

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
September 4, 2019**

The Finance Committee of the DeKalb County Board met on Wednesday, September 4, 2019, in the Administration Building's Conference Room East. Chairman Bagby called the meeting to order at 7:00 p.m. Those Members present were Mr. Steve Faivre, Mr. John Frieders, Ms. Dianne Leifheit, Mr. Jerry Osland, Ms. Sandra Polanco, and Chairman Tim Bagby. Mr. Scott Campbell was absent. A quorum was established with six Members present and one absent.

Others present included Gary Hanson, Pete Stefan, Jim Scheffers, Sheila Santos, Christine Johnson, Mark Pietrowski, Karen Cribben, and Greg Millburg.

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 Ms. Polanco, seconded by Ms. Leifheit and it was carried unanimously to approve the minutes of the August 7, 2019 Finance Committee Meeting.

PUBLIC COMMENTS

There were no public comments.

PROPERTY TAX SALE RESOLUTIONS

DeKalb County Treasurer Christine Johnson joined the Committee and shared that the County as Trustee held the annual Sealed Bid Auction of Surplus Properties recently and sold six properties. Before the Committee this evening, Ms. Johnson requested the approval of one of the six properties. This is because the buyer paid with certified funds. When a buyer does not pay with certified funds there is a two-week wait time before they can proceed forward to ensure the funds are cleared.

The property before the Committee for consideration was located at 1420 E. Lincoln Hwy. in DeKalb. This property had been sold due to the taxes not being paid since 2015. The purchaser, Chris Bahramis, purchased the property for \$13,112.88 and can now rejuvenate the property and get it back on the DeKalb County tax rolls.

It was moved by Mr. Faivre, seconded by Mr. Osland and approved unanimously to forward the Resolution to the full County Board recommending its approval.

APPROPRIATION FOR DITIAL RADIO SYSTEM

County Administrator Gary Hanson explained the DeKalb County Sheriff previously sought funding from the DeKalb County Board for a new digital radio communication system to replace an aging analog system that had difficulty providing adequate radio reception and transmission coverage throughout all the areas of the County, particularly inside of buildings and in the more rural areas. The Board did provide that funding on August 16, 2017 in Resolution #R2017-97 granting authority to spend up to \$4,000,000, not counting funds attributable to other entities that reimburse the County for their equipment. The Sheriff is now in the final stages before the new system is implemented, but during the project encountered unexpected higher costs, mostly attributable to the cost of construction, and that has caused the project to exceed the \$4,000,000 appropriation.

The Sheriff has provided assurances that the increased costs were in areas of competitive bidding and that no system enhancements were made to the project that were not part of the original project specifications and is now seeking an additional \$350,000. Mr. Hanson explained that the best way to pay for this increased cost would be to further utilize the revenues generated from the additional special waste brought to the landfill that was approved by the County Board in an amendment to the Community Host Agreement on May 17, 2017, as well as to increase the pay-off loan period for the internal loan program that is providing interim financing.

Chief Deputy Andy Sullivan joined the Committee to provide additional background on why the costs exceeded the originally estimated \$4,000,000. He shared that construction costs are the largest reason why the project is now overbudget. The bids came back 15-20% higher than what the consultant originally had anticipated. This was due to inflation and not having many bidders on the project as well. The project had to go out on a re-bid for the concrete and it still came back much higher than anticipated. The same happened with the steel for the projects as well. The project also called for some extra engineering and site work development which wasn't figured into the original estimates. The Chief Deputy also explained that there were some additional filters needed for the system to stay compatible with the old VHF System, which will stay in place as well.

Committee Members expressed their discontent with the project's consultant and with the overall issue of this project going over budget on a project that was already estimated to cost \$4,000,000. The Committee was also not pleased that they were unaware that the project was overbudget until now, Mr. Hanson agreed.

It was moved by Mr. Frieders, seconded by Ms. Polanco and it was carried unanimously to forward a Resolution to the Board recommending the additional appropriation for the Digital Radio System.

DISCUSSION OF SALARIES FOR ELECTED OFFICIALS

Mr. Hanson stated that salaries for elected officials must be established at least 180 days prior to the general election. The following five offices will need salaries established beginning in FY 2021: County Board Chairperson, County Board Vice-Chairperson, Committee Chairperson, Circuit Clerk, and Coroner. He added that the Finance Committee does not have to take any action on this item until the November meeting but the information is being provided now to allow enough time for a final decision to be made in November.

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County Board Chairman Mark Pietrowski was present and wanted to state for the record that in line with previous years, he stands firm on his thought process of no increases for any elected officials.

Mr. Frieders expressed that he believes they should adjust the elected official's salaries. He added that he thinks it is irresponsible to perpetually expect individuals do continue to do the same job they have been doing for the past ten years for the same amount of money. He clarified that he thinks all the positions up should get a "little" something.

The Committee continued to expressed their feelings on the subject and provide their suggestions. It was requested that at the next meeting the Committee be provided with a salary survey of surrounding counties to help them better gauge where DeKalb County sits with their elected official's salaries.

ADMINISTRATIVE RECOMMENDATION OF THE FY 2020 BUDGET

Mr. Hanson shared that before Mr. Stefan walks everyone through the FY 2020 Administrative Budget Recommendation, the Committee is looking at a balanced budget, where operating revenues meet or exceed operating expenses. They are looking at a budget that has reserves above the Auditor's suggested requirements. He shared that this the FY 2020 Budget addresses a lot of capital needs and are able to meet salary obligations and staffing needs.

Mr. Stefan shared that the 2020 Budget represents revenues and expenditures from 98 cost centers across 51 different and independent funds. Revenues have been estimated realistically, but on the conservative side. Expenditures have been estimated realistically, but on the aggressive side to provide somewhat of a cushion for unexpected events. The vision is that expenses should reflect a "pay as you go" philosophy and not delay financial obligations for future generations. Much planning has been done to smooth out expenses in the long-term and minimize large "bumps" in expenditures in future years which are then difficult to deal with from a budget perspective with the Asset Replacement Fund being a prime example of this type of strategy.

The cost-of-living adjustment (COLA) under the Property Tax Cap Law is set at 1.9% for the 2019 levy year for 2020 collections. This amount (\$431,000 total for all levies) is based on the consumer price index for all urban consumers as published by the U.S. Department of Labor. This increase is incorporated into the property tax levies found on Attachment A. An additional 0.9% (\$204,000 total for all levies) is included to account for the increase from new construction. Another 0.7% (\$159,000 total for all levies) has been included to account for the recapture of Tax Increment Financing (TIF) assessed valuation due to the closing of the City of DeKalb TIF District #2, as well as an additional contingency for new construction should that end up at higher levels than current estimates.

The equalized assessed value for the County is expected to increase by 6% to \$2,193,000,000 for the 2019 levy year which funds the FY 2020 budget. This is the fifth consecutive year that the assessed value has increased following five consecutive years of declining assessed value. New construction EAV is rebounding as well and is expected to account for 0.9% of the growth in the County's assessed value at approximately \$18.6 million. The value of the average home is

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expected to increase about 6% in tax year 2019. Looking back three years, the value of a \$200,000 home in 2016 will have increased, on average, to over \$236,000 in tax year 2019.

At the end of 2018, the unrestricted fund balance was \$8.4 million or 31% of total expenditures. As mentioned in Item #38 below, all airline fuel sales tax money had been factored out of the 2019 budget, however, collections are now expected to continue through November 2019 in accordance with newly enacted legislation. Accordingly, approximately \$1.3 million is expected to be received in airline fuel sales tax revenue in 2019. Assuming the rest of the budget ends the year in balance as it was prepared, the 2019 ending fund balance is projected to increase to \$9.7 million which, based on budgeted expenditures for 2019 of \$27,621,200, would equate to 35% of General Fund expenditures which is well in excess of the 25% target level.

Mr. Stefan reviewed each item of the FY 2020 Administrative Recommendation with the Committee. A few highlights were that the County's Total Budget for FY 2020 is to be \$98,607,500 and the General Fund Budget \$30,667,400. In general, there will be a 2% Salary Increase with elected officials' salaries to be determined next month. There is no increase in Health Insurance Rates for employees. As previously discussed, though there will be a large cost to the County (\$750,000) for the IMRF Changed Assumed Interest Rate.

The Budget addresses the following Operating Issues: Sales Tax Sharing History (#26), Loan Schedule of 20 Years for Radio System, Pay Off Treatment Court Deficit, Absorbing the Children's Waiting Room, Steps to Permanently Fund Economic Development Coordinator, Continuing with Self-Insurance for Liability (for now), and the FY 2020 Budget has no Airline Fuel Sales Tax factored into it.

The Budget addresses the following Capital & Special Projects: the final Close-Out of Jail Expansion Project, Finishing the Purchase of Buildings from Sycamore, Census 2020, Wind-Down the Business Incubator, Small-Town Economic Development / GIS, Peace Road Allocations, Potential Body Cameras for Sheriff's Deputies, Chillers – Four to Change = \$570,000, An Additional Salt Storage Building for the Highway Department, Nursing Home Expansion, and the DeKalb TIF Close-Out in Reserve.

County Board Members, Department Heads, and Outside Agencies are once again offered an "appeal process" to object to this Budget as submitted by Administration. All appeals are to be submitted by the September 27, 2019 (September 23rd for Departments under the Law & Justice Committee) deadline so that they can be heard by the appropriate County Board Standing Committee and, if successful at that level, will be considered by the Finance Committee at its November 6, 2019 meeting. The Budget is expected to be adopted by the County Board at its November 20, 2019 monthly meeting.

The full FY 2020 Budget Recommendation can be viewed by clicking the link below:
<https://dekalbcounty.org/wp-content/uploads/2019/09/fn-fy2020proposedbudget.pdf>

Mr. Faivre moved, Mr. Frieders seconded and it was approved unanimously to send a Resolution to the full County Board recommending placing the FY 2020 Budget on file for public inspection.

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The County Board Workshop FY 2020 Budget Q & A will be at 5:45 p.m. on September 18th, prior to the full County Board Meeting.

CLAIMS REVIEW

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

The monthly Claims Lists are available on the County's website via this link:

<https://dekalbcounty.org/departments/finance-office/financial-tax-information/vendor-payments/>

ADJOURNMENT

It was moved by Mr. Osland, seconded by Ms. Leifheit, and it was carried unanimously to adjourn the meeting at 8:32 p.m.

Respectfully submitted,

Tim Bagby, Chairman

Tasha Sims, Recording Secretary

**RESOLUTION
R2019-xx**

WHEREAS, The County of DeKalb, as Trustee for the Taxing Districts therein, has undertaken a program to collect delinquent taxes and to perfect titles to real property in cases in which the taxes on such real property have not been paid, pursuant to 35ILCS 200/21-90, and

WHEREAS, Pursuant to this program, the County of DeKalb, as Trustee for the Taxing Districts therein, has acquired an interest in the following described real estate:

DEKALB TOWNSHIP

PERMANENT PARCEL NUMBER: 08-23-478-020

As described in certificates(s): 2015-00187 sold October 2016

and it appearing to the County Board that it is in the best interest of the County to dispose of its interest in said property.

WHEREAS, Chris J. Bahramis, has bid \$13,112.88 for the County's interest, such bid having been presented to the County Board at the same time it having been determined by the County Board and the Agent for the County, that the County shall receive from such bid \$9,733.27 as a return for its certificate(s) of purchase. The County Clerk shall receive \$0.00 for cancellation of Certificate(s), the General Fund shall receive \$52.64 to reimburse the revolving account the charges advanced from this account, the auctioneer shall receive \$0.00 for his services and the Recorder of Deeds shall receive \$65.00 for recording. The remainder is the amount due the Agent under his contract for services. The total paid by purchaser is \$13,112.88.

WHEREAS, the DeKalb County Board recommends the adoption of the following resolution:

BE IT RESOLVED BY THE COUNTY BOARD OF DEKALB COUNTY, ILLINOIS, that the Chairman of the Board of DeKalb County, Illinois, be hereby authorized to execute a deed of conveyance of the County's interest or authorize the cancellation of the appropriate Certificate(s) of Purchase, as the case may be, on the above described real estate for the sum of \$9,733.27 to be paid to the Treasurer of DeKalb County Illinois, to be disbursed according to law. This resolution to be effective for sixty (60) days from this date and any transaction between the above parties not occurring within this period shall be null and void.

ADOPTED by roll call vote this 18th day of September, 2019.

ATTEST:

DOUGLAS J. JOHNSON
DEKALB COUNTY CLERK

MARK PIETROWSKI, JR.
DEKALB COUNTY BOARD CHAIRMAN

RESOLUTION
R2019-xx

WHEREAS, the DeKalb County Sheriff previously sought funding from the DeKalb County Board for a new digital radio communication system to replace an aging analog system that had difficulty providing adequate radio reception and transmission coverage throughout all the areas of the County, particularly inside of buildings and in the more rural areas, and

WHEREAS, the County Board did provide that funding on August 16, 2017 in Resolution #R2017-97 granting authority to spend up to \$4,000,000, not counting funds attributable to other entities that reimburse the County for their equipment, and

WHEREAS, the Sheriff is now in the final stages before the new system is implemented, but during the project encountered unexpected higher costs, mostly attributable to the cost of construction, and that has caused the project to exceed the \$4,000,000 appropriation, and

WHEREAS, the Sheriff has provided assurances that the increased costs were in areas of competitive bidding and that no system enhancements were made to the project that were not part of the original project specifications and is now seeking an additional \$350,000, and

WHEREAS, the Finance Committee of the DeKalb County Board has determined the best way to pay for this increased cost would be to further utilize the revenues generated from the additional special waste brought to the landfill that was approved by the County Board in an amendment to the Community Host Agreement on May 17, 2017, as well as to increase the pay-off loan period for the internal loan program that is providing interim financing;

NOW, THEREFORE, BE IT RESOLVED that the DeKalb County Board does hereby authorize an additional \$350,000 for the Sheriff's Digital Radio Communication System with said monies to come from the Special Waste money generated via the Community Host Agreement for the Landfill and that the internal loans needed to provide interim financing until full funding is realized will be retired through a previously authorized loan repayment schedule that is now extended through December 31, 2039.

PASSED THIS 18TH DAY OF SEPTEMBER, 2019 AT SYCAMORE, ILLINOIS

ATTEST:

SIGNED:

Douglas J. Johnson
DeKalb County Clerk

Mark Pietrowski, Jr.
DeKalb County Board Chairman

DEKALB COUNTY SHERIFF'S DIGITAL RADIO SYSTEM

9/4/2019

A	Project Approval	Amount
A-1	County Landfill Funds	3,400,000
A-2	ETSB Special Contribution	600,000
A-99	Total Project Initial Funding	4,000,000

B	Vendors Paid	2017	2018	2019	Total Cash	Remainder to Pay	Total	
B-1	Pyramid Consulting	0.00	215,029.00	52,833.60	267,862.60	0.00	267,862.60	
B-2	EF Johnson (Less Training Credit)	0.00	552,824.43	1,134,998.96	1,687,823.39	1,663,574.28	3,351,397.67	
B-3	Engle Electric	0.00	0.00	212,010.29	212,010.29	24,521.71	236,532.00	
B-4	Northern Illinois Fence	0.00	0.00	29,396.00	29,396.00	0.00	29,396.00	
B-5	Elliot & Wood	0.00	0.00	107,672.98	107,672.98	0.00	107,672.98	
B-6	MPX Solutions	0.00	90,000.00	345,000.00	435,000.00	0.00	435,000.00	
B-7	Shelter Works	0.00	14,100.00	60,900.00	75,000.00	0.00	75,000.00	
B-8	J & K Communications	0.00	0.00	25,832.20	25,832.20	0.00	25,832.20	
B-9	Sabre Communications	0.00	0.00	323,953.00	323,953.00	0.00	323,953.00	
B-10	Blackhawk Moving & Storage	0.00	0.00	1,917.25	1,917.25	0.00	1,917.25	
B-11	Sipes & Sons	0.00	0.00	300.00	300.00	0.00	300.00	
B-12	First National Bank - Mastercard	0.00	0.00	449.00	449.00	0.00	449.00	
B-13	Genoa-Kingston School	0.00	6,351.00	0.00	6,351.00	0.00	6,351.00	
B-14	Genoa City	0.00	488.50	0.00	488.50	0.00	488.50	
B-15	Shaw Media	72.60	274.04	0.00	346.64	0.00	346.64	
B-99	Total to Vendors	72.60	879,066.97	2,295,263.28	3,174,402.85	1,688,095.99	4,862,498.84	(4,862,499)

C	Paid by Participating Entities	2017	2018	2019	Total Received	Amount Owing	Total	
C-1	ETSB - Consoles and Recording	0.00	0.00	0.00	0.00	249,787.79	249,787.79	
C-2	Various Entities - Subscriber Equipment	0.00	232,951.88	0.00	232,951.88	0.00	232,951.88	
C-3	City of Sandwich - Consoles	0.00	0.00	0.00	0.00	44,552.00	44,552.00	
C-4	Sheriff's Law Projects - Mobile Console	0.00	0.00	0.00	0.00	42,075.00	42,075.00	
C-5	Correction's Jail Funding	0.00	0.00	0.00	0.00	16,374.60	16,374.60	
C-99	Total Received	0.00	232,951.88	0.00	232,951.88	352,789.39	585,741.27	585,741

D-99	Appropriation Remaining	(276,758)
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9/4/2019

DEKALB COUNTY GOVERNMENT

FY 2020 BUDGET

ELECTED OFFICIALS SCHEDULE

Need to complete the 14 boxes below.

CLASS NUMBER	CLASSIFICATION	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2015	FY 2016	FY 2017	FY 2018
0101	County Board Chairperson	10,200 0.0%	10,200 0.0%			(3)	(3)	10,200 0.0%	10,200 0.0%	10,200 0.0%	10,200 0.0%
0102	County Board Vice-Chairperson	1,800 0.0%	1,800 0.0%			(3)	(3)	1,800 0.0%	1,800 0.0%	1,800 0.0%	1,800 0.0%
0103	Committee Chairperson (1)	110/month 0.0%	110/month 0.0%			(3)	(3)	110/month 0.0%	110/month 0.0%	110/month 0.0%	110/month 0.0%
0105	County Board Member	85/Diem 0.0%	85/Diem 0.0%	85/Diem 0.0%	85/Diem 0.0%	(3)	(3)	85/Diem 0.0%	85/Diem 0.0%	85/Diem 0.0%	85/Diem 0.0%
0501	Circuit Clerk	108,100 2.0%	110,300 2.0%					100,000 3.1%	104,000 4.0%	105,000 1.0%	106,000 1.0%
0511	County Clerk and Recorder	95,000 2.0%	96,900 2.0%	98,800 2.0%	100,800 2.0%	(3)	(3)	91,250 0.0%	91,250 0.0%	92,200 1.0%	93,100 1.0%
0521	Coroner - 1/2 FTE	65,500 1.9%	66,800 2.0%					60,600 2.9%	63,000 4.0%	63,600 1.0%	64,250 1.0%
0531	Sheriff	135,600 2.0%	138,300 2.0%	141,100 2.0%	143,900 2.0%	(3)	(3)	130,250 0.0%	130,250 0.0%	131,600 1.0%	132,900 1.0%
0541	State's Attorney (2)	173,745 2.1%	(2)	(2)	(2)	(2)	(2)	166,508 0.0%	166,508 0.0%	166,508 0.0%	170,171 2.2%
0551	Treasurer	95,000 2.0%	96,900 2.0%	98,800 2.0%	100,800 2.0%	(3)	(3)	91,250 0.0%	91,250 0.0%	92,200 1.0%	93,100 1.0%

(1) Each Committee Chairperson will earn the above salary, regardless of whether or not the committee actually meets.

(2) The State's Attorney's salary is set by the State and is in effect for the State's fiscal year (July 1-June 30).

(3) Salary to be set in Fall, 2021.

Note: Increases for Elected Officials take effect on January 1st of the fiscal year stated above.

RESOLUTION
R2019-xx

WHEREAS, the Department Heads have submitted detailed budget information outlining assessment of the needs of their Departments for 2020 fiscal year within the budget targets they received, and

WHEREAS, the Finance Office has assembled this information into an Electronic Budget Workbook (available on the County's website), which is used by the County Board's Standing Committees to review and analyze the request of the Departments, and

WHEREAS, the County Board Members have also received an Administration Recommendation from the County Administrator and the Finance Director on the entire proposed FY 2020 Budget, and

WHEREAS, the Finance Committee and the other Standing Committees are in the process of reviewing and understanding those requests from the Department and at the same time desire to have input from the public before the process is complete, and

WHEREAS, the County Budget must be on file for at least fifteen (15) days for public inspection before adoption by the County Board.

NOW, THEREFORE, BE IT RESOLVED, by the DeKalb County Board that it does hereby place on file in the DeKalb County Clerk's Office, on the County's Website, and at two other geographically diverse public offices (the Sandwich City Hall and the office of the Genoa City Clerk), for public inspection the eighteen page Budget Narrative Summary Packet (plus Attachments A-D), as well as copies of all information utilized by the Committees in preparation of the 2020 Fiscal Year Budget.

PASSED THIS 18TH DAY OF SEPTEMBER, 2019 AT SYCAMORE, ILLINOIS

ATTEST:

SIGNED:

Douglas J. Johnson
DeKalb County Clerk

Mark Pietrowski, Jr.
County Board Chairman