

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
November 2, 2022**

The Finance Committee of the DeKalb County Board met on Wednesday, November 2, 2022, in the Legislative Center's Freedom Room 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, Liam Sullivan, and Jim Scheffers.

APPROVAL OF THE AGENDA

It was moved by Mr. Faivre, seconded by Mr. Cummings 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 Mr. Cummings and it was carried unanimously to approve the minutes of the October 5, 2022, Finance Committee Meeting.

PUBLIC COMMENTS

There were no public comments.

PUBLIC HEARING: On Proposed Levy and Fiscal Year 2023 Budget

Chair Bagby opened the Public Hearing at 7:01 p.m.

Mr. Gregory shared that it is 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.

The starting point when considering the property tax levy is to understand the County's equalized assessed valuation (EAV) for the coming year. Estimated EAV figures are still not finalized, however, the figures are coming together and can provide an idea of what the County's levy will mean to property taxpayers. DeKalb County's final rate setting EAV in 2021-22 was \$2,435,121,737. An overall assessment factor of 5.84% has been applied to properties within DeKalb County unless they were individually re-assessed by their respective Township Assessor. Based on the best information available to the County Supervisor of Assessments, estimates for the County's EAV for 2022-23 is \$2,667,104,731 (+9.53%), which includes \$66,435,948 in new construction and \$11,200,000 in land that was re-classified from agricultural to industrial zoning. This totals \$77,635,948 of new EAV for the County's 2022-23 levy.

When putting together the initial budget in September it appeared that new construction would yield \$51,685,234 in new construction. Using a County levy of \$25,763,416 based on previous estimates and with updated figures suggesting that this new construction will come in higher than anticipated, the average existing property owners should expect to see their portion of the tax bill going to the County decrease slightly.

The proposed levy would see an increase in the average EAV of 6.34% for existing tax payers and 3.19% of new EAV and re-classified land. The County's tax rate is expected to decrease by 6.34% to \$0.9659694. Since the actual EAV for 2022-23 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 decrease slightly in 2023 from where it was in 2022.

Mr. Gregory also noted that the biggest takeaway from the FY2023 Budget was that it is a Balanced Budget. This is also the second year the Board has held the line and not levied to the tax cap.

Hearing no other comments, Chair Bagby closed the Public Hear at 7:22 p.m.

FY2023 BUDGET RECONCILIATION

The Committee was provided with the most recent copy of the Proposed FY2023 Budget. There were no additional reconciliations.

COUNTY INSURANCE UPDATE

Mr. Gregory shared that this budget explores the option of shifting the County's insurance needs to a more comprehensive insurance program for Worker's Compensation and General Liability. Given the County has been "self-insured" it is more challenging to obtain market quotes for these coverages. In the fall, the Board will have an opportunity to review options including; staying self-insured as is, adding a Third-Party Administrator for all insurance needs while being self-insured, and more comprehensive coverage options.

Provisions are made within the Tort & Liability Insurance Fund to cover claims against the County. In the event the County is unable to secure outside coverages for 2023, the County will continue to purchase Property Insurance on a fully-insured basis to cover those risks.

In early 2020, a consultant completed a study which looked at the County's Risk Management Program and provided a recommendation of how much money should be generated each year to finance the program and how much money should be in reserves at the end of each year to pay for extraordinary claims. The recommendation included different "confidence levels" that the County Board could target as a goal. The goal of a 95% confidence level was adopted for the reserve funds. The goal for the amount of revenue needed each year was decided to be looked at each year during the Budget process and that would include utilizing options to phase-in the annual increases needed to meet the annual revenue goal.

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This Budget exceeds the reserve goals set out for 95% confidence as of December 31, 2022, with an anticipated reserve balance of \$7,321,109. Regarding annual revenues, the Budget plan that was previously implemented uses the 50% confidence level with a ten-year phase-in schedule to reach optimal annual revenues. In 2023, if fully-insured coverage is not an option, the projected revenues of \$1,400,400, surpasses the what was previously identified as a “long-term goal” of \$967,614. The Tort & Liability Insurance tax levy for tax year 2022, to be collected in 2023, continues for the third year at the place-holder amount of \$10,000. The General Fund will then contribute \$1,250,000 to help reach the Tort Fund revenue goal of \$1,400,400 for 2023 as noted above. Carving out revenues to consider options and position the County to move toward more comprehensive insurance is one of the more notable pieces of the 2023 budget. This approach starts to address the issue directly and aims to move away from a model built on 50% confidence

AN ORDINANCE ADOPTING THE FY2023 TAX LEVY

It was moved by Mr. Frieders, seconded by Mr. Campbell and approved unanimously to forward an Ordinance adopting the FY2023 Tax Levy to the full County Board recommending its approval.

APPROVAL OF THE ANNUAL APPROPRIATION AND BUDGET ORDINANCE FOR FISCAL YEAR 2023

It was moved by Mr. Faivre, seconded by Mr. Cummings and approved unanimously to forward an Ordinance for the Annual Appropriate and Budget for Fiscal Year 2023 to the full County Board recommending its approval.

ADJOURNMENT

It was moved by Mr. Luebke, seconded by Mr. Cummings, and it was carried unanimously to adjourn the meeting at 7:36 p.m.

Respectfully submitted,

Tim Bagby, Chairman

Tasha Sims, Recording Secretary

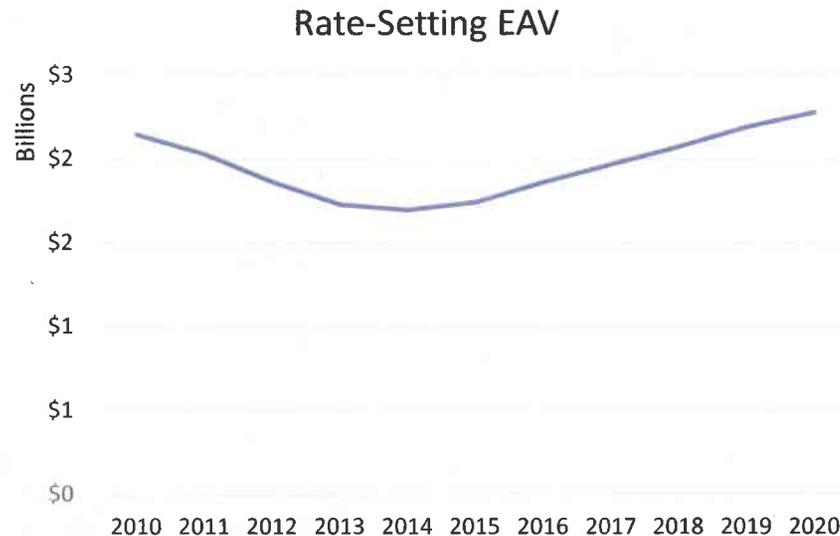


Finance Commitee

November 2, 2022

Property Tax Levy

- For 2022, the County's Estimated EAV, or Equalized Assessed Valuation, is \$2,667,104,736.
- The County's EAV increased 9.53% from 2021-22 to 2022-23.
- This EAV increase is due to new construction as well as appreciation in property values.



Where do your taxes go?

A common misconception is that all of your property taxes go to the one governmental body. The County is one of a number of independent taxing bodies that receive a portion of your property taxes.

The aggregate rate seen on a tax bill is the combination of the property tax rates from the overlapping units of governments including the county, municipalities, townships, and the school districts among others.



How are Property Taxes Calculated?

- Take the Market Value of the Home.
- Divide by three to get the Equalized Assessed Value (EAV).
- Apply the rate for the respective taxing bodies that the property falls under.
- Access Property Tax information on the Treasurer's Website:
<https://dekalbil.devnetwedge.com/>

Current Home Market Value		
	\$200,000	
Assessment Percentage		
	6.34%	
	2021-22	2022-23
Market Value	\$200,000	\$212,680
Property EAV	\$66,667	\$70,893
County Tax Rate	1.031417	0.965969
County Tax Bill	\$687.61	\$684.81
Difference		(\$2.80)
Avg. County Portion of Tax Bill:		10.50%

Property Tax Rates Around the County

Cortland		DeKalb	
Taxing Body	Tax Rate	Taxing Body	Tax Rate
School District	6.80841	School District	6.80841
County	1.03149	County	1.03149
Town	0.91757	City	0.98612
Community College	0.64319	Park District	0.69631
Fire District	0.55538	Community College	0.64319
Library	0.32086	Library	0.38546
Road & Bridge	0.16062	Road & Bridge	0.17298
Township	0.08269	Township	0.14864
Forest Preserve	0.07355	Reclaim District	0.11998
Total	10.59376	Forest Preserve	0.07355
		Total	11.06613



Property Tax Rates Around the County

Hinckley

Taxing Body	Tax Rate
School District	5.63498
County	1.03149
Village	0.56740
Community College	0.46707
Fire District	0.42759
Road & Bridge	0.35604
Library	0.21701
Township	0.14842
Forest Preserve	0.07355
SSA	0.01891
Total	8.94246

Genoa

Taxing Body	Tax Rate
School District	5.62832
County	1.03149
City of Genoa	0.82224
Community College	0.64319
Park District	0.55585
Fire District	0.46462
Library	0.27578
Township	0.21422
Road& Bridge	0.16474
Forest Preserve	0.07355
Total	9.87400

Property Tax Rates Around the County

Kingston		Kirkland	
Taxing Body	Tax Rate	Taxing Body	Tax Rate
School District	5.68320	School District	6.07350
County	1.03149	County	1.03149
Village	0.73683	Village	0.82022
Community College	0.64319	Community College	0.64319
Fire District	0.46462	Fire District	0.63482
Road & Bridge	0.38024	Road & Bridge	0.37184
Township	0.10546	Township	0.29516
Forest Preserve	0.07355	Library	0.20433
Park District	0.06136	Park District	0.08488
Cemetery	0.01784	Forest Preserve	0.07355
Total	9.19778	Total	10.23298

Property Tax Rates Around the County

Lee		Malta	
Taxing Body	Tax Rate	Taxing Body	Tax Rate
School District	5.19530	School District	6.80841
County	1.03149	County	1.03149
Community College	0.64319	Village	0.80223
Village	0.53602	Community College	0.64319
Fire District	0.44108	Road & Bridge	0.47255
Road & Bridge	0.40255	Library	0.36201
Township	0.21120	Fire District	0.35433
Forest Preserve	0.07355	Township	0.18784
Multi TWP	0.02033	Forest Preserve	0.07355
Total	8.55471	Multi TWP	0.02147
		Total	10.75707

Property Tax Rates Around the County

Maple Park

Taxing Body	Tax Rate
School District	6.69009
County	1.03149
Village	0.69330
Fire	0.66207
Community College	0.46707
Road & Bridge	0.16062
Township	0.08259
Forest Preserve	0.07355
Library	0.06761
Total	9.92839

Sandwich

Taxing Body	Tax Rate
School District	4.81277
County	1.03149
City	0.91486
Community College	0.46707
Park District	0.39879
Fire District	0.35408
Library	0.33241
Township	0.15805
Road & Bridge	0.14861
Forest Preserve	0.07355
Total	8.69168



Property Tax Rates Around the County

Shabbona

Taxing Body	Tax Rate
School District	5.19530
County	1.03149
Community College	0.64319
Village	0.59957
Fire District	0.40283
Road & Bridge	0.40255
Township	0.21120
Library	0.16083
Forest Preserve	0.07355
Mult Twp	0.02033
Total	8.74084

Somonauk

Taxing Body	Tax Rate
School District	5.56591
County	1.03149
Village	0.78552
Road & Bridge	0.48670
Community College	0.46707
Fire District	0.43567
Library	0.30415
Township	0.15674
Forest Preserve	0.07355
Multi TWP	0.02960
Total	9.33640

Property Tax Rates Around the County

Sycamore		Waterman	
Taxing Body	Tax Rate	Taxing Body	Tax Rate
School District	5.99933	School District	5.19530
County	1.03149	County	1.03149
Park Districts	0.67372	Community College	0.64319
Community College	0.64319	Village	0.60538
City	0.62542	Road & Bridge	0.44825
Library	0.23281	Fire District	0.21647
Road & Bridge	0.16062	Township	0.17662
Township	0.08269	Library	0.16762
Forest Preserve	0.07355	Forest Preserve	0.07355
Total	9.52282	Cemetary	0.03241
		Comm bldg	0.01674
		Total	8.60702