

DRAFT
Finance Committee
Minutes
May 5, 2010

The DeKalb County Finance Committee met on Wednesday, May 5, 2010 @ 7:00p.m., in the Administration Building's Conference Room East. Chairman Michael Haines called the meeting to order. Members present were Ken Andersen, John Hulseberg, Paul Stoddard, Mike Stuckert, Mark Todd and Ruth Anne Tobias. Mr. Scott Newport was absent. Others present were Gary Hanson, Ray Bockman, Karen Kahl, Christine Johnson, Joan Berkes-Hanson and Fred Lantz.

APPROVAL OF THE MINUTES

Moved by Mr. Stuckert, seconded by Ms. Tobias, and it was carried unanimously to approve the minutes from April 7, 2010.

APPROVAL OF THE AGENDA

Moved by Mr. Hulseberg, seconded by Mr. Stoddard, and it was carried unanimously to approve the agenda as presented.

UPDATE TO THE EMAIL POLICY

Ms. Joan Berkes-Hanson, Director of the DeKalb County Information Management Office (IMO), presented an updated Email Usage Policy to the committee. The goal of this change is to create an opportunity for users to easily store and retrieve email correspondence. This change has the approval of the Mr. John Farrell, DeKalb County State's Attorney. IMO's responsibility is to maintain the system. She stated that this change came about from some departments who had to fulfill Freedom of Information Act Requests (FOIA) requests, which can be very cumbersome. This change would enable users to easily save and retrieve public records. The user would just have to drag that email to their personal folder. Employees would place them in the Personal Folders on the individual's "home" or "h" drives. The responsibility of saving the official "public record copy" of both "sent" and "received" email correspondence rests with the employee. All email messages, sent or received, that are "public records" (as defined in the Illinois Local Records Act, 50 ILCS 205/3) should either be printed and retained in paper form, or electronically saved in Personal Folders on the Network Drives.

Mr. Newport arrived at 7:04p.m.

Moved by Ms. Tobias, seconded by Mr. Hulseberg, and it was carried unanimously to forward this Email Policy change to the full board for approval.

REVIEW OF THE ANNUAL AUDIT – MR. FRED LANTZ, SIKICH

Mr. Fred Lantz, of Sikich, LLP, presented the annual audit report. He said that the report also covers the Forest Preserve District and the Public Building Commission.

The Audit Report is a clean and unqualified audit as of 12/31/2009. He mentioned that out of a little over 3,000 counties in the U.S. only 600 counties have this distinction.

In the Single Audit Report the County did expend a little over \$3.5 million in Federal funds. Sikich tested three major programs this past year, which consisted of about 60% in total Federal funds in this last year. It included the Special Supplemental Food Program for Women, Infants and Children, Vet Programs, Public Health Emergency Preparedness Grant, and through the Community Block Grant Program the County received some ARRA funds. These ARRA funds need to be accounted for in separate accounts.

Some of the highlights that were covered by Mr. Lantz included in the Comprehensive Audit were the following. The assets of the governmental activities of the County exceeded its liabilities at the close of the fiscal year by \$102 million and increased in the current year by \$5.2 million. The Rehab and Nursing Center is reporting total net assets of \$10.3 million in 2009 compared to \$10.7 million in 2008. Fiscal Year 2009 also marks the eleventh straight year that the facility has operated without any property tax or other subsidy from other County funds. During 2004 the Rehab and Nursing Center loaned \$2.3 million dollars to the County that was then given to the City of DeKalb for toll-way interchange improvements. In exchange for this payment additional sales tax revenues from the City of DeKalb will be given to the County on certain property within the County. This loan is for a ten-year period payable annually and in full on July 1, 2014, and will be paid with the additional sales tax revenues received.

The County's combined net assets increased to \$112.7 million in 2009 from \$107.9 million during 2008. The majority of the increase is from governmental activities with the business type activities showing a decrease of \$365,432. There was an increase in property taxes of \$1.6 million and the Community Outreach Building Construction in Progress of \$5 million in 2008 became an increase to Buildings in 2009 of \$5.7 million, an increase of \$.7 million. Another part of this increase is due to the revenues out-pacing the expenses for the year 2009 by \$1.7 million. The County is continuing to make an effort to reduce expenses in any way that can be managed without affecting the services to the residents of DeKalb County.

For the fiscal year ending December 31, 2009, revenues totaled \$60.8 million. This is down by \$1.2 million from 2008. Property Taxes increased during 2009 by \$2 million. Income taxes are also shared by the state, but on a per-capita basis. Between 2008 and 2009 the County's income tax revenues decreased by approximately \$8,200.

Mr. Lantz said that the County did have some cushion in the General Fund, but he cautioned the committee to not let the County's General Fund go below 25%.

Mr. Bockman asked Mr. Lantz if the County's total utilization of debit limit was zero?

Mr. Lantz said yes.

Chairman Haines and the committee thanked Mr. Lantz for a very informative presentation.

APPROVAL OF SUPPLEMENTAL BOND ORDINANCE FOR COURTHOUSE

Chairman Haines said that this is the bond issuance that we discussed last month. He said it is the \$16 million bond to cover the expansion of the courthouse and preliminary design of the jail and before this can be let we need to send it on to the full board for approval.

Moved by Ms. Tobias, seconded by Mr. Stoddard, to forward this resolution to the full board for approval to let the bonds for the courthouse expansion and preliminary design of the jail.

Mr. Stoddard said that if we are going to do it, now is the time to do it. Do we really need this expansion?

Mr. Bockman said that the judicial opinion is that the courthouse either needs to be expanded or abandoned because the departments are outgrowing the space. After a great deal of study the recommendation from the citizen's committee was to stay at the current courthouse and add space.

Ms. Tobias said that she thought that with the expansion another judge would be assigned and another courtroom would be needed.

Mr. Stoddard asked what is the projected lifespan to the expansion before we outgrow that?

Mr. Bockman said that he felt the committee was told that this expansion could last for up to 30 to 35 years.

Mr. Bockman reminded the committee that while you may authorize the bonds to be sold this month, they will not be sold until this project is approved.

Mr. Andersen said that if he understood things correctly, this expansion would be funded with sales tax revenue.

Mr. Bockman said yes and if they are not sufficient then we will augment them with other funds from Operations.

Ms. Tobias asked, would there be increased revenue from the Wind Farm?

Mr. Bockman said yes.

Mr. Bockman said that \$14.5 million will be for the courthouse and the remaining \$1 million or so will be for the planning of the Jail expansion. That should be enough to get up to the bid documents.

Mr. Hulseberg said what happens if all the parties interested in doing something say it can be done for \$8 or \$9 million?

Mr. Bockman said then that money becomes available for the other projects. When you authorized up to \$45 million earlier this year you authorized for two projects.

Mr. Hanson said that tonight's resolution is "up to \$16.5 million."

Moved by Ms. Tobias, seconded by Mr. Stoddard, and it was carried to forward this resolution to the full board for approval. There were 7 yes votes and 1 no vote. Mr. Newport voted no.

UPDATE ON THE FAMILY MEDICAL LEAVE ACT POLICY (FMLA)

Chairman Haines said that at the April County Board meeting this committee had sent a resolution regarding a change to the FMLA Policy to the full board for approval. The language change that was sent in April was found in a footnote allowing coverage for same sex domestic partners.

At the April County Board meeting the resolution was sent back to committee to consider the wording changes to include "non-married, opposite sex partners." Chairman Haines said that he did speak with the State's Attorney and Mr. Farrell said that this language is what this committee is supposed to consider this evening. Mr. Farrell said that we have already approved a resolution to the full board with the wording "same sex" in it.

Mr. Hulseberg asked Mr. Hanson how many people have we had that have used the FMLA on a yearly basis?

Mr. Hanson said about 50 or 75 employees, but they have used it more for maternity leave or for taking care of their parents and not all for 12 weeks.

Mr. Newport said that he is still concerned that this wording goes beyond the scope of the county department head or employee's responsibility to police this issue.

Chairman Haines said that it reminds him a little bit of the idea that we don't want to provide a benefit because it could be a problem or be abused, without knowing whether it would be.

Chairman Haines said that if the committee does not send the new wording, then we go back to the board at the next meeting and vote on the original resolution on the updated FLMA Policy that we sent to the full board last month to include the footnote that defines “spouses and same sex partners”.

Chairman Haines said that we don’t need a motion tonight unless we try to extend benefits to unmarried opposite sex partners. Does someone want to make that motion or not?

No motion was made for the “unmarried opposite sex partners” language. The original updated FMLA Policy that went to the full board last month will be sent again to the full board at their May County Board meeting.

ADJOURNMENT

Moved by Ms. Tobias, seconded by Mr. Stoddard, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

Michael Haines, Chairman