

Note: These minutes are not official until approved by the Finance Committee at a subsequent meeting. Please refer to the meeting minutes when these minutes are approved to obtain any changes to these minutes.

DeKalb County Government
Sycamore, Illinois

**Finance Committee Minutes
March 2, 2016**

The Finance Committee of the DeKalb County Board met on Wednesday, March 2, 2016, at 7:00 p.m. in the Administration Building's Conference Room East. Chairman Stoddard called the meeting to order. Those members present were Mr. Cribben, Mr. Gudmunson, Mr. Jones, Mr. Luebke, Mr. Reid, and Chairman Stoddard. Mrs. Tobias was absent. A quorum was established with six Members present and one absent.

Also present was Gary Hanson, Pete Stefan, Paul Miller, Joan Hanson, and Greg Millburg.

APPROVAL OF THE MINUTES

It was moved by Mr. Luebke, seconded by Mr. Cribben, and it was carried unanimously to approve the minutes of the February 3, 2016 Finance Committee Meeting.

APPROVAL OF THE AGENDA

It was moved by Mr. Jones, seconded by Mr. Cribben and it was carried unanimously by voice vote to approve the agenda as presented.

PUBLIC COMMENTS

There were no public comments made.

FY 2015 YEAR-END BUDGET TRANSFERS

Mr. Stefan noted that this was an annual housekeeping item that adjusts the various budget expenditure categories of Salaries & Benefits, Capital Outlays, Commodities & Services, and Fund Transfers for each budget cost center to ensure that no category exceeds its budgeted amount for the fiscal year. He explained that the adjustments in the proposed resolution are separated into two sections – Section A lists 24 categories that require additional appropriations from either additional revenue sources or fund balance, and Section B lists 29 categories that require additional appropriations from transfers of existing appropriations resulting in no increase in total appropriations.

It was moved by Mr. Jones, seconded by Mr. Luebke and it was approved unanimously by voice vote to forward the resolution onto the full County Board recommending its approval.

FY 2017 BUDGET PLANNING

Mr. Stefan provided a presentation to begin the FY 2017 budget planning process that included charts of some key revenue and expenditure trends as well as fund balance and CPI information. Those charts are attached to these minutes as well.

Mr. Stefan reiterated that last year the Finance Committee made a Fund Balance utilization recommendation to not utilize more than \$400,000 in reserves to fund General Fund operations in FY 2016 with the idea of cutting an additional \$400,000 in FY 2017 to achieve a Balanced Budget. Mr. Stefan shared that looking ahead to the FY 2017 Budget, due to deficits and budgetary losses that were acquired, the \$400,000 that they thought they needed to cut from the budget to achieve their goal is actually around \$900,000. The message that is being sent out is that it is going to be another *very* challenging budget cycle.

Mr. Stefan noted that he wanted everyone to be aware of this background information and understand that some of the budget numbers have changed drastically based on the drop in fuel prices and income tax projections etc.

The Committee questioned how much flexibility there was with that \$900,000 number from past experience. As difficult as it is to make that prediction right now, Mr. Hanson noted that it was hard for him to believe that it will go much lower than \$700-800,000 and his fear is that the number is going to go the other way.

BUDGET FORMS REVIEW

Mr. Stefan presented and reviewed a summary of the budget forms survey results that included which budget forms may no longer be as useful as they may have been in the past in regards to budget preparation and review purposes.

The recommended Budget Forms/Events that were suggested to be deleted were: Technology Standards Guide, Revenues, Department Organization Table, Request for Additional Overtime, Tax Levy Request, Fund Balance Analysis, Inventory of Major Service Areas, Efficiency Ideas Implemented, Suggestions for Study Issues by Board Members, Contract Inventory, and the Quarterly Review of Contracts in Place.

The Committee agreed that this was experimental for the upcoming FY 2017 Budget and if any of the forms were thought to have a use again it would be just as easy to add them to the list again. For the time being though it was best to try and streamline this process and eliminate the unnecessary forms.

It was moved by Mr. Jones, seconded by Mr. Luebke and it was approved unanimously by voice vote to delete the recommended Budget Forms and Events starting with the FY 2017 Budget Cycle.

IMPACT OF COUNTY-WIDE SCHOOL FACILITY SALES TAX

Mr. Hanson, Mr. Stefan, and Mr. Jones presented an update on the potential impact that a County-wide school facility sales tax would have on County finances. Such a tax could be implemented in 0.25% increments up to a maximum of 1% if approved by referendum.

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Mr. Jones explained that school officials in the County are considering banding together to place a referendum on the ballot asking voter to implement a new sales tax, up to 1%, to go to school facilities or construction bonds. District that educate more than 51% of students in the County would have to be on board with the plan to submit the questions, which would most likely be on the 2017 ballot.

If the tax is implemented, it could bring in about \$15 million in revenue, to be split amount the County's school district based on how many DeKalb County students attend school in each district. Mr. Jones stressed that if this question even *appears* on a ballot, American Airlines and United Airlines who have subsidiary offices in Sycamore where they make their fuel purchases, have said they would walk. If those companies pulled out of the area it would be detrimental to the County and there would be a potential \$2.5 million loss of revenue to the General Fund.

Mr. Jones explained that he, Chairman Pietrowski, and County Administration have spoken with area Superintendents to relay what type of damage this could do and have provided the information that Mr. Jones shared with the Committee. Mr. Jones shared that the bright-side was he didn't feel Sycamore CUSD 427 was interested in this sales tax at all nor were some other districts which is key. DeKalb CUSD 428 is the big pusher for this sales tax and unfortunately the County Board cannot stop a referendum question from going on the ballot, it is in the hands of the school districts.

Chairman Stoddard shared that he thinks it is best that the County Board doesn't take any formal position on this issue because it may just antagonize the districts even more. He added that it is best that the County provide them with the information and let them know what the downsides are.

Mr. Hanson noted that they will continue to keep watch and that there is one more meeting planned to discuss this topic in order to determine if the districts will go through with placing the question on the ballot or not.

NEW BUSINESS

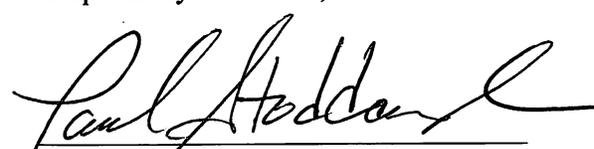
There were no new business items identified.

ADJOURNMENT

It was moved by Mr. Gudmunson, seconded by Mr. Cribben, and it was carried unanimously to adjourn the meeting.



Tasha Sims, Recording Secretary

Respectfully submitted,


Paul Stoddard, Chairman

**DEKALB COUNTY GOVERNMENT
FY 2015 Year-End Budget Adjustment**

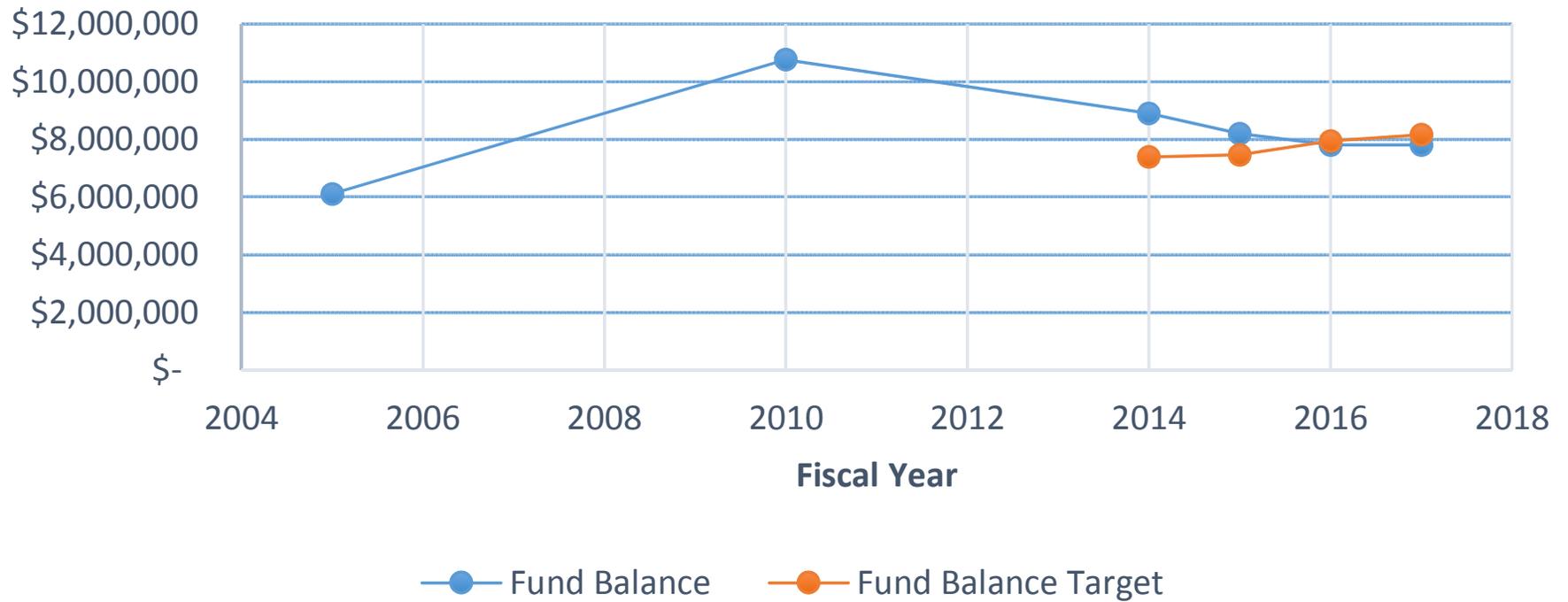
A. Additional Appropriations

<u>Item</u>	<u>Department</u>	<u>To Category</u>	<u>Amount</u>	<u>Funding Source / Reason</u>
A-1	Non-Departmental	Fund Transfers	70,000	Fund Balance / Law Library Fund Subsidy for FY 2015
A-2	Regional Office of Education	Salaries & Benefits	90,000	Reimbursement from ROE Funds / ROE Funded Employees
A-3	Coroner	Commodities & Services	16,000	Fund Balance / Professional Services-Autopsies
A-4	ESDA	Commodities & Services	89,000	Fund Balance / Disaster Assistance Costs-Fairdale
A-5	Court Services	Commodities & Services	80,000	Fund Balance / Specialized Care & Treatment-Juveniles
A-6	Total - General Fund		345,000	
A-7	Neutral Exchange Program	Commodities & Services	2,200	Fund Balance / Contribution to Agencies
A-8	Neutral Exchange Program	Fund Transfers	100	Fund Balance / Interest Transfer to General Fund
A-9	Total - Neutral Exchange Program Fund		2,300	
A-10	Opportunity Fund	Capital Outlays	160,000	Fund Balance / Sober Living Home Property
A-11	Opportunity Fund	Commodities & Services	10,000	Fund Balance / Economic Summit & Membership Dues
A-12	Total - Opportunity Fund		170,000	
A-13	Jail Expansion Fund	Capital Outlays	320,000	Fund Balance / Parking Lot
A-14	Jail Expansion Fund	Commodities & Services	1,100,000	Fund Balance / Professional Services & Public Notices
A-15	Total - Jail Expansion Fund		1,420,000	
A-16	Evergreen Village Operations	Commodities & Services	1,600	Fund Balance / Mobile Home Park Operations
A-17	Evergreen Village Operations	Fund Transfers	12,400	Fund Balance / Transfers to General & Opportunity Funds
A-18	Total - Evergreen Village Operations Fund		14,000	
A-19	Drug Court Fund	Capital Outlays	7,000	Fund Balance / Building Modifications & Equipment
A-20	Drug Court Fund	Commodities & Services	16,000	Fund Balance / Training Costs
A-21	Sober Living House	Capital Outlays	2,000	Fund Balance / Building Modifications & Architect
A-22	Sober Living House	Commodities & Services	2,000	Fund Balance / Supplies & Utilities & Insurance Costs
A-23	Total - Drug Court Fund		27,000	
A-24	Retirement Fund	Commodities & Services	215,000	Fund Balance / IMRF Accelerated Payments
A-25	Law Library	Commodities & Services	9,000	Fund Balance / Reference Material & Supplies
A-26	Probation Services	Commodities & Services	51,000	Grant Revenue & Probation Fees / Juvenile Justice Council
A-27	Document Storage	Salaries & Benefits	20,000	Fund Balance / Payroll Costs
A-28	Court Security	Salaries & Benefits	31,000	Fund Balance / Payroll Costs-Staff Changes
A-29	Senior Services	Commodities & Services	100,000	Fund Balance / Direct Assistance Payments
A-30	Landfill Host Benefit	Fund Transfers	1,962,000	Fund Balance / Transfers to General & Jail Expansion Funds
A-31	FEMA Grant-Montoya Project	Fund Transfers	100	Interest Revenue / Transfer to General Fund
A-32	Rehab & Nursing Center Fund	Fund Transfers	236,000	Fund Balance / Transfers to Retirement & Tort Funds
A-33	Total - Other Funds		2,624,100	
A-34	Total - All Funds		4,602,400	

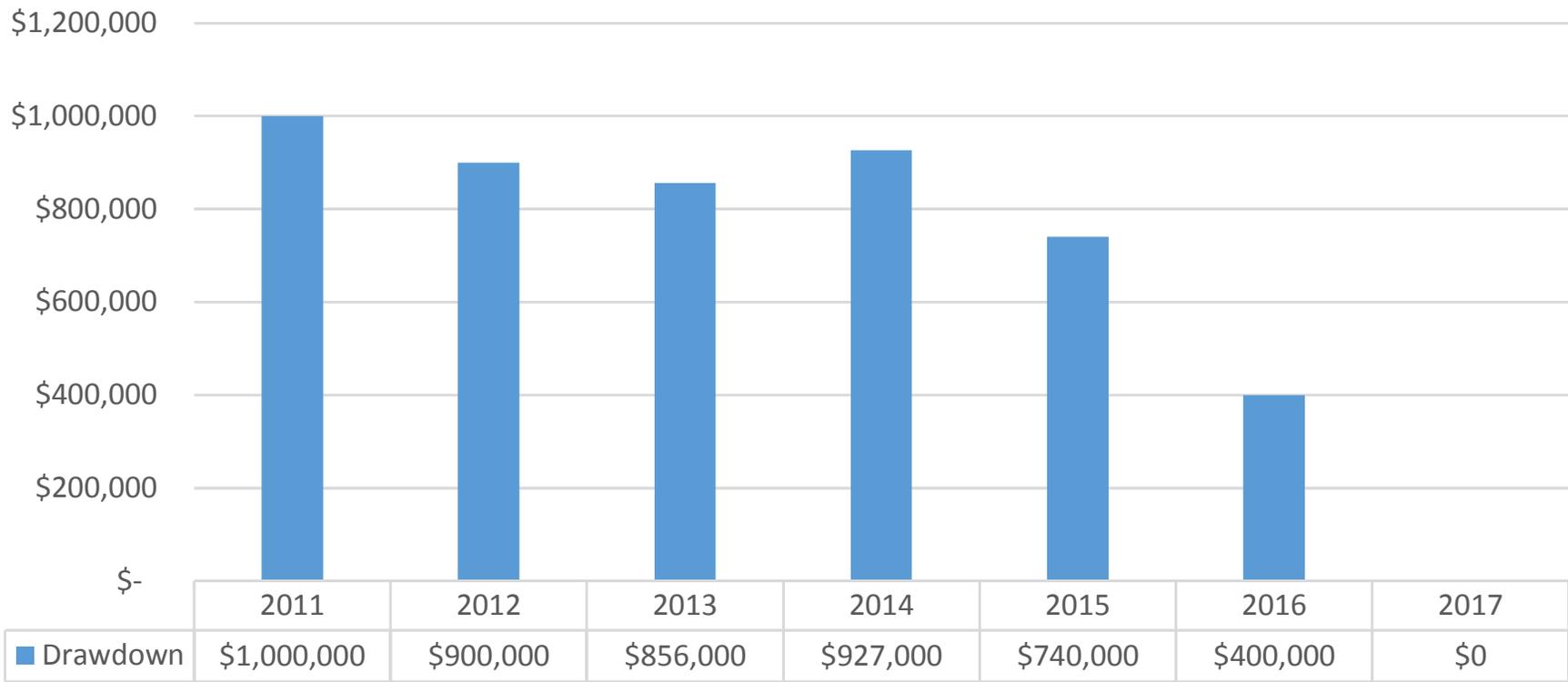
B. Appropriation Transfers

Item	From Department	From Category	To Department	To Category	Amount	Reason
B-1	IMO	Salaries & Benefits	Administration	Salaries & Benefits	35,000	Job Sharing Between Admin/IMO/County Clerk
B-2	Finance	Salaries & Benefits	Finance	Commodities & Services	18,000	Contractual Labor During Recruitment Periods
B-3	Elections	Salaries & Benefits	County Clerk & Recorder	Salaries & Benefits	14,000	Health Insurance Enrollment Changes
B-4	Planning & Zoning	Salaries & Benefits	Planning & Zoning	Capital Outlays	300	Printer
B-5	Planning & Zoning	Salaries & Benefits	Planning & Zoning	Commodities & Services	7,100	Contractual Labor During Recruitment Periods
B-6	Judiciary	Salaries & Benefits	Judiciary	Capital Outlays	1,600	Office Furniture & Small Equipment
B-7	Judiciary	Salaries & Benefits	Judiciary	Commodities & Services	3,000	Appointed Attorney Costs
B-8	Jury Commission	Commodities & Services	Jury Commission	Capital Outlays	400	Printer
B-9	Coroner	Salaries & Benefits	Coroner	Capital Outlays	1,000	Autopsy Scale
B-10	Sheriff-Corrections	Commodities & Services	Sheriff	Salaries & Benefits	120,000	Payroll Costs / Disaster Assistance-Fairdale
B-11	Sheriff	Commodities & Services	Sheriff-Merit Commission	Salaries & Benefits	500	Additional Per Diems Required in FY 2015
B-12	Sheriff	Commodities & Services	Sheriff-Merit Commission	Commodities & Services	7,500	Additional Hearings Held in FY 2015
B-13	Sheriff-Communications	Commodities & Services	Sheriff-Communications	Capital Outlays	1,200	Equipment Purchases
B-14	Total - General Fund				209,600	
B-15	Engineering Fund	Capital Outlays	Engineering Fund	Salaries & Benefits	5,000	Payroll Costs-Overtime
B-16	Engineering Fund	Capital Outlays	Engineering Fund	Fund Transfers	100	Transfer to Federal Highway Matching Fund
B-17	Total - Engineering Fund				5,100	
B-18	Solid Waste Program Fund	Salaries & Benefits	Solid Waste Program Fund	Capital Outlays	200	Additional Cost for Vehicle Purchase
B-19	Solid Waste Program Fund	Salaries & Benefits	Solid Waste Program Fund	Commodities & Services	31,000	Household Hazardous Waste Collection Event
B-20	Total - Solid Waste Program Fund				31,200	
B-21	Rehab & Nursing Center Fund	Salaries & Benefits	Rehab & Nursing Center Fund	Commodities & Services	55,000	Contractual Nursing/Therapy Consultants/Drugs
B-22	Rehab & Nursing Center Fund	Capital Outlays	Rehab & Nursing Center Fund	Commodities & Services	120,000	Contractual Nursing/Therapy Consultants/Drugs
B-23	Total - Rehab & Nursing Center Fund				175,000	
B-24	Probation Services Fund	Commodities & Services	Probation Services Fund	Capital Outlays	4,000	Computer Equipment
B-25	Document Storage Fund	Commodities & Services	Document Storage Fund	Salaries & Benefits	69,000	Payroll Costs
B-26	Public Health Fund	Salaries & Benefits	Public Health Fund	Commodities & Services	19,000	Vaccines
B-27	Mental Health Fund	Commodities & Services	Mental Health Fund	Capital Outlays	21,000	Disaster Assistance-Fairdale
B-28	Community Action Fund	Salaries & Benefits	Community Action Fund	Commodities & Services	11,000	Training & Supplies
B-29	Veterans Assistance Fund	Commodities & Services	Veterans Assistance Fund	Capital Outlays	1,000	Computer Equipment
B-30	County Farm Land Sale Fund	Commodities & Services	County Farm Land Sale Fund	Capital Outlays	20,000	Health Facility Parking Lot & Lighting
B-31	Data Fiber Optic Network Fund	Commodities & Services	Data Fiber Optic Network Fund	Capital Outlays	21,000	Fiber Network Infrastructure
B-32	Transportation Grant Fund	Salaries & Benefits	Transportation Grant Fund	Fund Transfers	200	Transfer to Tort & Liability Fund
B-33	FEMA Grant-Evergreen Village	Capital Outlays	FEMA Grant-Evergreen Village	Commodities & Services	55,000	Consultant Services & Property Taxes
B-34	Total - Other Funds				221,200	
B-35	Total - All Funds				642,100	

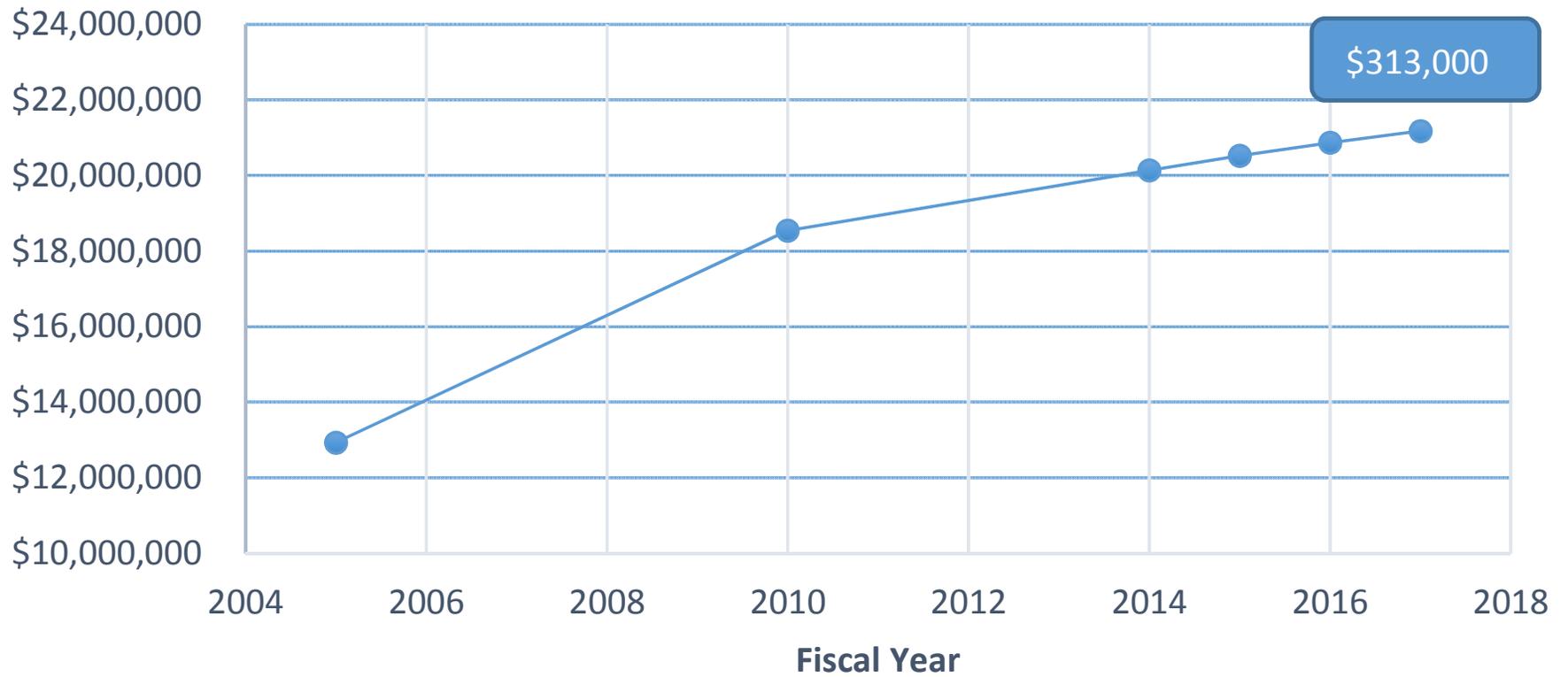
General Fund Fund Balance & Fund Balance Target



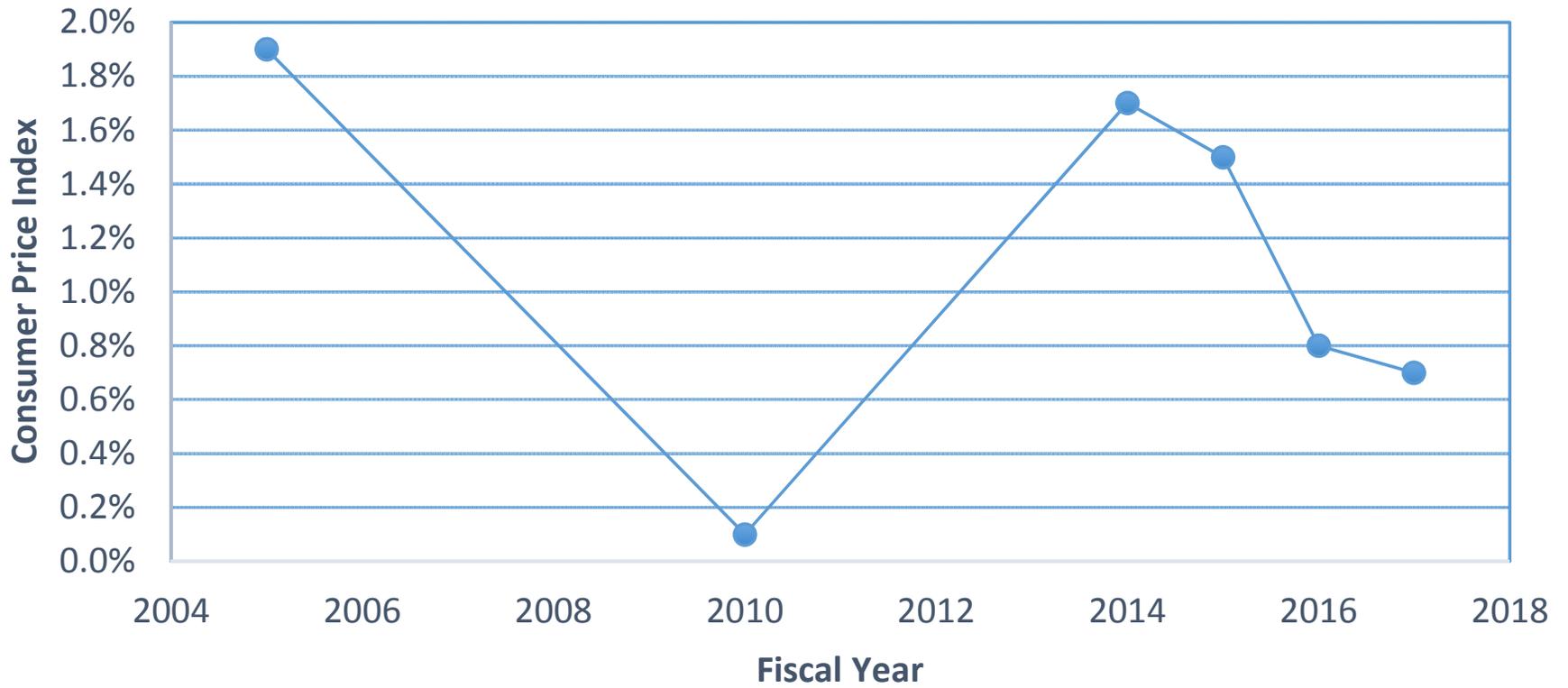
General Fund Budgeted Fund Balance Drawdown



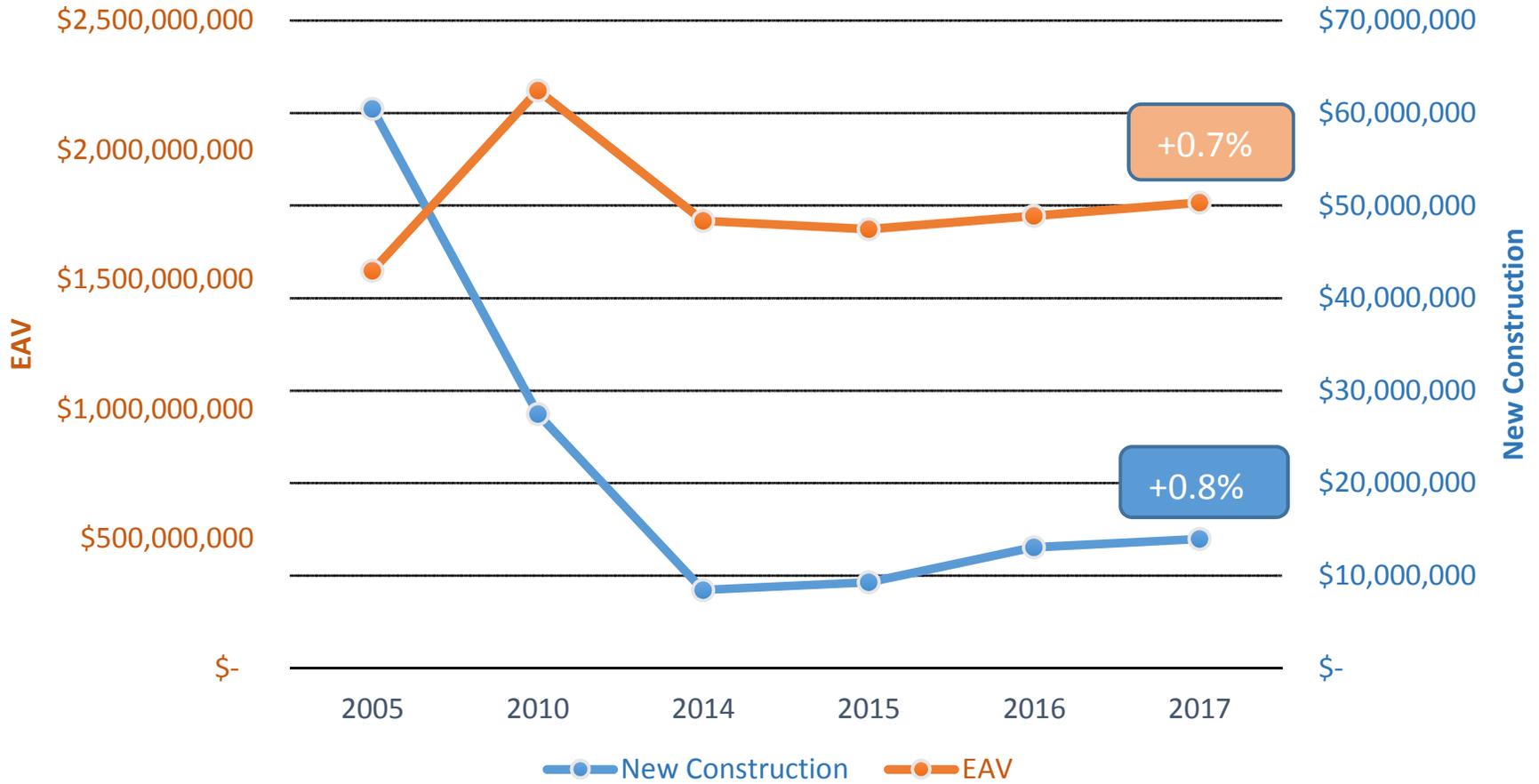
Property Tax Extensions (Capped Levies)



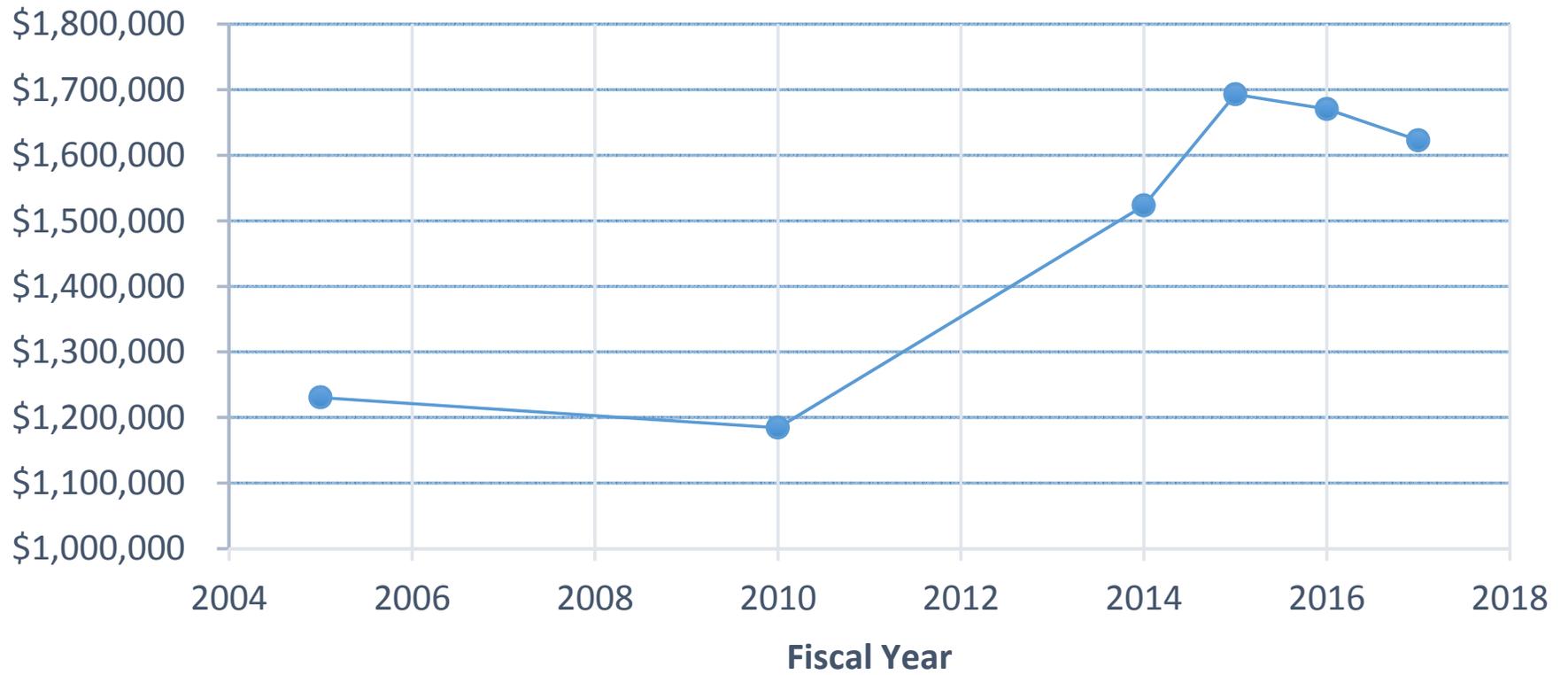
CPI Used for Property Tax Cap



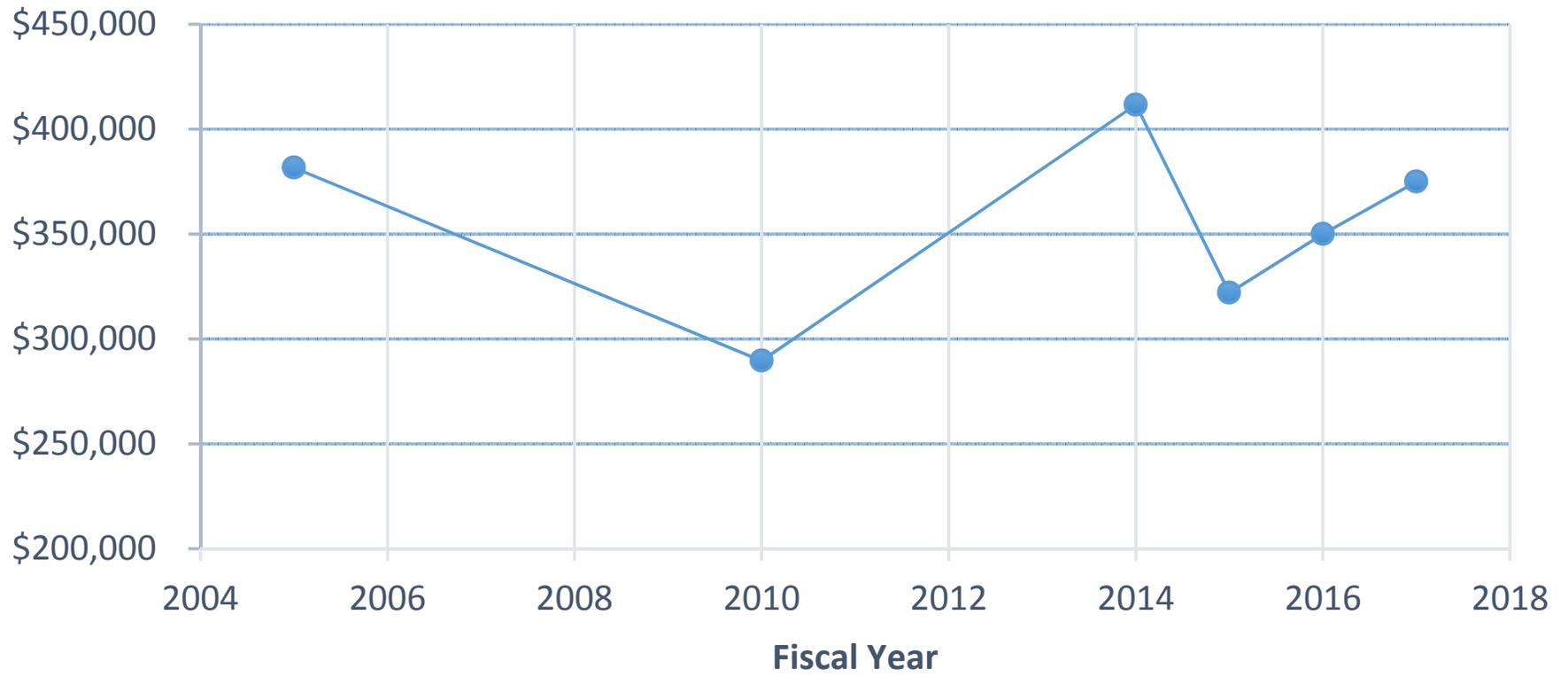
Equalized Assessed Valuation & New Construction Value



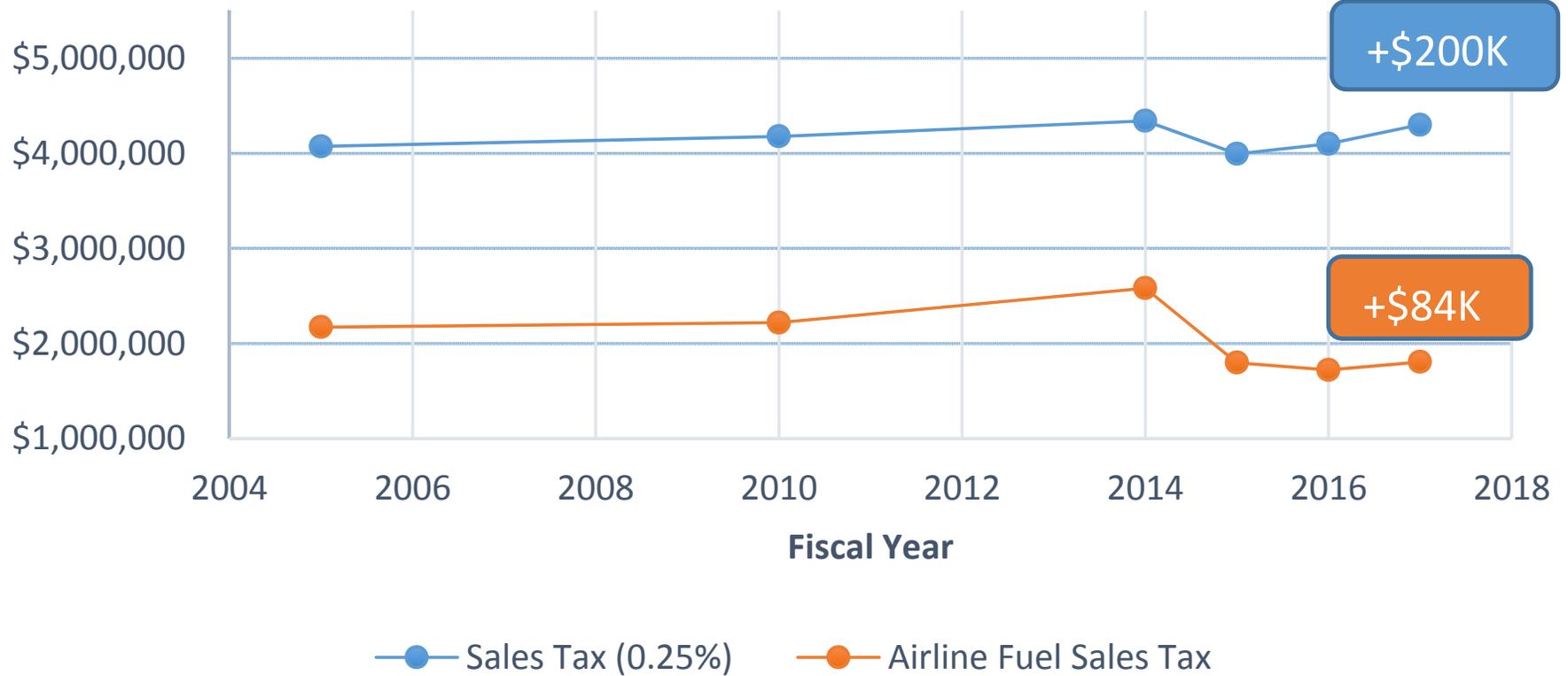
Income Tax Revenue



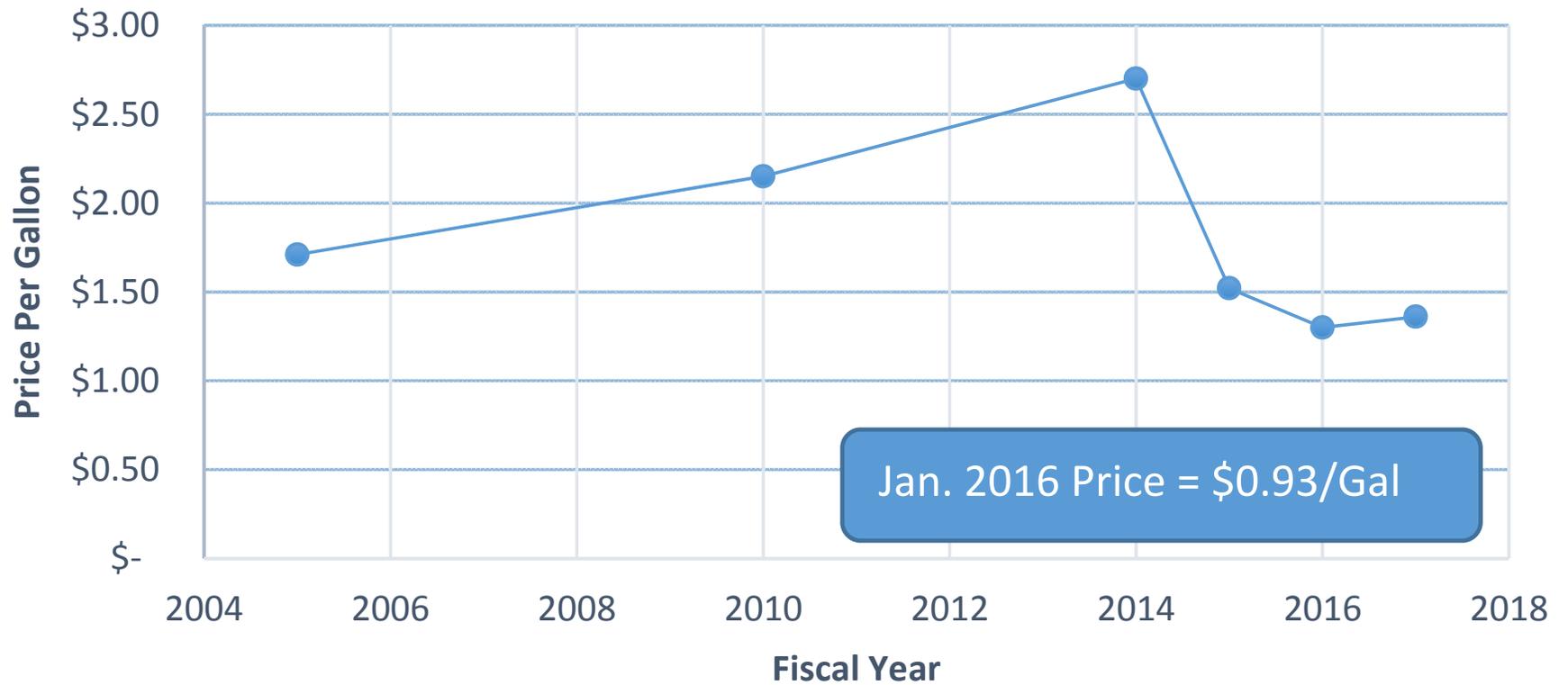
Sales Tax (1%)



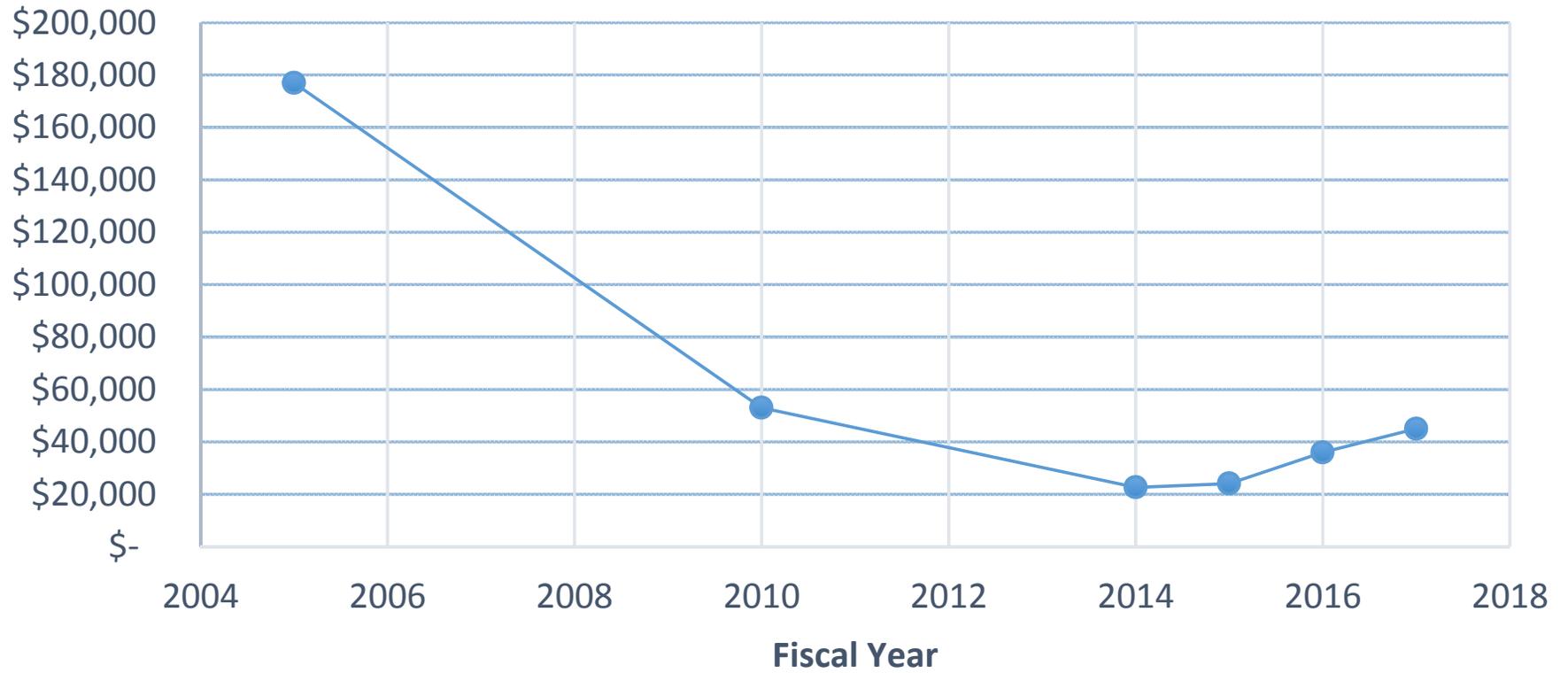
Sales Tax (0.25%) & Airline Fuel Sales Tax



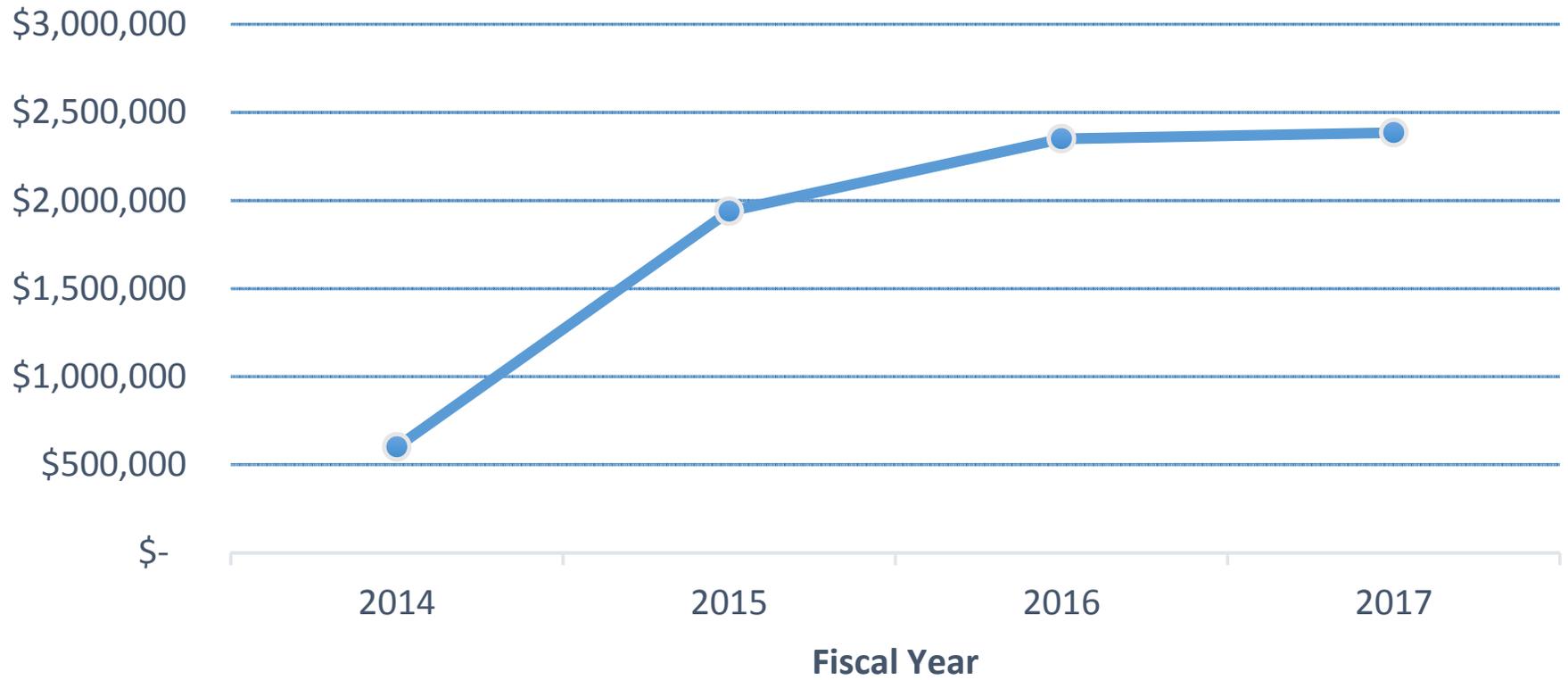
Jet Fuel Prices - Annual Average



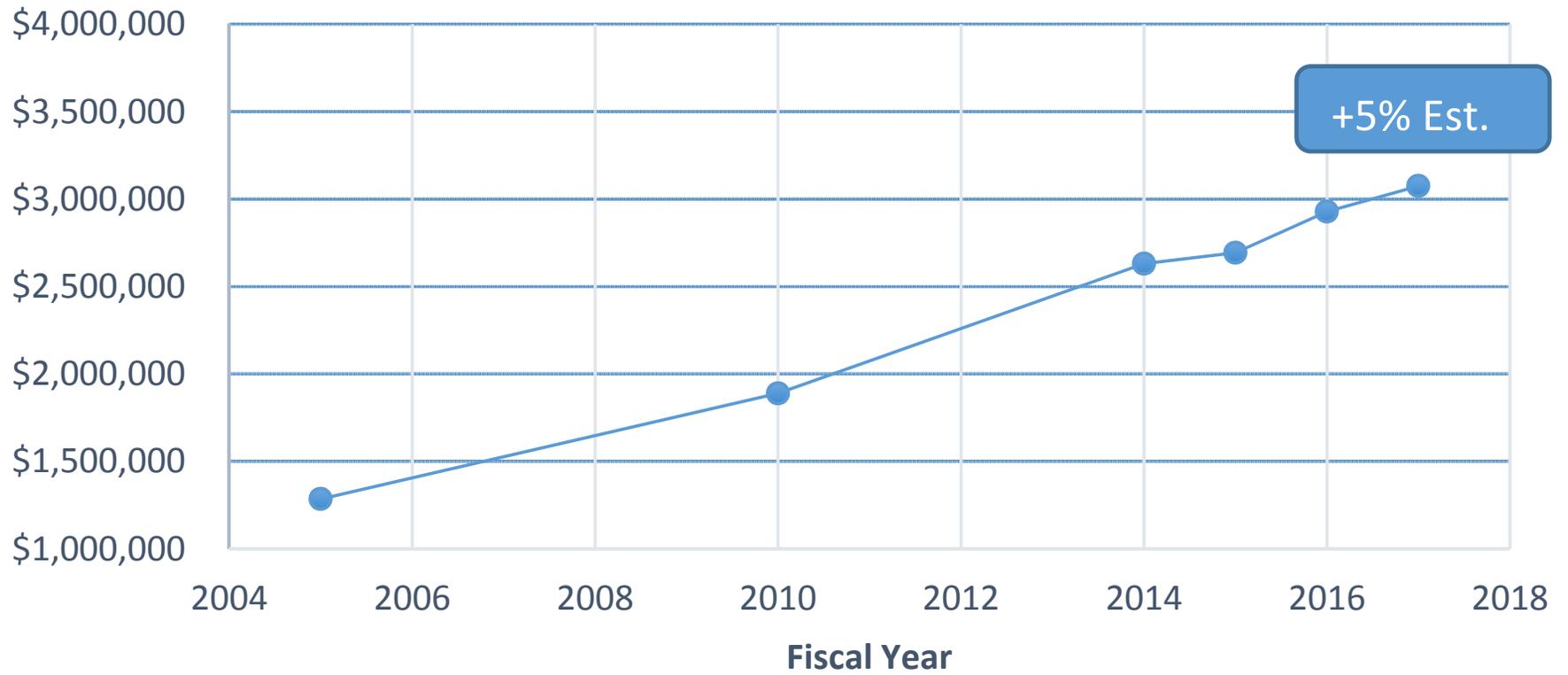
General Fund Interest Revenue



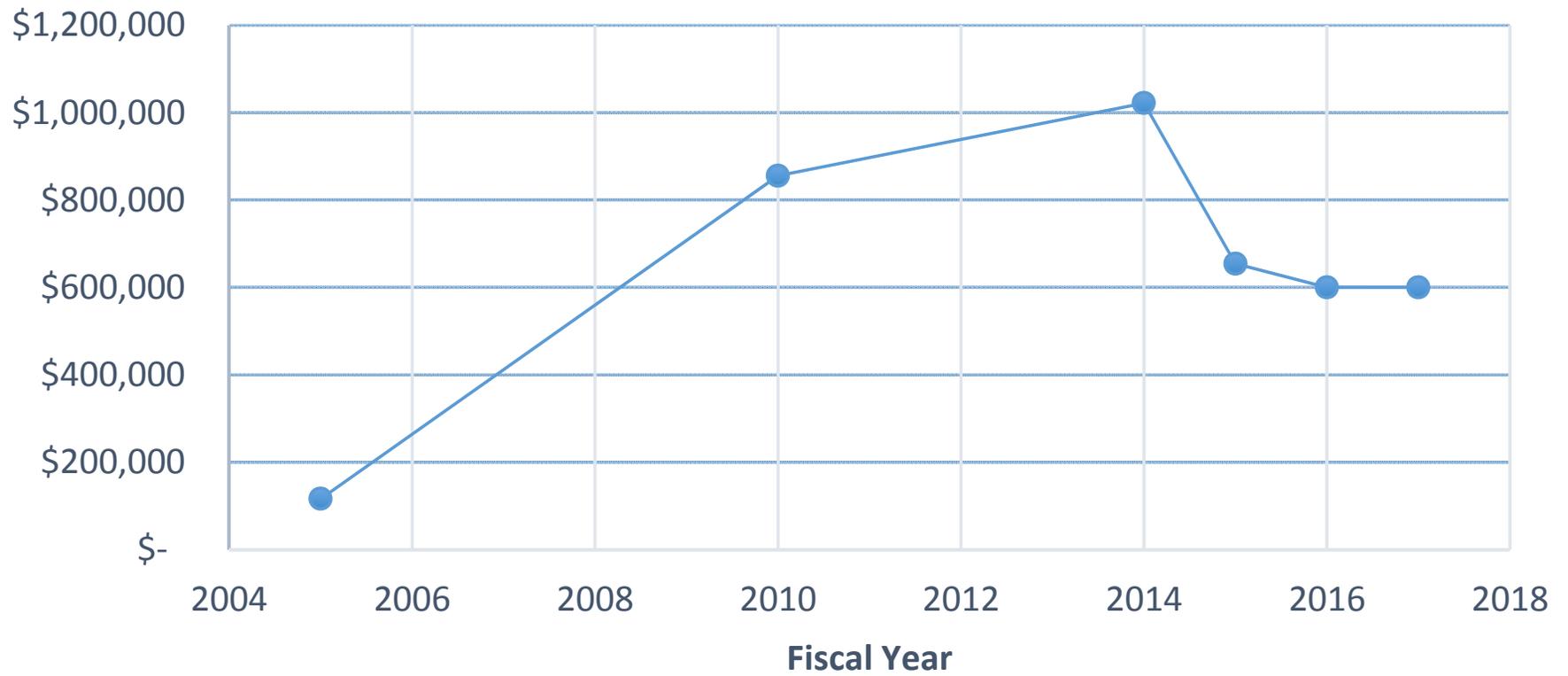
Landfill Host Benefit Fees



General Fund Health Insurance Costs



Corrections Detention Space Costs



Budget Forms Survey
Summary of Responses
03-02-2016

Total Number of Survey Responses Received = 20

(A) (B) (C) (D)

NUMBER OF RESPONSES

FORM/EVENT	DESCRIPTION	Delete	Keep
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Recommended Budget Forms/Events to Keep

1) MEETING	Finance Committee Setting Budget Parameters	0	16
2) FORM i	Instructions for Departments	0	18
3) FORM ii	Budget Calendar	0	20
4) FORM iii	Quick Price Guide	5	12
5) FORM iv	Quick Big Number Guide	4	13
6) FORM vi	Form Submittal Requirements	2	14
7) FORM A	Summary of Entire Department Budget	2	17
8) FORM B	Line Item Detail for Each Department	0	18
9) FORM E	Request for Changes to Authorized Positions	0	16
10) FORM G	Equipment, Furniture, Vehicles	3	14
11) FORM H	Commodities and Services	3	15
12) FORM M	Request for Items to be Included in 5 Yr Special Funding Plans	3	13
13) FORM N	Request Funding for Outside Agencies	5	8
14) FORM P	Appeal of Administrative Recommendation	1	17
15) HAND-OUT	Budget Narrative – Administrative Recommendation	0	19
16) WORKSHOP Budget	Budget Q&A for Board Members	1	14
17) MEETING Budget	Budget Appeal Process by Committees	0	16

Recommended Budget Forms/Events to Delete

18) FORM v	Technology Standards Guide	7	9
19) FORM C	Revenues	4	10
20) FORM D	Department Organization Table	7	10
21) FORM F	Request for Additional Overtime	3	10
22) FORM I	Tax Levy Request	5	9
23) FORM J	Fund Balance Analysis	5	10
24) FORM K	Inventory of Major Service Areas	12	5
25) FORM L	Efficiency Ideas Implemented	10	4
26) FORM O	Suggestions for Study Issues by Board Members	8	5
27) FORM Q	Contract Inventory	10	7
28) MEETING Quarterly	Quarterly Review of Contracts In Place	8	5