

**DRAFT**  
**Finance Committee**  
**Minutes**  
**October 5, 2011**

The DeKalb County Finance Committee met on Wednesday, October 5, 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, John Gudmunson, John Hulseberg, Stephen Reid, Ruth Anne Tobias and Paul Stoddard. Ms. Fullerton was absent. There was a quorum present. Others present were Ray Bockman, Gary Hanson,

Ms. Fullerton arrived at 7:03p.m

**APPROVAL OF THE MINUTES**

**Moved by Mr. Hulseberg, seconded by Mr. Anderson, and it was carried unanimously to approve the amended minutes from September 2011.**

**APPROVAL OF THE AGENDA**

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

**ASSIGNMENT OF TAX DEEDS – MARK TODD**

Mr. Mark Todd, County Treasurer, said that the Treasurer's Department is approaching the committee again this month regarding a tax deed conveyance resolution. He explained that the resolution involves a piece of "orphaned" property that has been sold and the property will be put back on the tax rolls.

**Moved by Mr. Reid, seconded by Mr. Foster, and it was carried unanimously to forward this Tax Deed resolution to the full board for approval.**

**HEALTH INSURANCE RENEWAL UPDATE**

Mr. Hanson, Deputy County Administrator, said that as the committee knows, they began discussing the health care costs last month, and that the County was looking at a 14.0% increase. Our consultant has been working with Blue Cross to bring this percentage down and they did to 7.8%. To accomplish these rates we are asking for a small plan design change, which is found at the bottom of his handout. We are asking office visits to go from \$20 to \$25 and non-formulary prescription drugs to be increase from \$50 to \$55. Those are small changes and they help to maintain our grandfathered provision.

BUDGET APPEALS:

a.) **Finance Office Salaries and Benefits** – Mr. Gary Hanson.

*Appeal: To lower/reduce salaries or staff levels in the Finance Office to be in line with 2010 actual and 2011 budget. The current 2012 proposal represents nearly a 10% increase over 2 years.*

Mr. Hanson said that none of the departments get to calculate their own salaries. They are all calculated for them based on authorized positions approved by the County Board and all the pay plans that the County Board has approved. All salaries and benefits are applied to each individual person as well as their benefits. The \$513,000 figure was after he reduced his budget from \$553,000 last year.

In section A. - The funds that were not spent stay in the fund balance which goes into the rainy day fund. He was authorized to spend all of the dollars that his department was approved for. He did not.

In Section B. – If we look back to 2009 the whole budget for his office was \$650,500. For 2012 the whole budget is \$576,000. It is a decrease from 2009, Mr. Hanson said.

In Section C. – Shows that his staff has only grown by 6/10 of a full-time position, which is mostly related to the website. Over a ten-year period in the growth that you have seen in the county, this is a pretty small increase.

In Section D. – The average person in his office has been working for the County for 17 years. When you have that type of longevity in the office you can handle more workload and help cover for each other. He is very proud of that number and his staff and he feels that is why he has been able to keep the staffing numbers down.

Report Card for the County from Moodys. DeKalb County received a bond rating of Aa1 for the recent \$16,000,000 bond issue. DeKalb County has earned the Government Finance Officers' Association Certificate of Achievement Award for 24 straight years. Only 16% of the Counties in the United States earn this award.

Ray and he have told department heads for the past 25 years that they will not be penalized if you don't spend every dime. If you talk to the long term department heads, they will tell you that this has been the case. This appeal would send the opposite message that departments should spend all of their approved budget.

Mr. Hulseberg said that he would like to hold off until next month on these appeals so that we can see what the other committees are going to come back to the Finance Committee with.

Mr. Anderson said that he liked what Mr. Hulseberg has suggested.

**It was moved by Mr. Hulseberg, seconded by Mr. Foster, and it was carried unanimously to consolidate the salaries and benefits' appeals from the Finance, Planning and Zoning and Supervisor of Assessments offices and to direct the staff to reduce the \$900,000.00 fund balance spend down amount by \$140,000.00 and find alternatives instead of eliminating staff.**

b.) **IMO Salaries and Benefits Reduction.**

Mr. Foster said that he was withdrawing his appeal for the IMO department. He said that after meeting with Ms. Hanson, he now has a better understanding of what her department does.

c.) **Legislative Center Remodeling.**

Mr. Hanson said that if the committee does not want to do anything to the Legislative Center in the State's Attorney's area once they move out next year, you don't have to. It does, though, seem appropriate to do the painting and clean the carpets when they do move out. The Courthouse should be ready for the State's Attorney's Office to move in around August/September 2012.

Mr. Foster asked Mr. Hanson to get the hard numbers on painting the space and cleaning the carpets.

The committee agreed to reduce the amount of the appeal to just include the painting of the State's Attorney's space and the cleaning of their carpets. The dollars used for this would be out of the Special Project fund.

**It was moved by Ms. Fullerton, seconded by Mr. Anderson, and it was carried unanimously to accept the amended appeal to just include painting and cleaning of the carpets for the State's Attorney's space.**

Mr. Hanson will find out the hard numbers for these two items.

d.) **FMO – New Position Request.**

Mr. Jim Scheffers said that since his office lost one person through last year's budget process that person's duties have been shifted over to the remaining maintenance employees. The position that was eliminated last

year did a lesser type of work than the other maintenance personnel. One of the duties that the other maintenance people have inherited this year is setting up conference rooms for meetings. For this month alone they have 51 meetings for set up and September had 57 meetings. Out of those two months there were 26 meetings that they consider time consuming. This means that to set up the rooms for these meetings it can take between 45 minutes to 2 hours to do it. His office is mowing all of the lawns now and mowing the County Cemetery. As of today they have had 370 more work orders this year than last year.

The new position would not only help with setting up the conference rooms but they would also do the janitorial work in the new courthouse addition and they would clean 4 new holding cells. This person would also help them with repair work that is usually done in-house.

Ms. Fullerton asked what would this new position cost?

Mr. Scheffers said that the wage for position 1 is \$14.38 an hour.

Mr. Hanson reminded the committee that this would be a union position.

Mr. Hulseberg asked how many hours would equal the \$8,000 mentioned in the administrative recommendations?

Mr. Scheffers said that it would amount to around 10 hours a week.

Chairman Newport said that maybe we could go the middle ground and look at @ 20 hours a week and make it a part-time position.

Mr. Hanson said that \$8,000 gives you 10 hours, you could also hire another part-time person for another 10 hours at \$8,000. You could also hire someone to work around 18/19 hours for \$16,000. You need to stay under 1,000 hours a year to avoid benefits.

Mr. Scheffers said that this could work.

Chairman Newport said that he thinks that the committee senses that this is a reasonable compromise.

Mr. Gudmunson asked if we could share a person with Facilities Management who is already part-time? Maybe like someone from the Highway Department.

Ms. Tobias said that it seems that the department is already overworked and understaffed.

Mr. Foster asked if there was a way to cut down on the set up of all of these various meetings that Mr. Scheffers mentioned? Maybe there is a way to eliminate the cost instead of hiring someone new. So he would be in favor of the administrative recommendations.

**Moved by Mr. Stoddard, seconded by Ms. Tobias, and it was carried to modify the appeal from Facilities Management to hire another additional part-time position at about \$8,000 to \$10,000 . The no votes were Mr. Anderson, Ms. Fullerton, Mr. Gudmunson and Mr. Foster.**

#### **REDUCTION IN UTILIZATION OF GENERAL FUND BALANCE**

Mr. Hanson reviewed the status of the General Fund Balance and what our cash flow is. A lot of our revenues are barely even, but property tax starts coming in around June. In the far right column of his handout, it shows that at the end of May the County will need to have around \$5 million to cover our bills. So, 2012 if you want 35% in your fund balance you will need around \$9 million to cover the bills.

In the lower section of the page is the historical way of looking at it. In 2010 we have a fund balance of just over \$10 million or 41%. If we continue that way to 2012 we would need about \$9 million or 35%, shown in the middle section of the page. In 2013 we would need \$8.2 million or 30%. We recommend that we spend down the fund balance by \$900,000.00 for 2 years and the County would still end up at 30%.

No action was taken on this appeal.

Mr. Hanson said then the budget will continue at \$900,000.

#### **SALARIES FOR ELECTED OFFICIALS**

Mr. Hanson said that we can wait on the elected officials' salaries. The final action can be done in November 2011. The salaries can go up, stay the same or they can go down, whatever you wish.

Chairman Newport said that the committee will defer this item for their November meeting and the committee should be ready to bring back suggestions and hard numbers.

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**ADJOURNMENT**

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

Respectfully submitted,

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Scott Newport, Chairman

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