

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
October 5, 2016**

The Finance Committee of the DeKalb County Board met on Wednesday, October 5, 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. Jones, Mr. Luebke, Mr. Reid, Mrs. Tobias and Chairman Stoddard. Mr. Gudmunson was absent. A quorum was established with six Members present and one absent.

Also present was Gary Hanson, Pete Stefan, Christine Johnson, Dianne Leifheit, Jim Scheffers, Greg Millburg, Fred Lantz and Anthony Cervini.

APPROVAL OF THE MINUTES

It was moved by Mr. Luebke, seconded by Mrs. Tobias, and it was carried unanimously to approve the minutes of the September 7, 2016 Finance Committee Meeting.

APPROVAL OF THE AGENDA

It was moved by Mrs. Tobias, 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.

FY 2015 AUDIT PRESENTATION

Mr. Fred Lantz and Mr. Anthony Cervini of Sikich LLP joined the Committee to present the FY 2015 Audit Reports. Some of General information that was provided through the audits included:

1. The County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$109.9 million which is a decrease of \$10.8 million from the previous year. This decrease is almost entirely due to the County's implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related change in accounting principle. The property tax base decreased by \$31.3 million or 1.8% this year which is an improvement from the \$135.4 million or 7.3% decrease from the previous year, however, it was the fifth consecutive year of declining property values.

2. The only business-type activity that the County has is the 190 skilled bed Rehab and Nursing Center. Total net position for the Rehab and Nursing Center as of December 31, 2015 was \$9.3 million compared to \$11.1 million as of December 31, 2014. Once again, virtually the entire \$1.8 million decrease was due to the implementation of GASB Statement No. 68. Fiscal Year 2015 also marks the sixteenth consecutive year that the facility has operated without any property tax or other subsidy from other County funds.
3. On June 1, 2005, the Public Building Commission (PBC) issued \$7,155,000 Lease Revenue Refunding Bonds. When the County visited the bond market in 2005, its rating was Aaa. These bonds mature on December 1, 2016. On October 14, 2010 DeKalb County issued \$10,030,000 Series 2010A Build America Bonds and \$5,970,000 Series 2010B Recovery Zone Economic Development Bonds, both general obligation alternate revenue source bonds, to provide funds for expanding the Courthouse and to begin the design of a County Jail Expansion. When the County visited the bond market in 2010, its rating was Aa1. These bonds will be retired on December 15, 2029.
4. For the fiscal year ended December 31, 2015, revenues totaled \$63.2 million. This is a decrease of \$2.8 million from 2014.

Capital grants and contributions experienced a decrease of \$4.0 million due to the substantial completion of a major grant project in 2014 to turn the former Evergreen Village Mobile Home Park into open space to alleviate flooding problems at the park.

The \$1.2 million increase in charges for services partially offset the decrease in capital grants and contributions. The increase in charges for services was due to the first full year of operations at the landfill expansion from which the County receives community host benefit fees.

Operating grants and contributions decreased by \$0.6 million, the majority of which was a reduction in State aid in the County Motor Fuel Tax Fund.

Property tax collections increased \$0.4 million in 2015. Property taxes support governmental activities including employee pension fund contributions

5. DeKalb County's expenses totaled \$63.3 million in 2015 increasing by only \$0.4 million or 0.7% from 2014. Public Safety expenses are now the largest expense group for the County at 36% of total expenses as they surpassed Health and Welfare expenses in 2014. Public Safety expenses relate to the operations of the Sheriff's Department, which includes Patrol, Communications, Corrections, and Court Security, as well as the Emergency Services & Disaster Agency, and the expenses related to the court system, which includes the Circuit Clerk, Judiciary, Court Services, State's Attorney, and Public Defender offices. There was only a slight increase in Public Safety expenses from 2014 to 2015 of \$125,612 or 0.2% which is due to normal inflationary increases for salaries, health insurance, pension contributions, supplies, etc.

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General Government expenses decreased by \$1.3 million or 9.8% from 2014 due to the reduction in work performed on a major grant project to turn the former Evergreen Village Mobile Home Park into open space to alleviate flooding problems at the park. The vast majority of the expenses for acquiring the park and providing relocation assistance for the former residents of the park were incurred in 2014 with only some demolition and site restoration work remaining for 2015.

6. General Fund revenues in 2015 were \$0.9 million or 3.1% less than the budgeted amount. The major contributing factor to this is the taxes category that fell \$1.1 million short of the budgeted amount. Sales taxes in particular ended the year \$1.0 million under budget. This was due primarily to the drop in fuel prices which negatively impacted all fuel sales but significantly impacted the airline fuel sales tax receipts.
7. General Fund expenditures and transfers in 2015 were \$1.2 million or 4.2% less than the final budgeted amounts as all departments ended the fiscal year under their final budget amounts for the year since the decline in sales tax revenue was recognized early in the year allowing for the appropriate adjustments to be made in discretionary expenditures in order to keep total General Fund expenditures within budgeted amounts.
8. As of December 31, 2015 the governmental funds had a combined fund balance total of \$48.3 million including a \$7.5 million General Fund portion classified as unassigned. There is also \$12.1 million that is assigned for Capital Projects, and \$400,000 that is assigned to balance the 2016 General Fund budget. Total governmental funds unrestricted fund balances as of December 31, 2015 amount to \$20.0 million which reflects a decrease of \$0.1 million from the prior year.

The total General Fund fund balance of \$8,210,480 is 30.9% of the total 2015 General Fund expenditures of \$26.6 million or 113 days of operating funds. The General Fund fund balance decrease of \$695,381 was primarily due to the planned reduction of \$603,900 per the original FY 2015 budget coupled with the salaries and benefits cost of one additional Corrections Officer in the amount of \$92,000 approved by the County Board via a budget amendment in January, 2015.

All other governmental funds have combined fund balances of \$40.1 million which is either non-spendable for prepaid items (\$0.1 million), restricted for various purposes (\$27.9 million), or assigned for capital purposes (\$12.1 million).

Mr. Lantz briefly shared Sikich LLP's communication of deficiencies in internal control and other comments to management. He additionally shared that Sikich LLP found full compliance with investment policies as of December 31, 2015 and all County's deposits with financial institutions are either covered by deposit re-insurance or by collateral held in the County's name by an independent third-party in accordance with their investment policy. Mr. Lantz was also pleased to report that the County encountered no significant difficulties in dealing with management performing and completing their audit.

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Mr. Anthony Cervini next reviewed the County's Single Audit Report with the Committee. Mr. Cervini shared that the Single Audit Report is comprised of two separate auditor's reports and auditor's opinions. The first one being: Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. As well as: Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. Mr. Cervini announced he was pleased to report unmodified opinions on both audit reports.

DeKalb County's full Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2015 can be found on the County's website at the link below:
http://dekalbcounty.org/Financial/Audit/audit_main.html

DELINQUENT PROPERTY TAX SALE RESOLUTIONS

County Treasurer Christine Johnson shared that the Treasurer's Office is requesting approval for the sale of two parcels with delinquent taxes in order to return these properties to the County's tax rolls. Ms. Johnson reviewed and answered any outstanding questions for the following parcels:

Resolution	Township	Parcel Number	Bidder	Total Paid by Purchaser	Sum Paid to the Treasurer
R2016-69	Genoa Township	03-16-100-004	Damian & Lidia Ruiz	\$650.00	\$197.73
R2016-70	DeKalb Township	08-26-176-013	Roberta A Satterlee	\$650.00	\$197.73

The sum that is paid to the Treasurer is the purchase price minus the amount the General Fund shall receive to reimburse the revolving account that the charges advanced from and a \$50.00 fee that is collected by the Recorder of Deeds for recording. The remaining amount is disbursed according to law.

A motion was made by Mr. Jones, seconded by Mrs. Tobias and it was carried unanimously to forward the two resolutions to the full County Board recommending their approval.

LOCAL GOVERNMENTAL TRAVEL EXPENSE CONTROL ACT

Mr. Stefan shared that at this time this item was only informational. The Public Act was passed in July of 2016 and Mr. Stefan explained that local governments have to adopt a Travel Expense Policy where by all of the travel-related expenses (meals, lodging, etc.) need to be spelled out and explained what the allowable purpose of travel are and what the maximum reimbursements are before any reimbursements can be made.

Mr. Stefan noted that he will be putting together a formal Policy and will be bringing that back to the Board by early next year.

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FY 2017 BUDGET

Budget Appeals, if any

There were no FY 2017 Budget Appeals for any County Departments that report to the Finance Committee.

Committee Questions & Review of Departments' FY 2017 Budgets

There were no specific questions asked about any department's budgets that report to the Committee but Mr. Stefan noted that he has one item to present to the Committee.

Mr. Stefan shared that as part of the Affordable Care Act Legislation, there are certain requirements that are starting to kick-in that the County has to have notice out by this month to employees. The Committee was presented with a Health Plan Affordable Care Act Grievance Procedure Policy and the DeKalb County Government Health Plan Notice of Non-Discrimination. Mr. Stefan requested that the Committee forward the adoption of the Policy to the full County Board recommending its approval in October.

It was moved by Mrs. Tobias, seconded by Mr. Luebke and it was approved unanimously to forward and recommend the adoption of the Affordable Care Act Grievance Procedure Policy to the full County Board.

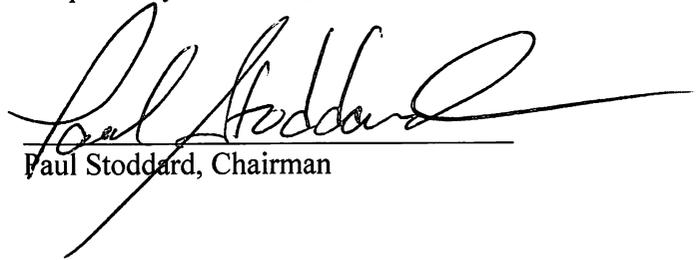
NEW BUSINESS

There were no new business items discussed.

ADJOURNMENT

It was moved by Mrs. Tobias, seconded by Mr. Luebke, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,



Paul Stoddard, Chairman



Tasha Sims, Recording Secretary

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DEKALB COUNTY, ILLINOIS

Auditor Exit Conference Agenda

October 5, 2016

Results of December 31, 2015 Audit

The following reports have been issued

- Comprehensive Annual Financial Report (CAFR)
- Single Audit Report (Uniform Guidance)
- Public Building Commission Component Unit Report
- Forest Preserve District Component Unit Report
- Report on the Financial and Compliance Audit of the Clerk of the Circuit Court's Fiduciary Funds
- Auditors Communication with Those Charged with Governance
- ILCS Management Letter (for posting to the website)
- State Comptrollers Annual Financial Report
 - County
 - Forest Preserve District

The following Audit Opinions have been issued

- Unmodified opinion on the County's basic financial statements, in-relation-to coverage on supplementary financial information
- Unmodified Opinion on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Unmodified opinion on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance (Single Audit)
- Unmodified opinion on the Circuit Clerk's financial statements, in-relation-to coverage on supplementary financial information
- Unmodified opinion on the Forest Preserve District's basic financial statements, in-relation-to coverage on supplementary financial information
- Unmodified opinion on the Public Building Commission's basic financial statements, in-relation-to coverage on supplementary financial information

AN ACT concerning local government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 1. Short title. This Act may be cited as the Local Government Travel Expense Control Act.

Section 5. Definitions. As used in this Act:

"Entertainment" includes, but is not limited to, shows, amusements, theaters, circuses, sporting events, or any other place of public or private entertainment or amusement, unless ancillary to the purpose of the program or event.

"Local public agency" means a school district, community college district, or unit of local government other than a home rule unit.

"Travel" means any expenditure directly incident to official travel by employees and officers of a local public agency or by wards or charges of a local public agency involving reimbursement to travelers or direct payment to private agencies providing transportation or related services.

Section 10. Regulation of travel expenses. All local public agencies shall, by resolution or ordinance, regulate the reimbursement of all travel, meal, and lodging expenses of officers and employees, including, but not limited to: (1) the

types of official business for which travel, meal, and lodging expenses are allowed; (2) maximum allowable reimbursement for travel, meal, and lodging expenses; and (3) a standardized form for submission of travel, meal, and lodging expenses supported by the minimum documentation required under Section 20 of this Act. The regulations may allow for approval of expenses that exceed the maximum allowable travel, meal, or lodging expenses because of emergency or other extraordinary circumstances. On and after 180 days after the effective date of this Act of the 99th General Assembly, no travel, meal, or lodging expense shall be approved or paid by a local public agency unless regulations have been adopted under this Section.

Section 15. Approval of expenses. On or after 60 days after the effective date of this Act of the 99th General Assembly, expenses for travel, meals, and lodging of: (1) any officer or employee that exceeds the maximum allowed under the regulations adopted under Section 10 of this Act; or (2) any member of the governing board or corporate authorities of the local public agency, may only be approved by roll call vote at an open meeting of the governing board or corporate authorities of the local public agency.

Section 20. Documentation of expenses. Before an expense for travel, meals, or lodging may be approved under Section 15 of this Act, the following minimum documentation must first be

submitted, in writing, to the governing board or corporate authorities:

(1) an estimate of the cost of travel, meals, or lodging if expenses have not been incurred or a receipt of the cost of the travel, meals, or lodging if the expenses have already been incurred;

(2) the name of the individual who received or is requesting the travel, meal, or lodging expense;

(3) the job title or office of the individual who received or is requesting the travel, meal, or lodging expense; and

(4) the date or dates and nature of the official business in which the travel, meal, or lodging expense was or will be expended.

All documents and information submitted under this Section are public records subject to disclosure under the Freedom of Information Act.

Section 25. Entertainment expenses. No local public agency may reimburse any governing board member, employee, or officer for any entertainment expense.

DeKalb County Government Health Plan
Affordable Care Act Grievance Procedure
Effective July 18, 2016

It is the policy of the **DeKalb County Government Health Plan** not to discriminate on the basis of race, color, national origin, sex, age, or disability. The **DeKalb County Government Health Plan** has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by Section 1557 of the Affordable Care Act (42 U.S.C. § 18116) and its implementing regulations at 45 C.F.R. pt. 92, issued by the U.S. Department of Health and Human Services. Section 1557 prohibits discrimination on the basis of race, color, national origin, sex, age, or disability in certain health programs and activities. Section 1557 and its implementing regulations may be examined in the office of **Peter J. Stefan, Finance Director, DeKalb County Government, Finance Office, 200 North Main Street, Suite 210, Sycamore, Illinois 60178; (815) 895-7127; pstefan@dekalbcounty.org** or via fax at **(815) 895-7129**, who has been designated the Section 1557 Coordinator to coordinate the efforts of the **DeKalb County Government Health Plan** to comply with Section 1557.

Any person who believes someone has been subjected to discrimination on the basis of race, color, national origin, sex, age, or disability may file a grievance under this procedure. It is against the law for the **DeKalb County Government Health Plan** to retaliate against anyone who opposes discrimination, files a grievance, or participates in the investigation of a grievance.

Procedure:

- Grievances must be submitted to the Section 1557 Coordinator within 60 days of the date the person filing the grievance becomes aware of the alleged discriminatory action.
- A complaint must be in writing, containing the name and address of the person filing it. The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought. The Section 1557 Coordinator, or his designee, shall conduct an investigation of the complaint. This investigation may be informal, but it will be thorough, affording all interested persons an opportunity to submit evidence relevant to the complaint. The Section 1557 Coordinator will maintain the files and records of the **DeKalb County Government Health Plan** relating to such grievances. To the extent possible, and in accordance with applicable law, the Section 1557 Coordinator will take appropriate steps to preserve the confidentiality of files and records relating to grievances and will share them only with those who have a need to know.
- The Section 1557 Coordinator will issue a written decision on the grievance, based on a preponderance of the evidence, no later than 30 days after its filing, including a notice to the complainant of their right to pursue further administrative or legal remedies.
- The person filing the grievance may appeal the decision of the Section 1557 Coordinator by writing to the **Finance Committee of the DeKalb County Board, Finance Office, 200 North Main Street, Suite 210, Sycamore, Illinois 60178** within 15 days of receiving the Section 1557 Coordinator's decision. The **Finance Committee of the DeKalb County Board** shall issue a written decision in response to the appeal no later than 30 days after its filing.

The availability and use of this grievance procedure does not prevent a person from pursuing other legal or administrative remedies, including filing a complaint of discrimination on the basis of race, color, national origin, sex, age, or disability in court or with the U.S. Department of Health and Human Services, Office for Civil Rights. A person can file a complaint of discrimination electronically through the Office for Civil Rights Complaint Portal, which is available at: <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at:

U.S. Department of Health and Human Services
200 Independence Avenue, SW
Room 509F, HHH Building
Washington, DC 20201
1-800-368-1019, 800-537-7697 (TDD)

Complaint forms are available at: <http://www.hhs.gov/ocr/office/file/index.html>. Such complaints must be filed within 180 days of the date of the alleged discrimination.

The **DeKalb County Government Health Plan** will make appropriate arrangements to ensure that individuals with disabilities and individuals with limited English proficiency are provided auxiliary aids and services or language assistance services, respectively, if needed to participate in this grievance process. Such arrangements may include, but are not limited to, providing qualified interpreters, providing taped cassettes of material for individuals with low vision, or assuring a barrier-free location for the proceedings. The Section 1557 Coordinator will be responsible for such arrangements.

DeKalb County Government Health Plan
Notice of Non-Discrimination
October 5, 2016

The **DeKalb County Government Health Plan** complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. The **DeKalb County Government Health Plan** does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

The DeKalb County Government Health Plan:

Provides free aids and services to people with disabilities to communicate effectively with us, such as:

- Qualified sign language interpreters
- Written information in other formats (large print, audio, accessible electronic formats, other formats)

Provides free language services to people whose primary language is not English, such as:

- Qualified interpreters
- Information written in other languages

If you need these services, contact **Peter J. Stefan, Finance Director, at (815) 895-7127.**

If you believe that the **DeKalb County Government Health Plan** has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with **Peter J. Stefan, Finance Director, DeKalb County Government, Finance Office, 200 North Main Street, Suite 210, Sycamore, Illinois 60178; (815) 895-7127; pstefan@dekalbcounty.org**; or via fax at **(815) 895-7129**. You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, **Peter J. Stefan, Finance Director**, is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at:

U.S. Department of Health and Human Services
200 Independence Avenue, SW
Room 509F, HHH Building
Washington, DC 20201
1-800-368-1019, 800-537-7697 (TDD)

Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

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ΠΡΟΣΟΧΗ: Αν μιλάτε ελληνικά, στη διάθεσή σας βρίσκονται υπηρεσίες γλωσσικής υποστήριξης, οι οποίες παρέχονται δωρεάν. Καλέστε 1-877-696-6775

OBAVJEŠTENJE: Ako govorite srpsko-hrvatski, usluge jezičke pomoći dostupne su vam besplatno. Nazovite 1-877-696-6775

ໂປດຊາບ: ຖ້າວ່າ ທ່ານເວົ້າພາສາ ລາວ, ການບໍລິການຊ່ວຍເຫຼືອດ້ານພາສາ, ໂດຍບໍ່ເສັງຄ່າ, ແມ່ນມີພ້ອມໃຫ້ທ່ານ. ໂທ 1-877-696-6775

Wann du [Deutsch (Pennsylvania German / Dutch)] schwetzscht, kannscht du mitaus Koschte ebber gricke, ass dihr helft mit die englisch Schprooch. Ruf selli Nummer uff: Call 1-877-696-6775

เรียน: ถ้าคุณพูดภาษาไทยคุณสามารถใช้บริการช่วยเหลือทางภาษาได้ฟรี โทร 1-877-696-6775

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