

DRAFT
FINANCE COMMITTEE
MINUTES
NOVEMBER 7, 2012

The DeKalb County Finance Committee met on Wednesday, November 7, 2012 @ 7:00p.m. in the Administrative Building's Conference Room East. Chairman Scott Newport called the meeting to order and let the record reflect the following members present were Larry Anderson, Charles Forster, Julia Fullerton, John Gudmunson, John Hulseberg, Stephen Reid, Paul Stoddard and Ruth Anne Tobias. Others present were Ray Bockman, Gary Hanson, Mark Pietrowski, Ken Andersen, Greg Millburg, Marlene Allen, John Acardo, Sarah Lief, Rob Carlson, Tom McCullough, Joyce Klein, Sheriff Scott, Dan Cribben, Robin Brunschon, Jim Scheffers, Karen Cribben, Paul Miller, Dean Johnson, Nathan Schwartz, Joan Hanson, Scott Pumroy, Joe Begun, Deb Armstrong, Riley Oncken, and Janie Torma.

APPROVAL OF THE MINUTES

Ms. Tobias stated that the word account was spelled wrong in the minutes.

It was moved by Mr. Anderson, seconded by Mr. Gudmunson, and it was carried unanimously to approve the minutes from October 3, 2012.

APPROVAL OF THE AGENDA

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

COUNTY CLERK COST STUDY – MR. JOHN ACARDO

Mr. John Acardo, DeKalb County Clerk and Recorder, approached the committee about the internal cost study that he conducted to justify an increase in recording fees. If this study is accepted by the committee tonight, this increase in recording fees will generate an additional \$104,000 for the General Fund (based on 13,000 documents at a fee increase for the General

Fund of \$8.00 per document. A copy of the report is attached to these minutes.

This would raise the fee, which currently is \$39.00 for the first 4 pages for every recorded document to \$50.00. This fee increase is only applicable to people who buy or sell property. Mr. Acardo said that we have not looked at this fee since 1989.

Mr. Acardo told the committee that they would be voting on a resolution and an ordinance to send to the full board for approval this evening.

It was moved by Mr. Gudmunson, seconded by Ms. Tobias, and it was carried unanimous to forward the resolution regarding the Statement of Costs to the full board for approval.

The second item to approve is the Ordinance for the Increase in Fees.

It was moved by Mr. Gudmunson, seconded by Mr. Reid, and it was carried unanimously to forward this ordinance to the full board for approval.

HEALTH INSURANCE PROGRAM FOR 2013 – MR. HANSON

Mr. Gary Hanson, Deputy County Administrator, approached the committee about changes to the County's Flexible Spending Plan. He said that because of changes with the new Health Care Law, the County has to make changes to our Flexible Spending Plan. The changes were put together by our plan administrator, Sikich. He asked Sikich for a summary of what he changes entail, and they responded by stating that the main change is that the new IRS rules require that the maximum contributions to the flexible spending account is limited to \$2,500 and our plan previously had a limit of \$3,000. They have also updated the entire document so that it includes updated regulatory language as well.

It was moved by Mr. Hulseberg, seconded by Mr. Stoddard, and it was carried unanimously to forward these changes to the full board for approval.

Mr. Hanson also updated the committee about the High Deductible Plan. He stated that they did not reach the 20% of employees to sign up for this plan. It was also learned that the premium for the PPO Plan did not get assessed a 4% penalty for offering two health plans. Therefore, both plans could be offered without needing a minimum number of participants.

Therefore, the total number of employees that have signed up for the new High Deductible Plan is 25. Mr. Hanson said the next question that we need to ask this committee is if we still want to offer the two plans to the employees or just

the regular PPO Plan. He also mentioned that with the High Deductible Plan there will be no additional administrative fees.

Mr. Hulseberg asked, will all of our employees, down the road, have to be shifted into the High Deductible Plan because of rising insurance rates.

Chairman Newport said that the county board at that time will have to make that determination.

Mr. Foster, said that it behooves us to have the High Deductible Plan to offer our employees down the road in case our PPO rates go up drastically to protect them.

It was moved by Mr. Foster, seconded by Mr. Anderson, and it was carried unanimously to forward the recommendation to offer both plans to our county employees, to the full board for approval.

PUBLIC HEARING – PROPOSED FY2013 BUDGET

Chairman Newport asked if there was anyone present this evening who wanted to say anything about the proposed FY2013 budget.

Mr. Ken Anderson, County Board Member, read a statement to the committee about our FY2013 budget. He suggested that we reduce our expenses, like suspending trips for NACO, suspend education credits for a while and learn to live within our means. The entire statement is attached to these minutes.

Chairman Newport thanked Mr. Anderson for his statement. There being no other persons to address the budget, the chairman closed the public hearing.

CONSIDERATION OF BUDGET APPEALS

Chairman Newport then began the discussion on the various budget appeals.

Item #16: Approve the position of a Sheriff's Corrections Officer at a cost of \$84,000. Monies to come from the Contingency Pool of tax monies identified in budget narrative #40 (Hulseberg, Scott). A related appeal to fund the position from savings as identified in Appeal 1710-6000 (Newport) was denied by the Law and Justice Committee.

Mr. Foster stated that he does not like to raise taxes, however, he will support this appeal because of safety reasons at the jail and that we do need this inside the corrections department.

Sheriff Scott said that his biggest concern is the average daily population which is now around 135 inmates. The other issue is mental health. Because of the State's cut backs for these institutions we have more and more mental health inmates being housed in our jails. These are serious mental health people. And it is a critical issue and we have to separate them from the rest of the population.

It was moved by Mr. Stoddard, seconded by Mr. Hulseberg, and it was carried unanimously to approve this appeal.

Item #17: Increase in staffing of the Public Defender's Office by adding one entry level attorney (\$73,000) and restoring the Investigator to full-time status (\$37,000) for a total cost of \$110,000. Monies will come from the Contingency Pool of tax monies identified in budget narrative item #40. (Hulseberg) An additional appeal for a second entry level attorney (\$73,000) as denied (McCulloch).

Mr. Oncken stated that he would support the appeal for a second attorney too.

It was moved by Mr. Hulseberg, seconded by Ms. Tobias, and it was carried unanimously to forward this recommendation to add one entry level attorney for \$73,000 and restoring the Investigator to full-time status at a cost of \$37,000 for a total cost of \$110,000, to the full board for approval.

Item #28: Provide additional funding of \$14,000 for the Children's Waiting Room so that hours of operation do not need to be cut. Monies to come from the Opportunity Fund. (Hulseberg) Original appeal was to fund this from the Contingency Pool of tax monies identified in Budget Narrative Item #40 and that was amended.

Mr. Hulseberg said that he feels it is worth the .48 cents tax increase that they are asking for. This is a one year allocation to their funding he pointed out. They are going to try to get the legislation to be passed within that year to help them with their funding.

Ms. Torma of the Children's Waiting Room said that to date they have served 3,762 children. This room is located in a safe place in the courthouse. No one can get near the children and cameras are in the room. Five dollars a civil case is collected for their room for funding, but we don't have that many civil cases in this county and they don't collect enough monies. Therefore they are trying to get the fee to be raised to \$10.00 a civil case through their legislators to be self-sustainable. If this does not get approved the staff hours will have to be cut.

Moved by Ms. Tobias, seconded by Ms. Fullerton, and it was carried unanimously to approve this appeal and funding source from the

Opportunity Fund and to send this recommendation to the full board for approval.

Item #3510-7000: Delete funding in the Highway Department for a new Dump Truck (\$191,200) and a new Pickup Truck (\$37,500). Appeal was amended to allow the Highway Department to select specific trucks to be eliminated in that price range. (Newport)

Mr. Stoddard said just to be clear, we are asking the Highway Department to reduce their vehicle fund by \$228,000.

Chairman Newport said yes.

Mr. Hulseberg said that there are other vehicles being replaced this year.

Mr. Nathan Schwartz, County Engineer, said that originally they were going to replace 2 large snowplow trucks and that is being reduced to one. And they were going to replace a one-ton truck and 2 pick-up trucks and now we are removing one of those pick-up trucks. The snowplow truck they are keeping was really a \$200,000 replacement so we will not be spending that \$200,000. The pick-up truck was a wash.

Mr. Stoddard asked about the trucks that they are keeping, are they still in relatively decent working order?

Ms. Schwartz said that the snowplow truck is in decent working order, but the two major concerns of that truck are: it has a belly blade, which is a low blade that has problems going over railroad tracks and also the capacity of the truck is smaller and can't do a full round when it is plowing without running out of salt so it has to go back and pick up more salt before it finishes the route. The other trucks maintenance costs have been going up each year. It makes more sense replacing those.

Chairman Newport said if his count is correct there are 13 large trucks in the County's fleet that are on a ten-year cycle for replacement. This means every so many years we have two trucks being replaced instead of one.

Mr. Schwartz stated that in the recent years they have looked at the schedule and in the last couple of budgets we have not replaced our vehicles and we have modified our replacement program to twelve years for 11 of those large trucks and the other 2 large trucks those two are on 20-year cycles. So we have made those modifications.

Mr. Hanson said that we are taking this money out of their appropriation; in essence their fund balance will increase.

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

Next, Chairman Newport said, are the appeals that have been approved at the committee level.

Item #18: Increase the Supervisor of Assessment's existing allocation for part-time hours by 9 hours per week at a cost of \$7,300 per year. Monies to come from the Contingency Pool of tax monies identified in Budget Narrative Item #40. (Oncken, Vary, Brunschon)

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

Item #27(d): Increase funding by \$10,000 (from \$20,000 to \$30,000) for the Soil & Water Conservation District. Monies to come from the Opportunity Fund. (Hulseberg, Johnson of Soil and Water).

Mr. Hulseberg suggested that they look at increasing their fees possibly, it could help.

Mr. Dean Johnson of Soil and Water said that it is on their agenda for their next meeting.

It was moved by Mr. Hulseberg, seconded by Ms. Tobias, and it was carried to forward this recommendation to the full board for approval. Mr. Foster abstained.

Item #27(f): Increase funding by \$5,000 (from \$10,000 to \$15,000) for the Convention and Visitor's Bureau. Monies to come from the Opportunity Fund. (Oncken, Vary)

Mr. Oncken said that originally the source of funding should come from the Opportunity Fund or Contingency Fund, he feels that this will be a re-occurring event each year at budget time and that he was now suggesting that the funding source should come from the Contingency Tax Pool.

Mr. Foster said that he could not support that as this seemed like "fluff."

Ms. Deb Armstrong, Executive Director of the DeKalb County Convention and Visitor's Bureau, said that thanks to this board they have been now certified as a bureau. You have to have a 50% match from local municipalities for funding to do that. Last year our figures showed a \$7 million increase in tours and spending.

They do receive monies from the hotels in DeKalb and Sycamore through the hotel tax. So if they collect 100% in hotel tax monies her agency receives 25% of that. That is because of home rule.

Mr. Bockman said those cities are keeping the rest of that money and using it for other purposes. So you are asking us to make up for their lack of contribution from the tax that was to pay for this.

Ms. Armstrong said that she would have to agree with Mr. Bockman, but she can't do anything about that since they are both home rule cities.

It was moved by Mr. Stoddard, seconded by Mr. Hulseberg, with Mr. Oncken's amendment so that the monies now come from Contingency Tax Pool. It was carried with 5 yes votes and 4 no votes. Those four votes were from Mr. Foster, Mr. Gudmunson, Mr. Anderson, and Chairman Newport.

Appeals Still Open:

Item #1111-9999: Reduce the General Fund expenses by \$125,000 through (a.) reductions in out-sourced services and capital purchases, and (b) if not enough savings are identified in (a), then review department personnel for consolidations. (Foster)

Mr. Foster said that Mr. Hanson volunteered to take a look at opportunities in each department that may exist. The report came back showing \$126,000 in reductions. (See sheet attached to these minutes).

He thanked Mr. Acardo for a \$70,000 reduction from his budget alone.

It was moved by Mr. Foster, seconded by Mr. Gudmunson, and it was carried unanimously to forward this recommendation in general fund reductions to the full board for approval.

Item #1710-6000: Reduce Salaries and Benefits in the Planning & Zoning Department by one half-time position. Specific position at the discretion of the Department Head. The savings from this appeal would be used to help restore funding for the Sheriff's Correction's Offices as shown in Appeal for Item #16 about. (Newport; this amendment was filed on 10/29/2012 to his original appeal to reduce staff by one full-time position which was denied by the Planning & Zoning Committee on 10/24/12.)

Chairman Newport said that he had met with Mr. Paul Miller, Director of the Planning & Zoning Department, (P&Z) about this reduction about one month

ago. In light of the last P&Z meeting he changed his appeal to now reflect the reduction of one half-time position.

He said that the primary basis of the appeal is the reduction of activity related to construction and permitting in the County. He would refer to the 2008 numbers for salaries in the department were \$259,000 at the peak of activity to the department request for 2013 of \$301,000. In discussion with other counties in northern Illinois, some of them have reduced their staffs sharply and consolidated the work with other county departments.

Mr. Paul Miller, Director of the Planning & Zoning Department, said that he did look at a comprehensive evaluation of reduction in services for his department. They looked at 6 other counties and only 2 of those 6 counties have reduced their staffs, Boone and Kendall Counties. Other counties nothing happened. East of our County has done nothing and they have more staff than us. The fee for a permit is much more expensive than ours east of our County. We have one building inspector who is full-time with a 40-hour work week. When the construction numbers are down he does not work the 40 hours. He is only working the hours necessary to handle the volume of permitting that we have. The evaluation of the actual hours that the building inspector charged vs. his salary is: in 2010 worked 1580 hours out of the budgeted 2080 hours, which saved the County \$15,250. In 2011 he worked just under 1700 hours out of the budgeted 2080 hours, saving the County \$12,000. So far this year, that is, through October of this year, he has worked 1276 hours out of the budgeted 1760 hours, with a savings to the County at \$15,400 so far this year. The upside of this practice is that it makes the county more flexible as items come along during the year.

Mr. Hulseberg and Ms. Tobias said that they would be voting against the amended appeal.

Mr. Foster said that he would support the appeal.

Motion to support the appeal to reduce 1 half-time position as moved by Mr. Foster, seconded by Mr. Gudmunson.

After a brief discussion the motion failed. There were 3 yes votes to support the appeal, those being, Chairman Newport, Mr. Foster and Mr. Gudmunson. There were six no votes, those being Mr. Anderson, Ms. Fullerton, Mr. Hulseberg, Mr. Reid, Mr. Stoddard, and Ms. Tobias. The appeal is denied.

FINAL 2013 BUDGET RECOMMENDATION

The committee discussed sending the final 2013 budget recommendation as appealed to the full board for approval. Chairman Newport thanked Mr. Hanson for his many hours of hard work on the budget.

It was moved by Ms. Tobias, seconded by Mr. Hulseberg, and it was carried to forward the final 2013 budget recommendation as appealed to the full board for approval. The no votes were Chairman Newport, Mr. Foster and Mr. Gudmunson. Motion carried.

ADJOURNMENT

It was moved by Mr. Anderson, seconded by Mr. Foster, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

Scott Newport, Chairman

Mary C. Supple, Secretary

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