

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
June 3, 2015**

The Finance Committee of the DeKalb County Board met on Wednesday, June 3, 2015, at 7:00 p.m. in the Administration Building's Conference Room East. Chairman Stoddard called the meeting to order. Those members present were Mr. Jones, Mr. Luebke, Mr. Reid, and Mrs. Tobias. Mr. Cribben and Mr. Gudmunson were absent. The roll call reflected five members present and two absent.

Also present was Gary Hanson, Pete Stefan, Christine Johnson, Tim Kearns, Jim Scheffers, Dianne Leifheit, John Frieders, Joan Hanson, and Chairman Mark Pietrowski.

APPROVAL OF THE MINUTES

It was moved by Mr. Reid, seconded by Mr. Luebke, and it was carried unanimously to approve the minutes of the May 6, 2015 Finance Committee Meeting.

APPROVAL OF THE AGENDA

It was moved by Mrs. Tobias, seconded by Mr. Jones and it was carried unanimously by voice vote to approve the agenda as presented.

PUBLIC COMMENTS

There were no public comments made.

Mr. Cribben arrived at 7:10 p.m.

HEALTH INSURANCE PLAN UPDATE

DeKalb County's Employee Benefits Consultant, Mr. Tim Kearns, joined the Finance Committee to review the County's health insurance plan updates since his last visit.

Large Claimant Report:

As a follow-up item from last month's meeting, Mr. Kearns reviewed a report with the Committee that indicated the gender, age band, and total amount paid for each of the 16 claimants on the County's health insurance plan that have exceeded \$50,000 in paid claims over the past 12-month period. As the report indicates, there is no discernable pattern amount the high costs claimants as the age group bands range from 15 years old up to 69 years old and the list contains a mix of both male and female claimants comprised of all categories of claimants including employees, spouses, and dependents. There are no large claimants on the County's High Deductible Health Plan.

Reinsurance Carrier RFP:

Mr. Kearns and the Committee reviewed plan statistics for the first four months of the 2015 Plan Year. Mr. Kearns strongly recommended the County go out to bid for a reinsurance/stop loss carrier this year for the 2016 plan year immediately. Mr. Kearns shared they were assemble information from June through December and get that out to the market and in October bring back to the Committee where they are at. Additional negotiations can then be done in the month of November. Mr. Stefan noted they may have to move that information up a month or so in order to line up with the FY 2016 budget process.

Mrs. Tobias moved that the County go out to bid for a Reinsurance Carrier. Mr. Jones seconded the motion and it was approved unanimously by voice vote.

Affordable Care Act “Cadillac Tax”

Mr. Kearns stressed that the most important matter of the evening he wanted to discuss with the Committee was the Affordable Care Act’s excise tax on high cost plans (i.e. the “Cadillac Tax”) that becomes effective in 2018. He reviewed a very preliminary report, based on today’s enrollment figures and assumptions about what is known regarding the tax at this point, indicating that the County’s “Cadillac Tax” liability could range anywhere from \$450,000 to \$939,000, depending on the average rate of medical inflation over the next three years, if no changes are made to the current health insurance plan designs, funding methods, ancillary plans, etc. The report also lists several strategies the County could consider implementing over the next 2 ½ year period before the tax becomes effective that may reduce the projected tax liability, as well as the relative impact of those options on both costs and employee relations.

The Cadillac Tax is an excise tax schedule to take effect in 2018 to reduce health care usage and costs by encouraging employers to offer plans that are cost-effective and engage employees in sharing in the cost of care. It is a permanent annual tax on employers that provide high-cost health benefits to their employees and is projected to generate \$80 billion over the next ten years to help finance the expansion of health coverage. The tax is 40% of the cost of plans that exceed predetermined threshold amounts. The cost includes premiums paid by employers and employees plus employer and employee contributions to Health Care Flexible Spending Accounts, Health Reimbursement Accounts, and Health Savings Accounts, as well as the cost of Employee Assistance Programs with counseling benefits, and wellness programs.

The Committee reviewed the strategies to consider and indicated that they would need to start planning for this tax soon as well as begin an education process with the Unions. Mr. Kearns stressed that there is a lot of work that needs to be done in the next 2 ½ years to get ready for the “Cadillac Tax”. Also, as he receives more information and ideas, Mr. Kearns noted that he would bring them forward to County Administration and the Committee.

FMO ANNUAL UPDATE

Mr. Jim Scheffers provided their Committee with his annual report on the Facilities Management Office. The PowerPoint outlined the Office’s projects, activities, and accomplishments over the past year. The Facilities Management Office (FMO) consists of ten employees, with many having long-term service to the County.

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Some key figures that Mr. Scheffers shared was that there were 7,516 work order completed in 2014 and as of May 31, 2015 there have already been 3,685 completed. There were 1,073 meetings set up in 2014 and as of May 31, 2015 FMO has set up 320 meetings throughout the County Campuses. Mr. Scheffers also highlighted other projects FMO has completed in 2014 and the large savings they have contributed to the County through LED light conversions. The Committee thanked Mr. Scheffers for joining them and presenting his annual report.

FUND BALANCE REPORTING & FLOW OF FUNDS POLICY ANNUAL REPORT

Mr. Stefan presented the recommendations for fund balance allocations as of December 31, 2014 in accordance with the Fund Balance Reporting & Flow of Funds Policy. The Committee briefly reviewed the annual report and the allocation spreadsheet.

ANNUAL REPORT OF COMPLIANCE WITH THE BOND RECORD KEEPING POLICY

Mr. Stefan presented the annual report that demonstrates compliance with the Bond Record Keeping Policy so that bond interest costs can be maintained at lower tax-exempt levels. He also noted there are no rebate liability due to the U.S. Treasury for arbitrage.

FINANCIAL ADVISOR RFP RESULTS & RECOMMENDATION

Mr. Stefan shared that the County received five responses to their RFP for Financial Advisor Services and are recommending entering into an agreement with Speer Financial, Inc. as the County's Financial Advisor in connection with debt issuances and other items as needed. He reviewed a report that summarized the RFP process and the evaluation method utilized to develop the recommendation.

The proposals were independently ranted and ranked by the County Administrator, the Finance Director, and the Assistant Finance Director and there was a unanimous choice for the top candidate. Mr. Stefan also noted that, although the fee proposal only accounted for 30% of the evaluation criteria, Speer Financial, Inc. also provided the lowest cost proposal in addition to being rated the unanimous overall number one response.

Mr. Jones moved to send a resolution to the full County Board recommending Speer Financial, Inc. as the County's Financial Advisor. Mrs. Tobias seconded the motion and it was carried unanimously by voice vote.

REQUEST TO FILL OPEN POSITIONS – PAYROLL & IMO NETWORK

Mr. Hanson shared that in accordance with the temporary Hiring Policy approved by the County Board for the remainder of FY 2015, he has been presented a hiring request made by Finance Director, Pete Stefan, requesting permission to proceed with hiring a new Payroll Specialist in the Finance Department as their current employee of almost 27 years is planning to retire in September and he believes that the position is a critical position to fill.

Mr. Hanson noted he also received a hiring request from Ms. Joan Berkes Hanson, Information Management Director for the Lead Assistant Network Technician she is seeking to fill. That position is currently being held by a staff member who is planning to retire on July 2, 2015 after 29 years of service to the County.

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The Committee reviewed both hiring request letters and Mr. Hanson shared that he would recommending filling both positions and he felt it was necessary to immediately fill the Finance Office's request to hire a new Payroll Specialist. As a caveat, to possibly incur a bit of savings, he suggested filling IMO's request to hire a new Lead Assistant Network Technician but to hold the position vacant for 75 days. The Committee agreed with Mr. Hanson's suggestions.

It was moved by Mrs. Tobias, seconded by Mr. Reid and it was carried unanimously by voice vote to forward a resolution to the full County Board recommending to authorize the Finance Office to fill the position of Payroll Specialist and authorize the Information Management Office to fill the position of Lead Assistant Network Technician 75 days after that vacancy occurs.

FY 2016 BUDGET

FY 2016 Budget Calendar and Process:

Mr. Stefan presented the proposed FY 2016 budget calendar and budget process for approval. He noted that the process is similar to last year's process and the dates have been updated to reflect the changes in Board and Committee meeting dates for the current calendar year.

It was moved by Mr. Luebke, seconded by Mr. Cribben and it was carried unanimously by voice vote to approve the FY 2016 Budget Calendar and Process.

FY 2016 Budget Parameters:

Mr. Stefan presented the FY 2016 Budget Parameters to the Finance Committee recommended by staff. The staff recommendations are a 0.8% increase in the property tax levy for existing property, a 0.8% increase in the levy to capture new construction EAV, a 0% increase for commodities and services budgets, and a 0% increase for salaries for non-represented and Exempt Department Head positions, however, the salary increases parameter will be revisited once revenue projections are finalized and as additional budgetary unknowns become clearer later in the FY 2016 budget process in order to provide an opportunity for salary adjustments as finances allow.

He reiterated that in an effort to continue the decreasing reliance on reserves to fund General Fund operating, the Committee set a budget goal at its January 2015 meeting to take approximately half of the amount of budget reserves that were utilized in FY 2015 as a target for the FY 2016 budget. Accordingly, the Fund Balance Utilization recommendation is to utilize no more than \$400,000 in reserves to fund General Fund operations in FY 2016.

The Committee spend some additional time discussing the utilization of the Fund Balance and the level they feel comfortable utilizing after unexpected events that are occurring during the FY 2015 budget.

It was also clarified that even with 0% increases for commodities and services budgets, there will still need to be additional cuts made to the budget to meet the Committee's \$400,000 Fund Balance Utilization goal.

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It was moved by Mrs. Tobias, seconded by Mr. Luebke and it was approved unanimously by voice vote to approve the FY 2016 Budget Parameters as presented by staff.

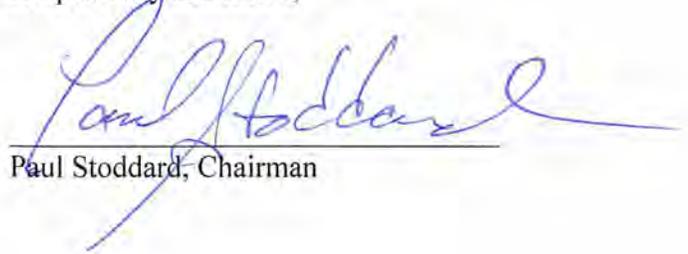
NEW BUSINESS

No items were presented.

ADJOURNMENT

It was moved by Mrs. Tobias, seconded by Mr. Reid, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,



Paul Stoddard, Chairman



Tasha Stogsdill, Recording Secretary

**DEKALB COUNTY GOVERNMENT
HEALTH INSURANCE PLAN
HIGH COST CLAIMANTS
(\$50,000+ IN A ROLLING 12-MONTH PERIOD)**

**FOR CLAIMS INCURRED
FROM MARCH, 2014 THROUGH FEBRUARY, 2015
AND PAID THROUGH APRIL, 2015**

| <u>Patient</u> | <u>Gender</u> | <u>Age Band</u> | <u>Total Paid</u> |
|----------------|---------------|-----------------|----------------------------|
| 1 | F | 60-64 | \$ 870,047 |
| 2 | F | 45-49 | \$ 442,987 |
| 3 | M | 60-64 | \$ 248,067 |
| 4 | M | 65-69 | \$ 179,860 |
| 5 | M | 15-19 | \$ 152,422 |
| 6 | M | 30-34 | \$ 129,044 |
| 7 | F | 30-34 | \$ 104,087 |
| 8 | F | 35-39 | \$ 83,228 |
| 9 | F | 60-64 | \$ 82,612 |
| 10 | M | 50-54 | \$ 72,664 |
| 11 | F | 55-59 | \$ 66,379 |
| 12 | F | 35-39 | \$ 65,057 |
| 13 | F | 60-64 | \$ 63,759 |
| 14 | F | 50-54 | \$ 62,487 |
| 15 | M | 35-39 | \$ 51,998 |
| 16 | F | 20-24 | \$ 50,484 |
| Total: | | | <u>\$ 2,725,182</u> |

Plan Data and Statistics

| PPO Plan | 2012 | 2013 | 2014 | 2014 1st 4mos | 2015 1st 4 mos |
|---------------------|--------------|--------------|--------------|---------------|----------------|
| Medical | \$ 5,269,064 | \$ 3,767,982 | \$ 4,493,577 | \$ 1,217,108 | \$ 1,125,958 |
| RX | \$ 783,790 | \$ 777,929 | \$ 885,367 | \$ 198,923 | \$ 342,227 |
| Dental | \$ 178,508 | \$ 141,934 | \$ 124,267 | \$ 34,995 | \$ 49,673 |
| Totals | \$ 6,231,362 | \$ 4,689,858 | \$ 5,505,225 | \$ 1,451,026 | \$ 1,517,858 |
| Average # Employees | 334.0 | 281.3 | 268.4 | 272.6 | 262.6 |
| Claim Cost/EE | \$ 18,657 | \$ 16,672 | \$ 20,511 | \$ 5,323 | \$ 5,780 |
| HDHP | | | | | |
| Medical | \$ - | \$ 123,254 | \$ 159,534 | \$ 35,057 | \$ 30,408 |
| RX | \$ - | \$ 19,083 | \$ 7,534 | \$ 335 | \$ 1,954 |
| Dental | \$ - | \$ 21,354 | \$ 21,102 | \$ 5,782 | \$ 4,728 |
| Totals | \$ - | \$ 163,691 | \$ 188,170 | \$ 41,174 | \$ 37,090 |
| Average # Employees | - | 28.8 | 30.9 | 30.3 | 31.5 |
| Claim Cost/EE | \$ - | \$ 5,684 | \$ 6,090 | \$ 1,359 | \$ 1,177 |
| Total | | | | | |
| Medical | \$ 5,269,064 | \$ 3,891,236 | \$ 4,653,111 | \$ 1,252,165 | \$ 1,156,366 |
| RX | \$ 783,791 | \$ 797,013 | \$ 892,901 | \$ 199,259 | \$ 344,182 |
| Dental | \$ 178,508 | \$ 163,288 | \$ 145,369 | \$ 40,777 | \$ 54,401 |
| Totals | \$ 6,231,363 | \$ 4,851,537 | \$ 5,691,381 | \$ 1,492,201 | \$ 1,554,949 |
| Average # Employees | 334 | 310.1 | 299.3 | 302.9 | 294.1 |
| Claim Cost/EE | \$ 18,657 | \$ 15,645 | \$ 19,016 | \$ 4,926 | \$ 5,287 |

DEKALB COUNTY GOVERNMENT
HEALTH INSURANCE EXCISE TAX ON HIGH-COST PLANS
(aka THE “CADILLAC TAX”)

1. What is the “Cadillac Tax”?

The Cadillac Tax is an excise tax scheduled to take effect in 2018 to reduce health care usage and costs by encouraging employers to offer plans that are cost-effective and engage employees in sharing in the cost of care. It is a permanent annual tax on employers that provide high-cost health benefits to their employees and is projected to generate \$80 billion over the next ten years to help finance the expansion of health coverage. The tax is 40% of the cost of plans that exceed predetermined threshold amounts. The cost includes premiums paid by employers and employees plus employer and employee contributions to Health Care Flexible Spending Accounts, Health Reimbursement Accounts, and Health Savings Accounts, as well as the cost of Employee Assistance Programs with counseling benefits, and wellness programs.

2. How is it calculated?

| <u>Example (per covered employee)</u> | |
|--|-----------------|
| Projected 2018 Total Family PPO Cost | \$39,353 |
| Projected 2018 Threshold Amount | <u>\$27,500</u> |
| Amount Subject to Excise Tax | \$11,853 |
| Excise Tax Rate | <u>40%</u> |
| “Cadillac Tax” Per Family-PPO Employee | <u>\$ 4,741</u> |

3. Impact to the County for all employees based on current enrollment figures:

| | <u>Tax</u> | <u>Percent of Projected 2018 Cost</u> |
|---|------------|---------------------------------------|
| a. Assuming 4% Annual Medical Inflation: | \$450,266 | 9.6% |
| b. Assuming 8% Annual Medical Inflation: | \$685,369 | 13.0% |
| c. Assuming 12% Annual Medical Inflation: | \$938,548 | 15.9% |

4. Strategies to consider (collective bargaining agreement implications may apply):

| | <u>Impact on</u> | |
|---|------------------|------------------|
| | <u>Cost</u> | <u>Employees</u> |
| a. Make no changes and absorb tax impact into budget as a County paid cost. | Major | None |
| b. Eliminate Health Savings Account contributions. | Minor | Major |
| c. Eliminate Health Care Flexible Spending Account Plan. | Minor | Major |
| d. Eliminate Wellness Program. | ?? | Minor |
| e. Enhance Wellness Program. | ?? | Minor |
| f. Eliminate PPO Plan and only offer an HDHP Plan. | Minor | Major |
| g. Revert back to a 2-tier rate structure. | Minor | Minor |
| h. Convert Dental Plan to a stand-alone Dental Plan. | Major | Minor |
| i. Prefund Medical Insurance Fund reserves and eliminate reserve funding component of premium. | Major | Minor |
| j. Make plan design changes to coverage levels, deductibles, copays, coinsurance, etc. | Major | Major |
| k. Eliminate health insurance coverage and offer a cash payment towards coverage purchased via the Health Insurance Exchange. | Major | Major |

**DEKALB COUNTY GOVERNMENT
FUND BALANCE REPORTING & FLOW OF FUNDS POLICY**

2014 ANNUAL REPORT

Background

The Governmental Accounting Standards Board (GASB), the rule-making authority for governmental accounting, has issued a pronouncement (GASB Statement #54) relating to how governmental entities report fund balance. The pronouncement made reporting more consistent and much clearer to not only regular users of financial statements, but also for the layperson. The terms are intended to be easy to use and implement and to provide a logical framework for presenting the fund balance.

GASB # 54 identified five levels of restrictions on fund balance, listed below in hierarchy from most constrained to the least constrained:

1. Non-Spendable –noncash items (prepaid, inventory) or endowments
2. Restricted – limited by external actions, such as Federal or State law
3. Committed – self-imposed restraints at the highest level of decision making
4. Assigned - for a specific intended purpose
5. Unassigned - anything left over and available

Annual Review of Policy Statement Implementation

DeKalb County Government does comply with GASB #54 by assigning and reporting fund balances in all of the various governmental accounting funds to one or more of the five levels of restrictions denoted by the Governmental Accounting Standards Board. In accordance with the County's policy adopted on November 16, 2011 on this issue, the County spends the most restricted dollars before the less restricted dollars in the same order as noted above.

The County's Chief Financial Officer makes the annual allocations of fund balances prior to the end of each fiscal year and the same is then reflected in the County's annual audit report. The Finance Committee reviews these fund balance allocations as part of the acceptance process of the audit report, making sure that the allocations are reflective of the County's mission and operating goals, for the various governmental funds. The Finance Committee made no changes during the 2014 calendar year.

Proposed Fund Balance Allocations for 2014

Attached are the proposed fund balance allocations for 2014 that will be incorporated into the Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2014.

**Proposed Fund Balance Allocations
for Governmental Funds
as of December 31, 2014**

| | Major Funds | | | Non-Major Funds | | | Total Governmental Funds |
|-------------------------------------|----------------------|------------------------------------|------------------------------------|-----------------------------|--------------------------|------------------------------|--------------------------------|
| | General Fund | Community Mental Health Fund | FEMA-Grant Evergreen Village | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | |
| <u>Non-Spendable</u> | | | | | | | |
| Non-Spendable - Prepaid Items | 294,004 | 1,717 | - | 95,272 | - | - | 390,993 |
| Total Non-Spendable Fund Balance | 294,004 | 1,717 | - | 95,272 | - | - | 390,993 |
| <u>Restricted</u> | | | | | | | |
| Restricted for Debt Service | - | - | - | - | 1,334,712 | - | 1,334,712 |
| Restricted for Retirement | - | - | - | 553,298 | - | - | 553,298 |
| Restricted for Public Buildings | - | - | - | 4,235,099 | - | - | 4,235,099 |
| Restricted for Specific Purpose | - | - | 2,319 | 1,243,231 | - | 243,257 | 1,488,807 |
| Restricted for Public Safety | - | - | - | 2,348,198 | - | - | 2,348,198 |
| Restricted for Highways and Streets | - | - | - | 13,657,480 | - | - | 13,657,480 |
| Restricted for Health and Welfare | - | 3,071,653 | - | 3,179,121 | - | - | 6,250,774 |
| Total Restricted Fund Balance | - | 3,071,653 | 2,319 | 25,216,427 | 1,334,712 | 243,257 | 29,868,368 |
| <u>Unrestricted</u> | | | | | | | |
| Assigned for Subsequent Year Budget | 603,900 | - | - | - | - | - | 603,900 |
| Assigned for Capital Purposes | - | - | - | - | - | 10,910,592 | 10,910,592 |
| Total Assigned Fund Balance | 603,900 | - | - | - | - | 10,910,592 | 11,514,492 |
| Unassigned Fund Balance | Remaining Balance | Any Deficit Balance | Any Deficit Balance | Any Deficit Balance | Any Deficit Balance | Any Deficit Balance | Remaining Balances/Deficits |

DEKALB COUNTY FINANCE OFFICE
ANNUAL REPORT OF COMPLIANCE WITH THE
BOND RECORD KEEPING POLICY

Report for 2014

The Finance Office is responsible for reporting on the County's compliance with the County's Bond Record Keeping Policy which was adopted on November 16, 2012.

DeKalb County's Chief Financial Officer (and Bonds' Compliance Officer), Peter Stefan, reports that all required records for all applicable bond issues, have been maintained and stored. This includes Closing Transcripts and Debt Obligations for the 2005 PBC Lease Bonds (which was the refinancing of the 1997 Health Facility Bond Issue), as well as the 2010A "Build America Bond" Issue and the 2010B "Recovery Zone Bond" Issue. This also includes true, correct, and complete counterparts of each and every document and agreement delivered in connection with the issuance of the Obligations, including without limitation (a) the proceedings of the County authorizing the obligations, (b) any offering document with respect to the offer and sale of the Obligations, (c) any legal opinions with respect to the offer and sale of Obligations delivered by any lawyers, and (d) all written representations of any person delivered in connection with the issuance and initial sale of all Obligations.

The Arbitrage Rebate Liability regarding these bonds for 2014 is indicated below:

| | | |
|---------------------------|-------------------------|-------------------------|
| 2005 PBC Lease Bonds | Interest Paid-\$108,913 | Interest Earned-\$ 191 |
| 2010A Build America Bonds | Interest Paid-\$308,510 | Interest Earned-\$1,138 |
| 2010B Recovery Zone Bonds | Interest Paid-\$310,108 | Interest Earned-\$ 374 |

These figures represent that there is no rebate liability due to the U.S. Treasury for arbitrage.

The DeKalb County Compliance Officer also reports that all requisitions, invoices, and receipts and other information that may be needed in order to establish that the interest paid on the Obligations is entitled to be excluded from "gross income" for federal income tax purposes has been preserved.

(Continued)

(Continued)

Report for 2014 (Continued)

All retained records are kept for as long as the Obligations relating to such records (and any Obligations issued to refund the Obligations) are outstanding, plus three years and include:

- (a) complete copies of the bond transcripts delivered when the Obligations were initially issued and sold;
- (b) copies of account statements showing the disbursement of all bond proceeds for their intended purposes;
- (c) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any Obligations have been held;
- (d) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any tax-exempt bond obligations, including any sways, swaptions, or other financial derivatives entered into with respect to any tax-exempt bond obligations in order to establish that such instruments were purchased at *fair market value*;
- (e) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;
- (f) any calculations of liability or *arbitrage rebate* that is or may become due with respect to any issue of tax-exempt bond obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and
- (g) copies of all contracts of the County, including any leases, with respect to the use of any property owned by the County and acquired or financed with the proceeds of tax-exempt bond obligations, any part of which property is used by a private person at any time when such bonds are or have been outstanding.

End

**DEKALB COUNTY GOVERNMENT
FINANCIAL ADVISOR SERVICES REQUEST FOR PROPOSALS (RFP)
RESULTS & RECOMMENDATION**

- I. Timeline:**
- May 5, 2015 - RFP Issued and Posted to County's Website
 - May 6, 2015 - First Public Notice of RFP Published in Newspaper
 - May 16, 2015 - Second Notice of RFP Published in Newspaper
 - May 22, 2015 - Deadline for Responses to RFP
 - June 3, 2015 - Staff Recommendation Presented to Finance Committee
 - June 17, 2015 - Scheduled for County Board Approval

II. Summary of Responses:

- In addition to publishing the RFP in the newspaper twice, the RFP was directly provided to 14 separate Financial Advisory Services firms.
- The following five firms responded to the RFP by the deadline (listed in order of receipt):

1. Speer Financial, Inc.
2. Acacia Financial Group, Inc.
3. A.C. Advisory, Inc.
4. Columbia Capital Management LLC
5. Ehlers & Associates, Inc.

III. Evaluation of Responses: Proposals were evaluated based on the following criteria:

- 30% - Proposer's Qualifications and Experience
 - 30% - Approach to Services and Offer
 - 30% - Fee Proposal
 - 10% - References
- Proposals were independently rated and ranked by an Evaluation Committee consisting of the County Administrator, the Finance Director, and the Assistant Finance Director based on the above criteria.
 - Independent ratings and rankings were then compared and discussed as a group.
 - There was a unanimous choice for the top candidate, a unanimous choice for the fifth candidate, and varied rankings for the second, third, and fourth candidates.
 - The consensus ranking by the Evaluation Committee was as follows:

1. Speer Financial, Inc.
2. Ehlers & Associates, Inc.
3. Acacia Financial Group, Inc.
4. Columbia Capital Management LLC
5. A.C. Advisory, Inc.

- IV. Recommendation:** Based on the consensus number one ranking of the Evaluation Committee, the very positive feedback received from references, additional feedback solicited from the County's Bond Counsel and auditing firm, and responses to questions posed to them to clarify their proposal, the recommendation is to contract with Speer Financial, Inc. as the County's Financial Advisor to provide Financial Advisory/Bond Sale Consulting Services for the base fee of \$10,000 plus 1/10 of 1% of the municipal securities issued not to exceed \$30,000 per issuance plus any out-of-pocket cost reimbursements and any optional services requested, per their Proposal dated May 22, 2015. Note that, although the fee proposal only accounted for 30% of the evaluation criteria, Speer Financial, Inc. also provided the lowest cost proposal in addition to being rated the unanimous overall number one response.



DeKalb County Finance Office Memorandum

To: Gary H. Hanson, County Administrator
From: Peter J. Stefan, Finance Director *PS*
Date: May 29, 2015
Re: Request to Fill Open Position – Accounting Clerk A (Payroll)

As you're aware, Kathy Aichele, Accounting Clerk A (Payroll), plans to retire later this year and has submitted her resignation effective September 4, 2015 at which time she will have over 27 years of continuous service to the County, with the last 25 years or so as the County's Payroll Specialist. Having this type of longevity and stability in the payroll area of expertise should be considered a fringe benefit for County employees because the duties and responsibilities for this position have grown immensely over the past 25 years both in terms of volume and complexity.

The County currently has six separate collective bargaining agreements, fifteen separate employee groups in regards to payroll processing rules and procedures, over 531 full-time equivalent positions authorized in the budget, and 641 current employees as of the first of this month. This position requires a specialized area of expertise to deal with the various laws and regulations pertaining to payroll procedures such as the Family Medical Leave Act, workers compensation statutes, unemployment reporting requirements, Social Security Administration reporting requirements, Internal Revenue Service regulations, Illinois Department of Revenue regulations, multiple pension systems with multiple tiers of benefits within each of those pension systems each of which has its own separate reporting rules, and the list goes on and on with new requirements constantly being added including the current multi-year phase-in of the Affordable Care Act requirements.

However, trumping all of the above mentioned requirements, as important as they are, is the fact that compensating employees in an accurate and timely fashion on a biweekly basis for the services they perform for the County, many of them on a 24/7 basis, is an essential service provided by the Finance Office that requires filling this open position.

Therefore, in accordance with Resolution R2015-48 adopting a temporary Hiring Policy, I am requesting to advertise and fill this soon-to-be vacant position as soon as possible in the hopes that a new employee can be on board several weeks before Kathy retires in order to give him or her an opportunity to gain some hands on training on our payroll policies, procedures, software, and some of the unique and customized aspects of our payroll system while working side by side with Kathy.

Thank you for considering this request and let me know if you require any additional supporting information in regards to this request.



DeKalb County Government

Information Management Office

DATE: June 03, 2015

TO: Gary Hanson
County Administrator

FROM: Joan Berkes Hanson
Information Management Director

RE: Request To Fill Open Position

Chris Halstead will be retiring from IMO on July 2, 2015. She has been a valuable DeKalb County Government staff member for 29 years. Chris joined the Highway Department in 1989 and served there for fourteen years. In 2004, Chris joined IMO and has served for fifteen years. The extent of her organizational knowledge and her understanding of individual user's and departmental needs, combined with her great work ethic, will leave very big shoes for us to fill.

It is the position Chris is vacating, Lead Assistant Network Technician, that I seek to fill. I offer the following information as required in County Board Resolution 2015-48 (Temporary Hiring Freeze).

The Lead Assistant Network Technician's key responsibility is our County-wide telephone system (which is an IPT or Internet Protocol Telephony based system). DeKalb County Government has 900+ phone numbers and I am certain every Department would agree that phone service is critical to the function of their office. Some Departments have simple direct-inward-dial service (DIDs); other call-intensive Departments have attendant consoles allowing a Receptionist to answer and route multiple calls (Circuit Clerk, Health, etc). The Lead Assistant Network Technician position configures all call systems, all conference calls, all weekend and holiday voicemail services, Jabber groups (Cisco's Instant Messaging option integrated with our email system) and several other very customizable options for our users. This position is the key contact to our voice providers when service issues arise, and this position is also the key contact to the professional service providers with whom we occasionally engage. The phone system work required of this position is of very high responsibility; and is of moderate task intensity.

The additional focus of this position is direct support to the entire DeKalb Campus which includes the Veterans Assistance Commission, the Regional Office of Education, the Mental Health office, the Health Department, and the DeKalb County Rehab and Nursing Center. The 100+ computers and devices, and the diverse needs of these Departments in terms of software; hardware; Internet-based Federal, State, and local systems, and special portals (VA, health systems, etc.); are of a high responsibility and high task intensity. An emerging trend is the increasing demand of this position to provide technology solutions for large and small meetings, conferences and training sessions – both virtual and physical.

A third important item to consider is this – currently six IMO NetAdmins (staff whose primary responsibility is Network Services, not GIS) support our roughly 500+ user network. That number is small in comparison to other Illinois Counties. I am proud of the level of support these six individuals provide which I believe is (and as is frequently conveyed to me by Department Heads) superior. Through a combination of staggered work hours, County-provided technology to address issues remotely, an "after hours call-in" procedure, cooperative agreements for charging Departments with non-General Fund sources for IMO's services (DCRNC, Circuit Clerk, County Clerk, the Health Department, and the E911 Board) IMO is able to excel. The challenge a small staff raises is the absence of but one – either because of illnesses, family member's illness, vacations, etc. – has significant impact. Having only five NetAdmins will lessen our ability to serve our users especially when we'd have to waste travel time and costs to and from the Campuses.

In closing, I want to mention that I understand the budget issues facing the County. As I prepared this request, I struggled to balance the challenge you posed to Department Heads back in January to seek creative solutions that would not cut existing employees but would cut budgets (which aligns with the Board's Temporary Hiring Freeze) with the demands placed on IMO.

In the past, I have shifted areas of responsibility and staff to serve the quickly changing technology demands of our Departments and I recognize that an open position offers an opportunity for restructuring. I believe the many custom, "right-sized" databases and websites created by IMO are a significant savings for our Departments. Initial costs are below commercial products and importantly, the lack of annual maintenance fees for Departments is a savings. I believe engaging a database developer - perhaps only on a contract basis - would serve the County well. I also understand that I would need to use the budget process to pursue such a database developer but I mention it now given the potential an open position creates so I ask that I be allowed to fill this position and I commit to continuing to look at ways we can reduce Departments costs through IMO services.

Thank you for consideration of this request.

DEKALB COUNTY GOVERNMENT
FY 2016 BUDGET
January 1, 2016 thru December 31, 2016

CALENDAR & PROCESS

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| June 3, 2015 | Finance Committee adopts budget calendar, budget process, and budget parameters. |
| June 19, 2015 | Budget request forms distributed to all departments along with approved FY 2016 budget parameters. County Board members also receive a form to submit for areas that they feel should be specifically addressed and/or studied. |
| July 8, 2015 | County Administrator and Finance Director begin to meet with County Board members individually, for those who so desire, to discuss the budgets for their Committees and any special areas of interest. |
| Aug 3, 2015 | Budget request forms are due back to the Finance Office. Departments are expected to submit budgets in accordance with the parameters and direction provided. Narratives may be included which outline any concerns the Department has with the direction provided. |
| Sept 2, 2015 | <ol style="list-style-type: none">1. Budget workbooks are electronically distributed to County Board members. This workbook will include copies of all documentation submitted by Departments.2. Finance Committee receives a recommendation on the entire budget from the County Administrator and Finance Director. The proposal will include recommendations for department staffing and line items which could be changed through an appeal process open to both Board members and Department Heads.3. Finance Committee sends the budget recommendation to the County Board to place it on file for public inspection. |
| Sept 16, 2015 | <ol style="list-style-type: none">1. County Administrator and Finance Director hold a “Question & Answer Forum” for County Board members to further clarify the rationale behind the budget recommendations. This will be at 6:00 p.m. prior to the monthly County Board meeting.2. County Board places the budget recommendation on file for public inspection. |

**DEKALB COUNTY GOVERNMENT
FY 2016 BUDGET**

CALENDAR & PROCESS - CONTINUED

- Sept 30, 2015 Last day for County Board members or Department Heads to file an appeal concerning Administrative budget recommendations. Appeals will then be reviewed by the appropriate Board Committee. If the Committee concurs with the appeal, it will then be forwarded to the Finance Committee for a decision in November.
- Oct 1, 2015 Board Committees begin budget discussions. Focus will be primarily on areas which are appealed from the Administrative recommendation.
- Oct 24, 2015 Publish first notice of public hearing on proposed Budget and Tax Levy.
- Oct 28, 2015 Publish second notice of public hearing on proposed Budget and Tax Levy.
- Nov 3, 2015 Board Committees complete reviews of any appeals which were filed concerning budgets for which they have oversight.
- Nov 4, 2015 Finance Committee hosts public hearings on the proposed Budget and on the proposed Tax Levy. Any appeals successful at the Standing Committee level are decided at this meeting. Overall final budget adjustments are made at this time, and the entire budget is forwarded to the County Board for adoption.
- Nov 18, 2015 County Board adopts the Annual Budget and the Tax Levy Ordinance prior to the start of the fiscal year on January 1, 2016.



DeKalb County Finance Office

Memorandum

To: DeKalb County Finance Committee
Copy: Gary H. Hanson, County Administrator
From: Peter J. Stefan, Finance Director
Date: May 29, 2015
Re: FY 2016 Budget Parameters Recommendation

Based on previous direction provided by the Finance Committee and various other budget related discussions over the past year, following are staff recommendations for the budget parameters for the FY 2016 budget that need to be established by the Finance Committee at their June meeting:

Fund Balance Utilization – In an effort to continue the decreasing reliance on reserves to fund General Fund operations, the Finance Committee set a budget goal at its January 2015 meeting to take approximately half of the amount of budget reserves that were utilized in FY 2015 as a target for the FY 2016 budget. Accordingly, the Fund Balance Utilization recommendation is to utilize no more than \$400,000 in reserves to fund General Fund operations in FY 2016.

Property Taxes – The FY 2015 budget was based on a property tax revenue projection that included a 1.5% increase for the CPI adjustment for existing property and a 0.8% increase for the new construction component. The CPI for 2015 levies to be collected in 2016 has been established by the Illinois Department of Revenue at 0.8%. Based on the relatively flat revenue growth for non-property tax revenue sources in the General Fund, the recommendation for the 2015 property tax levy for existing property is a 0.8% CPI increase. A very preliminary estimate of new construction EAV would be to keep that constant at the 0.8% increase used in 2015. This will result in a total recommended increase of 1.6% which is 30% lower than the 2.3% increase utilized for the 2014 levy.

Salary Increases – The County has three collective bargaining agreements that are settled beyond calendar year 2016 and three that will be expiring at the end of 2015. The MAP-Sheriff contract calls for an increase of 2% to the wage step schedule for 2016 while the MAP-Court Services contract calls for an increase of 1% to the wage step schedule for 2016. Additionally, the Operating Engineers agreement calls for an increase of 2% in wages. The County's three AFSCME collective bargaining agreements are all expiring at the end of 2015 so there are no 2016 salary adjustments available for those three contracts at the present time. In light of the very tight finances in the General Fund, the recommendation for salary increases for non-represented employees and Exempt Department Head positions is currently being proposed as 0%, however, once revenue projections are finalized and as additional budgetary unknowns such as AFSCME unit wages begin to materialize, the salary increases parameter will be revisited in order to provide an opportunity for salary adjustments as finances allow.

COLA for Commodities and Services – The Illinois Municipal Price Index is a comprehensive measure of inflation geared more towards a public sector “basket of goods and services” as compared to the Consumer Price Index which, as the name implies, measures the impact of inflationary pressures on the average consumer. For 2014, the Illinois Municipal Price Index increased by 2.1% indicating that on average, the cost of the unique mix of labor, services, and commodities purchased by public sector entities in 2014 increased by approximately 2.1%. Therefore, in order to just maintain pace with inflation and provide the same level of service as in the prior year, a 2.1% increase in costs should be budgeted for in FY 2016. However, once again due to the extremely tight financial constraints in the General Fund, the recommendation is to hold the line on last year’s costs and submit a budget that reflects a 0% increase in the Commodities & Services portion of departmental budgets to assist in meeting the Fund Balance Utilization goal of reducing the utilization of reserves by approximately 50%.