

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
May 1, 2019**

The Finance Committee of the DeKalb County Board met on Wednesday, May 1, 2019, in the Administration Building's Conference Room East. Chairman Cribben called the meeting to order at 7:00 p.m. Those Members present were Mr. Scott Campbell, Mr. Steve Faivre, Mr. John Frieders, Ms. Dianne Leifheit, Mr. Jerry Osland, Ms. Sandra Polanco, and Chairman Dan Cribben. A quorum was established with all seven Members present.

Others present included Pete Stefan, Jim Scheffers, Jim Hutcheson, Deanna Cada, and Jerry Helland.

APPROVAL OF THE AGENDA

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

APPROVAL OF THE MINUTES

It was moved by Mr. Campbell, seconded by Ms. Polanco and it was carried unanimously to approve the minutes of the April 3, 2019 Finance Committee Meeting.

PUBLIC COMMENTS

There were no public comments.

COURTHOUSE BUILDOUT ARCHITECTURAL SERVICES

Following the Law & Justice Committee's tour of the Courthouse Offices, the Committee gave approval to the relocation plan. The third floor buildout project now moves to the Finance Committee for approval of up to \$70,000 for architectural services, plus expenses, for the project and to approve contracting with Dewberry Architects to complete that work. Mr. Stefan presented a draft Resolution to that effect and a Project Timeline.

Mr. Faivre moved and Ms. Polanco seconded approving the allocation of the funds for the architectural services with the caveat that the Law & Justice Committee present the Resolution at the full County Board Meeting. The motion carried unanimously.

Mr. Frieders brought up the need in the future to begin looking at the storage of paper documents and having the County's Information Management Office look into what software is available to help digitize documents in order to store them electrically in order to help eliminate paper storage.

UPDATE ON ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) DECREASE TO INVESTMENT ASSUMED RATE OF RETURN

Mr. Stefan shared that since the County Board passed Resolution R2019-18 on March 20th, the IMRF Board has adopted a rate phase-in option for employers to consider and has also issued preliminary contribution rates for 2019. The County's IMRF rate is increasing by almost 20% while the SLEP rate is increasing by more than 26%. Both of these increases are well in excess of the estimates provided by IMRF during deliberations on decreasing the investment assumed rate of return. The Committee reviewed a worksheet showing the additional cost to the County in 2020 as compared to 2019 contributions. Both a full-employment budgetary impact is included (\$636,000 to \$813,000) as well as an estimated impact based on turnover, vacancies, etc. (\$600,000 to \$750,000). Information on the limited one-year phase-in option to the full actuarially determined rates were also be discussed.

After receiving that not-so-great news, Chairman Cribben requested that Mr. Stefan share with them some positive news regarding the end results of the FY 2018 Audit. Mr. Stefan shared that the General Fund is expected to end at about a 1.2% surplus. The County passed a Balanced Budget and ended up adding \$1.2 million to the General Fund Fund Balance. The main contributors to that were the Airline Fuel Sales Tax because it was phased out of the budget but the County is still receiving those monies which helped the budget at a tune of \$826,000. The second larger contributor was all of the solar garden permit fees which came in at about \$237,000. Neither of these items are an ongoing revenue source but did help contribute to adding to the County's Fund Balance for FY 2018, Mr. Stefan shared.

RESPONSIBLE BIDDER ORDINANCE

As requested by the Executive Committee, the Finance Committee (in addition to other Committees) was presented with the most recent version of the Responsible Bidder Ordinance to provide input towards the final version of the Ordinance. Due to there being ongoing language changes and the Ordinance still being reviewed by the State's Attorney's Office, the Committee did not review this item in much detail until they receive a more formal, final draft.

Ms. Polanco shared that when researching, she found that many other Counties and governmental bodies have very similar Responsible Bidder Ordinances. Most all of them also do not identify a monetary threshold limit. She encouraged those interested to visit IIFFC.org for more information regarding Responsible Bidder.

LIABILITY AND WORKERS COMPENSATION INSURANCE CONSULTANT

Mr. Stefan shared that he has started working with an insurance and risk management consultant, Nugent Consulting, LLC, with over 35 years of experience in the industry, including stints at two of the largest area insurance brokers, and who currently works with over 80 agencies across Illinois. They are in the process of gathering 10 years of historical claims data that will be used in the analysis to make a recommendation on coverage options for the County including pooling, self-insurance, large retention, etc. The Committee was pleased to hear about the progress with this venture and requested that the Consultant meet with them to present the formal RFP at their next meeting.

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FACILITIES MANAGEMENT OFFICE (FMO) REQUEST FOR ADDITIONAL OVERLAP EMPLOYMENT

The FY 2019 Budget Narrative #21 provides a three week overlap in staffing in the Facilities Management Office due to the expected retirement of a Secretary B provided that the budgetary savings to cover the additional costs is identified in the department's operating budget. Due to the multitude of duties and responsibilities this position is responsible for, FMO Director Jim Scheffers requested that the overlap period be extended to eight weeks in accordance with their original budget request. Mr. Scheffers presented the merits of this request, as well as funding options, which would come out of his existing departmental budget. He provided that worse case, the extra five weeks would cost \$10,700, which includes benefits.

The Committee gave a unanimous consensus for Mr. Scheffers to move forward with allowing the extra five weeks of overlap.

CLAIMS REVIEW

Mr. Stefan highlighted the significant expenditures included in the April Claims List including any items that were unusual from either a dollar amount perspective or due to the nature of the expenditure.

Ms. Deanna Cada and Mr. Jerry Helland from the County's Community Mental Health Board introduced themselves to the Committee. They explained they were present to hear how the Committee reviewed the County's monthly claims report.

ADJOURNMENT

It was moved by Ms. Leifheit, seconded by Ms. Polanco, and it was carried unanimously to adjourn the meeting at 8:24 p.m.

Respectfully submitted,

Dan Cribben, Chairman

Tasha Sims, Recording Secretary

RESOLUTION
R2019-xx

WHEREAS, the Courthouse Expansion project was completed in 2012 and the expansion included a third floor that was not completed, but left as shell space for future growth, and

WHEREAS, offices operating within the Court System are finding that additional space is needed to accommodate the pressures of growth that they are experiencing, and

WHEREAS, the County Board has asked that determining the possibility of converting the shell space into usable office space become a priority for 2019, and

WHEREAS, a concept plan has been put forward and embraced by various offices to locate the State's Attorney's Office in the third floor space set-aside for expansion and that the State's Attorney's current office on the first floor of the Courthouse be back-filled by the Public Defender's Office and that the current Public Defender's office in the basement of the expanded Courthouse be back-filled by both the Treatment Court and Pre-Trial offices, and

WHEREAS, it would be necessary to hire an architect to design the spaces for those uses and to provide cost projections of the work so that the County Board can make a decision about moving forward with the construction phase of the project, and

WHEREAS, available funding for hiring an architect has been identified through monies received from the City of DeKalb from the 23 year close-out of their Tax Incremental Financing District #2, and

WHEREAS, Dewberry Architects was the architects of record for the Courthouse Expansion project and as such possess much of the background materials for addressing the user needs as well as designs of the building's mechanical, electrical, and plumbing systems, and

WHEREAS, the Law & Justice Committee has endorsed the conceptual plans for how the building will be used in the future and the Finance Committee has reviewed the cost and financing to move forward with this project up until the point of seeking construction bids;

NOW, THEREFORE, BE IT RESOLVED that the DeKalb County Board does hereby approve up to \$70,000 for architectural services, plus expenses, that would take the project up to the point of seeking construction bids, with said funds to come from DeKalb City TIF #2 Close-out Funds, and that the County Administrator is authorized to engage Dewberry Architects for that work;

BE IT FURTHER RESOLVED that the Law & Justice Committee is authorized to review the project, with input from the Departments utilizing Courthouse space, at the completion of the "Design Development Phase", at which point about 50% of the above authorized architect services will have been consumed, and then the Law & Justice Committee shall determine if the project should move forward from that point to the next phase of the project which would be developing "Contract Documents";

BE IT FURTHER RESOLVED that before the project moves past the "Contract Documents" phase, which would be for the "Bidding" and "Construction" phases, both the Finance Committee and the County Board first need to approve any additional monies for this project.

PASSED THIS 15TH DAY OF MAY, 2019 AT SYCAMORE, ILLINOIS

ATTEST:

SIGNED:

Douglas J. Johnson
DeKalb County Clerk

Mark Pietrowski, Jr.
DeKalb County Board Chairman

DEKALB COUNTY GOVERNMENT
COURTHOUSE OFFICE RE-LOCATION & CONSTRUCTION TIME-LINE
Updated April 18, 2019

- 04/03/2019 Finance Committee receives time-line for the project and a financing option for the first major step, which is hiring an architect.
- Source of Funds: The County has received just over \$500,000 from the close-out of the City of DeKalb's TIF #2. An additional \$150,000 is expected to be received within the next year.*
- 04/22/2019 Law & Justice Committee tours Courthouse spaces contemplated for office shuffling and construction (County Board invited). Committee gives approval to re-location plan.
- 05/01/2019 Finance Committee recommends funding amount and source for hiring an architect. Architect will be charged with designing the space, estimating the construction cost, and preparing documents up to the point of obtaining construction bids, but not actually bidding out the project.
- 05/15/2019 County Board approves funding for architect.
- 06/01/2019 Architect begins design meetings with Departments Heads.
- 07/22/2019 Law & Justice Committee approves that the architect moves to the "Contract Document" phase from the "Design Development" phase.
- 10/01/2019 Architect submits design and cost projections for County review by Department Heads and County Board members.
- 10/28/2019 Law & Justice Reviews architects plans and recommends action to the County Board to seek bids for the project.
- 11/06/2019 Finance Committee recommends financing plan.
- 11/20/2019 County Board approves Courthouse project and financing method as well as assigns the project over-sight to the Public Building Commission.
- 12/01/2019 Construction bids are released.
- 01/15/2020 Bids are received and awarded by the Public Building Commission.

Impact of Decrease in IMRF Investment Rate of Return Assumption

2019 Budgeted Contributions Method

05-01-2019

(AA)	(BB)		(CC)	(DD)	=	(EE)		(FF)
	Two IMRF Rate Options		IMRF	One SLEP Plan		Total Additional Costs		IMRF + SLEP
	IMRF	or	IMRF	SLEP		IMRF + SLEP	to	IMRF + SLEP
	(Phase-In Rate)		(ADC Rate)			(Phase-In Rate)		(ADC Rate)
A. Reportable Wages Estimates								
A.1	2019 Budgeted Expenditures	\$	1,813,200	\$	1,813,200	\$	1,453,000	
A.2	2019 Actual Rates		÷ 8.13%		÷ 8.13%		÷ 17.57%	
A.3	2019 Estimated Reportable Wages	\$	22,302,583	\$	22,302,583	\$	8,269,778	
A.4	2020 Estimated COLA Increase		x 102%		x 102%		x 102%	
A.5	2020 Estimated Reportable Wages	\$	22,748,635	\$	22,748,635	\$	8,435,174	
B. Rates								
B.1	2019 Actual Rates		8.13%		8.13%		17.57%	
B.2	2020 Preliminary Rates		8.94%	or	9.72%		22.15%	
B.3	Percentage Increase in Contribution Rate		9.96%	or	19.56%		26.07%	
C. Estimated 2019 Employer Contributions								
C.1	2019 Estimated Reportable Wages	\$	22,302,583	\$	22,302,583	\$	8,269,778	
C.2	2019 Actual Rates		8.13%		8.13%		17.57%	
C.3	Estimated 2019 Employer Contributions	\$	1,813,200	\$	1,813,200	+	\$ 1,453,000	= \$ 3,266,200 to \$ 3,266,200
D. Projected 2020 Employer Contributions								
D.1	2020 Estimated Reportable Wages	\$	22,748,635	\$	22,748,635	\$	8,435,174	
D.2	2020 Actual Rates		8.94%	or	9.72%		22.15%	
D.3	Projected 2020 Employer Contributions	\$	2,033,728	or	\$ 2,211,167	+	\$ 1,868,391	= \$ 3,902,119 to \$ 4,079,558
E. Additional Costs for 2020								
E.1	Projected 2019 to 2020 Increase \$\$\$	\$	220,528	or	\$ 397,967	+	\$ 415,391	= \$ 635,919 to \$ 813,358
E.2	Projected 2019 to 2020 Increase %%%		12.16%	or	21.95%		28.59%	19.47% 24.90%

Impact of Decrease in IMRF Investment Rate of Return Assumption

Actual 2018 Wages Reported Method

05-01-2019

(AA)	(BB)		(CC)	(DD)	=	(EE)		(FF)
	Two IMRF Rate Options		IMRF (ADC Rate)	One SLEP Plan		Total Additional Costs		IMRF + SLEP (ADC Rate)
	IMRF (Phase-In Rate)	or		SLEP		IMRF + SLEP (Phase-In Rate)	to	
A. Reportable Wages Estimates								
A.1	2018 Actual Reported Wages	\$ 18,445,893	\$ 18,445,893	\$ 8,076,055				
A.2	2019 Estimated COLA Increase	x 102%	x 102%	x 102%				
A.3	2019 Estimated Reportable Wages	\$ 18,814,811	\$ 18,814,811	\$ 8,237,576				
A.4	2020 Estimated COLA Increase	x 102%	x 102%	x 102%				
A.5	2020 Estimated Reportable Wages	\$ 19,191,107	\$ 19,191,107	\$ 8,402,328				
B. Rates								
B.1	2019 Actual Rates	8.13%	8.13%	17.57%				
B.2	2020 Preliminary Rates	8.94%	or 9.72%	22.15%				
B.3	Percentage Increase in Contribution Rate	9.96%	or 19.56%	26.07%				
C. Estimated 2019 Employer Contributions								
C.1	2019 Estimated Reportable Wages	\$ 18,814,811	\$ 18,814,811	\$ 8,237,576				
C.2	2019 Actual Rates	8.13%	8.13%	17.57%				
C.3	Estimated 2019 Employer Contributions	\$ 1,529,644	\$ 1,529,644	\$ 1,447,342	=	\$ 2,976,986	to	\$ 2,976,986
D. Projected 2020 Employer Contributions								
D.1	2020 Estimated Reportable Wages	\$ 19,191,107	\$ 19,191,107	\$ 8,402,328				
D.2	2020 Actual Rates	8.94%	or 9.72%	22.15%				
D.3	Projected 2020 Employer Contributions	\$ 1,715,685	or \$ 1,865,376	\$ 1,861,116	=	\$ 3,576,801	to	\$ 3,726,491
E. Additional Costs for 2020								
E.1	Projected 2019 to 2020 Increase \$\$\$	\$ 186,041	or \$ 335,731	\$ 413,773	=	\$ 599,814	to	\$ 749,505
E.2	Projected 2019 to 2020 Increase %%%	12.16%	or 21.95%	28.59%		20.15%		25.18%



Preliminary Notice of Illinois Municipal Retirement Fund Contribution Rate for Calendar Year 2020

Date April 2019

Employer name DEKALB COUNTY

Employer No. 02996

The IMRF Board of Trustees adopted an optional phase-in rate for 2020 for the Regular plan only. Shown below are member contribution rates, and your employer's 2020 preliminary actuarial determined contribution (ADC) rate(s) and optional phase-in rate.

	IMRF ADC Contribution Rates	
	Regular	SLEP
Member Contributions (tax-deferred)	4.50%	7.50%
Employer Contributions		
• Retirement Rate		
Normal Cost	5.85%	11.99%
Funding Adjustment <over> under	3.04%	6.29%
Net Retirement Rate	8.89%	18.28%
• Other Program Benefits		
Death.....	0.12%	0.07%
Disability.....	0.09%	0.09%
Supplemental Benefit Payment.....	0.62%	0.62%
Early Retirement Incentive	0.00%	0.00%
SLEP Enhancement.....	0.00%	3.09%
• TOTAL EMPLOYER RATE	9.72%	22.15%

Below is the 2020 optional phase-in rate:

	IMRF Optional Phase-in Contribution Rate	
	Regular	SLEP
TOTAL EMPLOYER RATE	8.94%	N/A

For the Regular plan, you may select the ADC rate, optional phase-in rate, or a rate between the two.

Please provide your rate selection by Friday, August 30, 2019, via email to Dionne Green, Employer/Member Data Unit Supervisor at dngreen@imrf.org. If IMRF does not receive your selection by this date, we will assume your employer has selected the ADC rate. This rate will be reflected on your Final Notice of Illinois Municipal Retirement Fund Contribution Rate for Calendar Year 2020, scheduled for release in November 2019.

For more information about the Preliminary Notice of IMRF Contribution Rates for Calendar Year 2020, view your secure messages in Employer Access. If you have any questions, please contact Employer/Member Data Unit Supervisor Dionne Green at 630-706-4234 or Finance Relations Manager Audrey Brown-Ryce at 630-706-4246.

ORDINANCE O2019-xx

A RESOLUTION ESTABLISHING RESPONSIBLE BIDDER REQUIREMENTS ON PUBLIC PROJECTS

WHEREAS, the County of DeKalb seeks to preserve administrative resources by ensuring that only qualified contractors and subcontractors are awarded contracts on public works construction projects; and

WHEREAS, the County of DeKalb, based upon its experience, has determined that quality workmanship, efficient operation, safety, and timely completion of projects are not necessarily insured by awarding a construction contract solely on the basis of the low bid; and

WHEREAS, the County of DeKalb seeks to enhance its ability to identify the lowest “responsible bidder” on all of the County’s public construction projects by instituting more comprehensive submission requirements which are in compliance with Illinois law; and

WHEREAS, an Ordinance addressing “Responsible Bidder Requirements” will assure efficient use of taxpayer dollars, will promote public safety, and is in the public interest.

NOW, THEREFORE, BE IT ORDAINED by the DeKalb County Board that all of the County’s construction projects should only be awarded to those contractors and sub-contractors that meet the requirements of a “Responsible Bidder” as set forth below, unless such requirements are waived by the County Board for a specific project.

- I. Responsible Bidder or Offeror is a person (firm) who has the capability in all respects to perform fully the **public works construction** contract requirements, and the experience, personnel, integrity, reliability, facilities capacity, equipment, acceptable past performance, and credit which will assure good faith performance.
- II. Responsible bidder for construction contracts means a bidder for County construction contracts that are advertised, awarded, and financed, in whole or in part, with County public funds, ~~regardless of cost~~ **for projects over \$125,000**, excluding projects on private property; and who meets all of the job specifications, the following applicable criteria, and submits evidence of such compliance:
 - a. All applicable laws prerequisite to doing business in Illinois, and all local ordinances; and not in conflict with any federal law.
 - b. Evidence of compliance with
 - (1.) Federal Employer Tax Identification Number or Social Security Number (for individuals).
 - (2.) Provision of Section 2000(e) of Chapter 21, Title 42 of the United States Code and Federal Executive Order No. 11246 as amended by Executive Order No. 11375 (known as the Equal Opportunity Employer provisions).

- c. Certificates of insurance indicating the following coverages: general liability, workers' compensation, completed operations, and auto.
- d. Compliance with all provisions and exemptions of the Illinois Prevailing Wage Act, including wages, medical and hospitalization insurance and retirement for those trades covered in the Act.
- e. Disclosure of the name and address of each subcontractor from whom the contractor has accepted a bid and/or intends to hire on any part of the project prior to the subcontractor commencing work on a project.
- f. The bidder and all bidder's sub-contractors must participate in active apprenticeship and training programs approved and registered with the U.S. Department of Labor's Office of Apprenticeship for each of the trades of work contemplated under the awarded contract.
- g. All contractors and sub-contractors are required to turn in certified payrolls as specified in Illinois Public Act 94-0515, and follow all provisions of the Employee Classification Act, 820 ILCS 185/1 et seq.
- h. All bidders must provide three (3) projects of a similar nature as being performed in the immediate past five (5) years with the name, address and telephone number of the contact person having knowledge of the project or three (3) references (name, address, and telephone number) with knowledge of the integrity and business practices of the contractor.

BE IT FURTHER ORDAINED, that nothing hereby adopted shall be construed to affect any suit or proceeding now pending in any court or any rights accrued or liability incurred or cause or causes of action accrued or existing under any prior Resolution or Ordinance. Nor shall any right or remedy of any character be lost, impaired, or affected by the Ordinance.

BE IT FURTHER ORDAINED, that this Ordinance shall be in full force and effect immediately upon its adoption, excluding those contracts advertised or awarded before this date.

BE IT FURTHER ORDAINED, that this Ordinance be incorporated into the County's Code Book and that the DeKalb County Clerk is hereby directed to prepare and deliver a certified copy of this Ordinance to the County of DeKalb Finance Office.

PASSED AT SYCAMORE, ILLINOIS THIS 15TH DAY OF MAY, 2019.

ATTEST:

SIGNED:

Douglas J. Johnson
DeKalb County Clerk

Mark Pietrowski, Jr.
County Board Chairman