

## DEKALB COUNTY GOVERNMENT

### NARRATIVE FOR FY 2005 BUDGET

Adopted for December 1, 2004 on November 17, 2004

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1. The departmental requests are accepted as presented in the FY 2005 Budget Workbook and distributed to the County Board, with the highlights and exceptions as noted in the following paragraphs and on the attached schedules A through C. A balanced budget is presented with the spending plan set at \$53,200,000, up \$2,300,000 (4.5%) over FY 2004.
2. The Equalized Assessed Value (EAV) for the County is expected to increase by 7.6% overall, to \$1,575,000,000. This includes about \$50,000,000 (3.4%) in new construction. The average homeowner in the County will see an increase in assessed value of 4.2%. This would take the market value of a \$150,000 home to \$156,300. Using those changes in market value, the county property taxes for that property are expected to increase from \$428.67 in 2004 to \$437.29 in 2005. That is an increase of \$8.62 or 2.0%. If the assessment on that home did not increase, the county property taxes would actually be expected to decrease to \$419.67, a drop of \$9.00 or 2.1%. This budget does not anticipate the adoption of an assessment limitation as allowed under Public Act 93-0715.
3. The property tax increases called for in this budget fully comply with the "Tax Cap" (officially called the Property Tax Extension Limitation Law, or informally called, P-TELL) approved by the voters in April, 1999. It was first effective for DeKalb County with the 2000 Tax Year which was Fiscal Year 2001. The limiting factors for the law in FY2005 is a cost-of-living-adjustment (COLA) rate of 1.9%, plus new construction, currently estimated at 3.4%, for a total of 5.3%. No referendums were approved to increase the limiting factor for this year. This budget maximizes the tax levy within this limiting factor, which can be seen on Attachment A (Property Tax Levy Schedule) under Column I, "Adopted Legal Notice Publication".
4. The Health Department has proposed several fee increases as part of their annual review to match costs with fees and are recommended for approval. Their budget request includes increases for immunizations, restaurant permits, well permits, and septic permits, all of which will generate approximately \$23,000 in additional revenues.
5. State law has been amended to allow for higher fees to be charged. This budget incorporates two fee increases into the projected revenues: the GIS Fee from \$3 to \$14 generating \$275,000 for the General Fund; and the Law Library Fee from \$10 to \$13, generating \$10,000 for the Law Library Fund. These increases are consistent with the County's Financial Policy which encourages fees, where possible, to be set at a level which is equal to the cost of the service provided.

6. Likewise, the Sheriff has proposed a new fee to communities for which he provides communication services. The fee includes a fixed base fee as well as a variable fee based on dispatching traffic. This fee applies to incorporated communities with a population under 3,500 and who are serviced by the Sheriff's E-911 Communication Center. The fee will generate about \$70,000 per year. The Sheriff has requested and is authorized to reduce the pre-planning fee for house moves from \$400 to \$100.
7. This budget provides for a continuation of the pay plan in effect for non-union employees. Employees will receive a 1.9% Cost-of-Living-Adjustment (COLA) effective with the pay period beginning November 28, 2004. In addition, employees who have a hire date prior to December 1, 2004 are eligible for a mid-year merit increase of up to 2%, effective with the pay period beginning May 29, 2005. The salary ranges will increase 1.9%, reflective of the tax cap COLA adjustment. The Exempt employee pay plan calls for the above COLA plus, for those who qualify, a matching merit increase of 1.9% with the pay period beginning November 28, 2004. Both AFSCME contracts are up for renewal and yet to be settled as of this date.
8. With the start of the 2003 calendar year, the employee health insurance program was converted from a self-insured plan to a traditional indemnity program through Blue Cross Blue Shield of Illinois. While renewal rates from Blue Cross for 2005 will not be received until closer to the renewal date, this budget anticipates continuing with the same company under the same program structure. A 12% premium increase has been projected into the budget. Once again, an Open Enrollment is authorized for the new plan year. The Insurance Buyout Program for employees will be increased from \$1,200 to \$1,500.
9. As of January 1, 2005, term Life Insurance coverage for employees is raised to \$39,000, up from \$38,000, with no change anticipated in the rate paid per thousand dollars of coverage.
10. The Sheriff has requested the addition of ten correctional officers at a cost of around \$600,000. This request comes in conjunction with the request to move the Jail monitoring function from the Communication Center to the Jail floor. The changes are reflective of the referendum which failed which would have financed both the construction of a major jail addition and increased staffing levels. However, as the referendum did fail, the monies needed to meet the Sheriff's request, both for staff and capital, are not available. With limited new monies that are available for the next fiscal year, two correctional officers are approved as of December 5, 2004 at a cost of \$52,000 each. (Should turnover reduce salary costs before the position is filled, one correction officer may be upgraded to a sergeant.) While far below the need as viewed by the Sheriff, it is a beginning to improve staff size for security and employee safety, balanced

against the public's decision not to approve the Public Safety Sales Tax referendum.

11. The Planning Director has proposed a reorganization of his office. The proposal is to delete a Secretary B position, but to create an Assistant Planner position at the AA9 level. Office duties will be shuffled to better align with position skills and the change will provide appropriate staff positions for the type of issues now facing this department. Turnover within this office has provided the opportunity for a transition to this new structure without the need for lay-offs. At a cost of \$30,000 per year, this reorganization proposal is accepted as of December 5, 2004.
12. The Treasurer's Office has requested the upgrade of the Office Assistant A to that of Administrative Clerk B at a total cost of \$2,000. Agreeing with the justification that this position's responsibilities have expanded in areas consistent with areas that the County has considered a priority, and noting that part of this funding will come from increasing the fee charged to the E-911 Board for accounting services, the upgrade is approved effective with the first pay period after the start of the fiscal year.
13. The State's Attorney has requested the addition of two full-time attorneys for his office, noting the difficulty with the increased caseload that each current attorney has to handle without adequate staff. While the State's Attorney makes a solid argument for a larger staff, funding only allows the approval of one Level One Attorney (effective January 2, 2005 at a total cost of \$58,000) and the request for a Felony Attorney (at a total cost of \$71,000) is denied.
14. Likewise, the Public Defender has requested the addition of two full-time attorneys for his office, noting the difficulty with the increased caseload that each current attorney has to handle without adequate staff. Again, funding only allows the approval of one Level One Attorney (effective January 2, 2005 at a total cost of \$58,000) and the request for a Level Two Attorney (at a total cost of \$71,000) is denied.
15. The Public Defender has requested to upgrade the position of the Administrative Secretary to that of Operations Manager at a total cost of \$7,700. The request is denied.
16. The Circuit Clerk's office will add the position of Compliance Officer at an AS8 level, effective December 5, 2004. The Compliance Officer will implement a program of collection of unpaid fines and fees. This program will relieve the Judiciary of time consuming weekly calls. It will pursue debtors and recover funds due and owing the courts and the county from those who are able, but unwilling to pay. Based on the results of such programs in other counties a net gain of \$20,000 annually is projected.

17. There are several miscellaneous salaries that the County sets for various appointed Boards and employees: the part-time ESDA employee remains the same at \$2,600; the allocation for part-time Coroners increases from an aggregate of \$30,000 to \$32,000; Conflict Attorneys from \$17,000 to \$18,000 per individual; ESDA Director from \$30,000 to \$31,500; the County Historian remains at \$6,500; the Board of Review is increased from \$7,500 to \$7,800; the per diem for the Merit Commission remains at \$60; Jury Commissioners remain at \$2,500 per individual; and the Farmland Assessment Review Board per diem changes from \$45 to \$50.
18. Funding is continued in FY 2005 for several entities: Economic Development Corporation remains the same at \$35,000; Court Appointed Special Advocates (CASA) remains the same at \$25,000; Ag Extension is increased from \$22,000 to \$23,000 (which is below their \$26,000 request); Soil & Water Conservation District is increased from \$15,000 to \$16,000 (which is below their \$18,000 request); the Joiner History Room is increased from \$7,000 to \$8,000; the Health Department will receive \$23,000 (up from \$20,000) for the Animal Control Program; Community Services will receive \$6,000 (up from \$5,000, but below the request of \$7,000) as their administrative fee for managing the Senior Services grants; and the remaining 2004 appropriation (estimated at \$30,000) is “rolled over” for Veteran’s Assistance.
19. This budget continues with the County’s policy to self-insure the risk normally covered under General Liability Insurance and Worker’s Compensation Insurance. Provisions are made within the Tort & Liability Insurance Fund to cover claims against the County. The County will continue to buy Property insurance to cover risks associated with damage to County property.
20. As the Illinois Municipal Retirement Fund (IMRF) experienced investment losses and returns below the standard target, rates for 2005 will be significantly higher than in prior years. Unfortunately, this trend will continue for a few years as a five year “averaging” is used in setting rates. As the County anticipated this sharp increase in rates, a reserve fund had been set-up to be used in the future years to keep the rate at a more moderate increase. Consequently, departments will be charged a 6.5% rate, even though the anticipated rate will be 8.43%. The difference will be paid by the “rate stabilization fund” that is set up in the Retirement Fund.
21. As in past years, to help offset the transition of pension costs from a centralized Retirement Fund directly to departments, the Highway Department will receive \$160,000 towards their annual building debt payment of \$260,000 from the Debt Service Fund. This subsidy is expected to continue at this proportion until the loan is retired in 2008, making the subsidy for 2005 through 2008 a total of \$500,000. Should the Highway Department choose to retire their debt early and save interest costs, this entire subsidy

would be available at that time.

22. Likewise, the Health Department will receive \$265,000 (up from \$225,000 in FY 2004) to offset IMRF and FICA charges for their non-home health employees. This amount is based on the 6.5% department charge for IMRF and 7.65% for FICA. The money will come from the County's General Fund annual operating budget.
23. The Sheriff's Law Enforcement Personnel (SLEP) retirement program will also have another significant increase in the rate, from 14.54% in 2004 (12.94% in 2003) to a projected 16.52% in 2005. Based on the projected payroll for 2005, the SLEP pension cost will be \$841,000, up from \$718,000 (17%) in the FY 2004 budget.
24. Reductions are made to several departmental capital requests: Assessments (\$1,500), Public Defender (\$800), Sheriff's Office (\$8,300), Treasurer (\$1,400), Planning (\$500), Circuit Clerk (\$2,000) and Central Plant (\$56,000). Central Plant's reduction includes \$18,000 for a blue-print digitizing project (but the expense is simply moved to the Special Projects Fund) and \$38,000 for a dump truck, which is being delayed to a future year. The amount of \$5,000 is being added to the vehicle maintenance line-item to offset potential repair costs until a new vehicle is purchased. Another \$10,000 is removed from the Sheriff's Correction Department capital request, but the expenditure is transferred to the Public Building Commission's Renewal & Replacement budget. The joint purchase by the Health Department and Central Plant of \$16,000 for a tractor is approved, but only if each department is willing to use fund balance for said purchase and to also use fund balance for any type of storage unit for the equipment.
25. With the beginning of the FY 2005 year, it is time to renew the lease agreement between the DeKalb County Public Building Commission and DeKalb County Government (on behalf of the Health Department) for the on-going maintenance of the Health Facility. While the Health Department requested \$200,000 for maintenance for the fiscal year, the amount approved is set at \$157,000, reducing general maintenance by \$5,000 and shifting a tractor purchase (\$8,000) and storage facility (\$30,000), as noted in the item immediately above, to fund balance. The new lease should include provisions for specific workings of a Renewal & Replacement program to assure the timely attention to facility infrastructure needs. The amount for the Renewal & Replacement Program is increased from \$100,000 per year to \$125,000 and the five year program is included in the Budget Workbook. Approval is given for the formal document to be written and negotiated by the Health Department with the Public Building Commission, but then signed by the County Board Chairman.

26. As the utilization of services at the Sycamore Campus has expanded over the last several years, time has come to expand the parking lots. The first phase of parking is estimated to add around 125 parking places at an estimated cost of \$200,000. The County has acquired land to the east of the existing campus buildings and that will be the location for additional parking. The Public Building Commission is authorized to manage this project and to use interest money earned from the retired 1995 bonds as dedicated funding for parking lot expansion.
27. This budget recognizes the on-going lease with the Public Building Commission for the maintenance of the Sycamore Campus, as well as with the Five Year Renewal & Replacement Program for that Sycamore Campus. The maintenance budget is approved at \$1,200,000 with a supporting tax levy, through the Public Building Commission Lease Fund, of \$1,112,000. The difference is made up from other revenues, fund balance, and non-cash expenses. Funding for the Sycamore Campus Renewal & Replacement Program is provided by the County at \$150,000 plus interest earned by the PBC, estimated at about \$75,000. Noteworthy projects include replacing the HVAC Condenser at the Administration Building, restoring the Statue in front of the Courthouse, and beginning a multi-year project of replacing the carpet in the Courthouse. Additional projects, with cost estimates, are outlined in the Budget Workbook.
28. Funding of \$100,000 is allocated to the Five Year Special Projects Program from the General Fund, but this is a substantially reduced amount from most prior years. The reduction is attributable to a lower fund balance in the General Fund, which resulted with the recent write-off of the loan to the Medical Insurance Fund. Noteworthy projects include the second phase of three of upgrading the radio communication system for the Sheriff, year two of five of a digitizing system for recording police traffic stops, and completing the park improvements which were possible with a state grant. Also included is a small appropriation to share in architectural costs with the Health Department as they begin to look at the possibility of a new building for their Home Health Program. The sharing arrangement is to look at possibilities for other county offices to be a part of a new building. The imaging program requested by the Assessments Office is approved, but the County is delaying acquisition of election voting machines until a later date. The total appropriation for this fund is \$335,000 and the various projects, with cost estimates, are outlined in the five year plan which is included in the Budget Workbook.

29. Even though the Public Safety Sales Tax referendum failed in the Spring of 2004 for expansion of the current jail, that building still is in need of much repair and updating. We estimate the need will approach \$1,000,000. This budget begins a four year commitment to allocate \$250,000 each year to bring the facility up to a satisfactory operational level. The Sheriff and the Facility Manager are encouraged to put together a priority list of projects and to begin the projects in conjunction with the Public Building Commission. The first year of funding, \$250,000, will be provided as a loan from the County's Opportunity Fund to the PBC.
30. The Court Services Director, in her budget documentation, appropriately notes that the Intergovernmental Agreement (IGA) with Kane County will soon expire. That IGA provided up-front funds to Kane for Juvenile Detention of up to seven beds per year until our original contribution of \$1,000,000 is used up. Current projections show that the monies will be used up in FY 2006. The next 18 months will be an important time to try and work out new long-term arrangements for Juvenile Detention with the potential result of not doing so to be substantially increased costs of detaining juveniles, if space can even be found.
31. The FY 2004 budget extended the deadline for repayment of the loan by the County to the Forest Preserve District. The amount of the loan was \$323,750 and it was used for the acquisition of Potawatomi Woods in northern DeKalb County. The Forest Preserve has not yet been able to identify a funding mechanism for this interest-free debt, but the loan does mature in just two years, November 30, 2006.
32. During 2004, the County did contribute \$2,300,000 to the City of DeKalb to retire their obligation to the Illinois Tollway system for the west access ramps at Peace Road and I-88. The County made that contribution by borrowing money from the Rehab & Nursing Center. This internal loan will be repaid at 4% interest with the first annual payment due on July 1, 2005 in the amount of \$285,000. Monies to repay this loan come from sales tax monies from retail sales at the former County Farm and County Home sites. The money is shared revenue with the City of DeKalb from a sales tax increase of ½ cent by the City effective January 1, 2004. That agreement also precludes the City from seeking any share of any future Public Safety Sales Tax that the voters may approve for a Jail Expansion project.
33. This budget authorizes the Public Infrastructure & Development Committee Chairman to approve transition rules regarding pay for certain Highway Department employees resulting from an earlier County Board approved re-organization and also from the decertification of the Union representation of various employees. The specific plan will be forwarded to Payroll for implementation in FY 2005.