

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 1, 2022**

The Finance Committee of the DeKalb County Board met on Wednesday, June 1, 2022, in the Legislative Center's Gathertorium in Sycamore, Illinois. Chairman Bagby called the meeting to order at 7:00 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, Liam Sullivan, Robert Miller, Sheila Santos, Jim Scheffers, Becky Springer, Michael Venditti, Kathy Lampkins, Jim Hutcheson, and Roger Steimel.

APPROVAL OF THE AGENDA

It was moved by Mr. Luebke, 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. Frieders, seconded by Mr. Cummings and it was carried unanimously to approve the minutes of the May 4, 2022 Finance Committee Meeting.

PUBLIC COMMENTS

Mr. Roger Steimel, Cortland Township, shared that 20-some years ago he was a DeKalb County Board Member. He was on the Board when they sold the County Farm property on Sycamore Road and invested in the current DeKalb County Rehab & Nursing Center facility on Annie Glidden. He expressed that he has family and friends at the DCRNC and is now shocked at the financial situation at the facility. He wants to see the Board take this issue very seriously and find the best path forward even though he isn't sure himself what that path might be.

FY2021 AUDIT PRESENTATION

Mr. Anthony Cervini, partner at Sikich LLP, the County's auditing firm joined the Committee. Mr. Cervini was in attendance to formally present the FY2021 Audit Reports. Hard copies of the reports were distributed at the meeting but electronic copies are posted on the County's website and can reviewed at: <https://dekalbcounty.org/wp-content/uploads/2022/06/fn-audit-county-fy2021.pdf>

Mr. Cervini shared that overall Sikich prepared twelve documents but reviewed the main Comprehensive Annual Financial Report for the Year Ended December 31, 2021. He began by commending the County on preparing the CAFR. This is a document that goes well above and beyond the minimum reporting requirements with both what the Illinois Compiled Statutes require and what the generally accepted accounting principles require from a financial statement standpoint. The County has chosen to prepare this document in the spirit of full disclosure, transparency, and accountability to the taxpayers, constituents, and any other who may have an interest in the County's financial position. Mr. Cervini congratulated the Committee, the County Board, and the Finance Office for being presented with a Certificate of Achievement for Excellence in Financial Reporting from

Government Finance Officers Association for the 35th consecutive year in a row for its Comprehensive Annual Financial Report.

He also suggested the Committee Members to read the Finance Office's Letter of Transmittal. This provides a great overview of what happened over the year and provide a look forward for the County. He reiterated that the suggested the Committee reviewed that Letter of Transmittal in conjunction with the Management Discussion and Analysis.

In reviewing the Independent Auditor's Report, Mr. Cervini proudly announced that Sikich has issued a clean and unmodified opinion for the County's Finance Statements for the Fiscal Year ending December 31, 2021. That clean and unmodified opinion is the highest level of assurance that Sikich can provide as auditors in accordance with accounting principles generally accepted in the United States of America.

As of December 31, 2021, the governmental funds had a combined fund balance total of \$65.7 million including a \$14.1 million General Fund portion classified as unassigned. There is also \$14.9 million that is assigned for capital purposes, along with \$1.6 million assigned for future years' budget. Total governmental funds unrestricted fund balances as of December 31, 2021 amount to \$28.8 million. This reflects an increase of \$5.7 million from the prior year due mainly to favorable General Fund results (\$3.5 million) and an increase in the unrestricted amount for capital purposes (\$2.2 million).

The unassigned General Fund fund balance of \$14.1 million is 51.0% of total 2021 General Fund expenditures of \$27.7 million or more than 186 days of operating funds. The General Fund fund balance increase of \$4.0 million was primarily due to a combination of an increase in sales tax revenue in 2021, along with a decrease in expenditures due to a conservative spending approach by all departments as the County slowly recovers from the effects of the COVID-19 pandemic. Nonmajor governmental funds have combined fund balances of \$49.2 million which is either non-spendable for prepaid items (\$0.4 million), restricted for various purposes (\$35.8 million), or unrestricted (\$13.0 million).

The County's proprietary funds had combined net positions of \$11.8 million as of December 31, 2021 which is \$5.3 million less than the 2020 year-end balances. Of this amount \$3.1 million is the net investment in capital assets and \$8.7 million is unrestricted. The net position decrease is directly related to the nursing home issues mentioned earlier in the full document.

The Committee spend some additional time reviewing and understanding the historical change in net position of the DCRNC.

The schedule of changes in the County's net pension liability related ratios for the Illinois Municipal Retirement Fund (IMRF) and the Sheriff's Law Enforcement Personnel Plan (SLEP) were then reviewed.

Mr. Cervini briefly provided an overview of the County's Single Audit Report with the Committee.

Mr. Cervini shared that the Single Audit Report is comprised of two separate auditor's reports and auditor's opinions. The first one being: Independent Auditor's Report on Internal Control over

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Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. As well as: Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. Mr. Cervini announced he was pleased to report unmodified opinions on both audit reports.

Mr. Frieders expressed that he was disappointed in the way that Sikich had not previously done a better job of pointing the declining of the numbers at the DCRNC. Additional discussions ensued regarding Sikich's testing process of receivables at the Nursing Home.

The Committee thanked Mr. Cervini for joining them and providing them with the Annual Audit Presentation.

A RESOLUTION APPROVING AMENDMENTS TO THE FY2022 BUDGET

Court Services Director Michael Venditti joined the Committee. He and Mr. Gregory presented proposed amendments to the FY2022 Budget. The amendments address re-alignment of fund sin Court Services and Probation Services based on direction from the Administrative Office of the Illinois Courts. The amendments will result in a saving in the overall General Fund budget. Benefits for a shared Supervisor position will be covered by a grant in the Drug Court Fund and is reflected as of July 1, 2022.

Mr. Gregory recognized and thanked Mr. Venditti and Treatment Courts Director Michael Douglas for working together and maximizing available dollars to provide a small savings to the County's General Fund.

It was moved by Mr. Luebke, seconded by Mr. Campbell and approved unanimously to forward the Resolution approving the budget amendments to the full County Board.

DELINQUENT PROPERTY TAX SALE RESOLUTIONS

DeKalb County Treasurer Becky Springer presented one hundred and four (104) delinquent property tax sale Resolutions to the Committee. Each one of the parcels were within one subdivision in the Town of Cortland. The Committee briefly reviewed the list of parcels along with a map showing where each was located.

It was moved by Mr. Frieders, seconded by Mr. Cummings and approved unanimously to forward the 104 Resolutions to the full County Board recommending their approval.

A RESOLUTION MEMORIALIZING THE FINANCE RESTRUCTURING AND ASSIGNING CERTAIN DUTIES AND FUNCTIONS

Mr. Gregory presented a draft Resolution to the Committee formalizing the restructure of certain Finance functions, responsibilities and compensation. Last year, the Finance Committee approved splitting certain Finance Director functions between the Assistant Finance Director (retitled Comptroller) and County Administrator. An Accountant was brought on and the County saved just under \$80,000 with very good results. The Resolution formalizes this restructure, reconciles it with the Code and provides flexibility as needed in the future.

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

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A RESOLUTION ESTABLISHING THE SALARY FOR THE DEKALB COUNTY SHERIFF

Mr. Gregory shared that a new Illinois Law (Public Act 102-0699) amended the Counties Code by adding Section 3-6007.5 [55 ILCS 5/3-6007.5] as follows:

- (a) As used in this Section, "salary" is exclusive of any other compensation or benefits.
- (b) The salary of a sheriff elected or appointed after the effective date of this amendatory Act of the 102nd General Assembly in a non-home rule county shall not be less than 80% of the salary set for the State's Attorney under Section 4-2001 for the county in which the sheriff is elected or appointed.
- (c) The State shall furnish 66 2/3% of the total annual salary to be paid to a sheriff. Said amounts furnished by the State shall be payable monthly by the Department of Revenue out of the Personal Property Tax Replacement Fund or the General Revenue Fund to the county in which the sheriff is elected or appointed. The county shall furnish 33 1/3% of the total annual salary.

The proposed Resolution would allow for the annual salary for the DeKalb County Sheriff to be as follows:

1. Effective December 1, 2022, the DeKalb County Sheriff's annual salary shall be set at no less than eighty percent (80%) of the DeKalb County State's Attorney's salary as is set by the State of Illinois pursuant to Section 4-2001 of the Counties Code inclusive of any cost-of-living adjustments as authorized by the Compensation Review Board.
2. In addition to the salary provided for in Paragraph 1, the Sheriff shall receive an annual stipend to be paid by the Illinois Department of Revenue out of the Personal Property Tax Replacement Fund in the amount of six thousand five hundred dollars (\$6,500.00) as required by Section 4-6003(d) of the Counties Code [55 ILCS 5/4-6003(d)].
3. The definition of benefits for the DeKalb Sheriff shall be defined by the County Board of DeKalb County and shall be consistent with the other county-wide elected officials.

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

A RESOLUTION AUTHORIZING THE EXECUTION OF DOCUMENTS FOR THE DATA FIBER NETWORK TRANSFER AND ESTABLISHING THE OFFICIAL FINANCIAL CONTROL TRANSFER DATE

Information Management Office Director Sheila Santos shared that Resolution 2021-05, approved on January 20, 2021, established that the DeKalb County Board authorized the County Board Chair to sign an agreement between DeKalb County Government and Syndeo Networks, Inc. to allow for the transfer of assets and liabilities of the County's fiber optic network known as "DATA".

Syndeo has operated the system based upon the date that DeKalb County approved the transfer with an understanding that consent of the transfer of assets by all necessary federal entities was a condition of the agreement. The transfer was finally authorized by the National Telecommunication and Information Administration in 2022. The parties have agreed that the effective date of the

transfer was January 20, 2021 and Syndeo Networks has agreed to keep associated revenue, expenses, and liabilities related to the DATA network.

The proposed Resolution would be the final piece of this transaction and would authorize the Chairman of the Board to execute the necessary agreements between DeKalb County Government and Syndeo Networks, Inc., including all ancillary documents, which will allow for the transfer of assets and liabilities of the County's fiber optic network known as "DATA" with an effective date of January 20, 2021.

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

A RESOLUTION APPROVING THE PROCUREMENT OF CROWDSTRIKE ANTIVIRUS PROTECTION SOFTWARE

Ms. Santos shared that the Information Management Office (IMO) is requesting authorization to purchase new antivirus software, as the software that the County currently utilizes presents certain limitations. The current antivirus software flags known threats in a database, then watches for those threats based on what is known in that database. The database gets pushed out to each computer as it is updated. The limitation of this method is that it is not a real-time evaluation of potential threats. Instead, threat evaluation is based on what the software knows to be malicious at the time the database is updated. Due to these limitations Staff has sought information regarding what benefits other antivirus software packages provide. The County's contract with Kaspersky expires in July of 2022 and staff believes it is in the best interest of the County to procure new software rather than renew with the current provider.

The County is required to utilize a software that contains Endpoint Detection Response tools (EDR) for the County Clerk per Illinois Public Act 102-0015, which pertains to requirements specific to election authorities. Staff believes that having EDR tools available would be a great benefit to the security of the network overall, not only County Clerk. Staff has identified CrowdStrike Antivirus Software as the alternative that best suits the needs of the County, has Endpoint Detection Response tools, and provides the best value. CrowdStrike works in real-time and continuously watches for malicious threats, as well as suspicious activity. If something malicious were to make it into the DeKalb County network, 24/7 support is available to help resolve the issue. CrowdStrike detects live threats and takes action before IMO is even alerted to a problem. IMO did evaluate other solutions with EDR, but determined that CrowdStrike provides the best value to the County.

CrowdStrike is available for purchase through contract NCPA 01-44, which is a cooperative purchasing agreement administered by the National Cooperative Purchasing Alliance. Cooperative purchasing agreements are open ended procurement contracts that are bid out by one public entity and allow other public entities to procure the good or service under the same contract. The DeKalb County Procurement policy allows for participation in this type of agreement with the approval of the Finance Committee for Department Level and County Board Level Procurements.

The County was quoted \$46,047.36 annually for the procurement of CrowdStrike Antivirus Software. This procurement was budgeted for FY2022 as part of the Asset Replacement Fund.

It was moved by Ms. Leifheit, seconded by Mr. Luebke and approved unanimously to forward a Resolution authorizing the purchase of the antivirus software to the full County Board recommending its approval.

APPROVAL OF THE FY2023 BUDGET CALENDAR

Mr. Gregory the proposed FY2023 Budget Calendar for approval by the Committee. The process and schedule are generally the same as previous years with updated dates. He added that with the audit being “on-schedule” or well ahead of where we have been the past few years, he was able to enter the FY22 actuals and prepare the departmental sheets for FY23. He and the finance team are working on the constructing the FY23 salaries and are hoping to have “target numbers” to the departments in late June to begin working on their draft budgets. The plan is to have a full draft budget to present to the Board in September.

It was moved by Mr. Campbell, seconded by Mr. Cummings and approved unanimously by voice vote to accept the FY2023 Budget Calendar.

ADJOURNMENT

It was moved by Mr. Luebke, seconded by Mr. Cummings, and it was carried unanimously to adjourn the meeting at 8:34 p.m.

Respectfully submitted,

Tim Bagby, Chairman

Tasha Sims, Recording Secretary