

*Note: These minutes are not official until approved by the Finance Committee at a subsequent meeting. Please refer to the meeting minutes when these minutes are approved to obtain any changes to these minutes.*

DeKalb County Government  
Sycamore, Illinois

**Finance Committee Minutes  
November 5, 2014**

The Finance Committee of the DeKalb County Board met on Wednesday, November 5, 2014, at 7:00 p.m. in the Administration Building's Conference Room East. Chairman Stephen Reid called the meeting to order. Members present were Mr. Cvek, Mr. Foster, Mrs. Haji-Sheikh, Ms. Leifheit, Mr. Stoddard and Mrs. Tobias. All seven members were present.

Also present was Gary Hanson, Pete Stefan, Paul Miller, Christine Johnson, Jeff Whelan, Janie Torma, Pat McMahon, Greg Millburg, Roger Scott, Joyce Klein, John Frieders, Tracy Jones, Margi Gilmour, Jim Scheffers, Dan Cribben, Karen Cribben, Riley Oncken, Maureen Josh, Joan Hanson, Jeff Metzger, and Sally DeFauw.

**APPROVAL OF THE MINUTES**

**It was moved by Mr. Cvek, seconded by Ms. Leifheit, and it was carried unanimously to approve the minutes of the October 1, 2014 Finance Committee Meeting.**

**APPROVAL OF THE AGENDA**

**It was moved by Mrs. Haji-Sheikh, seconded by Mrs. Turner and it was carried unanimously by voice vote to approve the agenda.**

**PUBLIC COMMENTS**

There were no public comments made.

**FY 2015 BUDGET PUBLIC HEARING**

Chairman Reid opened the FY 2015 Budget Public Hearing. Hearing none, Chairman Reid closed the FY 2015 Budget Public Hearing.

**FY 2015 BUDGET**

**Health Insurance Rates**

Mr. Stefan shared that the FY 2015 budget currently includes a 10% increase in health insurance rates which was based on claims experience through the month of July. With a few more months of claims experience on the books that included several large stop loss credits related to some of the larger claims, the required rate increase can be reduced from 10% to 3.6%. This will result in total budgetary savings of \$287,000 across all funds with a net savings of \$83,000 in the General Fund. If claims come in at the expected level in FY 2015, reserves will increase by \$567,000 as the County continues to build required reserves in the second year of funding its self-funded

health insurance plan. Mr. Stefan also provided a summary report to the Committee comparing 2014 and 2015 health insurance rates and funding levels.

Mr. Stefan also indicated to the Committee that now would be the time, if any, to consider going with a four tier plan as opposed to the County's current two tier health insurance plan. There would be no additional costs to the County, only to the employee. The Committee discussed the amount of employees utilizing the current insurance plans and how they would be effected by the change.

**Mr. Cvek moved to implement a four tier insurance plan for the County. Mr. Foster seconded the motion. After further discussion among the Committee, a roll call was taken on the motion. Those voting yea were Mr. Cvek, Mr. Foster, Ms. Leifheit, Mr. Stoddard, Mrs. Tobias, and Chairman Reid. Mrs. Haji-Sheikh abstained. The motion carried.**

### **Budget Cuts to Reduce Utilization of Reserves**

Mr. Stefan shared a list of 19 items totaling \$145,900 in reductions to the FY 2015 General Fund budget are proposed. Additionally, one FY 2015 General Fund budget projection refinement is proposed that will increase the General Fund budget by \$40,000 to account for the food program in the Corrections Division that appears it will need additional funding in FY 2015. Finally, the two successful FY 2015 General Fund budget appeals affecting four separate line items in the total amount of \$49,300 are summarized – the Metro Counties membership in the amount of \$4,300 and the Public Defender's Office salary adjustments in the combined amount of \$45,000.

Mr. Cvek commented that he was pleasantly surprised by the recommendations that were presented to the Committee and exceeding the \$100,000 goal.

**Mr. Cvek moved to accept the \$145,900 in budget cuts as recommended by staff, as well as the \$40,000 increase to the Corrections Department Food Program also recommended by staff. Mrs. Haji-Sheikh seconded the motion. The motion was carried unanimously by a voice vote.**

Mrs. Haji-Sheikh and Mr. Foster thanked Administration and Staff for the recommended cuts.

### **FY 2015 Budget Appeals**

Mr. Stefan provided the Committee with an updated summary of the ten budget appeals for FY 2015. He explained that the column at the far right titled "Committee Appeal Decision" has been added to summarize the recommended action to this point. Five appeals were successful and are being forwarded to the Finance Committee to consider for approval. The remaining five appeals, one for Finance Committee and four for the Law & Justice Committee, are to be heard this evening.

### ***Upgrade of Accounting Supervisor Position to Assistant Finance Director Position:***

Mr. Stefan shared the retirement of the Accounting Supervisor presented a unique opportunity for the Finance Department to upgrade the level of service it provides to its internal and external customers by upgrading the position to that of an Assistant Finance Director position. The

upgrade would allow the Finance Department to continue to provide all of the existing services it currently provides plus assume additional responsibilities without a substantial increase in costs.

Mr. Stefan continued that he proposed that the Assistant Finance Director position would be a salaried position with supervisor responsibilities over many of the accounting, accounts payable, and payroll functions. Minimum qualifications would include a Bachelor of Science Degree in Accounting or a related field which will result in this position being the only degreed Accountant in the organization besides the Finance Director. The ideal candidate would also have some governmental accounting and supervisory experience, which would be the reasoning for him wanting to increase the Accounting Supervisor's salary by 10% for this new position. Mr. Stefan also detailed some of the tasks that would be involved with the upgraded position to the Committee.

Mr. Foster expressed candidly that he is opposed to increasing the Assistant Finance Director's salary by \$10,000. He also commented that he does not feel that the County would be able to attract that much of a difference in the talent pool by upping a salary from \$66,000 to \$76,000, he think it is just a throw away.

Mr. Cvek also expressed his discontent with upgrading the position in the Finance Office at all and noted that it sets a bad precedence that when a position comes available instead of saving money they are adding more costs to it.

The Committee continued to discuss their opinion on the change in the position and also funding sources that Mr. Stefan had identified for helping offset the cost of the proposed upgraded salary.

**Mr. Foster moved to deny the appeal. Mr. Cvek seconded the motion. The motion failed by a voice vote.**

**Mrs. Tobias moved to approve the appeal to accept the upgrade the position of the Accounting Supervisor Position to Assistant Finance Director Position with a \$10,000 increase in the salary. Mr. Stoddard seconded the motion. The motion carried with Mr. Cvek and Mr. Foster opposing.**

*Additional Appeals:*

**Mrs. Haji-Sheikh moved to approve appeals 1, 9, and 10 for the Treasurer's Office, the Sheriff's Office, and The Children's Waiting room because they all identified their own funding sources. Mrs. Tobias seconded the motion. The motion carried unanimously by voice vote.**

*Membership in Metro Counties:*

Mr. Cvek noted that when this appeal was considered at the Executive Committee it was projected to come from the General Fund and asked if there was any reason that it could not come out of the Opportunity Fund.

Mr. Hanson shared that they could direct the membership fee to come out of the Opportunity Fund if the Committee wished.

**It was moved by Mr. Stoddard moved to approve the appeal for the County to continue their membership with Metro Counties at the amount of \$4,300 annually coming out of the Opportunity Fund. Mrs. Haji-Sheikh seconded the motion. The motion carried unanimously.**

***Salary Review for Professional Staff in the Public Defender's Office:***

Mr. McCulloch provided the Committee with a history of his Office and also information that supported his appeal. The Committee discussed funding sources for an increase and the disparity in pay between the Public Defenders and the State's Attorneys.

**Mrs. Tobias moved to approve the appeal to allocate \$45,000 from the General Fund to the Public Defender's Office for salary adjustments. Ms. Leifheit seconded the motion.**

The Committee continued to discuss finding other ways of funding these salary adjustments other than from the General Fund.

**Mrs. Haji-Sheikh moved to call the question. Mrs. Tobias seconded the motion and it was moved unanimously by voice vote.**

**Chairman Reid called for a voice vote on Mrs. Tobias's motion to approve the proposed appeal. The motion was carried with Mr. Cvek and Mr. Foster opposing.**

**Final FY 2015 Budget Recommendations**

Mr. Stefan shared that following any action approved in regards to the proposed budget cuts or budget appeals, a final reconciliation needs be undertaken to incorporate any required changes into the budget. This may involve updating certain line items that are being transferred from one fund to another, refining certain line items based on current information such as health care costs or the prisoner food line items, correcting misclassifications such as contributions from the Landfill Host Benefit Fund, or reclassifying certain expenditures from one category to another such as moving certain landscaping costs from the Capital Outlay category to the Commodities & Services category. These refinements and clarifications will improve the overall accounting and reporting aspects of the budget.

**Other FY 2015 Budget Items**

Mr. Stefan explained that this item allows an opportunity to discuss other budget items that are not part of either the budget appeal process or the potential budget cuts, and could include a review of FY 2015 budgets for those departments reporting to the Finance Committee, or further discussion on the General Fund budget or any other fund included in the FY 2015 budget.

Mr. Foster discussed briefly the future of the Evergreen Village land.

**It was moved by Mr. Stoddard, seconded by Mrs. Haji-Sheikh and it was moved unanimously by voice vote to forward the FY 2015 Budget to the Full County Board for approval.**

## **MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE**

Mr. Stefan shared the follow informational item with the Finance Committee: In 2005, the Public Building Commission (PBC) issued \$7,155,000 in Lease Revenue Refunding Bonds to advance refund, through a crossover refunding, the 2008 through 2016 principal maturities of the 1997 Lease Revenue Bonds. Due to the size of the issue and the amount of debt the County had outstanding at the time, a Continuing Disclosure Agreement whereby the County is required to annually file certain financial information with national information repositories was not required to be entered into but was entered into inadvertently. Subsequently, in 2010, the County issued \$16,000,000 in General Obligation Alternate Revenue Source Taxable Bonds to finance the renovation and expansion of the County Courthouse and the preliminary design work for the County Jail expansion. Due to an oversight by the financial advisor and underwriter, the continuing disclosure requirements for the PBC debt issue were not verified as part of the 2010 County debt issue and a statement that all continuing disclosure undertakings were current was included in the Official Statement in error. Earlier this year, the Securities and Exchange Commission announced the MCDC Initiative whereby local governments can self-report any potential issues with their continuing disclosure requirements in exchange for favorable settlement terms that include no financial penalties, adopting relevant policies and procedures, undergoing training, and correcting any deficiencies among other things. Although we believe there are no material misstatements, as does the underwriter, we are following the most conservative approach by self-reporting the issue under the MCDC Initiative as an insurance policy to prevent any future actions in regards to continuing disclosure undertakings.

## **ADJOURNMENT**

It was moved by Mr. Cvek, seconded by Mrs. Haji-Sheikh, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

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Stephen Reid, Chairman

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Tasha Stogsdill, Recording Secretary

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**Health Insurance Renewal  
FY 2015 Budget  
10-31-2014**

	2014 Current Rates			2015 Rates (3.6% Increase)			Percentage Increase 2014 to 2015
	Monthly Premium Single	Monthly Premium Family	Monthly Premium Total	Monthly Premium Single	Monthly Premium Family	Monthly Premium Total	
<b>PPO Plan</b>							
<i>Number of Employees</i>	135	128	263	135	128	263	
Medical Premium	937.12	2,186.65	406,402	970.86	2,265.37	421,033	3.6%
Dental Premium	30.72	71.68	13,322	31.83	74.26	13,802	3.6%
Internal Costs	17.49	20.23	4,951	18.12	21.28	5,170	4.4%
PPACA Fees	5.42	12.74	2,362	3.84	9.03	1,674	-29.1%
Total Premium	990.75	2,291.30	427,038	1,024.65	2,369.94	441,680	3.4%
Rounded Total	992.00	2,288.00	426,784	1,024.00	2,368.00	441,344	3.4%
Monthly EE Premiums	33,480	73,216	106,696	34,560	75,776	110,336	3.4%
Monthly ER Premiums	100,440	219,648	320,088	103,680	227,328	331,008	3.4%
Total Monthly Premium			426,784			441,344	3.4%
Total Annual Premium			<u>5,121,408</u>			<u>5,296,128</u>	3.4%

<b>HDHP Plan</b>							
<i>Number of Employees</i>	10	21	31	10	21	31	
Medical Premium	780.62	1,821.48	46,057	809.05	1,887.81	47,735	3.6%
Dental Premium	30.72	71.68	1,812	31.83	74.26	1,878	3.6%
Internal Costs	17.49	20.23	600	18.12	21.28	628	4.7%
PPACA Fees	5.42	12.74	322	3.84	9.03	228	-29.1%
Total Premium	834.25	1,926.13	48,791	862.84	1,992.38	50,468	3.4%
Rounded Total	832.00	1,928.00	48,808	864.00	1,992.00	50,472	3.4%
Monthly EE Premiums	2,080	10,122	12,202	2,160	10,458	12,618	3.4%
Monthly ER Premiums	6,240	30,366	36,606	6,480	31,374	37,854	3.4%
Total Monthly Premium			48,808			50,472	3.4%
Total Annual Premium			<u>585,696</u>			<u>605,664</u>	3.4%

<b>Medicare PPO Plan</b>							
<i>Number of Employees</i>	3	-	3	3	-	3	
Medical Premium	655.94	1,311.88	1,968	679.60	1,359.20	2,039	3.6%
Dental Premium	30.72	71.68	92	31.83	74.26	95	3.6%
Internal Costs	11.53	11.53	35	11.86	11.86	36	2.9%
PPACA Fees	0.17	0.34	1	0.18	0.36	1	5.9%
Total Premium	698.36	1,395.43	2,095	723.47	1,445.68	2,170	3.6%
Rounded Total	696.00	1,392.00	2,088	720.00	1,448.00	2,160	3.4%
Monthly EE Premiums	2,088	-	2,088	2,160	-	2,160	3.4%
Monthly ER Premiums	-	-	-	-	-	-	N/A
Total Monthly Premium			2,088			2,160	3.4%
Total Annual Premium			<u>25,056</u>			<u>25,920</u>	3.4%

<b>Medicare HDHP Plan</b>							
<i>Number of Employees</i>	-	-	-	-	-	-	
Medical Premium	546.43	1,092.86	-	566.34	1,132.68	-	N/A
Dental Premium	30.72	71.68	-	31.83	74.26	-	N/A
Internal Costs	11.53	11.53	-	11.86	11.86	-	N/A
PPACA Fees	0.17	0.34	-	0.18	0.36	-	N/A
Total Premium	588.85	1,176.41	-	610.21	1,219.16	-	N/A
Rounded Total	592.00	1,176.00	-	608.00	1,216.00	-	N/A
Monthly EE Premiums	-	-	-	-	-	-	N/A
Monthly ER Premiums	-	-	-	-	-	-	N/A
Total Monthly Premium			-			-	N/A
Total Annual Premium			-			-	N/A

<b>Total Annual Premiums</b>		<b>5,732,160</b>		<b>5,927,712</b>		<b>3.4%</b>
<b>Expected Claims &amp; Fees</b>		<b>5,180,376</b>		<b>5,360,445</b>		<b>3.5%</b>
<b>Net Amount to Reserve</b>		<b>551,784</b>		<b>567,267</b>		<b>2.8%</b>

**DEKALB COUNTY GOVERNMENT**  
**Finance Committee**  
**11-03-2014**

**Recommendation to Reduce Utilization of Reserves for 2015 General Fund Budget**

	<b>Cost Center</b>	<b>Department</b>	<b>Item</b>	<b>Proposed Reduction</b>
1)	1290-9951	Non-Departmental	Contribution to Joiner History Room	\$ 2,000
2)	1310-9962	IMO	Network Infrastructure	20,000
3)	1410-8001	Assessments	Registrations / Training	500
4)	1410-8003	Assessments	Travel / Training	200
5)	1410-8061	Assessments	Commercial Services	500
6)	2610-7701	Sheriff	Portable Breath Testers	500
7)	2610-7719	Sheriff	Flash Bangs Training for Special Operations Team	1,000
8)	2610-7719	Sheriff	Handheld Radar	2,500
9)	2610-7719	Sheriff	Mega Max Light System	1,000
10)	2610-7719	Sheriff	Schedule Board	700
11)	2610-9921	Sheriff	Propane Fuel Trial Program	10,000
12)	2670-7711	Communications	2 CAD Computers	4,000
13)	2670-7719	Communications	24/7 Communication Center Chair	1,000
14)	2680-7701	Corrections	3 Tables for MP Room	900
15)	2680-7719	Corrections	2 Tasers with Cameras	1,400
16)	2910-8061	Court Services	T-1 Line for LEADS Line	6,000
17)	4810-7012	FMO	Grounds / Landscaping	5,000
18)	4810-7150	FMO	ADA Improvements	5,000
19)	xxxx-6511	All General Fund Depts.	Health Insurance	83,700
		Totals		<u>\$ 145,900</u>

**DEKALB COUNTY GOVERNMENT**  
**Finance Committee**  
11-03-2014

**Proposed Projection Refinement for FY 2015 General Fund Budget**  
**and**  
**Pending Successful Budget Appeals for FY 2015 General Fund Budget**

**A) Proposed Projection Refinement**

	<b>Cost Center</b>	<b>Department</b>	<b>Item</b>	<b>Proposed Increase</b>
1)	2680-9233	Corrections	Food Program	\$ 40,000
		Totals		<u>\$ 40,000</u>



Summary of FY 2015 Budget Appeals  
by Funding Source  
11-05-2014

**A. Pending Appeals with Funding Source Identified**

Appeal #	Budget Narrative #	Appellant	Item Appealed	Dollar Amount	Action Requested	Additional Funding Source or Disposition of Savings	Committee Assigned to	Committee Appeal Decision Outcome	Action Taken
1	27	Christine Johnson	Upgrade of Administrative Clerk B Position to Accounting Clerk A Position	\$ 3,000	Approve the upgrade of an Administrative Clerk B position to an Accounting Clerk A position.	Funding to come from the Tax Sale Automation Fund.	Economic Development	Successful	Funding from Tax Sale Automation Fund Approved
3	28	Stefan	Upgrade of Accounting Supervisor Position to Assistant Finance Director Position	\$ 10,000	Allocate additional funding for the Assistant Finance Director position beyond the current funding level for the Accounting Supervisor position to allow for the potential to hire a candidate with more professional experience.	Additional contributions from the Downstate Operating Assistance Program grant and the Nursing Home.	Finance	Pending	Appeal to be Heard at the 11/05/14 Finance Committee Meeting
9	25	Scott	Additional 1% Pay Increase for Sheriff's Office Management Staff	\$ 6,000	Approve a 1% pay increase for management staff in the Sheriff's Office in addition to the 2% pay increase recommended for non-union personnel to place them on pace with MAP pay increases for 2014-2015.	Funding to come from the Law Enforcement Projects Fund	Law & Justice	Successful	Funding from Law Enforcement Projects Fund Approved
10	44	Pat McMahon	Children's Waiting Room Funding	\$ 15,000	Approve an increase in the Children's Waiting Room fee from \$5 per filing to \$10 per filing.	Fee increase.	Law & Justice	Successful	Additional Funding Approved Subject to an Increase in the Children's Waiting Room Fee

**B. Pending Appeals with Funding Source Yet to be Determined**

Note: Options for funding pending appeals include a) Approved Budget Cuts, b) General Fund Reserves, and/or c) Potential State Funding.

Appeal #	Budget Narrative #	Appellant	Item Appealed	Dollar Amount	Action Requested	Additional Funding Source or Disposition of Savings	Committee Assigned to	Committee Appeal Decision Outcome	Action Taken
2	36	Tobias	Membership in "Metro Counties"	\$ 6,300	Continue membership in "Metro Counties".	Negotiate a lower membership fee - perhaps \$4,300.	Executive	Successful	Funding from General Fund Approved
4	17	Gilmour	New Adult Probation Officer Position	\$ 70,000	Approve this new position request to apply greater resources to moderate and high risk offenders.	Additional funding applied for from the AIOC.	Law & Justice	Pending	Tabled to the Special Law & Justice Committee Meeting on 11/05/14
5	17	Gilmour	New Supervisor Position	\$ 82,000	Approve this new position request to effectively manage and supervise all staff.	Additional funding applied for from the AIOC.	Law & Justice	Pending	Tabled to the Special Law & Justice Committee Meeting on 11/05/14
6	19	McCulloch	New Level 2 Assistant Public Defender Position	\$ 93,000	Approve this new position to permit the staffing of the new Judge's courtroom as well as the enhanced demand of enlarging the Juvenile Abuse call.	Funding to come from reserves/fund balance.	Law & Justice	Pending	Tabled to the Special Law & Justice Committee Meeting on 11/05/14
7	20	McCulloch	Salary Review for Professional Staff in the Public Defender's Office	Approx. \$45,000 +/-	Approve a salary review and related salary adjustments for professional staff in the Public Defender's Office.	Funding to come from reserves/fund balance.	Law & Justice	Successful	Funding Approved in the amount of \$45,000 from the General Fund for Salary Adjustments for Professional Staff in the Public Defender's Office
8A	22	Scott	New Corrections Officer	\$ 92,000	Approve this new position request due to the critical needs of proper staffing in the Corrections Division.	Funding to come from reserves/fund balance.	Law & Justice	Pending	Tabled to the Special Law & Justice Committee Meeting on 11/05/14
8B	22	Scott	New Corrections Officer	\$ 92,000	Approve this new position request due to the critical needs of proper staffing in the Corrections Division.	Funding to come from reserves/fund balance.	Law & Justice	Pending	Tabled to the Special Law & Justice Committee Meeting on 11/05/14

DEKALB COUNTY GOVERNMENT  
**LAW & JUSTICE COMMITTEE**  
**BUDGET APPEALS**  
**November 5, 2014**

A. Pending Appeals Where a Decision is Needed

	<u>Yes</u>	<u>No</u>	<u>Appealed Items</u>
1.	_____	_____	Probation Supervisor, if Salary State Funded (\$31,000)
2.	_____	_____	Probation High Risk Officer, if Salary State Funded (\$29,000)
3.	_____	_____	Assistant Public Defender Level II (\$93,000)
4.	_____	_____	Sheriff's Correction Officer A (\$92,000)
5.	_____	_____	Sheriff's Correction Officer B (\$92,000)

B. If so desired, a recommendation can be given to the Finance Committee as to the priority of each of the Budget Appeals approved by Law & Justice.

*Note: First delete any items not approved in Step A above. The appeal approved October 20<sup>th</sup> has been added to the rankings. Rank #1 as highest priority and #6 as the lowest priority.*

<u>Rank</u>	<u>Successful Appeals at Committee Level</u>
_____	Benefits Probation Supervisor (\$31,000)
_____	Probation High Risk Officer (\$29,000)
_____	Public Defender Salary Upgrades (\$45,000)
_____	Assistant Public Defender Level II (\$93,000)
_____	Sheriff's Correction Officer A (\$92,000)
_____	Sheriff's Correction Officer B (\$92,000)

**DEKALB COUNTY GOVERNMENT**  
**Request for Additional State Funding for Court Services**  
**November 5, 2014**

<u>Position Funding Requested</u>	<u>State Share</u>	<u>New Benefits Local Share</u>	<u>Total</u>
<b>A. New - General Fund</b>			
1. Supervisor	\$ 49,106	\$ 31,000	\$ 80,106
2. Adult High Risk Officer	\$ 37,421	\$ 29,000	\$ 66,421
<b>B. Existing - General Fund</b>			
3. Pretrial Officer A	\$ 37,421		
4. Pretrial Officer B	\$ 40,619		
5. Juvenile Enhanced Officer A	\$ 40,619		
6. Juvenile Enhanced Officer B	\$ 37,421		
<b>C. Existing - Non-General Fund</b>			
7. Drug Court Officer	\$ 40,141		
<b>D. Totals</b>			
8. Total General Fund	\$ 242,607	\$ 60,000	\$ 302,000
9. Grand Total	\$ 282,748	\$ 60,000	\$ 342,000