

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
February 2, 2022**

The Finance Committee of the DeKalb County Board met on Wednesday, February 3, 2022, 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. John Frieders, Ms. Dianne Leifheit, Mr. Jim Luebke, and Chairman Tim Bagby. Mr. Steve Faivre was absent. A quorum was established with six Members present and one absent.

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

APPROVAL OF THE AGENDA

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

APPROVAL OF THE MINUTES

It was moved by Mr. Luebke, seconded by Mr. Cummings and it was carried unanimously to approve the minutes of the November 3, 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 portion of a retention pond (08-01-360-022) in DeKalb Township in the amount of \$815.00.

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

ANNUAL ABATEMENT RESOLUTIONS

Mr. Gregory presented to the Committee four draft County Abatement Resolutions. The first three are annual Resolutions for debt services as follows:

- A Resolution Abating the Entire Property Tax Levy for the 2021 (payable in 2022) Tax year for the 2017 Jail Expansion Bond Issue in the amount of \$1,607,106.
- A Resolution Abating the Entire Property Tax Levy for the 2021 (payable in 2022) Tax Year for the 2020 Nursing Home Expansion Bond Issue in the amount of \$682,263.
- A Resolution Abating the Entire Property Tax Levy for the 2021 (payable in 2022) Tax Year for the 2020A Refunding Bond Issue in the amount of \$1,165,800.

Mr. Gregory explained that a new Illinois law (35ILCS 200/18-233) under Property Tax Code was signed by the governor on August 20, 2021 and is effective for the 2021 levy year. The new law pertains to adjustments for certificates of error, Property Tax Appeal Board final administrative decisions and qualified court orders. These funds would be “made up” on the tax cap and apply to all property tax payers. DeKalb County’s share of this “recapture revenue” would be \$99,179 if that additional amount is levied under this new law. Consistent with the levy the Board adopted, staff is recommending forwarding the proposed abatement Resolution for this “recapture revenue” as it is more of an additional means to tax under PTELL than it is to “recapture”.

It was moved by Mr. Luebke, seconded by Mr. Cummings and was approved unanimously to forward all four Abatement Resolutions to the full County Board recommending their approval.

EMPLOYEE EQUIPMENT OFF-PREMISE POLICY RESOLUTION & COUNTY REMOTE ACCESS POLICY RESOLUTION

Mr. Gregory presented the Committee with a Remote Access Policy and an Off-Site Equipment Policy for action. These are both to ensure efficient government while installing safeguards for utilizing remote access to the County’s network and in instances when County equipment is taken off-site. These policies came to light following the COVID-19 pandemic and the County’s recent ransomware attack, Mr. Gregory shared. The policies are designed to protect not only the County but the individual County Department Heads and the staff.

It was suggested that both policies add the word “Technology” to only better describe what the policies are actually directed towards.

It was moved by Mr. Cummings, seconded by Mr. Luebke and approved unanimously to forward both Policy Resolutions to the full County Board recommending their approval.

REVIEW & DISCUSSION OF COUNTY PROCUREMENT POLICY ORDINANCE

Mr. Gregory presented a draft procurement policy to the Committee. The proposed purchasing policy solidifies the County’s intent to align with State of Illinois law. He wanted to only present the draft tonight and have discussion with the idea that it would not be voted on until March. Mr. Gregory noted that it may take more than one meeting to arrive at a policy that aligns with State Law, is consistent with County objectives and provides enough flexibility to ensure that County business can occur efficiently.

The policy breaks purchasing in three bands:

- Department Level Purchases at or below \$5,000.00
- Department Level Small Procurements (Purchases between \$5,001.00 and \$29,999.99)
- County Parent Committee and Board Level Procurements – Competitive Sealed Bidding (Purchases above \$30,000.00)

RFP FOR NEW COUNTY FINANCIAL SOFTWARE

Mr. Gregory presented the Committee with a request to move forward to issue a Request for Pricing (RFP) for new accounting and finance software. This was a budgeted item and should improve efficiency and functionality in the County’s processes while reducing manual entries and the potential for errors in the current multi-vendor system. Once the RFP submissions are returned the

responses will be processed through Finance Committee and ultimately to the full Board in June for approval.

Mr. Luebke moved to approve allowing the County to go out for RFP for new accounting and finance software. Mr. Campbell seconded the motion and it was carried unanimously.

KONE 5-YEAR ELEVATOR CONTRACT EXTENSION

Facilities Management Office Director Jim Scheffers shared that he has worked with KONE for over 34 years as a vendor for five different elevators on the County's Sycamore Campus. There is four years left on the current contract and KONE has come back with the current proposal, if extended.

- Currently there are 4 years left on the current contract with no escalation cap and an average increase between 3-6%
- 2022 billing would be \$30,575.84
- NEW CONTRACT 5 YEARS
- 4% CAP ON ANNUAL ESCALATION
- 50% DISCOUNT OFF STANDARD BILLING RATES
- PHONE MONITORING
- ANNUAL CAT 1 TESTING INCLUDED
- THEY WILL TAKE THE CURRENT 2022 RATES DOWN 10%
\$27, 518.25 THEN EACH YEAR +4% ESCALATION CAPPED
YEAR 2 \$28,618.98
YEAR 3 \$29,763.73
YEAR 4 \$30,954.27
YEAR 5 \$32,192.44

The Committee briefly discussed the scope and history of work KONE has done for the County. Mr. Scheffers provided that he has had excellent serves from the company and they are always there very quickly if needed.

It was moved by Mr. Frieders, seconded by Mr. Campbell and it was approved unanimously to award the 5-year contract extension for elevator services to KONE.

FINANCIAL IMPACT OF THE DEKALB COUNTY REHAB & NURSING CETNER

Mr. Gregory shared some positive cash flow news from the DCRNC. Revenues received on a cash-basis were able to cover expenditures without any County assistance in January. Cash-basis means the actual dollars coming in versus checks going out during the month. It does not factor accrued expenses or the period that the services for the which we received revenues applies to. With some of the billing issues being addressed, we are starting to see payments for bills dating back to third quarter 2021.

On Friday afternoon the Nursing Home Team had a Zoom Meeting with Jordan Healthcare to go over priorities and try to get everyone on the same page as it relates to the timeline. The immediate emphasis continues to be on Point Click Care current receivables to ensure we do not run into timely billing issues like the home experienced in the past. Point Click Care is a software that MPA migrated the DCRNC to in 2020 and the implementation has only added to the challenges.

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At the same time, the County is continuing to sort through the aged receivables looking for ways to collect any funds that we can for DCRNC. In addition, the County's Finance Office is getting access to Point Click Care in order to generate financial statements as MPA failed to produce any since July 2021.

Overall, progress is being made to address the issues that have been previously outlined, however the "best case" financial position if all of the receivables were collected (less the \$1.8 million previously identified as bad debt) would leave the home with \$3,219. What we continue to see is that expenditures have consistently increased, the home's net position decreases and revenues have been rather flat, even with CARES and ARPA grants coming in, Mr. Gregory shared.

Internal borrowing is currently coming from the Asset Replacement Fund and the Opportunity Fund, which have the largest Fund Balances of unrestricted funds, other than the General Fund. He also provided a list of the estimated fund balances of all the various funds as of 12/31/2021.

ADJOURNMENT

It was moved by Mr. Luebke, seconded by Ms. Leifheit, and it was carried unanimously to adjourn the meeting at 8:40 p.m.

Respectfully submitted,

Tim Bagby, Chairman

Tasha Sims, Recording Secretary