

COMBINED MEETING of the FINANCE COMMITTEE and OPERATIONS & ADMINISTRATIVE COMMITTEE AGENDA

Called by: Chairman, Keith McDonald
Chairman, Jaime Salgado

Members: Joe Hoffman, Dorothy Redd,
Jean Crosby, John Butitta, Paul Arena,
Steve Schultz

DATE: THURSDAY, MARCH 18, 2021

TIME: 5:30 PM

LOCATION: VIRTUAL MEETING – ZOOM
(WINNEBAGO COUNTY YOUTUBE
LIVE)

The Winnebago County Board Chairman has determined that an in-person meeting is not practicable or prudent because of the COVID-19 pandemic.

AGENDA:

- A. Call to Order
- B. Roll Call
- C. Public Comment – This is the time we invite the public to address the Combined Meeting of the Finance Committee and Operations and Administrative Committee with issues and concerns. We ask you to limit your comments to three minutes. Personal attacks or inappropriate language of any sort will not be tolerated. We will allow a maximum of five speakers on a first come basis with sign up at the meeting. Speakers may not address zoning matters which are pending before the ZBA, the Zoning Committee or the County Board. Personnel matters or pending or threatened litigation may not be addressed in open session. An individual may speak a maximum of three times per calendar year on the same topic. This prohibition shall include the repetition of the same topic in a statement on what is purported to be a different topic. After acknowledgement by the chair, please stand and state your name. Thank you.
- D. Update on the Financial Status of the River Bluff Nursing Home
- E. Moody's Ratings and their Financial Implications
- F. Resolutions in (support of/opposition to) SB1721 — PROPOSED AMENDMENTS TO THE PROPERTY TAX CODE (35 ILCS 200/21-90; 35 ILCS 200/21-215; 35 ILCS 200/21-355) COUNTIES CODE (55 ILCS 5/5-1121) AND ILLINOIS MUNICIPAL CODE (65 ILCS 5/11-31-1)
- G. Resolutions in (support of/opposition to) SB2278 — PROPOSED AMENDMENT TO STATE STATUTE 55 ILCS 5/5-1006.5 (SPECIAL COUNTY RETAILERS' OCCUPATION TAX FOR PUBLIC SAFETY, PUBLIC FACILITIES, MENTAL HEALTH, SUBSTANCE ABUSE, OR TRANSPORTATION)
- H. Resolution Regarding HB2804 – Proposed Amendments to the State Statute 55 ILCS 5/5-25012 (Board of Health)

I. Other Matters

J. Adjournment

Fund Equity Forecast - (\$000 Omitted)

0401 - River Bluff Nursing Home Fund

	ACTUAL			PROJECTED	BUDGET
	09/30/17	09/30/18	09/30/19	09/30/20	09/30/21
Revenues					
Charges for Service and Sales	\$ 14,152	\$ 12,708	\$ 12,230	\$ 13,025	\$ 13,140
Total Revenues	<u>14,152</u>	<u>12,708</u>	<u>12,230</u>	<u>13,025</u>	<u>13,140</u>
Expenditures					
Personnel	10,708	7,568	5,494	6,567	7,046
Supplies & Services	6,194	6,503	7,712	9,795	9,024
Administrative	-	1,549	1,477	1,564	1,734
Depreciation/Capital Outlay	469	447	416	437	400
Total Expenditures	<u>17,371</u>	<u>16,067</u>	<u>15,099</u>	<u>18,363</u>	<u>18,204</u>
Operating Gain (Loss)	(3,219)	(3,359)	(2,869)	(5,338)	(5,064)
Non Operating Rev (Exp)					
Tsfr from RBNH Operating Fund	1,828	1,843	1,834	1,835	1,900
Interest Exp	(20)	(15)	(9)	(15)	(9)
Interest Revenue	-	-	-	-	-
Net Income (Loss)	<u>(1,411)</u>	<u>(1,531)</u>	<u>(1,044)</u>	<u>(3,518)</u>	<u>(3,173)</u>
Retained Earnings, Beg	8,844	6,891	5,360	4,316	798
Restatement**	(542)		-	-	-
Retained Earnings, End***	<u>\$ 6,891</u>	<u>\$ 5,360</u>	<u>\$ 4,316</u>	<u>\$ 798</u>	<u>\$ (2,375)</u>

**This is the net effect change of implementing GASB Statement 68

***This does not reflect the actual cash available in the fund, this also includes capital purchases less depreciation and reflects accrual based receivable and payables.

County of Winnebago, Illinois
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual
River Bluff Nursing Home

For the Month Ended December 31, 2020

	FY 2020 Actual <i>(Audited)</i>	FY 2021 Revised Annual Budget	FY 2021 Actual (3 months)	Variance with Budget Over (Under)	% of Budget (Target 25.0%)
Operating Revenues					
Charges for Services	11,996,693	12,890,000	2,750,915		
Other	1,501,634	-	239,585		
Total Operating Revenues	13,498,327	12,890,000	2,990,500	(9,899,500)	23.20%
Operating Expenses					
Personnel	8,017,604	8,529,536	2,096,037	(6,433,499)	24.57%
Supplies and services	9,243,080	9,023,537	1,663,288	(7,360,249)	18.43%
Depreciation	393,361	355,000	-		
Capital Outlay	-	45,000	-	(45,000)	0.00%
Total Operating Expenses	17,654,045	17,953,073	3,759,325	(14,193,748)	20.94%
Operating income (loss)	(4,155,718)	(5,063,073)	(768,825)	4,294,248	
Non-Operating Revenues(Expenses)					
Property Taxes	1,829,366	1,900,000	(492)	(1,900,492)	-0.0003
Interest Expense (Debt)	(3,013)	(9,339)	(6,205)	3,134	0.6644
Investment Income	-	-	-	-	
Total Non-Operating Rev (Exp)	1,826,353	1,890,661	(6,697)	(1,897,358)	-0.35%
Net increase (decrease) in net position	(2,329,365)	(3,172,412)	(775,522)	2,396,890	
Total net position, beginning of period	4,316,555	1,987,190	1,987,190		
Prior period adjustment	-		-		
Total net position, end of period	1,987,190	(1,185,222)	1,211,668		

County of Winnebago, Illinois
Operating Revenues Detail
Budget and Actual
River Bluff Nursing Home

For the Month Ended December 31, 2020

	FY 2020 Actual <i>(Audited)</i>	FY 2021 Revised Annual Budget	FY 2021 Actual (3 months)	Variance with Budget Over (Under)	% of Budget (Target 25.0%)
Operating Revenues					
Charges for Services					
Federal Matching Aid	1,279,040		258,935		
Medicare	255,305		89,200		
Medicare-contra allowance	443,318		139,537		
Medicaid	9,069,203		2,018,150		
Medicaid-contra allowance	(1,182,468)		(293,527)		
Hospice	2,049,128		349,100		
Hospice-contra allowance	(321,949)		(58,673)		
Insurance/Priv Pay	1,364,262		209,100		
Insurance-contra allowance	51,073		26,460		
Ancillary revenue	656,762		12,621		
Other patient revenue	(895)		-		
Food charges	7,557		12		
TIF revenue	3,310		-		
Souvenir and other	4,195		-		
Bad debt expense	(1,681,148)		-		
Total Charges for Services	11,996,693	12,890,000	2,750,915	(10,139,085)	21.34%
Other					
Uniform fees	66		64		
Stimulus funds	1,485,002		235,860		
Donations			550		
Other unclassified revenue	16,566		3,111		
Total Other	1,501,634	-	239,585	239,585	0.00%
Total Operating Revenues	13,498,327	12,890,000	2,990,500	(9,899,500)	23.20%

County of Winnebago, Illinois
Personnel Expense Detail
Budget and Actual
River Bluff Nursing Home

For the Month Ended December 31, 2020

	FY 2020 Actual <i>(Audited)</i>	FY 2021 Revised Annual Budget	FY 2021 Actual (3 months)	Variance with Budget Over (Under)	% of Budget (Target 25.0%)
Personnel					
Admin & Business Office (70500)					
Regular Salaries	487,085	547,000	141,157	(405,843)	
Vacation Payouts	6,765	-	-	-	
Part-time Salaries	34,298	35,000	10,664	(24,336)	
Overtime	41,724	43,000	15,248	(27,752)	
Life Insurance	281	300	64	(236)	
Health Insurance	102,911	104,000	27,312	(76,688)	
Total Admin & Business Office	673,064	729,300	194,445	(534,855)	26.66%
Activities (71000)					
Regular Salaries	148,453	200,000	37,376	(162,624)	
Vacation Payouts	642	-	-	-	
Part-time Salaries	10,133	10,000	2,804	(7,196)	
Overtime	8,603	12,000	4,639	(7,361)	
Life Insurance	151	160	37	(123)	
Health Insurance	60,146	63,050	20,373	(42,677)	
Total Activities	228,128	285,210	65,229	(219,981)	22.87%
Social Services (71500)					
Regular Salaries	132,458	142,000	37,543	(104,457)	
Vacation Payouts	-	-	-	-	
Overtime	4,352	5,000	2,132	(2,868)	
Life Insurance	105	120	28	(92)	
Health Insurance	54,392	61,500	16,561	(44,939)	
Total Social Services	191,307	208,620	56,264	(152,356)	26.97%
Dietary (72020/72021/72023)					
Regular Salaries	581,367	634,000	126,641	(507,359)	
Vacation Payouts	20,160	-	2,848	2,848	
Part-time Salaries	49,269	50,000	11,645	(38,355)	
Overtime	96,434	100,000	24,477	(75,523)	
Life Insurance	593	620	125	(495)	
Health Insurance	173,351	184,735	37,207	(147,528)	
Total Dietary	921,174	969,355	202,943	(766,412)	20.94%

	FY 2020 Actual <i>(Audited)</i>	FY 2021 Revised Annual Budget	FY 2021 Actual <i>(3 months)</i>	Variance with Budget <i>Over (Under)</i>	% of Budget <i>(Target 25.0%)</i>
Daily Services (72500/72530/72532)					
Regular Salaries	2,668,786	2,915,836	663,620	(2,252,216)	
Vacation Payouts	6,545	-	1,151	1,151	
Part-time Salaries	125,349	150,000	20,480	(129,520)	
Overtime	937,762	955,000	293,288	(661,712)	
Life Insurance	1,687	1,760	375	(1,385)	
Health Insurance	727,452	742,400	178,465	(563,935)	
Total Daily Services	4,467,581	4,764,996	1,157,379	(3,607,617)	24.29%
Housekeeping (73000)					
Regular Salaries	229,839	250,422	63,766	(186,656)	
Part-time Salaries	14,515	17,000	-	(17,000)	
Overtime	28,576	30,000	12,303	(17,697)	
Life Insurance	255	300	60	(240)	
Health Insurance	114,527	120,000	31,335	(88,665)	
Total Housekeeping	387,712	417,722	107,464	(310,258)	25.73%
Laundry (73500)					
Regular Salaries	41,013	51,003	13,818	(37,185)	
Life Insurance	25	30	7	(23)	
Health Insurance	19,014	23,000	6,164	(16,836)	
Total Laundry	60,052	74,033	19,989	(54,044)	27.00%
Nursing Admin (74000)					
Regular Salaries	893,308	880,000	241,581	(638,419)	
Vacation Payouts	-	-	-	-	
Overtime	15,135	15,000	4,098	(10,902)	
Life Insurance	279	300	61	(239)	
Health Insurance	179,864	185,000	46,584	(138,416)	
Total Nursing Admin	1,088,586	1,080,300	292,324	(787,976)	27.06%
Total Personnel	8,017,604	8,529,536	2,096,037	(6,433,499)	24.57%
Pension Expense	22,736	-	-	-	
OPEB Expense	(27,133)		-	-	

County of Winnebago, Illinois
Supplies & Services Expense Detail
Budget and Actual
River Bluff Nursing Home

For the Month Ended December 31, 2020

	FY 2020 Actual (Audited)	FY 2021 Revised Annual Budget	FY 2021 Actual (3 months)	Variance with Budget Over (Under)	% of Budget (Target 25.0%)
Supplies & Services					
Food & Beverage (42250)	709,864	806,850	181,821		
Medical & Dental Supplies (42260)	372,347	417,940	73,047		
Other Departmental Supplies (42290)	608,402	564,800	139,691		
COVID-19 Related Supplies (42295)	108,737	236,000	53,880		
Consulting (43120)	601,639	707,356	136,291		
IDHS Bed Assessments (43952/43953)	537,191	166,440	49,932		
Other Professional Services (43190)	3,892,078	3,429,000	732,862		
All Others	2,412,822	2,695,151	295,764		
	<u>9,243,080</u>	<u>9,023,537</u>	<u>1,663,288</u>	<u>(7,360,249)</u>	<u>18.43%</u>
 <u>Consulting (43120)</u>					
Activity Consulting (71000)	2,981	3,456	804		
Social Svc Consulting (71500)	576	500	436		
Dietary Consulting (72000)	37,389	47,000	8,455		
Medical Records Consulting (72500)	-	-	-		
Therapy/Rehab (72533:72535)	540,293	636,000	117,946		
Medical Director (72539)	17,400	17,400	4,350		
Pastoral Care (72540)	3,000	3,000	750		
	<u>601,639</u>	<u>707,356</u>	<u>132,741</u>	<u>(574,615)</u>	<u>18.77%</u>
 <u>Other Professional Services (43190)</u>					
Generations Healthcare (70500)	432,258		-		
Nexstar Geofencing (70500)	4,503		-		
Pathways EAP (70500)	5,022		648		
Nursing Temps (72500)	3,431,248		729,907		
Other	19,047		2,307		
	<u>3,892,078</u>	<u>3,429,000</u>	<u>732,862</u>	<u>(2,696,138)</u>	<u>21.37%</u>

County of Winnebago, Illinois
Statement of Net Position
River Bluff Nursing Home

For the Month Ended December 31, 2020

	FY 2020 Actual (Audited)	FY 2021 Actual (3-Month)	Variance with Prior Year Over (Under)
Current assets			
Cash and investments	-	-	-
Receivables, net	13,945,916	11,827,574	(2,118,342)
Receivable from other governments	3,310	-	(3,310)
Inventory	100,619	100,619	-
Total current assets	14,049,845	11,928,193	(2,121,652)
Noncurrent assets			
Restricted cash and investments	132,199	132,199	-
Restricted net pension asset	1,110,526	1,110,526	-
Capital assets not being depreciated	265,268	265,268	-
Capital assets being depreciated, net	3,332,984	3,332,984	-
Total noncurrent assets	4,840,977	4,840,977	-
Total assets	18,890,822	16,769,170	(2,121,652)
Deferred outflows of resources			
Other post-employment benefit items	160,909	160,909	-
Pension items-IMRF	846,565	846,565	-
Total deferred outflows of resources	1,007,474	1,007,474	-
Total asset and deferred outflows of resources	19,898,296	17,776,644	(2,121,652)
Current liabilities			
Accounts payable	1,446,880	1,851,314	404,434
Accrued payroll	163,730	163,730	-
Accrued interest payable	3,103	3,103	-
Payable to other governments	974,633	138,042	(836,591)
Current portion of long term liabilities	251,102	46,222	(204,880)
Total current liabilities	2,839,448	2,202,411	(637,037)
Noncurrent liabilities			
Compensated absences	184,890	184,890	-
Advances from other funds	9,988,429	9,279,335	(709,094)
Net pension liability	-	-	-
Bonds payable	224,772	224,772	-
Other post-employment benefit obligation	852,896	852,896	-
Total noncurrent liabilities	11,250,987	10,541,893	(709,094)
Total liabilities	14,090,435	12,744,304	(1,346,131)
Deferred inflows of resources			
Property taxes levied for next period	1,905,791	1,905,791	-
Other post-employment benefit items	14,123	14,123	-
Pension items - IMRF	1,900,758	1,900,758	-
Total deferred inflows of resources	3,820,672	3,820,672	-
Total liabilities and deferred inflows of resources	17,911,107	16,564,976	(1,346,131)
Net position			
Net investment in capital assets	3,168,600	3,168,600	-
Restricted for net pension asset	1,110,526	1,110,526	-
Restricted for patient funds-expendable	132,199	132,199	-
Unrestricted	(2,424,135)	(3,199,657)	(775,522)
Total net position	1,987,190	1,211,668	(775,522)
Total liabilities, deferred inflows and net position	19,898,297	17,776,644	(2,121,653)

CREDIT OPINION

9 March 2021

 Rate this Research

Contacts

Dan Kowalski +1.312.706.9992
 Associate Lead Analyst
 dan.kowalski@moody's.com

Valentina Gomez +1.212.553.4861
 AVP-Analyst
 valentina.gomez@moody's.com

CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

Winnebago (County of) IL

Update to credit analysis

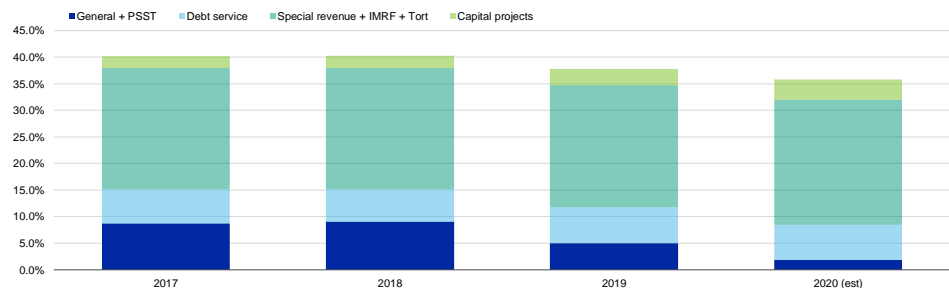
Summary

[Winnebago County's](#) (Aa3) liquidity is declining because of its financially challenged nursing home that has required further general fund support during the coronavirus pandemic. The county has some flexibility in accessing cash from other funds and the ability to increase local levies, mitigating near term liquidity risks.

The county benefits from a sizeable tax base anchored by the [City of Rockford](#) (A3) and its debt and pension burdens are moderate. Resident incomes are weak compared to similarly rated local governments, however, and labor force challenges persist, exacerbated by the pandemic and weakened demand in the automotive sector.

Exhibit 1

General liquidity is declining as county-owned nursing home requires more support, cash in other funds is restricted but can be used for temporary intra-governmental borrowing
Cash balances by type as a percentage of total revenue



Source: audited financial statements

Credit strengths

- » Large tax base
- » Solid accessible liquidity across non-major governmental funds
- » Moderate long-term liabilities

Credit challenges

- » Financially challenged nursing home causing reserve draws in primary operating funds
- » Dependence on economically sensitive sales tax revenue
- » Resident incomes and wealth rank below peers; declining labor force

Rating outlook

Moody's does not usually assign outlooks to local governments with this amount of debt.

Factors that could lead to an upgrade

- » Economic diversification and increase in wealth and income indicators
- » Significant and sustained growth in reserves and liquidity

Factors that could lead to a downgrade

- » Decrease in reserves and liquidity
- » Increase in the debt or pension burden
- » Weakening of operations at River Bluff Nursing Home that strains other operating funds

Key indicators

Exhibit 2

Winnebago (County of) IL

	2015	2016	2017	2018	2019
Economy/Tax Base					
Total Full Value (\$000)	\$10,811,346	\$10,675,239	\$10,836,537	\$11,082,327	\$11,523,894
Population	290,439	288,896	287,512	286,174	284,819
Full Value Per Capita	\$37,224	\$36,952	\$37,691	\$38,726	\$40,460
Median Family Income (% of US Median)	89.2%	89.0%	86.9%	87.0%	86.6%
Finances					
Operating Revenue (\$000)	\$121,173	\$115,174	\$115,356	\$118,806	\$117,153
Fund Balance (\$000)	\$58,412	\$53,603	\$48,630	\$54,223	\$51,732
Cash Balance (\$000)	\$45,790	\$40,636	\$36,860	\$39,548	\$33,318
Fund Balance as a % of Revenues	48.2%	46.5%	42.2%	45.6%	44.2%
Cash Balance as a % of Revenues	37.8%	35.3%	32.0%	33.3%	28.4%
Debt/Pensions					
Net Direct Debt (\$000)	\$135,842	\$123,406	\$115,799	\$108,991	\$129,966
3-Year Average of Moody's ANPL (\$000)	\$154,659	\$190,578	\$240,883	\$249,784	\$246,361
Net Direct Debt / Full Value (%)	1.3%	1.2%	1.1%	1.0%	1.1%
Net Direct Debt / Operating Revenues (x)	1.1x	1.1x	1.0x	0.9x	1.1x
Moody's - ANPL (3-yr average) to Full Value (%)	1.4%	1.8%	2.2%	2.3%	2.1%
Moody's - ANPL (3-yr average) to Revenues (x)	1.3x	1.7x	2.1x	2.1x	2.1x

Sources: US Census Bureau, Winnebago (County of) IL's financial statements and Moody's Investors Service

Profile

Winnebago County is located 90 miles north of [Chicago](#) (Ba1 negative) and has a population of approximately 288,896. The county seat is Rockford. The county provides general government, public safety, judicial and court services, health and welfare, urban redevelopment, planning and zoning, and highway maintenance and construction. The county also owns and operates a 304-bed skilled-care nursing home facility.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Detailed credit considerations

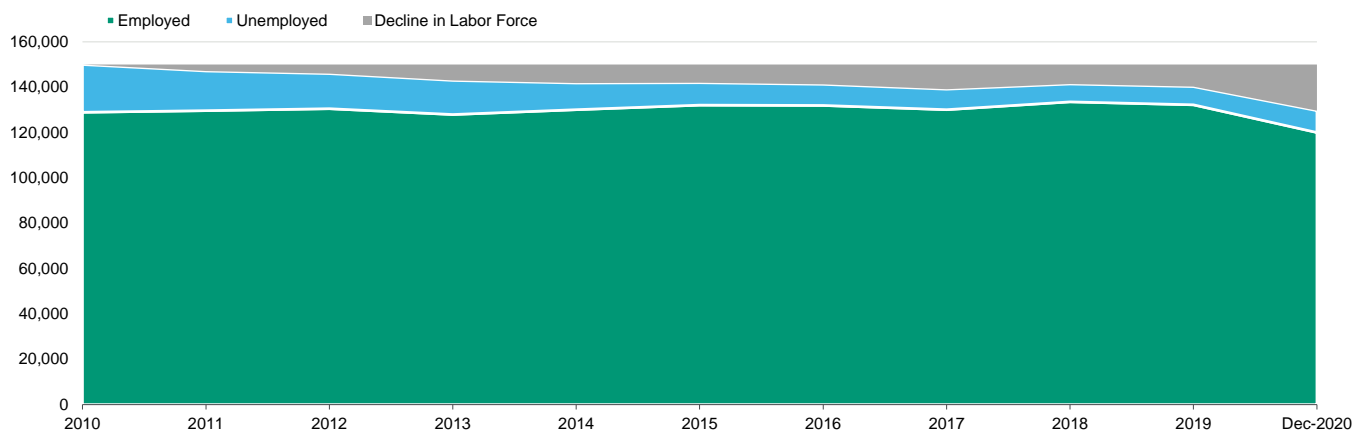
Economy and tax base: large tax base with manufacturing concentration

Winnebago County's tax base is large though its local economy will remain weaker than similarly rated peers and dependent on the manufacturing sector. The county's tax base has a full value of \$12.4 billion, which is large. While the tax base size is 15% lower than its previous peak in 2010, we expect modest growth from residential appreciation, various hospital expansions, and developments related to the large, new Amazon distribution center in nearby [Beloit](#) (A2 stable) that utilizes Rockford's airport.

The manufacturing sector makes up a relatively high 15% of employment in the county. The largest employer is the nearby [Fiat Chrysler](#) (now Stellantis N.V., Baa3 stable) assembly plant in Belvidere, followed by three hospitals and a shopping mall in Rockford. While the hospitals are each expanding, the Fiat Chrysler plant has instituted temporary shut downs numerous times over the last year, including a week in February 2021. We forecast [global auto sales to recover but remain below historic levels for the next several years](#), so continued shut downs are likely. Winnebago County's unemployment rate was 7.4% in December 2020, roughly in line with the state but higher than the nation. Unemployment is likely even higher as the participating labor force has shrunk by 14% over the last ten years with the largest decline occurring during the 2020 pandemic, as displayed in Exhibit 1. Resident incomes are weak for the rating category at 87% of the national median, while resident wealth is also fairly weak at \$42,000 per capita.

Exhibit 3

County labor force has declined by 14% over last ten years with largest drop during the pandemic



Source: Bureau of Economic Analysis

Financial operations and reserves: cash declining from challenged nursing home operations

The county's cash balances are declining as the county advances funds to its nursing home enterprise, although fund balances remain strong and the county has some access to cash in non-major funds. Across operating funds, we expect a \$5 million decline in available reserves for fiscal 2020 (ending September 30, 2020), leaving available fund balance at a strong 40% of operating revenue and cash balances at a more limited 24% of revenue. Cash available in the general fund will be a narrower 5% of general fund revenue. While economically sensitive revenue streams make up a majority of operating revenue, the county's sales, income and use taxes only declined by about 4% in fiscal 2020 and show signs of recovery in the first half of fiscal 2021. The county is budgeting for balanced operations in fiscal 2021, although the risk is to the downside that the nursing home enterprise will require further support, leading to additional draws on cash reserves.

The coronavirus pandemic drove a 30% decline in the county-owned nursing home's daily occupancy, which caused revenue shortfalls for the enterprise. The nursing home already had weak occupancy rates before the pandemic, but the pandemic reduced occupancy to less than half of its bed capacity. The county advanced \$7 million to the nursing home in fiscal 2020 to close this funding gap, drawing down general cash balances. County officials anticipate the nursing home will repay some of these advances quickly, however occupancy remains fairly low through March 2021, a continued challenge to the enterprise revenues. The nursing home will likely require long-term financial support beyond the pandemic because of low Medicaid reimbursement rates, long-standing occupancy challenges, and the need for voter support if the county ever desires to sell the enterprise.

The bulk of the county's cash balance is restricted for specific purposes, such as debt service, capital projects or retirement contributions, although a portion of the capital projects fund is fungible and liquidity is temporarily accessible through interfund borrowing. The county has successfully instituted a new 0.5% mental health sales tax with added revenue beginning in fiscal 2021, although those funds are also restricted to mental health services and grants. County officials expect the marijuana tax to perform better than expected, which may support reserve stability. The county also maintains other tools to access revenue, for instance it may increase its levies by inflation each year.

Debt, pensions and OPEB: moderate long-term liability burdens

Total leverage will remain moderate given only modest future borrowing plans. The pension burden is the largest long-term liability at 2.1x county operating revenue in fiscal 2019, while the debt burden is just 1.1x revenue. The burdens will shift slightly once our indicators incorporate the county's recent bond issue to fund its pension liability in fiscal 2019, although this shift will not affect the total leverage ratio. The county is planning on issuing about \$9 million in bonds later in 2021 to fund various capital maintenance needs, although this amount of debt would not materially change our leverage ratios. The county maintains funds built up from landfill host fees that it intends to use for other pay-as-you-go capital needs.

Fixed costs, inclusive of debt service and retirement contributions, are moderate at about 20% of operating revenue.

Debt structure

The county has \$99.5 million in general obligation unlimited tax (GOULT) alternate revenue debt and \$8.6 million in debt certificates. The county also has roughly \$37 million in capital leases and outstanding commitments to other local governments for capital projects support. Principal amortization is fairly rapid with 75% of GOULT bond principal due within the next ten years and 100% of debt certificates due within the next ten years.

Legal security

Both the GOULT bonds are ultimately secured by the county's full faith and credit pledge with authority to raise property taxes unlimited as to rate or amount. The bonds are payable from alternate revenue sources the county collects to abate its property tax levy, such as revenue from sales taxes, special service area taxes, host fees, water connection fees, and its allocation of state income taxes. The county is required to abate the property tax levy if it has sufficient alternate revenue on hand to pay debt service. Debt service payments are due in June and December and the county typically deposits alternate revenue to abate the levy in the previous December.

The debt certificates are secured by a pledge of all legally available funds, although the county does not have authority to raise an additional property tax levy for repayment of the certificates.

Pensions and OPEB

Winnebago County participates in the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent plan. The county tends to contribute at the tread water amount, forestalling further growth in reported net pension liabilities if plan assumptions hold. Contributions were particularly strong in fiscal 2019 as they included \$31 million from a bond issuance to pay down the liability. With this supplemental contribution, the county's reported pension assets roughly equal its reported pension liabilities. The Moody's adjusted net pension liability (ANPL) is larger than the reported net liability, reflecting our use of a market discount rate rather than the 7.25% discount rate used by IMRF.

OPEB obligations do not represent a material credit risk for the county. The county operates a single-employer retiree medical plan, but the adjusted net OPEB liability is only about 6% of operating revenue in fiscal 2019.

ESG considerations

Environmental

Environmental considerations are not a material risk for the county at this time. Winnebago County has high heat stress exposure and medium risk of extreme rainfall, but no risk from rising sea levels given its inland location. Much of the Midwest region will need to bear the costs of mitigation practices to offset more frequent heat waves and the impact these may have on mortality, labor productivity and energy consumption. The county maintains a multi-hazard mitigation plan that maps out the county's major environmental risks and a variety of mitigation strategies.

Social

The coronavirus pandemic is a social consideration under our ESG framework. The county has received about \$2.5 million in CARES Act funds, which it is using largely to offset public safety salaries, as well as \$8.3 million in federal rental assistance for county residents. The State of Illinois recently launched a mass vaccination site in Rockford, providing 1,350 doses per day with support from the Illinois National Guard.

The county-owned nursing home provides short-term rehab therapy and long-term senior assisted living for indigent residents, a social strength even as it represents a challenge to the county's credit quality. As of March 2021, the county has vaccinated 80% of its nursing home residents and staff, which could attract new residents and improve its currently low occupancy rates. The county also recently enacted a 0.5% mental health sales tax that it will use to disburse grants to government and community mental health service providers, bolstering the county's offerings of health services. Yet ongoing occupancy challenges in the nursing home will likely continue to challenge general county operations.

In early 2021, the [State of Illinois](#) (Baa3 negative) passed a major criminal justice reform bill that will end cash bail by 2023, require all law enforcement agencies to become equipped with body cameras, and other reforms that will affect county operations across the state. Winnebago County, however, will not feel a material financial effect of the reforms as it has already instituted body cameras, and it expects its jail detainee population to remain stable as federal inmates supplant local pre-trial detainees in the jail.

Governance

Winnebago County is governed by a 20 member, elected County Board serving staggered four year terms that appoint a full time administrator to oversee daily operations. The county has a fund balance policy to maintain 25% of expenditures in the general fund. While not yet adopted, it is developing a multiyear capital improvement plan, which it expects will be finalized in 2021 and include roughly \$4 million in pay-as-you-go capital spending each year. Most of its union contracts are up for negotiation in 2021 and 2022.

The county has some revenue raising potential. It currently levies four permanent sales taxes including 0.25% on all sales in incorporated municipalities, 1% on all sales in unincorporated municipalities, and a 1% public safety sales tax and 0.5% mental health sales tax countywide. New revenue opportunities include increased motor fuel tax revenue from state reforms in 2019, increased use tax from online sales, increased sales tax revenue from cannabis sales in the three dispensaries located within the county and the potential development of a casino in Rockford, which is pending approval. The county may also increase its property tax levies by inflation each year, which it historically has not done.

Illinois counties have an institutional framework score ¹ of "A," which is moderate. Most counties are non-home rule and are subject to tax rate limitations. However, these rate limitations can be overridden with voter support. Total operating tax yield for non-home rule entities subject to the Property Extension Limitation Law (PTELL) is capped to the lesser of 5% or CPI growth, plus new construction. Revenue predictability is moderate, with varying dependence on property, sales, and state-distributed income taxes. Expenditures, which are primarily for criminal justice and human services, are moderately predictable. Counties have limited ability to reduce expenditures given strong public sector unions and pension benefits that enjoy strong constitutional protections. Fixed costs are mainly driven by debt service and employer pension contributions.

Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 4

Winnebago (County of) IL

Scorecard Factors and Subfactors	Measure	Score
Economy/Tax Base (30%) [1]		
Tax Base Size: Full Value (in 000s)	\$12,425,036	Aaa
Full Value Per Capita	\$42,081	A
Median Family Income (% of US Median)	86.6%	A
Finances (30%)		
Fund Balance as a % of Revenues	44.2%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	-2.5%	Baa
Cash Balance as a % of Revenues	28.4%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	-9.0%	Baa
Notching Factors:[2]		
Outsized Enterprise or Contingent Liability Risk		Down
Other Scorecard Adjustment Related to Finances: Limited and declining general fund liquidity		Down
Management (20%)		
Institutional Framework	A	A
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.0x	Baa
Notching Factors:[2]		
Other Scorecard Adjustment Related to Management: Punitive operating trends from bond financing		Up
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	1.0%	Aa
Net Direct Debt / Operating Revenues (x)	1.1x	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	1.9%	Aa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	2.1x	A
Scorecard-Indicated Outcome		A1
Assigned Rating		Aa3

[1] Economy measures are based on data from the most recent year available.

[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.

[3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication.

Source: audited financial statements, US Census Bureau, Moody's Investors Service

Endnotes

- 1 The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(July 2020\)](#) methodology report for more details.

© 2021 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER

1266826

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

1) Moody's issue need to maintain reserves

EXHIBIT B

	General Fund	PSST	Total
Expenditures	49,206,421.00	26,824,834.00	76,031,255.00
Required 3 Month Reserve	12,301,605.00	6,706,209.00	19,007,814.00
Unrestricted Reserve	10,498,042.00	0	10,498,042.00
Reserve %	21%	0%	14%
Reserve Deficit	(1,803,563.00)	(6,706,209.00)	(8,509,772.00)

2) Moody's issue concern over fund advances

The following is a schedule of long-term interfund advances:		
Receivable Fund	Payable Fund	Amount
General Fund	River Bluff Nursing Home	9,988,429
General Fund	Public Safety Sales Tax	5,887,389
General Fund	Nonmajor governmental funds	250,996
Total, fund financial statements		16,126,814
Less fund eliminations		6,138,385
Total, interfund advances		9,988,429

3) Recommended strategy to address these issues

- A. Restrict Host Fee discretionary expenditures to county capital and reserve needs.
- B. Cannabis Sales Tax - fund reserve requirements
- C. Future Casino Revenue - fund reserve requirements
- D. Monthly review of Sheriff Office and Jail expenditures (already implemented)
- E. Work with River Bluff Nursing Home to develop a long term sustainable budget strategy
 - i. Does the County want to remain in the nursing home business?
 - ii. Is the County willing to consider outsourcing operations?
 - iii. If the County prefers the current operational model, how much additional funding is the County willing to commit?

**RESOLUTION
OF THE
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2021 CR _____

SUBMITTED BY: FINANCE COMMITTEE and
OPERATIONS AND ADMINISTRATIVE COMMITTEE

**RESOLUTION REGARDING SB1721 — PROPOSED AMENDMENTS TO THE PROPERTY
TAX CODE (35 ILCS 200/21-90; 35 ILCS 200/21-215; 35 ILCS 200/21-355)
ILLINOIS COUNTIES CODE (55 ILCS 5/5-1121) AND
ILLINOIS MUNICIPAL CODE (65 ILCS 5/11-31-1)**

WHEREAS, on February 26, 2021, Illinois State Senator Steve Stadelman has sponsored a new bill, SB1721, which proposes amendments to the Property Tax Code (35 ILCS 200/21-90; 35 ILCS 200/21-215; 35 ILCS 200/21-355), Illinois Counties Code (55 ILCS 5/5-1121) and Illinois Municipal Code (65 ILCS 5/11-31-1); and

WHEREAS, the proposed amendments to the Property Tax Code (35 ILCS 200/21-90; 35 ILCS 200/21-215; 35 ILCS 200/21-355) relate to the provisions for delinquent property and tax sales, which would include the Winnebago County Trustee program, and a summary of the amendments are as follows:

- Makes it discretionary and not mandatory for the County to take steps necessary to acquire title to the property and adds new managerial and operational rights;
- Provides costs to be distributed to taxing districts, including operation and maintenance costs and all costs associated with county staff and overhead used to perform the duties of the trustee;
- Reduces the maximum penalty bids for the annual tax sale from 18% to 12%;
- For redemption of property, it limits the assessments of penalties from every 6 months to 12 months (and conforms other timeframes); and

WHEREAS, the proposed amendments to the Illinois Counties Code (55 ILCS 5/5-1121) - *Demolition, repair and enclosure*, modifies the requirements to have a circuit court declare property abandoned, and a summary of the amendments are as follows:

- To declare a property abandoned, the property's condition must impair public health, safety, or welfare for reasons specified in the petition;
- Requiring the posting of a notice on the property prior to any declaration of abandonment;
- The owner of record or person having an interest in the property shall make a request to demolish the property or put it in safe condition, rather than repair it
- The may petition the court to issue a judicial deed for the property to the county or another governmental body designed by the county in the petition; and

WHEREAS, similar amendments from the Illinois Counties Code are proposed to the Illinois Municipal Code (65 ILCS 5/11-31-1) - *Demolition, repair, enclosure, or remediation*, for

abandoned property; and

WHEREAS, for years the County of Winnebago, Illinois has had a successful Trustee program to conduct tax sales of delinquent or forfeited properties pursuant to the provisions of the Property Tax Code; and

WHEREAS, the County of Winnebago, Illinois has also utilized the remedy under the Illinois Counties Code by filing petitions with the 17th Judicial Circuit Court to have properties declared abandoned and remove blight; and

WHEREAS, the Property Tax Code and the Illinois Counties Code are both utilized by the County of Winnebago to address issues with blighted properties located within the county and improve the health, safety and welfare of its citizens.

NOW, THEREFORE BE IT RESOLVED, by the County Board of the County of Winnebago that SB1721 would benefit Winnebago County, Illinois, its citizens and support its efforts in addressing tax delinquent, forfeited and blighted properties more efficiently. Therefore, the County of Winnebago, Illinois supports SB1721.

BE IT FURTHER RESOLVED, that this Resolution shall be in full force and effect immediately upon its adoption.

**Respectfully submitted,
COMBINED FINANCE AND
OPERATIONS AND
ADMINISTRATIVE COMMITTEES**

AGREE

DISAGREE

Jaime Salgado, Chairman

Jaime Salgado, Chairman

Steve Schultz

Steve Schultz

John Butitta

John Butitta

Paul Arena

Paul Arena

Joe Hoffman

Joe Hoffman

Jean Crosby

Jean Crosby

Keith McDonald

Keith McDonald

AGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

DISAGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois this ____ day of _____, 2021.

Joseph Chiarelli, Chairman of the
County Board of the
County of Winnebago, Illinois

ATTEST:

Lori Gummow, Clerk of the
County Board of the
County of Winnebago, Illinois

**RESOLUTION
OF THE
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2021 CR _____

SUBMITTED BY: FINANCE COMMITTEE and
OPERATIONS AND ADMINISTRATIVE COMMITTEE

**RESOLUTION REGARDING SB1721 — PROPOSED AMENDMENTS TO THE PROPERTY
TAX CODE (35 ILCS 200/21-90; 35 ILCS 200/21-215; 35 ILCS 200/21-355)
ILLINOIS COUNTIES CODE (55 ILCS 5/5-1121) AND
ILLINOIS MUNICIPAL CODE (65 ILCS 5/11-31-1)**

WHEREAS, on February 26, 2021, Illinois State Senator Steve Stadelman has sponsored a new bill, SB1721, which proposes amendments to the Property Tax Code (35 ILCS 200/21-90; 35 ILCS 200/21-215; 35 ILCS 200/21-355), Illinois Counties Code (55 ILCS 5/5-1121) and Illinois Municipal Code (65 ILCS 5/11-31-1); and

WHEREAS, the proposed amendments to the Property Tax Code (35 ILCS 200/21-90; 35 ILCS 200/21-215; 35 ILCS 200/21-355) relate to the provisions for delinquent property and tax sales, which would include the Winnebago County Trustee program, and a summary of the amendments are as follows:

- Makes it discretionary and not mandatory for the County to take steps necessary to acquire title to the property and adds new managerial and operational rights;
- Provides costs to be distributed to taxing districts, including operation and maintenance costs and all costs associated with county staff and overhead used to perform the duties of the trustee;
- Reduces the maximum penalty bids for the annual tax sale from 18% to 12%;
- For redemption of property, it limits the assessments of penalties from every 6 months to 12 months (and conforms other timeframes); and

WHEREAS, the proposed amendments to the Illinois Counties Code (55 ILCS 5/5-1121) - *Demolition, repair and enclosure*, modifies the requirements to have a circuit court declare property abandoned, and a summary of the amendments are as follows:

- To declare a property abandoned, the property's condition must impair public health, safety, or welfare for reasons specified in the petition;
- Requiring the posting of a notice on the property prior to any declaration of abandonment;
- The owner of record or person having an interest in the property shall make a request to demolish the property or put it in safe condition, rather than repair it
- The may petition the court to issue a judicial deed for the property to the county or another governmental body designed by the county in the petition; and

WHEREAS, similar amendments from the Illinois Counties Code are proposed to the Illinois Municipal Code (65 ILCS 5/11-31-1) - *Demolition, repair, enclosure, or remediation*, for

abandoned property; and

WHEREAS, for years the County of Winnebago, Illinois has had a successful Trustee program to conduct tax sales of delinquent or forfeited properties pursuant to the provisions of the Property Tax Code; and

WHEREAS, the County of Winnebago, Illinois has also utilized the remedy under the Illinois Counties Code by filing petitions with the 17th Judicial Circuit Court to have properties declared abandoned and remove blight; and

WHEREAS, the Property Tax Code and the Illinois Counties Code are both utilized by the County of Winnebago to address issues with blighted properties located within the county and improve the health, safety and welfare of its citizens.

NOW, THEREFORE BE IT RESOLVED, by the County Board of the County of Winnebago that the General Assembly and the Governor should strongly consider the impact of SB1721 on local governments and its potential revenues, the entirety of the tax sale process and abandonment petitions. Therefore, the County of Winnebago, Illinois opposes SB1721.

BE IT FURTHER RESOLVED, that this Resolution shall be in full force and effect immediately upon its adoption.

**Respectfully submitted,
COMBINED FINANCE AND
OPERATIONS AND
ADMINISTRATIVE COMMITTEES**

AGREE

DISAGREE

Jaime Salgado, Chairman

Jaime Salgado, Chairman

Steve Schultz

Steve Schultz

John Butitta

John Butitta

Paul Arena

Paul Arena

Joe Hoffman

Joe Hoffman

Jean Crosby

Jean Crosby

Keith McDonald

Keith McDonald

AGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

DISAGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois this _____ day of _____, 2021.

Joseph Chiarelli, Chairman of the
County Board of the
County of Winnebago, Illinois

ATTEST:

Lori Gummow, Clerk of the
County Board of the
County of Winnebago, Illinois

**RESOLUTION
OF THE
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2021 CR _____

SUBMITTED BY: FINANCE COMMITTEE and
OPERATIONS AND ADMINISTRATIVE COMMITTEE

**RESOLUTION REGARDING SB2278 — PROPOSED AMENDMENT TO STATE
STATUTE 55 ILCS 5/5-1006.5 (SPECIAL COUNTY RETAILERS' OCCUPATION TAX
FOR PUBLIC SAFETY, PUBLIC FACILITIES, MENTAL HEALTH, SUBSTANCE ABUSE,
OR TRANSPORTATION)**

WHEREAS, pursuant to 55 ILCS 5/5-1006.5 (Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation), the county board of any county may impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of their business to provide revenue to be used for public safety, public facility, mental health, substance abuse, or transportation purposes; and

WHEREAS, currently the County of Winnebago imposes such a tax for public safety and another tax for mental health; and

WHEREAS, the public safety sales tax was imposed by the County of Winnebago approximately 18 years ago and has been managed since that time without a separate board; and

WHEREAS, the mental health sales tax was imposed by the County of Winnebago by the approval and adoption of an ordinance on May 14, 2020, with an effective date of July 1, 2020. A 7-member board has been established to advise the County Board of the County of Winnebago, Illinois (County Board) on the use of funds received from the tax; and

WHEREAS, the County of Winnebago is the first county in Illinois to impose a tax to be used for mental health and has yet to begin the expenditure of funds received from the tax; and

WHEREAS, on February 26, 2021, Illinois State Senator Steve Stadelman has sponsored a new bill, SB2278, which proposes an amendment to 55 ILCS 5/5-1006.5 (g); and

WHEREAS, the proposed amendment provides as follows: "any county authorized to levy a tax under this Section may establish a 7-member board, which shall oversee the use of funds received from the tax under this Section. Such board shall be appointed by the chairman of the county board or chief executive officer of the county with the advice and consent of the county board. Members of the 7-member board shall be residents of the county who are 18 years of age. The county board may

by ordinance or resolution provide for the specific authority and procedures of the board”; and

WHEREAS, currently the County Board directly oversees the use of the funds received from the tax under 55 ILCS 5/5-1006.5; and

WHEREAS, the proposed amendment makes it discretionary for the County Board to establish a separate 7-member board to oversee the use of the funds and further provides that the County Board may establish the authority and procedures of said board; and

WHEREAS, the County Board understands the impact the funds received from the tax under 55 ILCS 5/5-1006.5 has on Winnebago County and its citizens, which includes providing for resources and services needed in the areas of public safety, public facility, mental health, substance abuse, or transportation.

NOW, THEREFORE BE IT RESOLVED, that the County Board of the County of Winnebago, Illinois represents the interests of the entire county and finds that SB2278 is in the best interest of the citizens of Winnebago County. Therefore, the County of Winnebago, Illinois supports SB2278.

BE IT FURTHER RESOLVED, that this Resolution shall be in full force and effect immediately upon its adoption.

**Respectfully submitted,
COMBINED FINANCE AND
OPERATIONS AND
ADMINISTRATIVE COMMITTEES**

AGREE

DISAGREE

Jaime Salgado, Chairman

Jaime Salgado, Chairman

Steve Schultz

Steve Schultz

John Butitta

John Butitta

Paul Arena

Paul Arena

Joe Hoffman

Joe Hoffman

Jean Crosby

Jean Crosby

Keith McDonald

Keith McDonald

AGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

DISAGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois this ____ day of _____, 2021.

Joseph Chiarelli, Chairman of the
County Board of the
County of Winnebago, Illinois

ATTEST:

Lori Gummow, Clerk of the
County Board of the
County of Winnebago, Illinois

**RESOLUTION
OF THE
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2021 CR _____

SUBMITTED BY: FINANCE COMMITTEE and
OPERATIONS AND ADMINISTRATIVE COMMITTEE

**RESOLUTION REGARDING SB2278 — PROPOSED AMENDMENT TO STATE
STATUTE 55 ILCS 5/5-1006.5 (SPECIAL COUNTY RETAILERS' OCCUPATION TAX
FOR PUBLIC SAFETY, PUBLIC FACILITIES, MENTAL HEALTH, SUBSTANCE ABUSE,
OR TRANSPORTATION)**

WHEREAS, pursuant to 55 ILCS 5/5-1006.5 (Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation), the county board of any county may impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of their business to provide revenue to be used for public safety, public facility, mental health, substance abuse, or transportation purposes; and

WHEREAS, currently the County of Winnebago imposes such a tax for public safety and another tax for mental health; and

WHEREAS, the public safety sales tax was imposed by the County of Winnebago approximately 18 years ago and has been managed since that time without a separate board; and

WHEREAS, the mental health sales tax was imposed by the County of Winnebago by the approval and adoption of an ordinance on May 14, 2020, with an effective date of July 1, 2020. A 7-member board has been established to advise the County Board of the County of Winnebago, Illinois (County Board) on the use of funds received from the tax; and

WHEREAS, the County of Winnebago is the first county in Illinois to impose a tax to be used for mental health and has yet to begin the expenditure of funds received from the tax; and

WHEREAS, on February 26, 2021, Illinois State Senator Steve Stadelman has sponsored a new bill, SB2278, which proposes an amendment to 55 ILCS 5/5-1006.5 (g); and

WHEREAS, the proposed amendment provides as follows: "any county authorized to levy a tax under this Section may establish a 7-member board, which shall oversee the use of funds received from the tax under this Section. Such board shall be appointed by the chairman of the county board or chief executive officer of the county with the advice and consent of the county board. Members of the 7-member board shall be residents of the county who are 18 years of age. The county board may by ordinance or resolution provide for the specific authority and procedures of the board"; and

WHEREAS, currently the County Board directly oversees the use of the funds received from the tax under 55 ILCS 5/5-1006.5; and

WHEREAS, the proposed amendment makes it discretionary for the County Board to establish a separate 7-member board to oversee the use of the funds and further provides that the County Board may establish the authority and procedures of said board; and

WHEREAS, the County Board understands the impact the funds received from the tax under 55 ILCS 5/5-1006.5 has on Winnebago County and its citizens, which includes providing for resources and services needed in the areas of public safety, public facility, mental health, substance abuse, or transportation.

NOW, THEREFORE BE IT RESOLVED, by the County Board of the County of Winnebago, Illinois that the General Assembly and the Governor should strongly consider the necessity of SB2278 and recognize that the County Board represents the interests of the entire county. Therefore, the County Board should maintain authority on the oversight of the use of the funds received from the Special County Retailers' Occupation Tax (55 ILCS 5/5-1006.5) and is opposed to SB2278.

BE IT FURTHER RESOLVED, that this Resolution shall be in full force and effect immediately upon its adoption.

**Respectfully submitted,
COMBINED FINANCE AND
OPERATIONS AND
ADMINISTRATIVE COMMITTEES**

AGREE

DISAGREE

Jaime Salgado, Chairman

Jaime Salgado, Chairman

Steve Schultz

Steve Schultz

John Butitta

John Butitta

Paul Arena

Paul Arena

Joe Hoffman

Joe Hoffman

Jean Crosby

Jean Crosby

Keith McDonald

Keith McDonald

AGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

DISAGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois this ____ day of _____, 2021.

Joseph Chiarelli, Chairman of the
County Board of the
County of Winnebago, Illinois

ATTEST:

Lori Gummow, Clerk of the
County Board of the
County of Winnebago, Illinois

**RESOLUTION
OF THE
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2021 CR _____

SUBMITTED BY: FINANCE COMMITTEE and
OPERATIONS AND ADMINISTRATIVE COMMITTEE

**RESOLUTION REGARDING HB2804 — PROPOSED AMENDMENTS TO THE
STATE STATUTE 55 ILCS 5/5-25012 (BOARD OF HEALTH)**

WHEREAS, 55 ILCS 5/5-25012 provides in part: “In counties with a population under 500,000, one member shall be chosen from the county board or the board of county commissioners as the case may be... At least one member from each county on each multiple-county board of health shall be a physician licensed in Illinois to practice medicine in all of its branches, one member from each county on each multiple-county board of health shall be chosen from the county board or the board of county commissioners, as the case may be, and at least one member of the board of health shall be a dentist licensed in Illinois”; and

WHEREAS, on February 18, 2021, Illinois State Representative Brad Halbrook has sponsored a new bill, HB2804, which proposes amendments to the Illinois Counties Code governing the Board of Health, 55 ILCS 5/5-25012; and

WHEREAS, the proposed amendments are to strike the following language: “one member from each county on each multiple-county board of health shall be chosen from the county board or the board of county commissioners, as the case may”; and

WHEREAS, the proposed amendment is to include the following new language: “No member of a county board or board of county commissioners, during the term of office for which he or she is elected, may be appointed or serve as a member of the board of health”; and

WHEREAS, term limits for members of the board of health vary per the statute and HB2804 would prohibit the appointment or service of a member of a county board or board of county commissioners during the term of office for which he or she is elected; and

WHEREAS, a member of the County Board of the County of Winnebago, Illinois has consistently been appointed to serve as a member of the board of health and contributes to the fulfillment of the duties of the board; and

WHEREAS, the board of health and its appointed members play a vital role in Winnebago County, Illinois and a county board member or board of commissioners member should be permitted to be a part of the board of health during their term of office, when the opportunity arises.

NOW, THEREFORE BE IT RESOLVED, that the County Board of the County of Winnebago, Illinois opposes HB2804 and recommends that the Board of Health statute, 55 ILCS 5/5-25012 not be amended as proposed.

BE IT FURTHER RESOLVED, that this Resolution shall be in full force and effect immediately upon its adoption.

**Respectfully submitted,
COMBINED FINANCE AND
OPERATIONS AND
ADMINISTRATIVE COMMITTEES**

AGREE

DISAGREE

Jaime Salgado, Chairman

Jaime Salgado, Chairman

Steve Schultz

Steve Schultz

John Butitta

John Butitta

Paul Arena

Paul Arena

Joe Hoffman

Joe Hoffman

Jean Crosby

Jean Crosby

Keith McDonald

Keith McDonald

AGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

DISAGREE

Keith McDonald, Chairman

Jean Crosby

John Butitta

Joe Hoffman

Dorothy Redd

Jaime Salgado

Paul Arena

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois this ____ day of _____, 2021.

Joseph Chiarelli, Chairman of the
County Board of the
County of Winnebago, Illinois

ATTEST:

Lori Gummow, Clerk of the
County Board of the
County of Winnebago, Illinois