

**MINUTES
TAX/EDC COMMITTEE
March 27, 2008
@ 2:00 p.m.**

MEMBERS PRESENT:	Allen Mayer - Chairman William Watkins; James C. Dillon; Robert Baietto; Timothy D. Riegenbach - Board Members
MEMBERS ABSENT:	NONE
OTHERS PRESENT:	William R. Prather - County Board Chairman; Merle Widmer - County Board Vice Chairman; Scott Sorrel - Assistant to the County Administrator; William Atkins - SAO; Erik Bush – Chief Financial Officer; Bradley Horton – County Recorder; Dave Ryan – Supervisor of Deeds; Randy Brunner – Budget Analyst; Tripp O'Connor, Nicole Demetreas – Treasurers Office; Steve Sonnemaker, Lyn Schmidt - County Clerk's Office; Gary Shadid, Nancy Horton, Colleen Whalen - Board of Review; Sally Hanley, Vickie Clark – EDC; Perry Tate – Peoria County Citizen; Michelle Didesch - A+ Children's Academy

Chairman Mayer called the meeting to order at 2:01 p.m. A motion was made by Mr. Watkins and seconded by Mr. Baietto to approve the minutes of January 31, 2008. Motion carried.

Informational:

Monthly Departmental Budget Report

Mr. Brunner provided a report to the Committee regarding period 2. The monthly departmental budget report covers revenue and expenditure activity for the period ending February 29, 2008. He stated that revenues and expenditures should be approximately 17% of their budgeted levels on a prorated basis.

February revenues were as follows:

- Recorder of Deeds 11% of budget through 2008. Charges for services revenues have declined \$87,972 (-25%) from last year's level. Revenue Stamps revenue, is down \$63,809 (-42%) from 2007.
- County Clerk's revenue was at 12% through January 2008. The County Clerk's revenue has declined \$30,625 (-26%) from year ago levels, but have improved from January's level.
- Other February 2008 revenues and expenses across all the departments were routine.

Mr. Brunner provided a brief update regarding period 13. This budget report covered revenue and expenditure activity for fiscal year ending December 31, 2007. Revenues and expenses should be at 100% of their budgeted levels. He stated that the following departments were over budget for FY2007:

- Treasurer (178%); The Treasurer's office saw strong growth in late tax penalties, inheritance taxes, and interest income.
- Supervisor of Assessments (111%)
- Recorder of Deeds (109%)
- Veterans Assistance Commission (110%)
- All other revenues and expenses across all the departments were routine.

- TRANSPORT – Heart of Illinois Port District Minutes

No Comments

- Strategic Action Agenda

A detailed report was provided to the Committee members. No questions were raised.

Update:

- CDAP / GAP Loan Report / EDC Project

Mr. Brunner provided an update of detailed loan activity, an overall fund statement, and balance sheet for the month ending February 29, 2008. He said that as of February 29, 2008 payments were received from all loan recipients with the exception of Globe Energy, InPlay, and River Station. Globe Energy has not made a payment

on their loan since its inception in August 2007. InPlays' last payment was for May 2007. River Station's last payment was for August 2007. Three payments were received from the River Station in March 2008 but all have been returned NSF.

Ms. Hanley recapped that the River Station had encountered several forms of embezzlement that they are currently working through. She spoke with Mr. Nichols (owner of the River Station) and their lending institution regarding the status of Mr. Nichols' Gap Loan. Mr. Nichols indicated that he would be submitting (3) three certified checks payable to Peoria County to make good on the (3) three returned checks.

Mr. O'Connor asked if collection strategies are in process for the delinquent Gap Loan accounts. Mr. Atkins said that in regards to InPlay litigation was initiated by a lending institution and pending the outcome of that, the County will proceed thereafter with any legal action necessary to secure funds due. He said in regards to Globe Energy and River Station, he will wait on direction from the Committee before proceeding with any legal action. Mr. Dillon asked what is hindering Globe Energy from being fully operational in order to make at least one payment to their Gap Loan. Ms. Hanley said that Globe Energy is waiting on one final piece of "coding equipment" essential to them being able to operate the business and due to them having to pay for that equipment they have not been able to pay on their Gap Loan. She said that once they are operational she will bring a resolution to the Committee regarding any additional fees that would be due. Mr. Dillon asked the status of their loan with the City of Peoria. She said that they made a total of (2) two payments to date. Mr. O'Connor asked if they are in the red, and if their meetings with the Bank are regarding the need for more funds. She replied that the bank and private investors have been working with them on their cash and operating capital. Ms. Hanley said that she has been working with the SBA for more than a year and the \$1.4 mil from the SBA approval has not taken place because of pending documentation requested from SBA to take a look at the UK financials, (even though there is no "tie" between the two companies the U.K. financials is required and the current financials for the U.S. operations as well.) Conversion and format issues have also contributed to the delays. Ms. Hanley said that she has daily dialogue with the City of Peoria and the other providers regarding the status of these loans. *The Committee requested a summary regarding Globe Energy to be submitted before the next Committee meeting.*

Ms. Hanley provided an update to the Committee of the above referenced Companies. Ms. Hanley has current dialogue with these companies regarding their delinquencies and is in contact with lending institutions as well. *The Committee requested an up to date report on the status of the current Gap Loan recipients*

- *County Clerk's Office*

Mr. Sonnemaker provided an update to the Committee. He said that he sent out a letter last month to various County departments regarding combining resources between the County Clerk's Election Commission and the City Commission in order to fulfill the intent of the Mutual Aid Agreement. He said this process would have made it more convenient for the public. Mr. Sonnemaker said that the County pays out approximately \$700,000 per year to the City Commission to pay for election related expenses including, salaries and all benefits of the Director, Assistant Director and Commissioner. He said that the City Commission was not in favor at this time but did agree to locate their spare equipment in the Peoria County Courthouse to furnish a polling place for City voters.

Mr. Dillon asked what happens to left over money from the Election Commission going into the City of Peoria's coffers. Mr. Sonnemaker said that the County sends the money to the City Election and when a bill is received by the City, it is voted on by the City Election Commission to pay the bill. The bill is forwarded to the County Courthouse, signed off by a Judge and then back to City Hall to pay the bill. He said this process is repeated and he does not know what the City does with the balance but he advised Mr. Dillon to speak to the County Administrator for clarification on the process.

Mr. Widmer said that there is a possibility that in the future the two Election Commissions will be one unit. The Committee discussed in detail the advantages of combining resources. Mr. Sonnemaker provided a couple of scenarios regarding inconveniences voters encounter during voting season.

➤ Counter Transactions

Mr. Sonnemaker stated that there will be a \$5 increase on marriage licenses mandated by the State beginning June 1, 2008.

He reported that voter identification software will be installed next month and tax extensions will begin on Tuesday, April 1, 2008.

- EDC Quarterly Report/Progress Report

Ms. Clark provided a PowerPoint presentation to the Committee regarding the City/County “*Contractual Agreement Progress Report*”, for (4th quarter) 2007. The presentation covered areas of Marketing, Website Development and Maintenance, Community Marketing Portal, Site Consultant Contact, Trade Show Attendance and Representation, Lead-Sharing, Research, Business Recruitment and IBFS SBA Programs. The 2007, 4th Quarter Progress Report was received and is “on file” in the County Board Office.

- Tax Cycle Update

Mr. Ryan provided a Memo to the Committee members and Staff regarding, the percentage of changes by Counties. He provided history of his initial investigation into establishing a set of “Board of Review Rules”. He said that in 2003 he polled numerous other Counties pertaining to their percentages of changes (lowered, raised or stayed the same), their appeals process and, what and how Peoria County could do to improve upon their procedures. Subsequently, Peoria County had the highest number of complaints by comparison. The Supervisors of Assessments (SOA) Staff members' did extensive research into why Peoria County's complaints were elevated and how to reverse these statistics. Mr. Ryan said, he conceded that there were no rules in place may be the reason for the elevated figures. He gathered information from the County level to the State, and this information along with the proposed “Board of Review Rules” was presented to the Tax EDC Committee, State's Attorney's Office, and a local Property Tax Representative to establish what the “Board of Review Rules” is now. Mr. Ryan said that “it is not the process that taxpayers do not agree with it is the results, and when they agree with the results you hear nothing regarding the process”. He provided a rundown of the complaints by County as referenced in his Memo.

Mr. Ryan said his biggest complaint by taxpayers that “he” agrees with is the difficulty in obtaining comparable property characteristics needed to prepare a complaint under the new rules. He said that he will continue to keep the Committee informed regarding taxpayers will be able to access property characteristics from the County's website. Mr. Ryan said that usually after a taxpayer starts the appeals process often times they get discouraged (because of the complexity of the process) and they abort the process.

Mr. Dillon posed two questions as follows:

- What was the percentage of people that appealed their value and had their property values increase after they filed a complaint? Mr. Ryan answered, “1 ½%”.
- Why were their values increased after they filed a complaint? Mr. Ryan said that he has had incidents when a Tax Rep would pull comparables inside of the neighborhood but because it is not what they expected, they will pull comparables from a parcel outside of the neighborhood for the purpose of finding a comparable lower in value. He said when this occurs it usually raises a “red flag”. In this case the comparable is pulled back into the correct neighborhood and according to this information if their evaluation was too low to begin with the increase is applied accordingly. Mr. Dillon asked does this show that the property was valued incorrectly from the beginning. Mr. Ryan answered, yes. There are some parcels that were found to be valued too low.

Mr. Baietto said that there was a change in the State Law pertaining to the process of attorney's collecting fees to defend appeal cases. He asked if Mr. Ryan had any information regarding that change. Mr. Ryan said he was unaware of “any change” but knows that a Property Tax Rep usually takes 50% of the property owner's first year of savings. Mr. Atkins said that in the past anyone could represent a taxpayer but there was a change in the compliance of the State Law that, you must be represented by an Attorney (unless you are representing yourself) as required by State Law to defend an appeal case. He said that the expense has increased for a taxpayer because not only do you have a Tax Rep representing you, you have an Attorney as well.

Mr. Tate reiterated that the appeal process is difficult and not "user friendly". He stated that the new process is even more difficult and he does not want it to discourage a taxpayer from exercising their right to dispute a property tax evaluation.

Mr. Widmer posed a question to the BOR Staff regarding what the formal approach is to filing a Property Tax Appeal, when there is a "conflict of interest". There was a detailed discussion on what the process is now, should be, and what Staff members would recommend to resolve a "conflict of interests" issue. *The Committee requested that Mr. Atkins and Mr. Ryan collaborate to draft a policy regarding protocol for handling "conflicts of interests". The Committee requested that this draft be completed by May 2008.*

Resolutions:

- Gap Loan – Subordination Agreement / Ser-Wieg, Inc.

A motion was made by Mr. Baietto and seconded by Mr. Riggensch to approve the resolution. Ms. Hanley provided background information as outlined per the Agenda Briefing. Motion carried.

- Gap Loan – A+ Children's Academy

A motion was made by Mr. Watkins and seconded by Mr. Baietto to approve the resolution. Ms. Didesch provided a brief synopsis regarding the early childhood academy. Motion carried.

- County Clerk's Office – Additional Appropriation Request

A motion was made by Mr. Watkins and seconded by Mr. Baietto to approve the resolution. Mr. Sonnemaker provided background information as outlined in the Agenda Briefing. Motion carried.

- Treasurer's Office – Tax Sale Indemnity Fund

A motion was made by Mr. Baietto and seconded by Mr. Dillon to approve the resolution. Staff recommends the Committee approve a fund balance of \$50,000 to be maintained in the Tax Indemnity fund. Motion carried.

Review of Executive Session Minutes:

A motion was made by Mr. Baietto and seconded by Mr. Watkins to accept the State's Attorney's recommendation to "hold all" Executive Session Minutes. Motion carried.

Adjournment:

The meeting adjourned at 3:15 p.m. on a motion by Mr. Watkins and seconded by Mr. Riggensch.

Recording Secretary: Patricia Sims