

**DEKALB COUNTY GOVERNMENT  
NARRATIVE FOR FY 2016 BUDGET**

**Adopted November 18, 2015**

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Budget Basis

1. The 2016 Budget represents revenues and expenditures from 71 cost centers across 45 different and independent funds. Revenues have been estimated realistically, but on the conservative side. The downturn in the economy has put a strain on local revenues and many fee categories continue to generate revenue at levels below their historic averages. Additionally, financial difficulties continue at the State level which make some revenue projections less stable, with recent discussion focusing on both income taxes and property taxes. Expenditures have been estimated realistically, but on the aggressive side to provide somewhat of a cushion for unexpected events. The vision is that expenses should reflect a “pay as you go” philosophy and not delay financial obligations for future generations. Much planning has been done to smooth out expenses in the long-term and minimize large “bumps” in expenditures in future years which are then difficult to deal with from a budget perspective with the Asset Replacement Fund being a prime example of this type of strategy.
  
2. The assessed value for the County is expected to increase by 2% from \$1,695,232,717 to \$1,729,000,000 for the 2015 levy year which funds the FY 2016 budget. This is the first year that the assessed value has increased since the 2009 levy year and follows five consecutive years of declining assessed value and may indicate that the local real estate market has finally turned the corner towards a recovery. However, new construction is still minimal throughout the County and is expected to only account for 0.8% of the County’s assessed value at approximately \$13.8 million. The value of the average home is expected to increase about 2% in 2015 following declines of 2% in 2014, 7% in 2013, 8% in 2012, 5% in 2011, and 4% in 2010. Looking back three years, the value of a \$200,000 home in 2012 will be increasing to almost \$186,000 in 2015 from its low point of just over \$182,000 in 2014.
  
3. During 2012, the County’s outside independent auditing firm, Sikich LLP of Naperville, Illinois, conducted a special review of what would be an appropriate General Fund balance at the end of each fiscal year. Their conclusion was 35% of annual expenditures would be appropriate at that time; however, the target should be re-evaluated and refined periodically to address changes in the operating or financing environment of the County.

Since that time, all seven factors of the target fund balance calculation have fluctuated based on operating results and economic factors, the most significant of which was the leverage category which provides a credit to the fund balance target based on the amount of fund balance available to the General Fund from other funds such as the Asset Replacement Fund, Medical Insurance Fund, Retirement Fund, Special Projects Fund, Tort & Liability Fund, etc.

Since the combined fund balances in those other funds had increased, and since the Section 5311 and Downstate Operating Assistance Program transportation grants had been transferred to and were being accounted for in a separate Transportation Grant Fund, the fund balance requirement in the General Fund was reviewed as of December 31, 2013 and the target was decreased from 35% of annual expenditures to 28%.

Furthermore, when the 2012 fund balance study was conducted, a subsequent year's operating budget deficit was not segregated out into the assigned fund balance category but was rather included in the unassigned fund balance category. Since then, a subsequent year's operating budget deficit has been segregated out into the assigned fund balance category. Since both the assigned fund balance and unassigned fund balance categories are subsets of the unrestricted fund balance category, this budget will clarify the fund balance target as follows:

- The target unrestricted fund balance in the General Fund shall be established as 28% of total expenditures as identified in the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds from the most recently completed audited financial statements.

At the end of 2014, the unrestricted fund balance was \$8,611,857 or 33% of total expenditures. It is projected to be \$7,915,957 at the end of 2015 per the approved FY 2015 budget and budget amendment. That analysis is important background information in understanding the financial implications of the 2016 General Fund Budget being based on utilizing \$400,000 of fund balance. That level of utilization would still leave the fund balance at \$7.5 million, however, based on budgeted expenditures that would equate to only 27% of expenditures.

At this point, the goal for the FY 2017 budget is to eliminate any budget deficit in the General Fund. For FY 2018 and future years, the multi-year process to replenish the fund balance that has been diminished due to the recession and its long lasting impacts will begin.

4. The cost-of-living adjustment (COLA) under the Property Tax Cap Law is set at 0.8% for the 2015 levy year for 2016 collections in accordance with the budget parameters established for FY 2016. This amount is based on the consumer price index for all urban consumers as published by the U.S. Department of Labor. This increase is incorporated into the property tax levies found on Attachment A. An additional 0.8% is included to account for the increase from new construction.

5. Property tax levies for various funds that are at their property tax rate limitations will increase for the first time in six years because of the increase in assessed value. This group includes Senior Services with an increase of \$10,000, Public Health with an increase of \$10,000, Veteran's Assistance with an increase of \$15,000, and collectively, the three Highway Funds with a total increase of \$100,000.

Due to the sufficient fund balance accumulated in the Tort & Liability Fund, the Tort & Liability levy is decreased by \$80,000 from last year's extension in order to levy only the long-term average amount needed to pay claims and expenses in that fund, and re-allocating the reduced portion of the levy to the General Fund.

Three levies will remain the same from last year as they are sufficient to fund operations tied to the levies. Those are the Retirement-FICA levy, the Retirement-IMRF levy, and the PBC Lease levy.

The Mental Health Fund levy was originally decreased by \$75,000 but that levy is restored to the original budget request of \$2,375,000 plus an additional \$50,000 to capture allowable revenue under the Tax Cap (PTELL) law as part of a joint effort to fund the "Specialized Care & Treatment" line item in the Court Services budget as outlined in Items #37 and #40 below. The General Fund captures the remaining increase from both the allowable cost-of-living adjustment and new construction dollars.

6. For 2016, General Fund Departments were given the challenge of not increasing their Commodities & Services expenditures from their 2015 approved budget amounts in accordance with the budget parameters established for the FY 2016 budget. With that as a base parameter, the departments then submitted their overall requests for 2016. Those requests are accepted as presented in the FY 2016 Budget Workbook that is distributed to the County Board (and available to the public) via the County's website, with the highlights and exceptions as noted in the following paragraphs and attached schedules A through D. Departments also submitted detailed justifications for any line items in the Commodities & Services section that were \$10,000 or more. Those detailed justifications are included in the Workbook, as well as an inventory of all contracts that are awarded or administered by each Department.

Salaries & Benefits

7. Three labor contracts are already in place and this budget implements the salary increases in those contracts. The contract with the Operating Engineers union (Highway Department) includes a 2% increase effective January 1, 2016. The contract with the MAP Union for Sheriff's Officers includes a 2% increase to the pay scales effective January 1, 2016. The contract with the MAP Union for Court Services Officers includes a 1% increase to the pay scales effective January 1, 2016. The three separate contracts with AFSCME groups (Nursing Home, Public Health, and the Sycamore & Highway campuses) will all expire on December 31, 2015 and negotiations are not expected to be complete until sometime in 2016.
8. Non-union increases are being set at 1% for 2016, effective with the pay period beginning December 27, 2015. The Exempt Department Heads will also receive a 1% increase in pay as of the same date.
9. There are several miscellaneous salaries that the County sets for various appointed Boards and employees. Those salaries and any associated increases are: Conflict Assistant Public Defenders from \$24,750 to \$25,000 per individual; the allocation for part-time Deputy Coroners increases from an aggregate of \$44,000 to \$44,500; ESDA Director from \$44,600 to \$45,000; the County Historian from \$7,100 to \$7,200; the Board of Review is increased from \$10,300 to \$10,400 for the Assessment Year starting May 1, 2016; the Board of Review Alternates remain at their same per diem of \$70; 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 remains at \$50.
10. This budget implements salary changes previously granted by the County Board for Elected Officials. As required by law, these salaries must be set prior to the election. The County has established salaries for the County Board, Circuit Clerk, and Coroner in November of 2015 so that all candidates for those positions would be aware of the salary for the upcoming term.
11. The 2012 Adopted Budget mandated the County to take all appropriate actions to allow for the offering of an optional employee Health Savings Account compatible High-Deductible Health Insurance Plan to start as of January 1, 2013. For 2016, the High Deductible Plan has a single/family \$2,600/\$5,200 deductible provision, and the traditional PPO Plan has a \$750/\$1,500 deductible provision.

Offering a High-Deductible Plan allows for the provision of the employer contributing some portion of the premium savings from a PPO plan into a Health Savings Account for the employee. The County's contribution to the Health Savings Account was set at 100% of premium savings for 2013, 95% for 2014, and 90% for 2015. For 2016 and 2017, the percentages are established at 85% and 80% respectively, to be revisited again in 2018 in conjunction with an overall strategy on managing the "Cadillac Tax" implications of high cost health plans.

The County completed an RFP process for its health insurance coverage in 2013 and approved transitioning to self-funded medical and dental plans effective January 1, 2014. The blended funding level for both the self-funded medical plan and the self-funded dental plan is budgeted at 6% for 2016 which includes a \$770,000 budgeted addition to plan reserves. If claims come in as expected for 2015 and 2016, reserve levels should increase to approximately \$2.8 million with the current target being 50% of maximum annual claims or \$3.2 million.

In 2015, the County approved moving from a two-tier premium system for health insurance to a four-tier premium system by adding premium tiers for "Employee & Spouse" and "Employee & Children" coverage categories in addition to the existing "Employee Only" and "Family" tiers. However, due to the cost impact of the higher premium on the full "Family" tier, the four-tier premium system was to be phased in over a period of five years resulting in approximately an additional \$16 to \$20 per month being added to the employee cost for the full "Family" tier for each of the next five years in addition to the required rate increase for that particular year. 2016 marks the second year of the five-year phase in to the four-tier premium system.

Since the phase in plan was designed to be cost neutral, all collective bargaining units were given the option of remaining on the two-tier premium system or adopting the four-tier premium system. The two MAP unions have elected to remain on the two-tier premium system but all other County employees on the health insurance plans are on the four-tier premium system.

Additionally, for the 2016 Plan Year, a "Basic" Health Insurance Plan will be introduced that provides minimum essential coverage at an affordable cost which will meet one of the Affordable Care Act's safe harbor thresholds and essentially eliminate any penalties being assessed against the County in the event an employee receives a subsidy from the insurance exchange. The "Basic" Plan will offer a lower monthly premium in exchange for higher out-of-pocket costs in the event benefits are utilized.

Employees will continue to pay 25% of the total health insurance premium costs for all plans and the County will be responsible for the remaining 75% of the cost.

12. Employees in positions that are eligible for Health Insurance may elect to participate in the County's Insurance Buyout Program. The payment to those employees electing this option for 2016 will be \$3,000, the same amount as in 2014 and 2015.
13. In 2008 pension funds experienced large investment losses across the nation and the County's pension funds managed by the Illinois Municipal Retirement Fund (IMRF) were no exception. Because of that, large increases were necessary beginning in 2010 to make up for the lost funds. That higher level of funding continues into 2016, though it appears that the County has reached a plateau regarding rates, as the regular IMRF rate decreases from 11.08% to 10.96% of covered salaries. The Sheriff's Law Enforcement Personnel (SLEP) rate also remains at a higher level of funding, but it will decrease as well from 20.94% to 20.75% of covered salaries. Additionally, recent legislation has resulted in IMRF sending out prepayment invoices to employers when certain criteria are met that increases a retiring employee's final rate of earnings. This occurs, for example, when an employee's final paycheck includes payment for accumulated leave time. Since the County has no funding mechanism established for these types of accelerated payment requests, a 0.12% surcharge will be charged to departments beginning in 2016 to accumulate funds for these accelerated payment requests. This surcharge is estimated to generate approximately \$30,000 in 2016.
14. As of January 1, 2016, term Life Insurance coverage for employees in positions eligible for Health Insurance is raised from \$49,000 to \$50,000, with no change in the rate per thousand of coverage.

#### Staffing Levels

15. In 2014, the County was contacted by IMRF regarding the payroll status of Regional Office of Education (ROE) employees. For a number of years, Sycamore Community Unit School District #427 has been reporting these employees to IMRF and being reimbursed by the ROE. IMRF has indicated that ROE employees are considered County employees and should be reported to IMRF by the County. This budget authorizes returning the affected ROE employees to the County's authorized personnel count provided that full reimbursement of all costs for those employees is received from ROE. This will result in offsetting increases in both budgeted revenues and budgeted expenditures with no net change to the fund balance, as well as an increase in the number of employees listed for ROE in the Organizational Table included in each fiscal year's budget. Currently, this involves nine ROE employees but that number could fluctuate in the future.

16. The Sheriff has requested that the two “Electronic Home Monitoring” deputy positions be shifted from the Patrol Division to the Corrections Division at a savings of \$2,000 per position. This change would better reflect areas of responsibility within the office. One position shift would happen for 2016 and the second position shift would happen when the position next becomes vacant. This request is approved.
17. The Sheriff has requested a change in the command structure in the Corrections Division. This change is precipitated by the Jail Expansion project and recognizes that the County is moving from being a small jail to a mid-sized jail. The request would create a “Chief of Corrections” position (at a pay \$5,000 above the current Lieutenant’s salary), maintain the Lieutenant position, and eliminate one of five Correction Sergeant positions, that being the Operations Sergeant. The net cost to the County is \$13,000 all of which would be covered by special funds controlled by the Sheriff and via overtime savings. This request is approved. In addition, ten percent of the Chief of Corrections salary and benefits will be charged to the Court Security budget so that the Court Security budget better reflects the true cost of operations.
18. The Public Defender has requested the addition of a mid-level attorney at a cost of \$94,000. Rationale for the request was workload given that additional courtrooms, Judges, and Specialty Courts have been added to the system. Given the Finance Committee’s desire to reduce the utilization of reserves, coupled with revenue streams that are not keeping pace with expenses, this request is denied. However, if it would be of help, though it is recognized that this would be a deviation from the current staffing structure, \$50,000 is offered to contract with an outside attorney, without benefits, to provide additional legal assistance.
19. The Planning Director has requested a salary increase for the Chief Building Inspector to take the recently hired employee from the top of the hiring range to the top of the salary range for the position. The increase in pay would recognize the professional job experience that the incumbent possessed when hired, and the cost of \$19,000 would come from an increase in fees charged by the Planning Office. However, the County’s pay system does not provide for rewarding experience beyond the initial 10% hiring range, therefore, this request is denied. Additionally, while the County’s financial policy would support charging fees that mirror costs, many factors need to be considered before the proposed fee policy is approved. This budget asks the Planning & Zoning Committee to further study the fee proposal against development policies to make sure both are in sync. This budget further requests that a fee proposal be presented to the County Board for action before the 2017 budget preparation begins in June of 2016.

20. An experimental job-sharing arrangement between Administration, IMO, and the County Clerk has proven successful with an Office Coordinator position. Responsibilities in three areas have been able to be consolidated into a centralized position to avoid duplication across offices and to increase overall efficiency. The net result has been an overall savings of almost \$9,000. Funding for the Assistant Network Technician position in the Information Management Office has also been eliminated for a savings of \$77,000. The intent of this budget item is to memorialize the consolidation and to have the Finance Office reflect the appropriate changes in the table of authorized positions and the related funding streams from the three offices.
21. This budget recognizes that the Jail Expansion project has necessitated a change in staffing patterns. The ramp up of new staffing began in 2015 and will continue through the time the Jail opens. While the transition staffing has been a part of the Jail Expansion project and approved there, this paragraph is to memorialize that 8 Corrections Officers will be added (2 in 2015, 4 in 2016, and 2 in 2017); 1 Maintenance II Worker will be added in FMO in 2017 (one other position request was denied), and no additional staff will be added in IMO (1 was requested). Monies for these positions will come from the Landfill Host Benefit Fee that is already in place.
22. The County Clerk has asked to increase the hours for an Office Assistant B position from 20 hours per week to 35 hours per week. This change would invoke full benefits and have a cost of \$35,000. In addition, the County Clerk has requested to upgrade the position of Office Assistant B to that of Office Assistant A in the Elections Division at a cost of \$3,000 because of increased job responsibilities within the election area. These positions are part of the General Fund and given the need to minimize the use of reserve funds within the General Fund, both requests are denied.
23. The Community Action Director has requested that the Coordinator position in her office be upgraded with a 5% salary increase (at a cost of \$2,500) with funding to come from the Federal Grant. The rationale for the increase is to assign the Coordinator the responsibility for preparing the annual Community Action Plan and maintaining the Community Services Block Grant. This request is approved as all funding is from a Federal Grant. Likewise, the Veteran's Assistance Commission is asking to increase the hours for one of their Administrative Clerk positions at a cost of \$11,000. As the Veteran's Office has an independent Board for oversight, and a dedicated tax levy for the office, this request is also approved.



24. The Highway Department has requested that the hourly rate for their summer help be increased from \$9.25 to \$10.00 to help with recruiting and retaining those employees. The total cost of just over \$3,000 for 6 employees is approved with funding to come from the County Motor Fuel Tax Fund.
25. Given that this budget has met the fund balance utilization target established by the Finance Committee and achieved the goal of reducing reliance on reserves to no more than \$400,000 for FY 2016, and since an outline has been presented indicating how the FY 2017 budget will be further reduced to eliminate any reliance on reserves for the subsequent fiscal year, the Temporary Hiring Policy adopted as Resolution R2015-48 on May 20, 2015 is rescinded immediately upon passage of the FY 2016 budget.

#### Operating Issues

26. The Asset Replacement Fund is used as a way to set aside monies out of an operating budget each year so that when equipment or software needs to be replaced, enough monies are available to do so. This concept originally started for a systematic process of replacing squad cars for the Sheriff's Office. This process has become more important with the advent of the Tax Cap law as the "smoothing" of expenditures from one year to the next is the goal. The limits of a tax cap prevent spikes in expenditures from one year to the next. For FY 2016, the Asset Replacement Fund continues with about \$744,000 placed into this fund to cover such items as police cars, computer network equipment, software, and police communication equipment, with purchases of \$1,425,000 for 2016.
27. The Health Department has proposed various fee increases (Attachment D) as part of their annual review to match costs with fees charged. Their request includes increases for six fee categories including Food Sanitation, Potable Water, Sewage, Real Estate Inspections, Clinic Services, and Vital Records. These increases are approved and are expected to generate about \$30,000 in additional revenues.
28. The Supervisor of Assessments budget is being reduced by \$40,000 to reflect costs incurred in 2015 that were directly related to the "quadrennial" year, where every fourth year all properties are re-assessed which necessitates additional newspaper publishing costs as well as mailing costs. This decrease in cycle costs for Assessments is replaced by Election cycle costs as 2016 will have two elections rather than the one election in 2015. Additionally, 2016 is a Presidential Election Year so election costs are higher than a normal election because of the increased interest. While the Elections budget initially requested to increase Commodities & Services by \$170,000, more fine-tuning of costs and the County Clerk's recommendation to reduce the number of precincts from 90 to 64, lowers the increase from 2015 to 2016 by \$70,000 from the original projection.

29. How costs for the Sheriff's E-911 Communication Center are allocated to the various users of the system has been the focus of much discussion in 2014 and 2015. The allocation formula beginning for the Service Year of July 1, 2014 through June 30, 2015 was changed to a system based on share of call volume. The plan was further amended to a two tier system. The first tier allocates costs based on call volume for those entities who were authorized to be in a PSAP (Public Safety Answering Point) at the start-up of the county-wide E-911 system. A second tier then allocates cost shares from the Sheriff's share of Tier One. The Tier Two allocation to small communities is done by the communities themselves working from an overall allocation amount that must be met. For the Service Year beginning July 1, 2016 through June 30, 2017 the amount to allocate is \$188,000, up from \$182,000 for the Service Year beginning July 1, 2015.
30. The Court Security Fund fee revenues (originally projected at \$300,000 for 2016) do not support the operating expenditures (\$543,000) and therefore the \$200,000 contribution required from the General Fund in 2015 would have grown to \$243,000 in 2016. The County's 2015 Legislative initiative to get approval to increase the Court Security Fee, subject to a cost study, was successful. Consequently, a formal fee study was done in late 2015 and the County Board will be asked to give immediate consideration to increasing the fee from \$25 per case filed to \$50 although the fee study indicated the fee could be set as high as \$77 if the cost of Bailiffs were also included. This budget anticipates the approval of a fee increase and the General Fund subsidy will be reduced to zero.
31. The Law Library Fund is projected to have a deficit balance at the end of the 2015 fiscal year of \$64,000. Based on initial budget requests for 2016, the deficit would grow to \$108,000 by the end of 2016. The County's General Fund cannot support this fund to that degree at this time. This budget seeks an increase in the Law Library fee from the \$10 currently being collected to \$21 which is the maximum allowed by State Statute. The revised fee will generate \$65,000 in total dollars against a recommended expense budget of \$80,000, leaving \$15,000 still to be funded by the General Fund. That General Fund subsidy is approved as part of this budget.
32. The Neutral Exchange program approved in 2014 has not met expectations with only minimal use during 2015. Consequently, that program, and the fee which generated about \$25,000 per year, will be discontinued for the 2016 fiscal year.
33. State law changed the compensation for jurors in late 2014 with an effective date in mid-2015. This change, which increases the per diem pay, but removes the payment for mileage, has a net cost to the County of \$10,000. Despite legislative promises that changes would be made so the net cost would be zero, those promises have not materialized; the budget is increased to reflect this new cost.

34. Membership in “Metro Counties”, an organization which provides legislative lobbying among other services on behalf of the largest counties in Illinois, is continued for the second of a two year trial period at \$5,000 from the Opportunity Fund. In 2015 Metro Counties had a large dues increase of 40% which gave the County pause for continuing membership. However, given the need for a presence in Springfield with the State’s fiscal crisis, the Board decided to continue membership on a “see as we go” basis. The County did have a major legislative success with our Court Security fee study initiative and for that reason this funding is continued for a second year.
35. The Landfill Host Benefit Fee is now fully effective and the maximum allowed per year tons is anticipated for 2016. At the maximum volumes, the County expects to receive \$2,350,000 in 2016. The allocation of that money will be as follows: \$200,000 will go for the County’s Solid Waste Program for education and special recycling collections and projects; \$100,000 will go to the Forest Preserve District for land and water conservation efforts as well as environmental education; \$370,000 will be used for staff transition costs to prepare for the new Jail space; and the remainder will be transferred to the Jail Expansion Fund to fund internal loan interest payments and construction costs. Once bonds are issued for the Jail Expansion project, the Solid Waste Program and Forest Preserve District will continue to receive their annual allocations, \$1,450,000 will be set aside for annual bond payments; \$500,000 will be used for staff transition costs, and \$100,000 will be used for paying back any needed internal borrowing and other contingencies.
36. The Sheriff requested increasing the budget for housing inmates in other counties from \$850,000 in 2015 to \$900,000 for 2016. When looking at 7 months of actual data in 2015, analyzed in three different models, and factoring in the (still somewhat new) pre-trial release program, the recommendation is to fund this cost at \$800,000 for 2016. We are hopeful that with the Courts moving to an afternoon bond call in late 2015 that the costs will be further reduced, but absent historical data, the recommendation does not utilize any additional savings from that change.
37. Court Services has requested a substantial increase for the Specialized Care & Treatment line item, going from \$100,000 to \$193,000. This is reflective of the placement of two juveniles in very expensive residential placements. Because these placements are court-ordered, the County must provide the funding. For 2016, the Mental Health Board will fund all costs between \$100,000 and \$193,000 (up to \$200,000 if necessary) as outlined in Items #5 and #40. That said, we encourage the County’s Law & Justice Committee and the Courts to work jointly to find alternatives to residential placements which may be more cost effective in helping a wider array of juveniles.

38. This budget continues with the County's policy to self-insure the risk normally covered under General Liability Insurance, Worker's Compensation Insurance, and Unemployment Insurance. Provisions are made within the Tort & Liability Insurance Fund to cover claims against the County. The County will continue to purchase Property insurance on a fully insured basis to cover any property related risks. The Tort & Liability Insurance tax levy is being reduced for 2016 to an amount that is anticipated to cover normal claims without impacting the current level of reserves for large claims.

#### Boards & Agency Funding

39. The Health Department will receive \$385,000 (down from \$405,000 in FY 2015) to offset IMRF and FICA charges for their employees. This amount is based on the 11.08% department charge for IMRF and 7.65% for FICA. The Health Department is allocated \$173,000 (down from \$180,000 in FY 2015) for building maintenance costs. The retirement amount is transferred to the Health Department from the County's General Fund, but the maintenance costs are paid directly by the General Fund. The Animal Control program has no subsidy in 2016 and also did not need one in 2015.
40. The Mental Health Board has not requested an increase in their property tax levy, leaving the levy at \$2,375,000. However, given the large fund balance that is in the Mental Health Fund (\$3,077,000 at the end of 2014), this levy was originally reduced by \$75,000. As part of a joint effort to fund the "Specialized Care & Treatment" line item in the Court Services budget as outlined in Item #37 above where the Mental Health Board will fund all costs between \$100,000 and \$200,000 (costs under \$100,000 and over \$200,000 will be paid by the County), that levy is restored to the original request of \$2,375,000 plus an additional \$50,000 to capture allowable revenue under the Tax Cap (PTELL) law (see Item #5 above). Any tax dollars collected above the \$100,000 threshold and not needed for this stated purpose, will be for the exclusive use of the Mental Health Board.
41. Funding is provided in FY 2016 for several entities: (a) Economic Development Corporation is approved at the requested \$45,000 (same as 2015); (b) Court Appointed Special Advocates (CASA) is approved at the requested \$40,000 (same as 2015); (c) Ag Extension is approved at \$32,000 (same as 2015); (d) Soil & Water Conservation District is approved at \$27,000 (up from \$25,000 in 2015, though less than the 2016 request of \$30,000); (e) the Joiner History Room is approved at \$10,000 (same as in 2015); (f) the Convention & Visitors Bureau is approved at \$15,000 (same as 2015); (g) the Local Emergency Planning Commission is approved for \$1,600 (same as 2015); and (h) Community Action is granted \$7,000 (same as 2015) for their administrative fee for managing the Senior Services grants.

Debt Service - Bonds

42. In 2005, the debt on the Health Facility Building was refinanced and is now scheduled to be paid off by the end of the 2016 fiscal year. The annual \$1,000,000 debt service payment is prorated between the Rehab & Nursing Center which pays 75% (\$750,000) of the total, and a special property tax levy which pays 25% (\$250,000) of the total and represents that part of the facility used by Public Health and the Multi-Purpose Room.
43. The County sold \$16,000,000 in bonds in late September, 2010. This money was used to finance the Courthouse Expansion project, planning stages for the Jail Expansion project, and issuance and interest costs associated with the bond issue. These bonds will be repaid from sales tax money generated from a special “tax sharing agreement” with the City of DeKalb from sales at the former County Farm property (east side of Sycamore Road). The sales tax allocation of 0.75% is expected to generate about \$980,000 in 2016. In addition to sales tax revenue, the Federal Government is scheduled to pay 35% of the interest cost for bonds sold under the “Build America Bonds” Program, and 45% of the interest costs for bonds sold under the “Recovery Zone Bonds” Program. Both interest rebate programs were part of the Federal Economic Stimulus Package approved in 2009. However, because of Federal budget shortfalls, rebates were reduced by 8.7% in 2013, 7.2% in 2014, 7.3% in 2015, and 2016 is expected to be a reduction of 6.8% (just over \$16,000). While the shortfall is of some concern, the requirements at the time of the bond sale were that the projected annual sales tax revenue had to be 25% more than the bond payment for that year. This gives some cushion to offset the rebate cutback, as well as if sales tax revenues should decline. The bonds will be fully retired on December 15, 2029, subject to a call provision in December, 2020.
44. The County does not plan to sell bonds until 2017 and 2018 to pay for the Jail Expansion project which will break ground in May, 2016. Construction activity in 2016 is expected to be funded with cash and internal borrowing. In total, bonds, cash, and internal borrowing are expected to generate between \$33,000,000 and \$35,000,000 to cover construction costs. Bonds, when issued, are expected to be issued for 30 years and all debt will be retired using revenues from the Landfill Host Benefit Fee Agreement. Monies will be set aside at the rate of between \$1,400,000 and \$1,500,000 in the initial years and continue to escalate during the life of the bonds as the revenue stream is tied to a cost-of-living formula.

Capital & Special Projects

45. Last year money was appropriated from the County Farm Fund for the Facility Management Director to hire experts in the area of alternate energy sources, specifically for wind energy and solar energy. The idea was to determine the feasibility to use an alternate source of energy for the electric needs at the Community Outreach Building. Unfortunately, the cost of either system exceeded a reasonable payback period so no further appropriation is being sought for installing a system until technology is able to reduce the cost of building a system.
46. As mentioned above, the Jail Expansion project is expected to begin construction in May, 2016. A combination of cash, internal loans and the sale of alternate revenue bonds are expected to finance the project. The completed building is expected to open in July, 2018, with the primary construction phase lasting 20 months. The 2016 budget reflects a large increase in total county-wide expenses over 2015 because of this construction project. Expenses in 2016 are currently estimated at \$11,000,000 with total project costs estimated at \$33,000,000 to \$35,000,000 depending on what construction bid options are ultimately accepted.
47. While the Jail project is expected to include a half basement on the east end, a bid alternative will be issued to determine what the cost would be to complete the west half (about 12,000 square feet). This would be important space for the County to construct as it would provide for long-term storage of County equipment and records. Pre-bid estimates place the west half cost at \$1,200,000. The County Administrator is charged with working with County departments to determine if various internal funding sources could be pooled to build this space for future needs, much as was done with financing various spaces at the Community Outreach Building when that building was being constructed in 2008. In support of that effort, and to recognize that if this space is not constructed now it is unlikely to be possible in the future, a \$250,000 appropriation is being made from the "County Farm Fund" and another \$250,000 from the Opportunity Fund.
48. Another need that has become apparent with the Jail Expansion project moving forward is the loss of parking spaces where the Jail will be constructed. It is estimated that 60 permanent spaces will be lost and an additional 40 spaces will be lost during the construction period. Vacant land exists on the County campus to construct replacement parking spaces and it will be important to build those lots as soon as possible in the Spring of 2016. An appropriation of \$100,000 is being made from the Opportunity Fund to be used along with \$250,000 that has been set aside from the 2010 Bond Issue for that purpose. Once final costs for the additional parking spaces are known, more or less may be needed from the Opportunity Fund to complete the parking lots.

49. Like the past five years, no additional funding allocation is made to the Special Projects Fund and only minimal capital projects are approved for 2016. Projects that are approved include the Sheriff's high-band repeater system for the Squad cars (\$16,000 in 2014, \$24,000 in 2015, and \$40,000 in 2016), security camera recorder system for parking lots and key office areas (\$20,000), continuation of the County's participation with connector bike paths being constructed by municipalities (\$15,000), and miscellaneous items that include network infrastructure, mobile web applications, and comprehensive land and hazard mitigation plan updates (\$35,000). The total budget for these items is \$110,000.
50. An additional item that is being requested for the Special Projects Fund is a salary study. It has been about 25 years since the County conducted a formal salary study (by Hay & Associates) and this budget calls for a \$100,000 appropriation over a two year period, with just \$20,000 for 2016. With the tight economic times making it difficult to keep experienced staff, let alone increase staff to meet growing service needs, the counter-measure would be to make sure current, trained staff is not only paid appropriately, but that the job responsibilities are reflective of the needs of the County. The hope is to do much of the background work in-house and then when wage surveys and job analyses are needed, professional expertise can be retained.
51. In recent years, the Opportunity Fund has received funding from a special "sales tax sharing agreement" with the City of DeKalb. The sales tax revenue is generated from the County's fifty percent share of the City's one-half cent home rule sales tax that was effective as of January 1, 2004 from retail sales on both the former County Farm and County Home sites. For 2016, the amount from this portion of the sales tax is estimated to be \$312,000. Beginning with the 2015 Fiscal Year Budget, \$300,000 of the annual revenue was directed to the County General Fund to pay for general operating expenses. Revenues over that threshold, as well as existing fund balance reserves, remain in the Opportunity Fund. This allocation of funds continues for 2016.
52. Planned uses for the Opportunity Fund in 2016 include the west half buildout of the Jail Expansion basement for long-term storage needs (see Jail Expansion basement Item #47 above), the Sycamore Campus parking lot for \$100,000 (see parking lot Item #48 above), \$5,000 for Metro Counties membership for legislative initiatives (see Metro Counties Item #34 above), \$4,000 for costs related to a county-wide Economic Summit, and \$51,000 for the first year of a targeted economic development program. The economic development initiative revolves around starting a three-year trial program for developing an entrepreneurial incubator program managed by County staff. Former Home Care offices at the Community Outreach Building will be "rented" and made available for start-up business initiatives. The County's Economic Development Committee will have broad oversight for plan design and program evaluation.

53. There are four Renewal & Replacement Funds in place for various sites and buildings. Several projects were requested and approved for 2016. The major items included are Jail Security cameras (\$40,000), reconfigure the Courthouse basement to move storage areas and allow for offices for Drug Court (\$40,000), miscellaneous concrete projects (\$45,000), landscaping improvements (\$20,000), carpet and tile replacement in the Legislative Center (\$15,000), table and chair replacements in the Multi-Purpose Room (\$10,000), painting (\$10,000), Jail fencing (\$10,000), security enhancements at Community Outreach Building (\$10,000), and contingencies (\$20,000). The total appropriation for the four funds, which will actually be part of the budget of the Public Building Commission and not of the County, is \$220,000 including contingencies. The request to upgrade the software on the HVAC controls at a cost of \$122,000 is delayed until the 2017 budget, though cost-saving opportunities should be looked at in conjunction with related items bid as part of the Jail Expansion project.
54. Each year the Highway Department presents five-year plans for both their Equipment Replacement needs and their Transportation Improvement Program. For 2016, the purchase of nine major equipment items costing just over \$700,000 has been requested and accepted as part of the Highway budget. Eight projects are included in the Transportation Improvement Plan at an estimated cost of \$8,400,000. The specific details of both plans are included in the Budget Workbook referenced above and available on the County's website. In addition, the Highway Department began to set aside an annual amount (\$100,000 in 2016) to build up a "Renewal & Replacement Fund" for capital needs for the Highway's buildings and grounds.

#### Alternatives & Appeal Process

55. There were several budget requests by Departments that were denied in order for the Finance Committee fund balance utilization goal to be met. That goal was to use no more than \$400,000 in fund balance reserves during fiscal year 2016. The second part of that goal was to position the County so that in 2017 no fund balance reserves would need to be used to balance the budget. If the Board wanted to fund any of the denied funding requests, two options exist: (a) re-prioritize recommended funding levels and drop a funded request replacing that with a denied request, and/or (b) utilize more than \$400,000 in fund balance reserves.
56. County Board Members, Department Heads, and Outside Agencies once again were offered an "appeal process" to object to the Budget as originally submitted by Administration. These appeals needed to be directed to the Finance Office by September 30, 2015. All appeals submitted by the deadline were heard by the appropriate County Board Standing Committee and, if successful at that level, were considered by the Finance Committee at their November 4, 2015 meeting. This budget incorporates all successful appeals and final budget reconciliation items that were approved by the Finance Committee at its November meeting.



DEKALB COUNTY GOVERNMENT

- FY 2016 BUDGET -

PROPERTY TAX LEVIES

	(A)			(D)	2016 Budget	(F)
		(B)	(C)		Based on	
		Actual	Actual	Actual	Budget	Budget
1.	Assessment Year	2012	2013	2014	2015	Legal Notice
2.	Collection Year	2013	2014	2015	2016	Publication
						2015
						2016
<b>FUNDS:</b>						
3.	General	10,974,120	11,754,877	12,425,039	12,708,000	12,800,000
4.	Retirement (FICA)	100,173	99,964	99,849	100,000	100,000
5.	Retirement (IMRF)	100,173	99,964	99,849	100,000	100,000
6.	Tort & Liability	1,050,137	888,802	680,127	600,000	600,000
7.	PBC Lease	175,023	174,895	174,948	175,000	175,000
8.	Highway	1,850,029	1,724,947	1,679,976	1,730,000	1,730,000
9.	Aid to Bridges	925,015	849,956	839,988	865,000	865,000
10.	Federal Hwy Match	800,078	849,956	839,988	865,000	865,000
11.	Health	425,082	399,858	389,904	400,000	400,000
12.	Mental Health	2,295,034	2,345,623	2,375,021	2,375,000	2,425,000
13.	Senior Services	450,032	429,899	419,909	430,000	430,000
14.	Veterans Assistance	555,046	514,842	504,840	520,000	520,000
15.	Nursing Home	0	0	0	0	0
16.	Tax Cap Totals	19,699,942	20,133,583	20,529,438	20,868,000	21,010,000
17.	PBC Bonds - Not Capped	580,927	606,174	631,304	650,000	650,000
18.	<b>** TOTAL TAX LEVY</b>	<b>20,280,869</b>	<b>20,739,757</b>	<b>21,160,742</b>	<b>21,518,000</b>	<b>21,660,000</b>
19.	Capped Dollar Change	585,350	433,641	395,855	338,562	480,562
20.	Capped Percent Change	3.1%	2.2%	2.0%	1.6%	2.3%
21.	Total Dollar Change	610,516	458,888	420,985	357,258	499,258
22.	Total Percent Change	3.1%	2.3%	2.0%	1.7%	2.4%
23.	Equalized Assessment ('000)	1,861,945	1,726,500	1,695,233	1,729,000	1,739,000
24.	Percent Change from prior year	-8.2%	-7.3%	-1.8%	2.0%	2.6%
25.	Property Tax Rate	1.08923	1.20126	1.24825	1.24453	1.24554
26.	Market Value of \$200,000 Home since 2012	200,000	185,460	182,103	185,727	186,801
27.	County Tax on this Home	660.80	670.54	682.81	695.81	700.83
28.	Average Assessed Value of Cropland Acre	327	360	395	410	410
29.	County Tax per Cropland Acre	3.56	4.32	4.94	5.11	5.11

FY 2016 ADOPTED BUDGET

ALL FUNDS

Fund #	Fund Name					FY2016				
		Property Taxes	Other Revenues	Transfers Received	Total Received	Salaries & Benefits	Capital	Commodities & Services	Transfers Paid Out	Total Expenses
1111	General Fund	12,908,000	15,703,300	756,800	29,368,100	22,998,500	181,000	5,201,600	987,000	29,368,100
1211	Retirement	0	32,000	0	32,000	0	0	32,000	0	32,000
1212	Tort & Liability	600,000	90,400	72,600	763,000	0	0	983,000	0	983,000
1213	PBC Lease	825,000	141,000	0	966,000	0	575,000	338,500	0	913,500
1214	Micrographics	0	155,000	0	155,000	79,000	10,000	85,500	24,800	199,300
1219	Circuit Clerk Electronic Citation	0	17,100	0	17,100	0	0	4,000	0	4,000
1221	Circuit Clerk Operations	0	57,100	0	57,100	0	0	15,000	0	15,000
1222	Law Library	0	65,200	15,000	80,200	0	0	79,800	0	79,800
1223	Court Automation	0	301,500	0	301,500	286,000	98,000	87,000	5,000	476,000
1224	Child Support	0	30,600	0	30,600	68,000	0	7,200	0	75,200
1225	Probation Services	0	266,000	0	266,000	0	51,000	228,100	50,500	329,600
1226	Document Storage	0	300,900	0	300,900	99,000	0	129,000	0	228,000
1227	Tax Sale Automation	0	30,300	0	30,300	2,200	600	6,500	3,000	12,300
1228	GIS - Development	0	8,000	0	8,000	0	0	15,000	15,000	30,000
1229	Court Security	0	570,400	0	570,400	509,000	6,000	11,400	17,000	543,400
1231	Highway	1,730,000	279,500	400,000	2,409,500	1,498,000	868,800	987,800	106,000	3,460,600
1232	Engineering	0	70,800	198,000	268,800	258,000	20,300	70,300	0	348,600
1233	Aid to Bridges	865,000	175,500	115,000	1,155,500	121,000	1,445,000	250,000	32,500	1,848,500
1234	County Motor Fuel	0	1,398,900	0	1,398,900	586,000	1,050,000	500,000	400,000	2,536,000
1235	Federal Highway Matching	865,000	2,500	0	867,500	0	1,339,500	0	280,500	1,620,000
1236	R & R Highway Facilities	0	100	100,000	100,100	0	0	0	0	0
1241	Public Health	400,000	2,545,400	403,000	3,348,400	2,965,300	27,500	447,000	56,000	3,495,800
1242	Community Mental Health	2,375,000	7,000	2,000	2,384,000	223,200	1,000	2,084,300	165,000	2,473,500
1243	Community Action	0	297,000	7,000	304,000	237,000	0	27,600	5,000	269,600
1244	Comm Action - Revolving Loans	0	5,000	0	5,000	0	0	0	0	0
1245	Senior Services	430,000	300	0	430,300	0	0	423,000	7,000	430,000
1246	Veterans' Assistance	520,000	300	0	520,300	300,700	3,500	208,200	8,000	520,400
1247	Solid Waste Program	0	27,300	203,400	230,700	88,000	0	74,400	18,000	180,400
1248	Landfill Host Benefit	0	2,351,000	0	2,351,000	0	0	101,700	3,173,400	3,275,100
1471	Special Projects	0	1,000	0	1,000	0	130,000	0	0	130,000
1472	County Farm Land Sale	0	1,000	0	1,000	0	0	35,000	250,000	285,000
1475	Opportunity Fund	0	22,000	0	22,000	0	100,000	101,000	250,000	451,000
1476	Asset Replacement	0	59,000	685,000	744,000	0	1,425,000	0	0	1,425,000
1478	DATA Fiber Optic Network	0	424,000	0	424,000	0	11,000	184,000	10,000	205,000
1483	Transportation Grant	0	882,400	0	882,400	27,000	0	855,500	200	882,700
1485	Jail Expansion	0	10,000	3,100,000	3,110,000	0	9,665,000	1,335,000	0	11,000,000
1501	Build America Bonds 2010	0	908,000	0	908,000	0	900,000	1,000	0	901,000
1505	Recovery Zone Bonds 2010	0	297,300	0	297,300	0	311,000	1,000	0	312,000
2501	Rehab & Nursing Center	0	14,965,700	0	14,965,700	8,912,800	274,000	5,340,900	198,900	14,726,600
2601	Medical Insurance	0	6,660,000	0	6,660,000	0	0	5,996,000	0	5,996,000
3774	History Room	0	2,000	10,000	12,000	8,000	2,000	3,000	0	13,000
3775	Children's Waiting Room	0	32,100	0	32,100	0	0	24,000	0	24,000
3776	Drug Court	0	131,000	59,000	190,000	147,000	500	60,000	0	207,500
3802	St Attorney - Drug Prosecution	0	4,100	0	4,100	0	0	4,600	0	4,600
3803	Sheriff's Law Enforce Projects	0	103,000	0	103,000	0	29,700	30,000	64,000	123,700
9999	Non-General - Fund Bal Utilized	0	13,358,000	0	13,358,000	0	0	0	0	0
** Total Budget **		21,518,000	62,790,000	6,126,800	90,434,800	39,413,700	18,525,400	26,368,900	6,126,800	90,434,800

FY 2016 ADOPTED BUDGET

GENERAL FUND DEPARTMENTAL BUDGETS

Dept #	Department Name	Property Taxes	Other Revenues	Transfers Received	Total Received	Salaries & Benefits	Capital	Commodities & Services	Transfers Paid Out	FY2016
										Total Expenses
1110	Administration	0	0	4,800	4,800	540,000	0	51,400	2,900	594,300
1210	Finance	0	0	10,000	10,000	535,000	0	48,900	18,000	601,900
1290	Non-Departmental Services	12,908,000	8,755,000	52,000	21,715,000	53,900	4,000	345,000	423,000	825,900
1310	Information Management	0	203,500	88,000	291,500	880,000	2,300	137,300	163,300	1,182,900
1410	Supervisor of Assessments	0	40,000	0	40,000	452,000	0	39,600	2,800	494,400
1510	County Clerk	0	650,000	0	650,000	489,000	1,000	38,000	0	528,000
1530	Elections	0	10,000	0	10,000	131,000	10,000	434,000	0	575,000
1710	Planning	0	54,900	0	54,900	466,000	0	24,000	7,500	497,500
1810	Regional Office of Education	0	110,000	0	110,000	184,000	0	31,700	10,000	225,700
1910	Treasurer	0	68,000	3,000	71,000	298,000	0	32,300	0	330,300
2210	Judiciary	0	69,300	0	69,300	522,000	0	107,400	2,800	632,200
2220	Jury Commission	0	0	0	0	47,000	0	93,100	0	140,100
2310	Circuit Clerk	0	1,890,000	0	1,890,000	1,149,000	0	83,900	0	1,232,900
2410	Coroner	0	17,000	0	17,000	165,000	0	71,700	7,000	243,700
2510	ESDA	0	32,000	0	32,000	107,000	8,500	30,700	1,500	147,700
2540	Local Emergency Plan Comm	0	21,200	0	21,200	13,600	0	9,200	0	22,800
2610	Sheriff	0	980,900	48,300	1,029,200	5,995,000	18,900	383,600	280,000	6,677,500
2620	Sheriff's Merit Commission	0	6,000	0	6,000	5,000	0	22,100	0	27,100
2630	Sheriff's Auxiliary	0	0	0	0	0	2,500	6,300	0	8,800
2670	Sheriff's Communications	0	1,198,000	1,200	1,199,200	2,737,000	3,300	129,500	38,000	2,907,800
2680	Sheriff's Corrections	0	127,500	451,500	579,000	3,419,000	7,000	1,458,100	4,000	4,888,100
2710	State's Attorney	0	294,000	0	294,000	1,772,000	0	96,200	0	1,868,200
2810	Public Defender	0	100,000	0	100,000	966,000	0	115,600	4,000	1,085,600
2910	Court Services	0	517,800	98,000	615,800	1,354,000	0	301,600	0	1,655,600
4810	Facilities Management	0	80,200	0	80,200	700,000	73,500	859,400	20,200	1,653,100
4910	Comm Outreach Building	0	78,000	0	78,000	18,000	50,000	78,000	2,000	148,000
4920	Public Health Facility	0	0	0	0	0	0	173,000	0	173,000
4999	Utilization of Fund Balance	0	400,000	0	400,000	0	0	0	0	0
** Total General Fund **		12,908,000	15,703,300	756,800	29,368,100	22,998,500	181,000	5,201,600	987,000	29,368,100

**DEKALB COUNTY GOVERNMENT  
FY 2016 BUDGET  
HEALTH DEPARTMENT FEE INCREASES**

Program	2015 Fees	2016 Proposed Fee Increases	Estimated Revenue Generated
<b>ANIMAL CONTROL (Line Item 3531)</b>			
Registration - 1 year altered	19.00		
Registration - 1 year unaltered	38.00		
Registration - 3 years altered	51.00		
Registration - 3 years unaltered	102.00		
Late Registration	15.00		
Inpoundment/Pickup First Offense	80.00		
Additional Dog/One Pickup	30.00		
Relinquishment Fee - altered	50.00		
Relinquishment Fee - unaltered	75.00		
<b>FOOD SANITATION (Line Item 3543)</b>			
Class A Food Establishment	750.00	775.00	} \$15,100.00
Class B Food Establishment (catering)	450.00	565.00	
Class B Food Establishment (no catering)		465.00	
Class C Food Establishment	350.00	400.00	
Class D Food Establishment	185.00	190.00	
<i>(Food Pantries are exempt from fee)</i>			
Class E Food Establishment	1 day 55.00		
•Application must be received 7 days prior to the event to avoid late fee	2-4 days 115.00		
•Not-for-profit 50% for Class E	5+ days 150.00		
Vending Machine Permit	25.00		
Mobile/Seasonal with Food Preparation	250.00	260.00	
Mobile/Seasonal without Food Preparation	170.00	180.00	
Plan Review - New Restaurant	450.00		
Plan Review - Established	250.00		
Restaurant Late Fee	50% of cost of license		
Non-Compliance Fee	75.00		
Cottage Food Registration Fee	25.00		
<b>POTABLE WATER (Line Item 3542)</b>			
Well Permit / Inspection / Sample	290.00	295.00	} \$1,500
<i>\$100 well permit fee - State Statute</i>			
Water Sample with Collection	75.00		
Well Sealing Permit	75.00	80.00	
Geothermal Well	100.00		
<i>\$100 first 10 holes; \$10 each additional</i>			
Monitoring Well/Geothermal Well Sealing Permit	100.00		
<i>\$100 first 10 holes; \$10 each additional</i>			
<b>SEWAGE (Line Item 3541)</b>			
Septic Installer License	170.00		} \$1,500
Septic Permit	380.00	390.00	
<b>REAL ESTATE INSPECTIONS (3551 and 3552)</b>			
Well Inspection and Water Test Sample	170.00	175.00	} \$1,500
Additional Water Sample	40.00		
Septic Inspection	160.00	165.00	
<b>CLINIC SERVICES</b>			\$8,300.00
<b>VITAL RECORDS</b>			
Birth Certificate - First Copy	15.00	16.00	} \$5,600
Birth Certificate - Each Additional Copy	7.00		
Death Certificate - First Copy	20.00	21.00	
Death Certificate - Each Additional Copy	15.00	16.00	
<b>TOTAL</b>			<b>\$30,500.00</b>