	Change
Revenues:			
Property taxes	\$6,422,123	\$6,082,926	\$339,197
Intergovernmental revenues	6,720,766	6,791,770	-71,004
Charges for services	2,417,038	2,148,658	268,380
Licenses and permits	638,717	280,216	358,501
Interest	645,125	135,266	509,859
Miscellaneous	458,543	751,389	-292,846
Total revenues	17,302,312	16,190,225	1,112,087
Expenditures:			
Current:			
General control and administration	6,415,694	6,209,914	205,780
Public safety	5,348,313	4,902,407	445,906
Judiciary and courts	2,877,142	2,535,964	341,178
Public health	111,579	160,983	-49,404
Debt service:			
Principal	632,418	616,965	15,453
Interest on long-term debt	385,434	408,330	-22,896
Capital outlay	359,584	352,322	7,262
Total expenditures	16,130,164	15,186,885	943,279
Excess (deficiency) of revenues over expenditures	1,172,148	1,003,340	168,808
Other financing sources (uses):			
Transfer in	2,665,773	4,201,423	-1,535,650
Transfer out	-2,253,653	-3,372,271	1,118,618
Total other financing sources (uses)	412,120	829,152	-417,032
Net change in fund balance	1,584,268	1,832,492	-248,224
Fund balances, beginning of year, restated	15,413,637	13,581,145	
Fund balances, end of year	\$16,997,905	\$15,413,637	

Revenue by Function

2022 Percentage

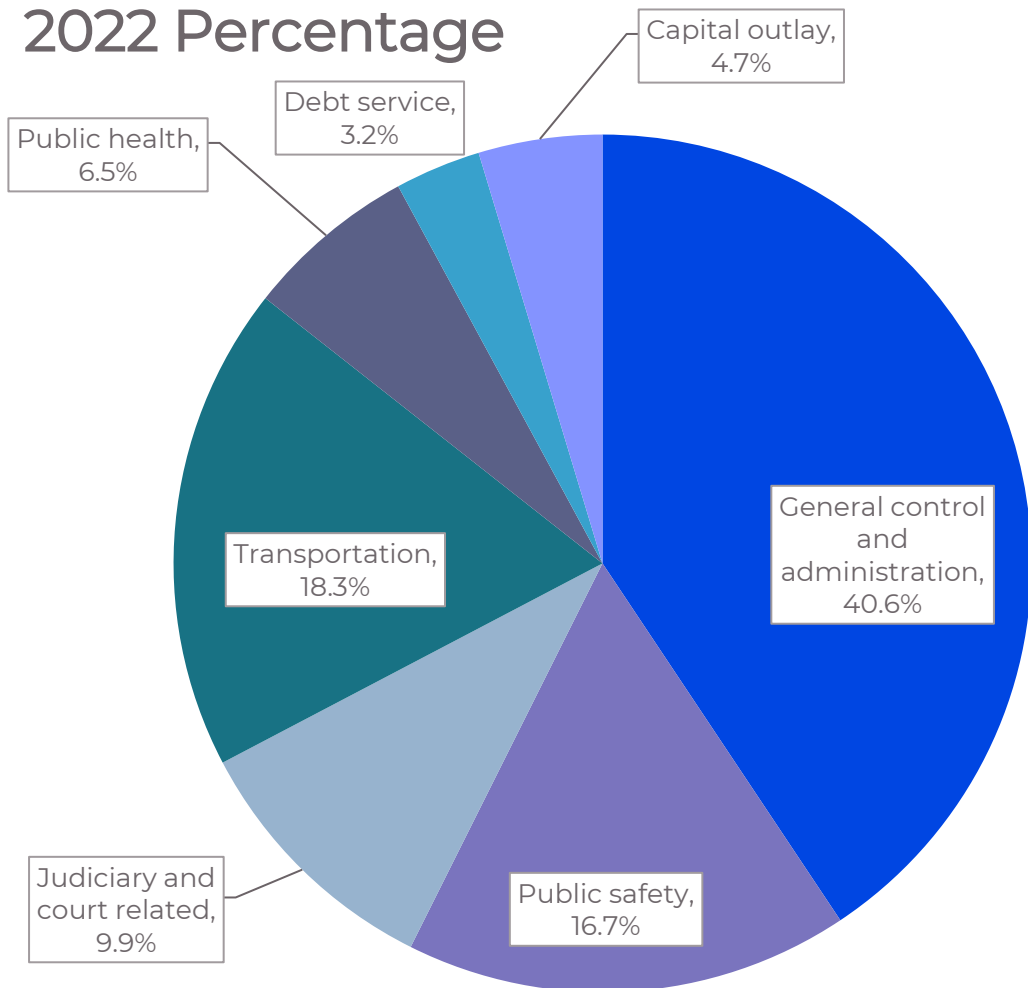


2023 Percentage

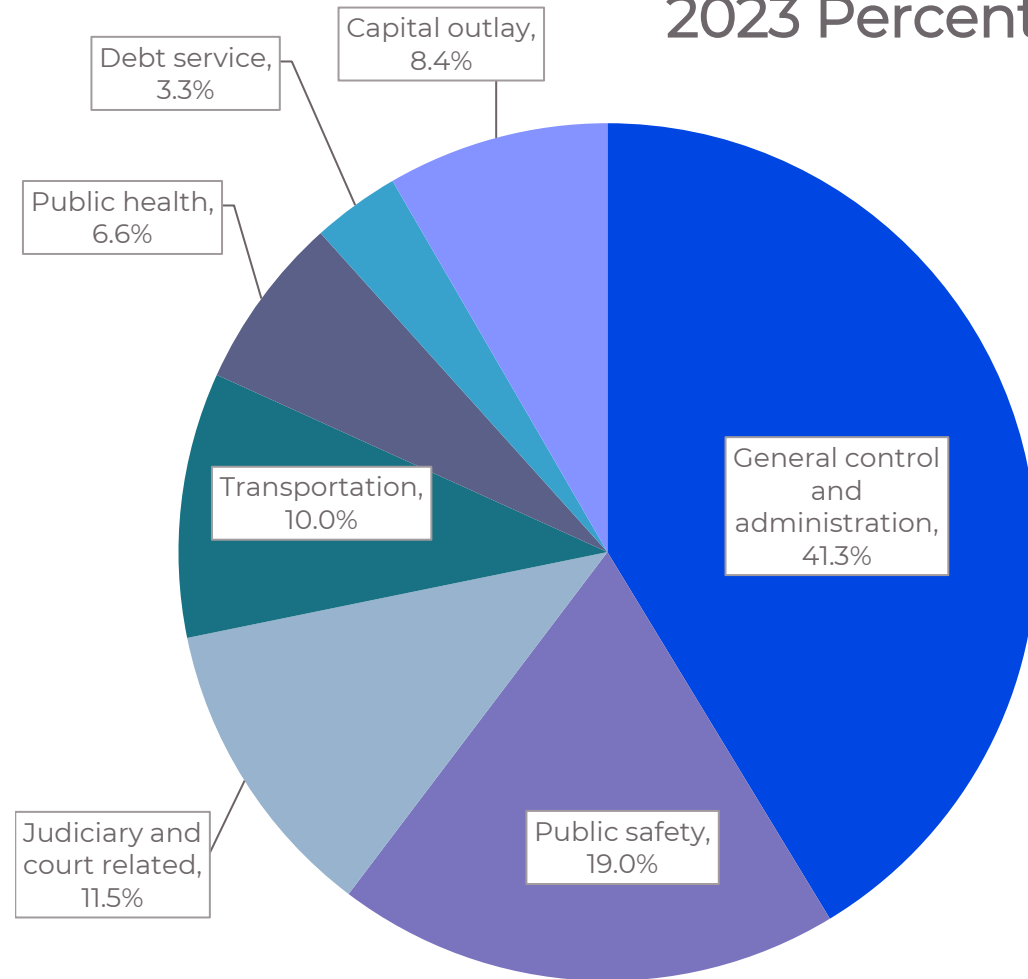


Expenses by Function

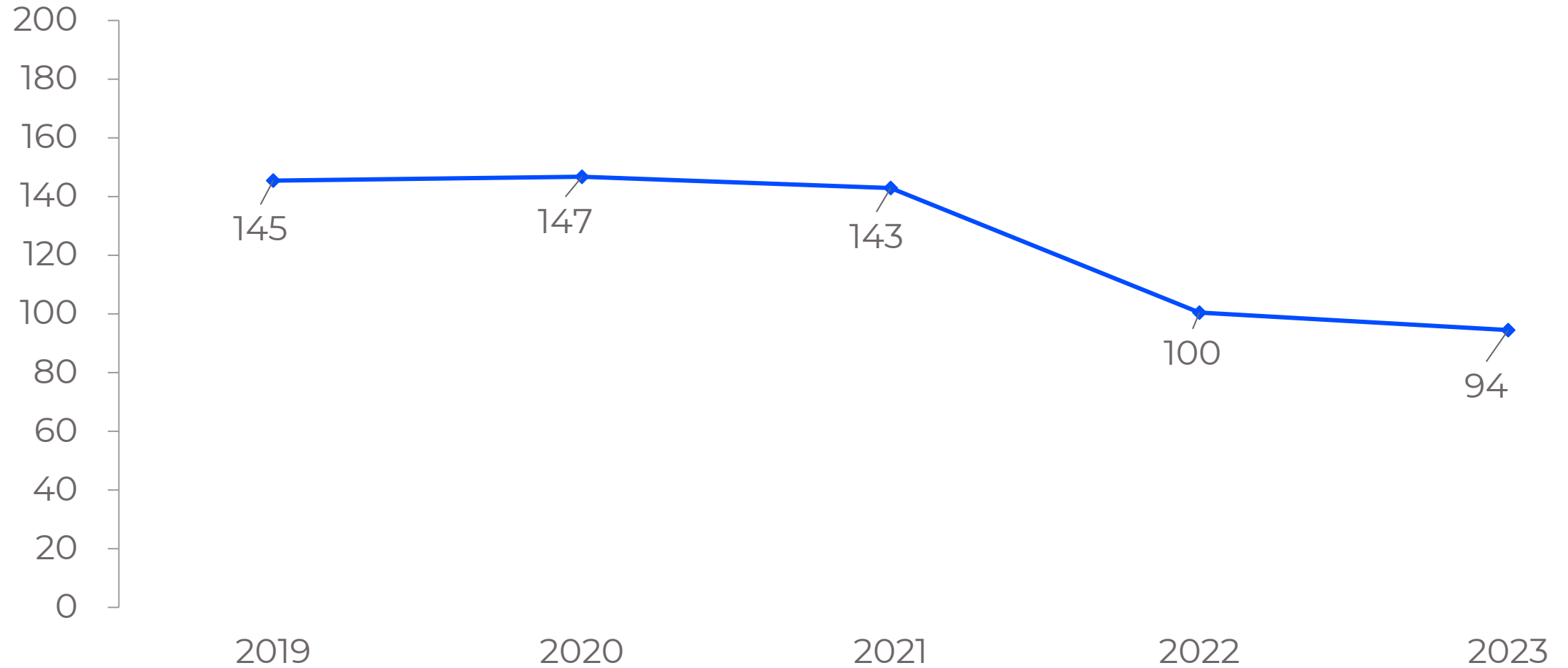
2022 Percentage



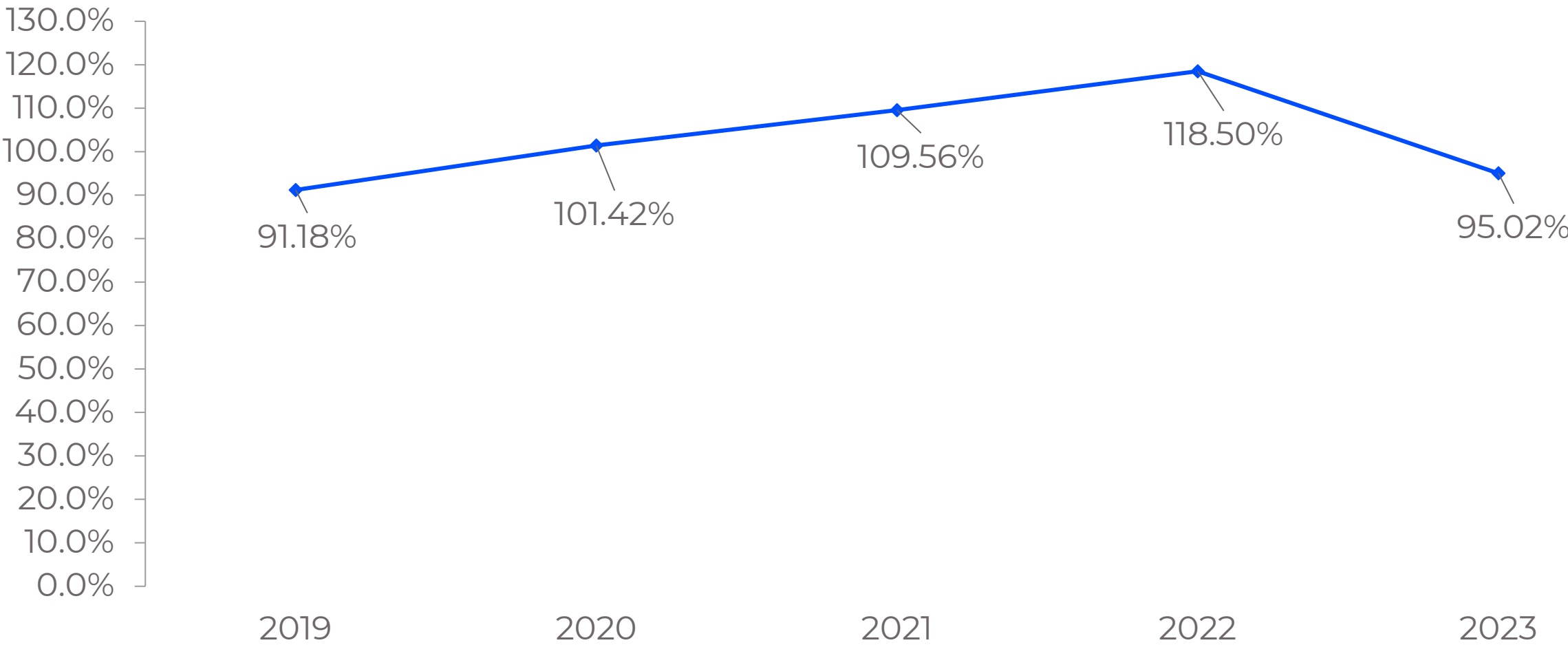
2023 Percentage



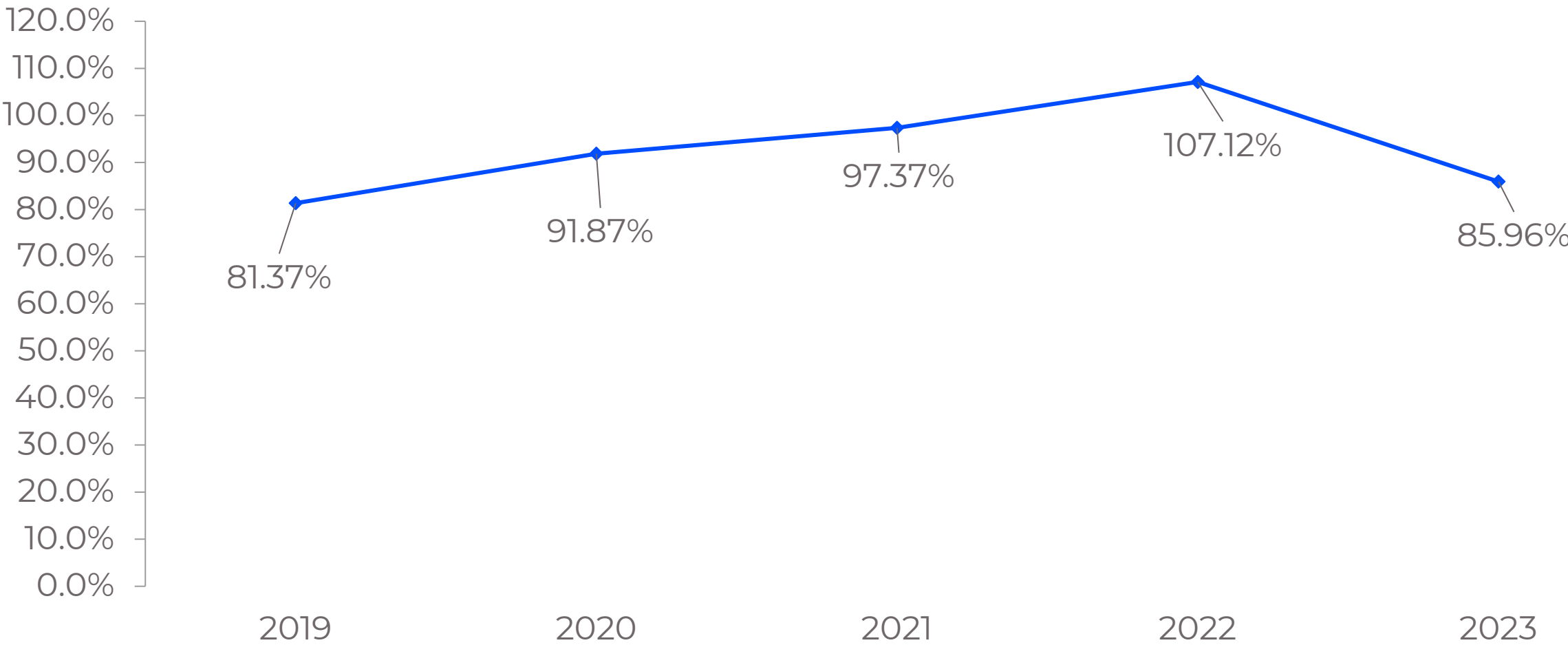
Days in Fund Balance – County General



IMRF Funded Ratio – Regular Plan



IMRF Funded Ratio – SLEP Plan



The

Wipfli

Way





APRIL 2024

Program Updates

- Total Award of \$6,622,748.00. Must be expended by or obligated by 12/31/2024 and fully expended no later than 12/31/2026.

- Approved ARPA Expenditures this quarter:
 - January 2024
\$381,186.74 Equipment for Courts Building HVAC project
 - February 2024
No ARPA Expenditures
 - March 2024
No ARPA Expenditures

Financial Update

\$4,180,107.17 has been allocated to pending projects. We currently have **\$2,442,640.83 funds available** to be distributed by the Finance Committee for Lee County Capital Projects. Please see attached spreadsheet for details regarding approved projects.

Category Breakdown of ARPA Expenses Approved

General Requests	\$1,884,233.34
Small Business	\$489,584.00
Community Service Agencies	\$138,929.50
Business/Economic Development	\$365,000.00
Capital Projects	\$1,302,360.03

If a Department/Committee would like to request use of ARPA Funds for a Capital expense, complete the Board Action Request form and indicate ARPA funds for the expense. The request will be reviewed at the Finance Committee.

Annual ARPA Project and Expenditure Report is due to Treasury April 30, 2024 for expenditures April 1, 2023-March 31, 2024.

Approved Projects that are completed and have remaining balances will be addressed in July 2024 ARPA Quarterly Report for reallocation of remaining funds.

Administrative fees for staff for years 2025, 2026 will be addressed in the July 2024 ARPA Quarterly Report.

Next ARPA Quarterly report to Finance is July 11, 2024

Finance/Board Actions

	Request	ARPA Approval	Board Approval	New Approved	Expended	Balance remaining
2021-ARPA - 1	GR Driveway Maintenance, Kitchen, Deliveries	9/9/2021		\$17,775.00	\$17,775.00	\$0.00
2021-ARPA - 2	GR Election Equipment	9/9/2021		\$197,750.00	\$197,750.00	\$0.00
2021-ARPA - 3	CS Next Picture Show	12/9/2021		\$9,537.50	\$9,537.50	\$0.00
2021-ARPA - 4	GR Regional Office of Education	11/4/2021		\$25,334.00	\$25,334.00	\$0.00
2021-ARPA - 5	GR County Board Technology Upgrades	11/4/2021		\$248,574.59	\$248,574.59	\$0.00
2022-ARPA-1	GR Sauk Valley Ag Program	1/6/2022		\$100,000.00	\$100,000.00	\$0.00
2022-ARPA-2	GR Lee County Tourism	1/6/2022		\$22,000.00	\$22,000.00	\$0.00
2022-ARPA-3	BE Health Dept Fees (\$60K for 2 years)	2/10/2022		\$120,000.00	\$102,336.00	\$17,664.00
2022-ARPA-4	GR Dixon Historic Theatre	5/5/2022	5/19/2022	\$100,000.00	\$100,000.00	\$0.00
2022-ARPA-5	BE Matching funds for Rochelle/Steward Grant	5/5/2022	5/19/2022	\$75,000.00	\$75,000.00	\$0.00
2022-ARPA-6	BE IDOT Planning Grant for Bike Paths(raise grant)	5/5/2022	5/19/2022	\$60,000.00	\$4,732.15	\$55,267.85
2022-ARPA-7	GR LCSD Portable & Mobile Radios			\$24,399.75	\$24,399.75	\$0.00
2022-ARPA-8	GR Old Courthouse HVAC	7/7/2022	7/21/2022	\$299,900.00	\$299,900.00	\$0.00
2022-ARPA-9	GR Fire Dept's	8/11/2022	8/25/2022	\$100,000.00	\$99,053.89	\$946.11
2022-ARPA-10	GR Fair Grounds	8/11/2022	8/25/2022	\$236,000.00	\$213,187.93	\$22,812.07
2022-ARPA-11	GR Highway Dept Culvert project	8/11/2022	8/25/2022	\$250,000.00	\$250,000.00	\$0.00
2023-ARPA-1	BE Tourism Grant Match	1/12/2023	1/19/2023	\$40,000.00	\$40,000.00	\$0.00
2023-ARPA-2	GR Sheriff's Dept Polycom Suite	1/12/2023	1/19/2023	\$12,500.00	\$11,175.00	\$1,325.00
2023- ARPA-3	BE LCIDA - 2 Year commitment \$35K each year	2/16/2023	2/23/2023	\$70,000.00	\$35,000.00	\$35,000.00
2023- ARPA-4	CP Engineering Development for HVAC Project		11/21/2023	\$188,132.00	\$188,132.00	\$0.00
2024-ARPA-1	CP Courts HVAC Equipment		1/18/2024	\$381,186.74	\$381,186.74	\$0.00
2022-ARPA-SS-1	CS Social Service Agencies	11/4/2021	3/24/2022	\$129,392.00	\$129,392.00	\$0.00
2022-ARPA-SB-1	SB Small Business Program	7/1/2022	7/21/2022	\$489,584.00	\$489,584.00	\$0.00
2022-CP-ARPA-1	CP Boiler - Courts Addition	8/11/2022	8/25/2022	\$209,800.00	\$209,800.00	\$0.00
2022-CP-ARPA-2	CP Board Chair Conference Room		2/23/2023	\$28,878.88	\$28,535.24	\$343.64
			Additional funds			
2022-CP-ARPA-3	CP Move IT Servers to Courts Building		8/25/2022	\$21,278.71	\$21,278.71	\$0.00
2022-CP-ARPA-4	CP Network Switches			\$9,626.00	\$0.00	\$9,626.00
2022-CP-ARPA-5	CP Lead Abatement			\$1,018.00	\$1,018.00	\$0.00
2022-CP-ARPA-6	CP Courts Building Elevator			\$300,000.00	\$249,768.72	\$50,231.28
2022-CP-ARPA-7	CP Asbestos removal (Former LEC)			\$29,940.00	\$29,940.00	\$0.00
2022-CP-ARPA-8	GR Abandoned Properties	7/7/2022		\$100,000.00	\$43,920.20	\$56,079.80
2022-CP-ARPA-9	CP Old Courthouse Elevator Repairs	10/18/2022	10/18/2022	\$132,500.00	\$60,492.82	\$72,007.18
Admin Fees	GR			\$148,920.00	\$115,760.70	\$33,159.30
Boardmember Fees	GR			\$1,080.00	\$1,080.00	\$0.00
				\$4,180,107.17	\$3,825,644.94	\$354,462.23
		Total ARPA		\$6,622,748.00		
		Total Approved		\$4,180,107.17		
		Total Available		\$2,442,640.83		
				\$2,797,103.06		