

DeKalb County Government
Sycamore, Illinois

**Finance & Administration Committee Minutes
January 4, 2023**

The Finance & Administration Committee of the DeKalb County Board met in Sycamore, Illinois on Wednesday, January 4, 2023. Chair Scott Campbell called the meeting to order at 6:30pm. Those Members present were Mr. Tim Bagby, Ms. Rukisha Crawford, Mr. John Frieders, Mr. Jerry Osland, Mr. Christopher Porterfield, and Mr. Ellingsworth Webb. All Members were Present.

Others present included Brian Gregory, Liam Sullivan and Dr. Suzanne Willis.

APPROVAL OF THE AGENDA

Mr. Porterfield moved to approve the agenda as presented. Ms. Crawford seconded the motion and it was carried unanimously.

APPROVAL OF THE MINUTES

It was moved by Mr. Bagby, seconded by Ms. Crawford and it was carried unanimously to approve the minutes of the November 2, 2022, Finance Committee Meeting.

PUBLIC COMMENTS

There were no public comments.

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:

- R2023-04 A Resolution Abating the Entire Property Tax Levy for the 2022 (payable in 2023) Tax year for the 2017 Jail Expansion Bond Issue in the amount of \$1,618,606.
- R2023-05 A Resolution Abating the Entire Property Tax Levy for the 2022 (payable in 2023) Tax Year for the 2020 Nursing Home Expansion Bond Issue in the amount of \$676,763.
- R2023-06 A Resolution Abating the Entire Property Tax Levy for the 2022 (payable in 2023) Tax Year for the 2020A Refunding Bond Issue in the amount of \$1,197,000.

Mr. Gregory explained that when the County issues bonds, it uses the ability to levy a tax as collateral. In the instance that the County is unable to afford the annual debt service payment with other revenue sources, a property tax levy would be issued. Mr. Gregory stressed the importance of finding the balance between working within the County's means while still providing a high level of service and that the County is able to abate the levies for 2022.

R2023-07 relates to an Illinois law (35ILCS 200/18-233) under Property Tax Code that was signed by the governor in August, 2021. The 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

\$67,610 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. Porterfield, seconded by Mr. Frieders and was approved unanimously to forward all four Abatement Resolutions to the full County Board recommending their approval.

R2023-08 A RESOLUTION PROVIDING FOR DEFEASANCE OF COUNTY BONDS AND AUTHORIZING AN ESCROW DEPOSIT AGREEMENT

Mr. Gregory shared that the County will need to place into escrow, the full amount remaining on the debt service for the 2020 Nursing Home Expansion Bond Issue upon the time of sale until the call date for the bonds. An outside firm has calculated that the County will need to place all of the \$8,300,100 Sale Price, and up to \$5,500,000 of additional funds. Mr. Gregory elaborated that Staff initially anticipated the required amount to be lower but the Bonds were sold at a premium, meaning that the actual interest rate is close to four percent.

Mr. Gregory went on to explain that had the funds from the premium been used to pay down the debt service on the bonds, the interest rate would have been closer to the two and three-tenths percent rate that was on record. Instead, the funds from the bond premiums were used to cover operating expenditures, making it evident that the DCRNC was operating at a loss when the bonds were issued.

Mr. Frieders inquired as to whether or not it is legal to utilize funds from capital debt service to fund operating expenditures. Mr. Gregory explained that unrestricted funds from the Nursing Home were previously used to fund the project prior to the issuance of the bonds. The restricted debt service funds were used to repay the DCRNC, making the funds unrestricted again.

It was moved by Mr. Webb, seconded by Mr. Porterfield and was approved unanimously to forward all the Resolution to the full County Board recommending their approval.

R2023-09 A RESOLUTION AWARDDING A CONTRACT FOR AUDITING SERVICES

The County is required to have an audit conducted annually by an outside firm. The County has recently adopted an Audit Rotation policy, which lead to a Request For Proposals to be issued for Auditing Services, which is consistent with the County’s Procurement Policy. Two Proposals were received. The first proposal was from Sikich of Naperville, IL, who has provided auditing services for the County since the contract was last put out to bid in 1997. The second proposal received was from Baker Tilly Us, LLP of Oak Brook, IL. The cost proposals were as follows:

<u>Audit Firm</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Baker Tilly	\$137,500	144,390	151,630	159,220	167,180
Sikich	\$98,250	103,165	108,325	113,740	119,420

Mr. Gregory noted that Sikich’s proposal came in at around \$20,000 less than what the County paid them for auditing services for the previous fiscal year. Additionally, it was noted that this is a prime example of the advantage presented by bidding out contracts. Mr. Campbell and Mr. Frieders expressed that in spite of the higher price, it is in the best interest to award the contract to Baker Tilly because Sikich failed to alert County Staff to the financial issues at the nursing home. The other Committee members expressed agreement the sentiment that switching companies would be beneficial

It was moved by Mr. Frieders, seconded by Ms. Crawford and was approved unanimously to forward all the Resolution to the full County Board recommending that Baker Tilly be awarded the contract for auditing services.

R2023-10 A RESOLUTION AWARDING A CONTRACT TO GRANICUS FOR FOIA ADMINISTRATION SOFTWARE.

Mr. Sullivan provided an overview of the Granicus Freedom of Information Act Platform Software, which would allow the County to streamline FOIA responses, which would save a considerable amount of staff time, as well as increase organizational transparency.

It was moved by Mr. Webb, seconded by Mr. Frieders and was approved unanimously to forward all the Resolution to the full County Board recommending their approval.

R2023-11 A RESOLUTION EXTENDING THE RETENTION BONUS PROGRAMS FOR EMPLOYEEES AT THE DEKALB COUNTY REHAB & NURSING CENTER

Mr. Gregory explained that there are two components to this Resolution, the first is an extension of the two dollar per hour worked “Stay Bonus” for staff at the DCRNC. The second component is the increased Night Shift differential that is paid to RNs as an incentive for RNs to work the Night Shift at the DCRNC. The Board had previously approved these two bonus programs with an end date of December 31, 2022 or date of sale, whichever came first, under the assumption that the sale of the DCRNC would have been finalized by that time. Staff recommended that the bonus programs be extended to help retain and show appreciation to the staff at the DCRNC.

It was moved by Ms. Crawford, seconded by Mr. Webb and was approved unanimously to forward all the Resolution to the full County Board recommending their approval.

R2023-12 A RESOLUTION AMENDING THE FY2022 BUDGET

Mr. Gregory explained that the FY2022 Budget was previously amended by R2022-218 to reflect the sale of the DCRNC with the assumption that the sale would occur prior to December 31, 2022. R2023-12 amends the FY2022 Budget to reflect the sale of the DCRNC not taking place.

It was moved by Mr. Webb, seconded by Mr. Porterfield and was approved unanimously to forward all the Resolution to the full County Board recommending their approval.

R2023-13 A RESOLUTION AMENDING THE FY2023 BUDGET

This Resolution amends the FY2023 Budget to reflect the planned sale of the DCRNC occurring during the first quarter of FY2023.

It was moved by Mr. Webb, seconded by Mr. Porterfield and was approved unanimously to forward all the Resolution to the full County Board recommending their approval.

ADJOURNMENT

Mr. Porterfield moved to adjourn the meeting. Ms. Crawford seconded the motion and it was carried unanimously.

Respectfully submitted by Liam Sullivan