

**DRAFT**  
**Finance Committee**  
**Minutes**  
**June 1, 2011**

The DeKalb County Finance Committee met on Wednesday, June 1, 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, and Ruth Anne Tobias. Mr. Stoddard was absent. There was a quorum present. Others present were Mr. Gary Hanson, Ms. Joan Hanson, Mr. Jim Scheffers, Mr. Mark Todd, Treasurer, Ms. Karen Kahl and Mr. Fred Lantz.

**APPROVAL OF THE MINUTES**

**Moved by Mr. Gudmunson, seconded by Ms. Tobias, and it was carried unanimously to approve the minutes from April 2011.**

**APPROVAL OF THE AGENDA**

**Moved by Mr. Anderson, seconded by Mr. Hulseberg, and it was carried unanimously to approve the agenda.**

**FY2010 AUDIT PRESENTATION – MR. FRED LANTZ**

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

Mr. Lantz said that a communication was sent to the county board back in October 2010 outlining the requirements of the audit and each party's responsibilities and a timeline of when they anticipated finishing the audit. He is pleased to report that the majority of the audit went very well, but unfortunately they were delayed by a month from that timeline that they had originally sent the county board. When they came out to begin the county's audit the nursing home did not have adjusted trial balances that were available for the audit. So Sikich completed the audit of the county with the exception of the nursing home. They had to come back about 3 weeks later to complete the audit for the nursing home. He apologized for being a month late with the audit. He is pleased to report that even though they were a month late, they still were able to get the audit to the County within our deadlines. Because of the delay in the audit, it caused an increased cost on the nursing home side and highlighted a need for some continued scrutiny by this committee in terms of the overall operations of the nursing home. It may be an opportunity to explore the possibility of hiring a countywide controller type position or accounting manager position that could provide a higher level of assistance to the county and at the nursing home. He said that the nursing home will be going through a challenging cycle now with the decline in the state aid and reduction state bed payments. Mr. Lantz said, as you can see, there was a significant loss in the current year.

The assets of the governmental activities of the County exceeded its liabilities as the close of the fiscal year by \$106 million and increased in the current year by \$3.7 million. The County has maintained its employment force and has been able to continue with modest increases in pay for its employees. The property tax base this year increased by \$27 million or 1.3%.

The only type of activity that the County has is the 190 skilled beds Rehab and Nursing Center. The decrease in net assets in 2010 was \$872,508. The decrease is due to reductions in reimbursements from the State in daily fees paid to the Rehab and Nursing Center, which the State may make up in the future. The Rehab and Nursing Center is reporting total net assets of \$9.4 million in 2010 compared to \$10.3 million in 2009. Fiscal Year 2010 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 \$115.5 million in 2010 from \$112.7 million during 2009. The increase is from governmental activities with the business type activities showing a decrease of \$872,508. There was an increase in property taxes of \$485,000. 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, 2010, revenues totaled \$62.3 million. This is up by \$1.5 million from 2009. Property Taxes increased during 2010 by \$485,000. Income taxes are also shared by the state, but on a per-capita basis. Between 2010 and 2009 the County's income tax revenues decreased by approximately \$110,000.

With regard to the Single Audit – Mr. Lantz said that the county received over \$4 million in federal funds from grants. He said that these grants are more complex, especially the Broadband Grant. As the county continues to grow he feels that the County should look at hiring a countywide grant writer.

**It was moved by Ms. Fullerton, seconded by Ms. Tobias, and it was carried unanimously to approve the FY2010 Audit.**

#### **APPROVAL OF AUTHORIZED DEPOSITORIES – MR. MARK TODD**

DeKalb County Treasurer, Mr. Mark Todd, approached the committee about the annual resolution approving the list of authorized depositories. He and his department are watching the banks closely and they are staying consistent with the investment policy. He is reviewing the collateral positions in terms of our investments in banks. He said that National Bank Trust has gone out and secured additional insurance going over and above on their collateral that they have in place and paying interest.

**Moved by Mr. Anderson, seconded by Mr. Hulseberg, and it was carried unanimously to forward this resolution to the full board for approval.**

**LEGISLATIVE CENTER PARKING LOT UPDATE**

Mr. Jim Scheffers, DeKalb County Facilities Manager, said that there was a request at the last Finance Committee Meeting for information on permeable pavers. It is not a very inexpensive way to go. With the permeable pavers, we would need to get core samples done on the parking lot so that they know exactly what we would have to have to put back into the parking lot to make it work. If everything was perfect, (#5 and #8 on his handout) we would not have to do, which would be very rare. So to have everything built back up to where the pavers actually sit, it would cost about \$70,000.00. If we need the drains then it would be a lot more. With garbage trucks and sometime one-ton pickups driving on the parking lot, the gentleman that he met with on this issue recommended L-brackets being placed in the parking. For maintenance regarding the pavers, it would be a once a year sweeping of the parking lot. If anything comes out of the cracks, it has got to be replaced each year. The ball park figure that Mr. Scheffers received for the L-brackets and having the brick laid down, (which is the figure for #1, #2 and #3 on his handout) it would be around \$122,000.00. This would be packed down with a machine, which would take about 2 days to do the entire parking lot. The size of the parking lot would be around 12,000 square feet. This process could cost around \$200,000.

If we do the other option by using Royer's to tear it off and patch the areas in the parking lot, it would cost around \$4,095.00. To do the entire parking lot would cost \$36,800.00.

When he spoke with Mr. Lorence at the Highway Department to see if he had equipment that could do this for us, Mr. Lorence said that he did not have any equipment and that he would have to rent it. Mr. Lorence also said that he could not touch the price that Royer's quoted Mr. Scheffers. To do the patch work for our parking lot at the Legislative Center, and to bring it back up to 3 inches, Mr. Lorence said that he could do it for \$6,343.27. It would be for about 7 patches or 1,050 square feet.

Mr. Hulseberg asked Mr. Scheffers if there was a guarantee from Royer?

Mr. Scheffers said that he was sure that they guarantee their work for one year.

Mr. Hulseberg asked Mr. Scheffers if he had a concrete quote for the parking lot?

Mr. Scheffers said no he did not.

Is there a benefit to do the whole thing, asked Ms. Tobias?

Mr. Scheffers said that the benefit would be that we could see what is going on and find out why these patches just popped up all of a sudden.

Mr. Hulseberg said that he was in favor of just doing the patch work. Not knowing what the jail expansion is going to look like yet and what it is going to encompass and the traffic that will be going on here, he was in favor of the patch work.

Ms. Tobias agreed with him.

Chairman Newport then reviewed what he felt the committee wanted to do with this issue. He said that from what he was hearing from the committee, they were agreeing with the option to just patch repair the parking lot on a one-time basis, evaluate the sub-service and look at the cost to pour concrete as a replacement for the entire parking lot for the future.

**It was moved by Ms. Tobias, seconded by Mr. Anderson, and it was carried unanimously to forward this recommendation to the full board for approval.**

**FY2012 BUDGET PROCESS DISCUSSION – MR. GARY HANSON**

Mr. Hanson reviewed the Budget Process for FY2012 for the committee. The committee approved the budget calendar that he presented to them.

**It was moved by Mr. Hulseberg, seconded by Mr. Reid and it was carried unanimously to approve the FY2012 Budget Process Calendar.**

**FY2011 FIRST QUARTER FINANCIAL REPORT**

Mr. Hanson said that the 1<sup>st</sup> Quarter Financial Report was sent to the county board to review and if the committee had any questions regarding it, he was here tonight to answer those along with Ms. Karen Kahl.

There were no questions asked by the committee.

**ADJOURNMENT**

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

Respectfully submitted,

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Scott Newport, Chairman

