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DeKalb County Government  
Sycamore, Illinois

**Finance Committee Minutes  
September 7, 2022**

The Finance Committee of the DeKalb County Board met on Wednesday, September 7, 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. 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, Liam Sullivan, Jim Scheffers, Sheila Santos, and Roy Plote.

**APPROVAL OF THE AGENDA**

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

**APPROVAL OF THE MINUTES**

**It was moved by Mr. Cummings, seconded by Mr. Campbell and it was carried unanimously to approve the minutes of the August 3, 2022, Finance Committee Meeting.**

**PUBLIC COMMENTS**

There were no public comments.

**A RESOLUTION AUTHORIZING THE COUNTY BOAR CHAIR TO ASSIGN A MOBILE HOME TAX SALE CERTIFICATE OF PURCHASE**

DeKalb County Treasurer Becky Springer presented a Resolution assigning a mobile home tax sale certificate through a public action that was held on a mobile home that is in Genoa, Illinois.

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

**DELINQUENT PROPERTY TAX SALE RESOLUTIONS**

Ms. Springer additionally presented three (3) delinquent property tax sale Resolutions to the Committee. Two of the parcels were in DeKalb Township and the other in Cortland Township. The Committee briefly reviewed the list of parcels along with maps showing where each was located.

**It was moved by Mr. Campbell, seconded by Mr. Cummings and approved unanimously to forward the 3 Resolutions to the full County Board recommending their approval.**

## **RESOLUTION AMENDING THE FY2022 BUDGET #2**

Mr. Gregory and the Committee reviewed the Resolution and its Exhibit A, which included FY2022 budget amendments that he was recommending. The amendments reflect actual approved expenditures, the planned sale of the DCRNC and establishes the SRL Self Help Room at the Courthouse.

**It was moved by Mr. Faivre, seconded by Mr. Luebke and approved unanimously by voice vote to forward the FY22 budget amendments to the full County Board recommending their approval.**

## **ADMINISTRATIVE RECOMMENDATION OF THE FY2023 BUDGET**

The Committee was provided with a hardcopy of the FY2023 Preliminary Draft Budget. Mr. Gregory reviewed highlights with the Committee in the form of a PowerPoint presentation.

The goal of the FY2023 Budget Process is to prepare and present a balanced budget, allowing the County to maintain a strong fund balance to adequately meet cash flow needs and weather unexpected emergencies. While the definition of fiscal responsibility can have different meaning to different people, there are four financial tenets that government should strive for: working within our means, meeting our obligations, investing in infrastructure, and reducing debt. The budget will outline examples where these guiding principles are used throughout the process.

For 2023, a “target number” approach was utilized to allow departments to move resources within line items in their respective budgets, provided they arrive at the target. The narrative outlines the targets and other assumptions that are factored into preparing this budget document for consideration. An emphasis continues to be placed on working within available resources while identifying “savings and efficiencies” in how the departments are maximizing available resources.

The County continued to face financial challenges related to the DeKalb County Rehab and Nursing Center (DCRNC) as the County provided operating assistance of over \$8 million. The County Board approved a Letter of Intent to sell the facility and operation and has identified a “breakeven” model, utilizing sale proceeds, accrued receivables, associated fund balances and funds from the American Rescue Plan Act. The sale is expected to occur in late 2022. The preliminary 2023 budget does not include a budget for the DCRNC proprietary fund however, staff is working to create a one-month budget that can be amended as needed.

Several budget related challenges that had not been addressed over a period of multiple years began to be addressed last year a multi-year budget plan to ensure financial goals are met. These steps will continue to be implemented in 2023 to address a sustainable operating model to support basic services. Additionally, an emphasis will be placed on identifying insurance alternatives for the County’s worker’s compensation and liability coverages.

Looking ahead, short-term challenges include continuing to support the DCRNC until the sale is finalized in late 2022 or early 2023 and the impact that the State of Illinois SAFE-T Act will have on certain revenues and the added expenses that may come as a result. Longer term challenges include the impacts the current economic conditions have with significant inflation and a likely recession along with a sizable debt burden that the County has with the bonds sold for the Courthouse addition, the new County Jail and the DCRNC expansion.

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The 2023 Budget is presented in balance with an overall General Fund budget of \$34,562,980.

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 2022-23 extensions, the County's cap has been established at 5%.

It is being recommended for the 2022-23 levy year that the County does not levy to the cap and rather only pick-up equalized assessed valuation (EAV) that is the result of new construction or land values that have changed dramatically going from agricultural classifications to industrial classifications. Neither of these sources of EAV were part of the County's 2021-22 levy.

Estimated EAV figures will not be available until mid-to-late September. Once those values are known the property tax levy calculations will be updated and arrive at estimated rates and the impact the County's property tax levy will have on an average homeowner. With the approach outlined in this preliminary levy, the average existing property owners should expect to see their portion of the tax bill going to the County remain roughly the same as it was in the past two years as the County utilized the same approach in setting last year's property tax levy.

As a starting point for this year's preliminary budget presentation the following assumptions were used:

2022 County-Wide EAV: \$2,435,121,737  
Estimated New Construction: \$51,685,234  
Re-Classified Land Value: \$11,200,000  
Total Estimated New Taxable Valuable: \$62,885,234  
Percentage of Estimated New Construction/Reclassified Land: 2.58%

When applying the percentage of new construction against last year's levies resulting proposed property tax levy total is \$25,763,416 for 2022-2023. These numbers may be adjusted in October to reflect updated new construction and reclassified land values while using the same goal of "holding the line" on property taxes.

Some additional General Fund highlights included:

- Generally, 2.25% Wage Adjustments
- SAFE-T Act Implications
- "Target Number" Approach
- Non-Personnel: 3% increases for inflation
- Fuel Costs: Additional 30% in 2023
- Assessment Office: \$40,000 Public Notices as 2023 is Four-Year Review
- Facilities Maintenance Operations: Additional \$50,000 for Utility Costs
- Increased Insurance Contribution from \$635,000 to \$1,250,000

Mr. Gregory additionally reviewed how this budget was going to address some prior budget issues that have been identified.

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He also presented the Committee with the following items for them to consider:

- Public Defender requested additional Attorney (\$92,620).
- Support for outside agencies budgeted at same level as previous years: DCEDC, CASA, Ag Extension, Soil & Water, DCHC, DCCVB. Additional \$5,000 in funding is available in contingencies.
- Bring back a fund balance target policy establishing four months as the minimum target?
- Appointed Management will be incorporated into PHO Plan to promote consistency and transparency throughout the organization.
- Community Mental Health and PBC budgets will be approved by their Boards and will be incorporated into October budget draft.

Lastly, he reviewed the FY23 Budget Timeline and what the next steps would be over the next couple of months prior to adoption of the FY2023 Budget.

Link to FY2023 Preliminary Draft Budget:

<https://dekalbcounty.org/wp-content/uploads/2022/09/FY2023-Budget-Recommendation-09072022.pdf>

**Mr. Luebke moved to send a Resolution to the full County Board recommending placing the FY2023 Budget on file for public inspection. Mr. Faivre seconded the motion, and it was approved unanimously.**

#### **ADJOURNMENT**

**It was moved by Mr. Cummings, seconded by Mr. Luebke, and it was carried unanimously to adjourn the meeting at 8:14 p.m.**

Respectfully submitted,

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Tim Bagby, Chairman

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Tasha Sims, Recording Secretary