

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
August 3, 2022**

The Finance Committee of the DeKalb County Board met on Wednesday, August 3, 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. John Frieders, Ms. Dianne Leifheit, Mr. Jim Luebke, and Chairman Tim Bagby. Mr. Bill Cummings, and Mr. Steve Faivre were absent. A quorum was established with five Members present and two absent.

Others present included Brian Gregory, Derek Hiland, Liam Sullivan, Robert Miller, Becky Springer, Jim Scheffers, Roy Plote, and Camden Lazenby.

APPROVAL OF THE AGENDA

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

APPROVAL OF THE MINUTES

It was moved by Mr. Campbell, seconded by Ms. Leifheit and it was carried unanimously to approve the minutes of the June 1, 2022 Finance Committee Meeting.

PUBLIC COMMENTS

County Board Member and Emergency Telephone Systems Board (E-911) Member Roy Plote shared that the Board received their 3rd Qtr NG911 grant reimbursement. The Coordinator was advised that the State learned from the FCC that the sweep of 9-1-1 funds will not affect the current IL grant that just ended. It will affect any future grant opportunities as IL would be charged with fee diversion.

DELINQUENT PROPERTY TAX SALE RESOLUTIONS

DeKalb County Treasurer Becky Springer presented sixteen (16) delinquent property tax sale Resolutions to the Committee. One parcel in Sandwich was being redeemed, one was being purchased by the City of Sycamore, and the remaining fourteen properties were parcels in a single subdivision in the Town of Cortland. The Committee briefly reviewed the list of parcels along with maps showing where each was located.

It was moved by Mr. Luebke, seconded by Mr. Frieders and approved unanimously to forward the 16 Resolutions to the full County Board recommending their approval.

A RESOLUTION AUTHORIZING THE PURCHASE OF NEW ACCOUNTING AND FINANCIAL SOFTWARE FOR DEKALB COUNTY GOVERNMENT

County Administrator Brian Gregory and County Comptroller Robert Miller shared with the Committee that the County currently uses Central Square eFinancePLUS software for financial processes including payroll, payables, accounting, asset management, and human resources. The software met the County's information management needs for over 20 years, but in the recent past

Central Square has not kept up with updates to the outdated product, and its customer support has been practically non-existent. Attempts to work with Central Square to address these concerns have not resulted in significant improvements to the software or to customer support, and Central Square has indicated that it will no longer support the software at all after 2023. This could result in the County being unable to manage its financial information in the future, and a failure of this software would negatively impact the County’s residents and employees. The Treasurer’s Office also voiced a need for updated software that would link them to the financial software system, eliminating the current manual posting process and providing a bank reconciliation process from within the financial system. Therefore, it is now necessary to replace the Central Square software with a modern Enterprise Resource Planning (ERP) system to better meet the needs of the organization and residents.

With that goal in mind, the Finance Department began exploring options for a cloud-based ERP system that would include the following applications:

General Ledger	Accounts Payable	Accounts Receivable
Budgeting	Fixed Assets	Project / Grant Accounting
Cash Receipting	Bank Reconciliations	Employee Benefits
Payroll	Position Control	Personnel Administration
Time & Attendance	Employee Self-Service	

In late 2021, staff-initiated conversations with other communities to learn which ERP system providers they were using and gauge their level of satisfaction with the applications and customer support. A request to issue an RFP for a new ERP system was brought to the Finance Committee on February 2, 2022, which was approved unanimously. Two companies, BS&A and Tyler Technologies submitted their proposals by the March 25, 2022 due date. The following is a summary of the start-up (one-time) costs and annual recurring subscription costs for each product:

<u>Description</u>	<u>BS&A</u>	<u>Tyler Technologies</u>
One-time Startup Costs	\$400,785	\$673,093
Annual Subscription Costs	\$118,865	\$236,403

The County invited BS&A to demonstrate their software on May 16, 2022 and May 17, 2022. All departments were invited to the demonstration and a fair representation of the departments were in attendance. Positive feedback was received from all employees that attended. This software would have the opportunity to be accessed by any County employee, where today we are limited to only 10 employees. There will be efficiencies realized within every application with a lot of manual processes becoming automated.

Ultimately the staff agreed that the BS&A system best meets the needs of the County and its stakeholders, based on its functionality, cost, and the company’s reputation for providing excellent customer service. BS&A also provided a list of all its clients, including several Illinois clients as further evidence of the strength of their software and ability to meet the County’s needs. Nationally, BS&A has over 2,100 clients, and a retention rate of over 99 percent.

It is worth noting that staff felt that the Tyler Technologies proposal was cost-prohibitive, and staff heard mixed reviews about their software and support. For those reasons, we did not view them as a viable option and did not ask them to demonstrate their software.

Mr. Gregory shared that staff believes that the BS&A solution will best meet the organization's needs based on the functionality of the software and the company's reputation for excellent customer service. Staff recommends that the County enter into a contract with BS&A not to exceed \$400,785 to provide an Enterprise Resource Planning (ERP) system, training, travel, data conversion, and project management services. BS&A's payment schedule is as follows:

1st Payment	\$131,200 to be invoiced upon execution of agreement
2nd Payment	\$118,865 to be invoiced at activation of customer's site
3rd Payment	\$150,720 to be invoiced upon completion of training

\$250,000 was included in the FY2022 Budget for the procurement of new financial software, since payments 1 and 2 were anticipated to happen in FY2022. Payment 3 will still need to be budgeted for in FY2023.

BS&A estimates that once the County signs a contract, the implementation process will take 12–15 months to complete. Mr. Miller added that he has experience with BS&A implementation at his past two previous employers and understands what it will take to switch over and implement a new financial system.

It was moved by Mr. Luebke, seconded by Mr. Frieders and approved unanimously to forward the Resolution authorizing the purchase of the new financial software to the full County Board recommending its approval.

FY2021 POPULAR ANNUAL FINANCIAL REPORTING (PAFR) PRESENTATION

Mr. Gregory and County Administrative Analyst Liam Sullivan presented the FY2021 PARF to the Financial Committee in the form of a PowerPoint presentation. They shared that it is important as public servants to recognize that many individuals do not have a background or understanding in public finance. In an effort to be more transparent, the Administration Office and the Finance Department have produced a Popular Annual Financial Report (PAFR) for FY2021. The PAFR was created using results from the FY2021 Annual Comprehensive Financial Report, which was presented at the June 2022 Finance Committee Meeting. The PAFR includes an overview of County Government and general financial information from FY2021 before detailing the statement of net position. This is followed by descriptions and visual representations of the health of the Governmental Funds, Proprietary Fund, Special Revenue Funds, and Long-Term Debt Obligations. The goal of this document is to convey financial results of the County's operation in a format that is easy for all readers to understand.

FY2023 BUDGET DISCUSSION

Mr. Gregory highlighted that his plan for FY2023 is to prepare a balanced budget and the goal is to take the same property tax approach as last year. This would essentially mean the County would hold the line on property taxes and only capture new construction for revenue. There are currently a lot of moving parts with Township Assessors and the County Assessor's Office in order to get a good feel of what that new construction number looks like. Due to the amount of activity and new

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businesses coming into southern DeKalb, the County may not have a solid number until early September, Mr. Gregory reported. In the meantime, he will use a plug number and may have to go back and adjust it later on. The number that he is currently using in the model should be at or slightly above where the final number will be.

Mr. Gregory also provided the Committee with some of his current General Fund assumptions. He explained that non-personnel costs are looking at a 3% increase and there are various other increases distributed throughout various Departments to help compensate for inflation levels. He gave the Departments a target number and they are all coming back at the requested level.

The Committee and Mr. Gregory additionally discussed how they could begin looking at the County getting away from being self-insured.

The FY2023 Budget would proceed forward with the current knowns that there is a Letter of Intent to purchase the DCRNC. If anything were to fall through with that arrangement, a future budget amendment would likely have to be made.

ADJOURNMENT

It was moved by Mr. Luebke, seconded by Ms. Leifheit, and it was carried unanimously to adjourn the meeting at 7:56 p.m.

Respectfully submitted,

Tim Bagby, Chairman

Tasha Sims, Recording Secretary