

## **Divided McHenry County Board OKs small property tax increase in new levy**



McHenry County leaders appear to be upholding their promise to eliminate the Mental Health Board property tax levy now that a sales tax to fund the board's services is in place.

Voters approved the 0.25% sales tax increase in the March primary election, with the understanding that the county board would remove a property tax levy for the mental health services in exchange. Officials estimated the

quarter-cent mental health sales tax, which went into effect July 1, would generate about \$13 million in revenue. That compares to the \$11 million the mental health board was expected to receive in property taxes this year. That figure was a \$525,000 increase over the previous year but less than the additional \$2.5 million the board had requested as it said it faced a growing need for services and increasing expenses.

After the budget and property tax levy vote last fall, the board voted to put the sales tax increase in front of the voters in March. It passed with by a margin of about 53% to 47%.

In the last year, McHenry County also approved a contract to house Lake County Jail inmates, which had brought in over \$500,000 of revenue in the first two months of the contract. That contract is expected to run through December 2025.

Last week, the county staff rolled out the proposed 2025 budget and provided different financial scenarios for the county board to consider before it approves the spending plan. Officials took out the Mental Health Board portion of last year's levy in the scenarios.

Those scenarios ranged from cutting the overall property tax levy an additional 3% to capturing all new property growth and maxing out how much property tax could grow under the tax cap, which this year is 3.4%.

McHenry County Chief Financial Officer Kerri Wisz said the scenarios presented would reduce taxes. They are similar to ones presented last year and include:

- Reducing the levy by 3%. In this scenario, the county would have to rely on the Lake County revenues to support some operations and the capital plan would not be funded, Wisz said.

- Keeping a flat levy from last year. In this scenario, the county would not be able to fully fund capital projects and the county would have reduced levy capacity in the future.
- Capturing new growth only. In this scenario, the revenue would not fund recurring supplemental expenses or part of the capital plan. Wisz said this scenario “is kind of like the status quo.”
- Capturing new growth and taking half of the allowed inflation-tied levy growth of 1.7%. This scenario is similar to the one the county board approved last year, County Administrator Peter Austin said. It also is the staff recommendation, according to county records.
- Capturing new growth and taking the full amount allowed under the tax cap.

ast year’s budget discussion came on the heels of the SAFE-T Act taking effect, which abolished cash bail in Illinois. According to last year’s budget documents, the county was anticipating a loss of revenue of \$300,000 from the abolition of cash bail. The county also anticipated over \$1 million in added personnel expenses and about \$625,000 more for body cameras and storage and electronic monitoring due to the SAFE-T Act.

This year, the McHenry County Sheriff’s Office asked the County Board to approve three new deputy positions, citing the SAFE-T Act and other changes to the law in the past couple years. County officials also presented three additional scenarios for funding the sheriff’s office requests. The primary difference between the sheriff’s office hypotheticals was the number of deputy positions it funded.

Some on the board hinted where they were leaning on the various scenarios in response to a request for guidance from Finance Committee Chair Michael Skala, R-Huntley.

Board member Lou Ness, D-Woodstock, said she would support any budget that gives the sheriff's office what it needs.

Board member Theresa Meshes, D-Fox River Grove, was more explicit than her colleagues about where she stood. Meshes said she supported the staff recommendation plus fully funding the three sheriff positions.

Board member Joe Gottemoller, R-Crystal Lake, said he supported "giving the sheriff what he wants" and Gottemoller also was in support of the staff recommendation.

Board member John Reinert, R-Crystal Lake, agreed with the funding of the sheriff's office. Noting the sales tax and the motor fuel tax, Reinert said: "I think we should strive to not raise that CPI in any way."

If the county board chooses the staff recommendation and funds the three new sheriff's positions, the levy would be just under \$65 million, county documents show.