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DeKalb County Government
Sycamore, Illinois

**Finance Committee Minutes
November 3, 2021**

The Finance Committee of the DeKalb County Board met on Wednesday, November 3, 2021, in the Legislative Center's Gathertorium in Sycamore, Illinois. Chairman Bagby called the meeting to order at 7:30 p.m. Those Members present were Mr. Scott Campbell, Mr. Bill Cummings, Mr. Steve Faivre, Mr. John Frieders, Ms. Dianne Leifheit, Mr. Jim Luebke, and Chairman Tim Bagby. A quorum was established with all seven Members present.

Others present included Brian Gregory, Derek Hiland, Greg Millburg, and Jim Scheffers.

APPROVAL OF THE AGENDA

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

APPROVAL OF THE MINUTES

It was moved by Ms. Leifheit, seconded by Mr. Faivre and it was carried unanimously to approve the minutes of the October 6, 2021 Special Joint Meeting of the Rehab & Nursing Center Operating Board & County Finance Committee Meeting as well as the October 6, 2021 Finance Committee Meeting.

PUBLIC COMMENTS

There were no public comments.

PROPERTY TAX SALE RESOLUTIONS

The Committee reviewed a draft Resolution that would execute a deed of conveyance of the County's interest or authorize the cancellation of the appropriate Certificate of Purchase for a small strip of property (18-32-477-010) between two buildings in Somonauk in the amount of \$815.00.

It was moved by Mr. Luebke, seconded by Mr. Cummings and it was approved unanimously to forward the Resolution to the full County Board recommending its approval.

FY2022 BUDGET RECONCILIATION

Mr. Gregory explained that the County's annual property tax levy must be adopted by the end of the calendar year. DeKalb County is subject to the Property Tax Extension Limitation Law (PTELL), commonly referred to as "tax caps". PTELL restricts extension limitation for the year to the lesser of 5% or the percentage increase in the Consumer Price Index during the twelve-month calendar year preceding the levy year. For 2021-22 extensions, the County's cap has been established at 1.4%. It is recommended that for the 2021-22 levy year that the County does not levy to the cap and rather only pick-up equalized assessed valuation (EAV) that is new construction or TIF recovery. Neither of these sources of EAV were part of the County's 2020-21 levy.

The starting point when considering the property tax levy is to understand the County’s equalized assessed valuation (EAV) for the coming year. DeKalb County’s final rate setting EAV in 2020-21 was \$2,275,858,836. The County Supervisor of Assessment’s estimates for the County’s EAV for 2021-22 is \$2,442,550,564 (+7.32%), which includes \$40,391,416 (net \$28,718,659 due to \$11,672,757 abatement for Ferrara Candy which will be reflected on the final rate setting EAV) in new construction and \$60,848,137 in TIF from the closure of TIF #1 in the City of DeKalb. This totals \$89,566,796 of new EAV for the County’s 2021-22 levy.

Using the combined equalized assessed valuation of new construction and TIF realization at approximately 3.94%, a total of \$925,418 of new property tax revenues are expected County-wide; with \$631,016 going to the General Fund. It is noteworthy that the City of DeKalb had declared a 50% surplus which amounted to approximately \$275,000 of annual revenue to the County which will end with the closure of the TIF #1. This is will net against the total General Fund revenues, meaning the net impact will be new revenue of approximately \$356,000.

The table below outlines last year’s levy and the proposed 2021-22 levy:

| | 2020-21 | 2021-22 | | |
|---------------------|-----------------|-----------------|--------------|-----------------|
| | Total | Existing | New | Total |
| County Levy | 24,190,788 | 24,190,788 | 925,418 | 25,116,206 |
| Percent Change Levy | - | 0.00% | 3.83% | 3.83% |
| EAV | \$2,275,858,836 | \$2,341,311,011 | \$89,566,796 | \$2,430,877,807 |
| Percent Change EAV | - | 2.88% | 3.94% | 6.81% |
| Rate | 1.06293 | 1.03322 | 1.03322 | 1.03322 |

The proposed levy would see an increase in the average EAV of 2.88% for existing tax payers and 3.94% of new EAV from construction and the TIF closure. The County’s tax rate is expected to decrease by 2.80%. Since the actual EAV for 2021-22 will not be known until the final tax extension is published next spring, the actual County tax rate, determined by dividing the County levy by the EAV, will be uncertain. If the actual EAV published next spring is not as high as the projected level, the final County rate may be slightly higher than expectations discussed below.

The proposed levy would mean that, on average, existing property owners would expect to see their property values increase and their rate decrease by roughly the same percentage. Property owners should see their portion of the tax bill going to the County stay roughly the same in 2022 as it was in 2021. The chart below shows the estimated change in the County tax bill for a \$200,000 home in 2020 (payable in 2021) and the same home in 2021 (payable in 2022) which is now valued at an estimated \$205,761 based on the average increase in EAV (2.88%):

| | 2020-21 | 2021-22 |
|--------------------|----------|---------------|
| Market Value | 200,000 | 205,761 |
| Property EAV (1/3) | 66,667 | 68,587 |
| County Tax Rate | 1.06293 | 1.03322 |
| County Tax Bill | \$708.62 | \$708.65 |
| Difference | | \$0.03 |

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The resulting proposed property tax levy total is \$25,116,206 for 2021-2022. The chart below shows the increases based on the previous year distribution with a redistribution of the individual levies within the total aggregate amount:

| | 2020-21 Actual | Percentage | Distributed | 2021-22 Actual Levy |
|---------------------|-------------------|------------|-------------|------------------------|
| General | 16,394,377 | 67.77% | 17,021,543 | 17,025,393 |
| FICA | 10,014 | 0.04% | 10,397 | 10,000 |
| IMRF | 10,014 | 0.04% | 10,397 | 10,000 |
| Tort & Liability | 10,014 | 0.04% | 10,397 | 10,000 |
| PBC Lease | 119,483 | 0.49% | 124,054 | 121,395 |
| Highway | 2,421,514 | 10.01% | 2,514,149 | 2,389,989 |
| Aid to Bridges | 655,447 | 2.71% | 680,521 | 617,839 |
| Federal Match | 415,117 | 1.72% | 430,997 | 617,839 |
| Health | 401,462 | 1.66% | 416,820 | 416,820 |
| Senior Services | 433,096 | 1.79% | 449,664 | 449,664 |
| Veterans Assistance | 521,399 | 2.16% | 541,345 | 541,345 |
| Mental Health | 2,798,851 | 11.57% | 2,905,921 | 2,905,921 |
| Total | 24,190,788 | 100.00% | 25,116,206 | 25,116,206 |

It was moved by Mr. Campbell, seconded by Mr. Faivre and was approved unanimously by voice vote to forward the FY2022 Levy & Budget Ordinances to the full County Board on December 8, 2021 recommending their approval.

FY2022 BUDGET CALENDAR UPDATE

A new FY2022 Budget Calendar was presented as follows:

- **November 3, 2021 (Tonight):** 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.
- **November 6, 2021:** Publish first notice of public hearing on proposed Budget and Tax Levy.
- **November 10, 2021:** Publish second notice of public hearing on proposed Budget and Tax Levy.
- **November 17, 2021:** The County Board hosts public hearing on the proposed Budget and on the proposed Tax Levy.
- **December 8, 2021:** County Board adopts the Annual Budget and the Tax Levy Ordinance prior to the start of the fiscal year on January 1, 2022.

Mr. Gregory noted that there was one budget appeal filed by the Public Defender. That appeal was heard by the Law & Justice Committee but was not forwarded onto the Finance Committee for consideration.

It was moved by Mr. Luebke, seconded by Mr. Faivre and approved unanimously to update the FY2022 Budget Calendar as presented above.

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ADJOURNMENT

It was moved by Mr. Frieders, seconded by Mr. Cummings, and it was carried unanimously to adjourn the meeting at 7:16 p.m.

Respectfully submitted,

Tim Bagby, Chairman

Tasha Sims, Recording Secretary