

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

**Special Finance Committee Minutes
September 17, 2014**

A Special Meeting of the Finance Committee of the DeKalb County Board met on Wednesday, September 17, 2014, at 5:00 p.m. in the Administration Building's Conference Room East. Chairman Stephen Reid called the meeting to order. Members present were Mr. Cvek, Mrs. Haji-Sheikh, Ms. Leifheit, Mr. Stoddard, Mrs. Tobias, and Mr. Foster arrived at 5:07 p.m. All members of the Committee were present.

Also present was Gary Hanson, Pete Stefan, Jeff Metzger, Marc Johnson, Mark Pietrowski, Frank O'Barski, Paul Miller, Tammy Anderson, Robin Brunschon, Amanda Christensen, Roger Scott, Maureen Josh, Joan Hanson, Christine Johnson, Gary Dumdie, Jim Scheffers, Tom McCulloch, Robbin Stuckert, Denny Miller, Margi Gilmour, Jeff Whelan, John Gudmunson, Jane Lux, Richard Schmack, Joyce Klein, Greg Millburg, Nathan Schwartz, Anita Turner, Bob Brown, John Frieders, Tracy Jones, Sandra Polanco, and the press.

APPROVAL OF THE MINUTES

It was moved by Mr. Cvek, seconded by Mrs. Tobias, and it was carried unanimously to approve the minutes of the September 3, 2014 Finance Committee.

APPROVAL OF THE AGENDA

It was moved by Mr. Stoddard, seconded by Mr. Cvek and it was carried unanimously by voice vote to approve the agenda.

FY 2015 BUDGET PROPOSAL & OPTIONS

Mr. Stefan summarized to the Committee that the Administrative Recommendation was presented at the last Finance Committee Meetings and along with that they presented four options for if the Committee wanted to reduce the \$800,000 deficit and the Special Meeting was called to discuss if the Committee would like to pursue any of those options in greater detail. Mr. Stefan asked the Committee if they had any thoughts or comments on the presented options after being able to review further the sheet in greater detail.

Mr. Cvek shared that as far as the purposed cuts that were illustrated in the handout, he asked where the numbers derived from and if there has been any areas that have been identified specifically in each of the subsections where the cuts can be made. Mr. Stefan answered that Administration had not gone into any specifics and that the sheet was based on a percentage of the total budget each subsection contributed to the budget as a whole.

Chairman Reid reiterated to the Committee that the presented sheet was just a guideline and that the hard part would be to find what specifically would need to be cut which would not be an easy task but if anyone had any suggestions of any low hanging fruit then he welcomed suggestions.

Mr. Hanson reiterated to the Committee that Administration is not recommending any of the options in the sheet at all and that their recommendation is the current purposed budget narrative and they think that is a sound plan and a viable way to move forward. The sheet was solely shared in response to a lot of discussions that have taken place since the last budget was approved.

Mr. Cvek continued that based on how the sheet is broken up, that is not to say that still in looking at the numbers they could look at some of the cuts with a scalpel instead of a hatchet and perhaps be able to reduce more in other areas not only in level the of service by also types of services. He provided options to the Committee such as reducing the level of funding to landscaping. He also shared that he did not want to impart on Department Heads to what exactly to cut but as the Finance Committee he felt it was their duty to set the guideline of the total deduction they want and direct staff to find it.

Chairman Reid commented that the easy part is identifying a dollar amount and the hard part is identifying what specifically you are going to cut.

Mr. Hanson shared that everyone need to realize that most of the budget is salaries and benefits, so if the Committee is going to decide to do some big cuts, then they really are looking at staff cuts.

Mr. Stoddard addressed that the County has been cutting back incrementally the last several years and feels that the low hanging fruit has already been picked and that it is possibly time to get serious if they are going to pursue any of these options, then the cuts are going to be painful. He continued that he understands the rationale behind Administration not getting into any specifics with the option sheet but with the guidelines as presented and he personally thinks that if people want to start seeing some serious cuts, then it may be the time to start working with Department Heads to identify areas where something may be important but can be done without for a couple years.

Mrs. Tobias shared that she agreed in some ways with Mr. Stoddard but she wanted to add that she doesn't think that they should make those kind of drastic cuts for this budget but that it should be thought about and working on where to cut for next year. She continued that yes, they are getting down in their "rainy day fund" but that is what it is there for and reiterated that they need to start discussing how they will used even less of it next year.

Mr. Stoddard wanted to clarify that essentially they could afford to use the reserve fund at around the \$800,000 level for another year and then after that they are down beyond their level of comfort with using it anymore. He continued that they have been having this same discussion for the past four to five years and the point has always been made that at some point they will run out of reserves and then the cuts are going to be really serious and he shared the thinks Mr. Cvek is right in that they need to think whether or not the economy is going to turn around and he is open to some reasonable suggestions and possibly looking at something close to column A.

Mr. Foster indicated that listening to the discussions, he has heard talk about making cuts in previous years, but he personally does not see that happening. He continued that his concern is not with the thought of reducing by \$400,000 or \$800,000, his concern is that they are not currently managing within the budget that they have and he agrees that there is a “rainy day fund” for a reason and it is there to be used, but it has been raining for many years. Mr. Foster expressed that his concern is not with this year’s budget and if they were to pass the budget with the \$800,000 spend down he knows that the County can do that, but he shared he is concerned with what the future is going to hold.

The Committee spend some time discussing staffing levels and Mr. Foster’s staffing level graphs that he had previously presented to the Committee. The Committee also discussed opportunities where there could be savings through attrition and looking at early retirement packages. Mr. Stefan indicated that they are currently working with IMRF to get more information regarding their system of who would be eligible for early retirement and thinks that in another month or so they will obtain more of that information.

Mr. Foster shared a story with the Committee and entertained the thought of looking at managing the budget in a more positive way by challenging staff to save a small amount of money (his example was \$3.50) a day in order to reach a much larger savings in the end. He shared there are other means by which they can be looking at and managing a balanced budget, it just requires everyone to be a little more creative. Mr. Hanson commented that employees are doing that absolutely every day and he shared a couple of examples of how departments save money on even the littlest of things. Mrs. Turner also added she liked to hear about positive savings and that the Go Green Initiative which FMO is still currently working on has saved money for the County.

Mr. Marc Johnson addressed the Committee and shared that within the budget discussions all he hears is cut, cut, cut, and he hasn’t heard much about revenue. He continued that he understands that departments are looking at ways to find different streams of revenue but it seems like the County Board as a whole doesn’t seem interested in looking into those areas for new means of revenue. There were additional comments regarding raising fees and finding new revenue sources and grants.

Chairman Reid shared that a large problem is that the County has only a \$1.7 billion EAV because there are a lot of tax exempt properties and the County still has to provide the services despite that. The County’s economic development has been very weak the last few years. Mr. Mark Pietrowski echoed that he hopes that the County can attract some very large economic growth in order to enlarge the tax base but in the meantime, they have to rely on the money that is coming in and agrees that they should be looking at the budget as a balanced approach and look at some cuts but also look at some new revenue sources.

Mr. Hanson shared that he did not think anyone should feel bad about the purposed FY 2015 Budget. The County is maintaining services, they have the financial background, the stability to maintain this type of budget for a few more years and the County is still immunizing children, the streets will be safe, there will be a well-run court system. Mr. Foster agreed with Mr. Hanson and shared that if they were to past the budget the way it is right now he would be fine but his concern is in the next couple of years.

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Mr. Cvek expressed that he would like to see the Committee look at the options sheet and erase all of the numbers and start at the top and set a guideline for Departments Heads to reduce \$400,000 or \$800,000 or what they feel comfortable with and see if they can make it work.

Mr. Stoddard shared that County is made up of big areas and small areas and no matter how you divide everything up, in order to get a large amount of saving it will have to come out of the big areas which are Public Safety and Court Related Services.

Mrs. Haji-Sheikh asked if it would be even worth the staff's time to look into making any cuts just because they are curious. Mr. Hanson announced that the danger with getting into one of these decisions is, people's lives will start to be affected by making cuts. If everyone is wanting to take a closer at one of these options, the Committee has to be serious that this is the road they want to pursue.

Chairman Metzger shared that everyone is getting into a very difficult situation by starting to talk about cutting positions and he has seen departments that have been staffed so low that it disrupts services and stresses Department Heads out so much that they leave as well. He continued that he also agreed that a possibility down the line is to start looking at saving money through attrition.

Mr. Cvek moved to direct staff to identify opportunities to reduce the FY 2015 Budget by \$400,000 in the least painful means possible. Mr. Foster seconded the motion.

Chairman Reid announced that he didn't have a problem with the idea of the motion but also noted he may not like what staff may find.

Chairman Metzger announced that he brought it up before, but just as a thought, the County is looking at a forecast of about \$400,000 from tipping fees coming in from Waste Management that has not yet been allocated but is earmarked to go towards the County Jail Expansion. He noted that if it comes down to sacrificing service or staff, he would rather see that money go towards the budget.

Sheriff Scott shared that the Committee can direct staff to make cuts, but he personally is asking for increases to keep the County Jail running smoothly, so he will not be making cuts and it can go through the appeals process. He also noted with respects to the Chairman, that money for the County Jail Expansion should not be touched because the expansion has already been put off for over 15 years. Mr. Cvek expressed that he agreed that the landfill tipping fees should not be touched and should only be used for the purpose that they were intended for which is to be put aside for the jail expansion project.

A roll call was taken on Mr. Cvek's motion. Those voting yea were Mr. Cvek, Mr. Foster, Mr. Stoddard, and Chairman Reid. Those voting nay were Mrs. Haji-Sheikh, Ms. Leifheit, and Mrs. Tobias. Four voted yea and three voted nay. Motion carried.

ADJOURNMENT

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

Respectfully submitted,

Stephen Reid, Chairman

Tasha Stogsdill, Recording Secretary

DEKALB COUNTY GOVERNMENT
Options for Reducing FY 2015 General Fund Expenses

		Option A	Option B	Option C	Option D
		50% of Fund Balance Utilization	100% of Fund Balance Utilization	100% of Fund Balance Utilization + 50% Tax COLA	100% of Fund Balance Utilization + 100% Tax COLA
Item	Reduction Possibilities	Reduction \$400,000	Reduction \$800,000	Reduction \$950,000	Reduction \$1,100,000
A	Property-Based Services Assessments County Clerk Elections Planning Treasurer	36,000	72,000	72,000	72,000
B	Support Services Administration / County Board Finance Office Non-Departmental Services Facility Management Office Information Management Office Regional Office of Education COB Maintenance Public Health Maintenance	24,000	48,000	48,000	48,000
C	Public Safety Sheriff Coroner ESDA	232,000	464,000	464,000	464,000
D	Court-Related Offices Circuit Clerk Court Services Judiciary Public Defender State's Attorney	100,000	200,000	200,000	200,000
E	Outside Agencies Ag Extension CASA Convention & Visitor's Bureau Economic Development Corporation Joiner History Room Local Emergency Planning Commission Soil & Water Conservation	8,000	16,000	16,000	16,000
F	Property Tax Levy Reductions Highway General Fund Aid to Bridges Federal Highway Matching Public Health Mental Health Senior Services Veteran's Assistance.	0	0	150,000	300,000
G	Total Budget Reductions	400,000	800,000	950,000	1,100,000
Z	Possible Staff Reductions	5	10	10	11