

DRAFT
Finance Committee
Minutes
September 7, 2011

The DeKalb County Finance Committee met on Wednesday, September 7, 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 and Paul Stoddard. Ms. Tobias and Ms. Fullerton were absent. There was a quorum present. Others present were Ray Bockman, Gary Hanson, Jim Scheffers, Robin Brunschon, Nathan Schwartz, Greg Millburg, John Acardo, Mark Todd, Sarah Lief, Mary Seyller, Clay Campbell, Jane Lux, Ken Andersen, Kathy Steichen and Joan Hanson.

Ms. Fullerton arrived at 7:50p.m

APPROVAL OF THE MINUTES

Mr. Newport said that on page 3 the term HAS should read HSA and Mr. Hulseberg said that he was not present at the August meeting.

Moved by Mr. Anderson, seconded by Mr. Hulseberg, and it was carried unanimously to approve the amended minutes from August 3, 2011.

APPROVAL OF THE AGENDA

Chairman Newport said that there was one addition to the agenda that would be a resolution regarding reimbursable salary agreement with the Regional Office of Education. He made that item #7A.

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

ASSET MANAGEMENT POLICY

Mr. Gary Hanson said that the asset management policy resolution before the committee tonight is a corrective action plan for the County to comply with the Federal Grant that we received relative to our fiber optic funds. We have to pass this resolution or we jeopardize our grant. Mr. Hanson said that he wrote this policy for all federal grants not just he broadband one.

Moved by Mr. Stoddard, seconded by Mr. Foster, and it was carried unanimously to forward this recommendation to the full board for approval.

PAYOFF OF NURSING HOME LOAN

Mr. Hanson explained to the committee that the County would like to payoff the nursing home loan early. He explained that in 2004 the County had an agreement with the City of DeKalb to get the access on the Tollway done. We had to borrow money from the nursing home. The Nursing Home now has reached a point in their operations that Medicare and Medicaid are not paying on time and the Nursing Home needs money to operate. The amount to payoff is \$775,628 and that we will use existing funds and the Opportunity Fund to pay this off.

Moved by Mr. Anderson, seconded by Mr. Hulseberg and it was carried unanimously to approve the early payoff to the nursing home.

DISCUSSION ON PUBLIC REVIEW OF LARGE PURCHASES - KEN ANDERSEN

Mr. Andersen said that at different times that he has talked to the public questions came up that the public wanted more input as to what is going on at the courthouse and jail. He would like to see a resolution drawn up to hold a public hearing for the public to voice their opinions. A definition would be any major project that would be 10% of the County's budget. The hearing would need to be held as soon as practical within the timing of the project.

Mr. Stoddard said in general public input is a good thing, though the details to work it out may be difficult.

Mr. Bockman asked what one would do with the results of the hearing?

Mr. Andersen said that the county board members could hear everything from the public and help them make a decision as to whether the project is viable. We could have one hearing during business hours and one in the evening so that more people could attend. He thinks that the Finance Committee could hold the public hearings and that there would not be a need for a hearing officer. He just wanted to get the discussion started on this item.

Mr. Bockman said that he is uncomfortable the notion of a lay committee serving as the hearing officer by a quasi judicial proceeding in which rulings need to be made of evidentiary matters, where witnesses and qualifications need to be ruled on. He said that the due process to send to a public hearing as opposed to a public meeting are rather serious and can cause us a problems if they are violated. Do you still feel that this committee would be a good conductor of a public hearing?

Mr. Andersen said perhaps with some training.

Mr. Bockman said that if you just want to hear what the public is thinking, why not have a public meeting where you don't have to have a hearing officer, sworn testimony and rules of evidence.

Chairman Newport said that serious questions exist with respect to redundancy in that every budget cycle there is a public hearing. With bond issues there is a public hearing. Any issue that is not subject to a public hearing the general public is certainly invited and free to speak at every board meeting. So he feels there are issues with regard to redundancy and if it is a matter of public notice – the same people who didn't see the notice on the courthouse probably didn't see the notice of a public meeting.

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 four tax deed conveyance resolutions. He explained that each resolution involves a piece of "orphaned" property that has been sold and the property will be put back on the tax rolls. He said that they usually have some of these resolutions each year and they involve county board action.

Moved by Mr. Gudmunson, seconded by Mr. Anderson, and it was carried unanimously to forward these 4 Tax Deed resolutions to the full board for approval.

REGIONAL OFFICE OF EDUCATION REQUEST – MR. GIL MORRISON

Mr. Morrison approached the committee regarding a Memorandum of Understanding with the Regional Office of Education for the purpose of reimbursing costs requested by said office for a partial salary stipend for the Regional Superintendent and the Assistant Regional Superintendent from July 2011 to December 2011. The reason the County is entering into this agreement is because the State of Illinois is not paying their salaries. The Regional Office of Education shall establish an escrow account from an ROE enterprise fund with the DeKalb County Regional Superintendent of Schools and the DeKalb County Treasurer both as signors for the account. The escrow account described herein shall have a balance of \$70,000.

Moved by Mr. Stoddard, seconded by Mr. Reid, and it was carried unanimously to forward this recommendation to the full board for approval.

ADMINISTRATIVE RECOMMENDATIONS FOR FY2012 BUDGET – MR. GARY HANSON

Mr. Hanson, Deputy County Administrator, presented the Administrative Recommendations for the FY2012 budget (can be found online on the County's website and in the Finance Office) to the committee. The committee needs to forward these recommendations with a resolution to the full board for approval to place the FY2012 budget on file for public viewing. It will be on the Internet, in the County Clerk's Office, and a couple of offices in the northern and southern parts of the County. Some of the highlights of the recommendations are mentioned below.

Revenues have been estimated realistically, but on the conservative side. The down-turn in the economy continues to put a strain on local revenues and financial difficulties at the State level makes some revenue projections less stable. Expenditures have been estimated realistically, but on the aggressive side. Much planning has been done to smooth out expenses in the long-term and minimize large "bumps" in expenditures in the future years which are then difficult to deal with budget-wise.

The assessed value for the County is expected to decline by 5.7% from \$2,146,000,000 to \$2,025,000,000. Minimal new construction has occurred throughout the County and it is expected to only account for 0.7% of the county's assessed value. The value of the average \$200,000 home is expected to decline about 7%, reducing the value of the average home to \$186,000.

Property tax levies for various funds were maintained at the same level as for 2011, except for the General Fund and the Mental Health Fund which proportionately divided the 0.7% increase allowed under the tax cap law for new construction. (The Mental Health Board requested \$100,000 more than this 0.7% increase.) The new construction levy assures that new developments pay an equitable share of taxes with long-term property owners. This has no added burden to current property owners whose tax bill should see no increase in 2012.

For 2012, General Fund Departments were given the challenge of reducing expenses by 1.6% of their prior year budgets. With that as a base parameter, the departments then submitted their overall requests for 2012.

Before adjourning, Ms. Kathy Steichen, AFSCME Representative, read a statement about the County's re-examining their health care costs.

Moved by Mr. Stoddard, seconded by Mr. Anderson, and it was carried unanimously to forward to the Board the resolution to place the budget on file for public view for approval.

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ADJOURNMENT

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

Respectfully submitted,

Scott Newport, Chairman

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