

DRAFT
Finance Committee
Minutes
April 6, 2011

The DeKalb County Finance Committee met on Wednesday, April 6, 2011 @ 7:00p.m., in the Administration Building's Conference Room East. Chairman Scott Newport called the meeting to order. Members present were Larry Anderson, Charles Foster, Julia Fullerton, John Gudmunson, John Hulseberg, Stephen Reid, Paul Stoddard, and Ruth Anne Tobias. Others present were Mr. Ray Bockman, Mr. Gary Hanson, Ms. Joan Hanson, Mr. Greg Millburg and Sheriff Roger Scott.

APPROVAL OF THE MINUTES

Chairman Newport noted that he would like to add to the minutes. For the benefit of those of the county board who had concerns about the credit cards and could not attend the meeting, he would like to reflect that Mr. Bockman assured the committee that both he and Mr. Hanson review the credit card statements routinely to approve them for their accuracy. If I had misstated that, please let me know.

Mr. Bockman said that he does not approve all credit card bills.

Mr. Bockman said that the main point he is trying to make is that if a county board member sees a charge and you are interested in the back up to it, it is available to you at any time.

He also said that they are routinely reviewed by multiple people, the supervisor, the department head, accounts payable and Mr. Hanson.

Chairman Newport said that is the point that I want to get into the minutes.

Mr. Stoddard also mentioned that in Mr. Scheffers name there should not be an apostrophe.

Moved by Mr. Andersen, seconded by Ms. Tobias, and it was carried unanimously to approve the minutes from February 16, 2010.

APPROVAL OF THE AGENDA

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

FY2012 BUDGET PROCESS DISCUSSION – MR. GARY HANSON

Chairman Newport said that he felt it would be good to start a discussion on what we are trying to accomplish with this discussion and opened the discussion up to the committee and staff.

Ms. Fullerton said maybe a preview of what we can expect from the budget.

Mr. Bockman said that he was told not to prepare anything that Mr. Foster would explain something to us.

Mr. Foster, said that he only requested to have a meeting and made a comment that it would be good to have a meeting and start talking about the budget process. He has looked at the past budget and where we are now. He said that he is looking at a \$90 million budget for this year and in 2003 the budget was \$49 million, and is trying to justify an 81% increase in the budget. He would like some insight from county board members and staff as to how we grew a budget by 81% in eight years.

Mr. Anderson said fiber optics and building a new building would total about \$30 million.

Mr. Foster said that he has spoken to Mr. Hanson today and another thing that concerns him about the budget is that we are overspending by \$14 million.

Mr. Hanson said that he would not phrase it that way because that is mis-leading in his mind.

Mr. Hanson further stated that there is the courthouse at about \$12 or \$13 million and the fiber optics program, which is \$1 or \$2 million, which they are purposely spending down that money because we took money in for those projects in a previous fiscal year. So to phrase it to say we are overspending he did not think it was correct.

All the boards that he has worked on there is some accountability, said Mr. Foster, to see budgets and budget comparisons whether it is at committee meetings or budget meetings. He would like to have a conversation of how the budget works. He would like to see if it is

feasible or does it make sense for the County to look at a zero based budget.

Mr. Bockman asked Mr. Foster, what is broken here that needs to fixed?

Mr. Foster said that he would like to see if there is any waste.

Mr. Bockman said the question becomes, will it work in a County government. Zero-based budget is not a good fit with county government for a variety of reasons. Starting with the Koetche case, which dictates your authority to put a budget together in a fashion other than the law envisioned. Eighty percent of the corporate fund is owned and operated by people who would only participate on a volunteer basis in a zero-based budget.

Ms. Tobias said that currently the budget process begins in June of every year. She also mentioned that each year Mr. Hanson holds a Budget 101 Seminar for the county board members, which is very good.

Mr. Hulseberg said that last year was the most difficult budget, but most rewarding. The committee and county board hammered it out and that it was a very healthy process.

Mr. Anderson said that he has visited with most of the department heads since he became County Board Chairman in December of 2010. He encouraged all county board members to do the same and visit with all department heads and ask questions. He said that you will find that they are doing a pretty good job.

Mr. Hanson then passed out some preliminary budget numbers for the committee to review. He said in the first handout it covers the 3 major funds that he tracks a lot.

Mr. Hanson reviewed the handouts with the committee. He mentioned that all of the departments saved almost \$1.5 million in expenditures for last year, since they did not spend everything that was allocated to them. This was very good, unexpected news, he said.

The 2nd handout or the Revenue Summary, shows all 43 county funds. He has grouped them into four categories: A.) is uncontrolled revenue/restricted use; B.) is flexible revenue/restricted use (by other boards); C.) is flexible revenue/restricted use (by county board); and D.) is flexible revenue/unrestricted use (on file in the Finance Department).

ADJOURNMENT

It was moved by moved by Mr. Anderson, seconded by Mr. Stoddard to adjourn. Motion carried by unanimous voice vote.

Respectfully submitted,

Scott Newport, Chairman