

**ADMINISTRATIVE SERVICES COMMITTEE
MINUTES
OCTOBER 6, 2004**

The Administrative Services Committee met on Wednesday, October 6, 2004 @ 7:00p.m. at the DeKalb County Administration Building, Conference Room East. Chairman Sue Leifheit called the meeting to order. Those members present were Steve Faivre, Jeffery Metzger, Dennis Sands, Roger Steimel, Ruth Anne Tobias, Joe Wiegand and John Wilson. Mr. Van Buer was absent. Others present were Mr. Bockman, Greg Millburg, Steve Kuhn, Margaret Whitwell, Marlene Allen, Eileen Dubin, Steve Slack, Sheriff Scott, Ron Matekaitis, Christine Johnson, Ken Campbell, Bob Rosemier, Rich Osborne and Julia Fullerton.

APPROVAL OF THE MINUTES

Moved by Mr. Wilson, seconded by Mr. Faivre, and it was carried unanimously to approve the minutes from September 1, 2004.

APPROVAL OF THE AGENDA

Moved by Mr. Steimel, seconded by Mr. Wiegand, and it was carried unanimously to approve the agenda.

APPROVAL OF PROPERTY TRANSFER VIA TAX DEED

Ms. Christine Johnson, DeKalb County Treasurer, presented a resolution to the committee regarding a property transfer in Cortland Township. She said that it was an annual housekeeping item through Joseph Meyer for delinquent property sale. They had 8 properties up for sale and sold one of them. So far they have sold 7 properties in the last 5 years with Joseph.

Mr. Wilson asked how do you decide to accept or not accept a bid? Ms. Johnson said that we accept the highest bid.

Mr. Steimel asked Ms. Johnson where the property is located? Ms. Johnson said that it is located on Peace Road on the west side and that it is in the Woodgate Subdivision.

Mr. Sands asked what the assessed valuation was on the property and why didn't she get bids on the other 7 properties? Ms. Johnson said that basically these are parcels that no one else wants because these are usually strips of land. She doesn't know what the assessed value is, but that it is now put back on the tax roles.

Moved by Mr. Faivre, seconded by Mr. Wilson, and it was carried unanimously to forward the resolution to the full board for approval.

Mr. Van Buer arrived at 7:10p.m.

FY 2005 BUDGET – APPEALS:

Mr. Bockman, DeKalb County Administrator, passed out a summary of the budget appeals filed for the FY2005 budget. The first page summarizes the appeals filed by the various departments affected by the cuts. The second page is a summary list of open items that are still in the budget. Mr. Bockman said that the county is still waiting for the medical insurance renewal rates.

Mr. Wiegand asked about the highway department's early pay-off - how is that done, what monies are used for that, and does that payment include the full payment of the interest payment across the loan? Mr. Bockman said that when we pushed benefits into each department's budget, which placed an IMRF, and FICA burden that had not previously been there for the Highway Department. We granted them temporary relief for some loan forgiveness so that the county could pay a portion of their remaining building debt loan for a period of time. This way they could absorb the impact of these fringe benefit costs. There was an amount owed of \$768,000 of which, under the agreement that the county had with the highway department through 2008, stated that the county would have eventually paid \$500,000 of that and the highway department would pay the balance, which includes the interest. We suggested to them that we would still pay our share and let them enjoy the savings on the interest if they prepaid the balance. This would save them \$79,292.00 and it will be allocated as follows: 47.6% to the highway budget and 52.4% to the Motor Fuel Budget.

Mr. Wiegand said that it was his recollection that there was a \$260,000 a year interest expense on that. But it doesn't sound like we are saving that much though. Mr. Bockman said that the dollar cost of the interest would have been steady....I don't know for sure and that he received these figures from Mr. Hanson.

Chairman Leifheit said that the appeals received are asking the committee to restore each of the proposed cuts. The funding proposed for these restorations would be to reverse the voting on the G.I.S. fee increase and the Law Library fees increase. The total amount is for \$285,000.00. It is a conservative figure. The fee increase would have brought in about \$519,000.00 last year with the number of recorded documents that there were. Mr. Bockman and Mr. Hanson are using the 5-year average to come up with the \$285,000 because it represents the conservative figure.

Moved by Mr. Faivre, seconded by Ms. Tobias, to restore all of the appeals as presented and to balance the budget by bringing back the G.I.S. Fee Increase of \$11.00 and the Law Library Fee Increase of \$3.00.

Mr. Steimel requested that for the budget new year he would like to have a summary of where all the new monies (revenues) go to so that county board members could see what other areas might have potential for savings.

Mr. Van Buer said that he continues to have a problem with the G.I.S. Fee Increase. It is his assumption that all the activities under the G.I.S. section provide support to people who buy the recorder's documents? Mr. Bockman

said that it is a fee that the General Assembly allowed counties to pay for G.I.S. We would like to have a pure G.I.S. fee, but this is what we all got – it's not a User Fee said Mr. Bockman. Mr. Van Buer said that he feels that it is a tax because it identifies a certain group of people. He does see, however, that it is a very good service. He has a problem with granting the full amount requested.

Moved by Mr. Van Buer to amend the motion to reflect the increase somewhere in-between the \$3.00 and \$14.00 and to use it so that it is close to a User Fee as possible. Mr. Bockman said that we are putting the revenue into the G.I.S. fund because it has to go there. It relieves the general fund from the previous burden that it had to fund the G.I.S.

Ms. Tobias asked what other states are doing? Mr. Bockman said that Wisconsin started out about 10 years ago with a fee for G.I.S. and funded the department with these funds.

Chairman Leifheit said that what worries her is that we are basing this on "we don't know how many documents are being recorded." We do know that these funds are being earmarked for people's salaries. If that many documents aren't recorded then we are in a deficit again.

Mr. Sands said that he doesn't like being "painted into a corner" so to speak, of having to look at cuts. He said that he feels that everyone in the room could support the cuts that were made, but now we are here at the last second looking for ways to pay for it. The only alternative being proposed are these fees and he wished that there were more things to choose from. If it comes down to voting against these cuts, I probably won't do that, I'll vote for them, but I don't like being put in this position, Mr. Sands continued.

Chairman Leifheit said that what we have done in the past, when departments ask for additional people we have said, "no" right off the bat, so we have not been in this position at this late date. Mr. Bockman said that part of the problem was he and Mr. Hanson saying "yes" to these requests. They have a relationship with the departments that has developed over a long time – there's a lot of mutual respect between them. They know that the department heads do not ask for something that they don't truly need. We tell them that this is all that we can afford.

Mr. Wiegand said that he wanted to apologize for the question that he asked previously, per page B3 under debt payments under Administrative Services, under department number 5285 – it states that the annual fees were \$260,904.00.

Mr. Wiegand said that there is a new line item called Asset Replacement Fund of the General budget that has \$364,000 in it. It shows just one \$30,000 request from the Sheriff's Department for one vehicle. He is curious as to where these funds come from and what the additional \$330,000 would be used for? This is under this committee's portion of the budget, Mr. Wiegand further stated.

Mr. Bockman said that in Mr. Hanson's absence he feels it is the vehicle replacement fund, but that he doesn't know for sure and that Mr. Bockman will get that information to him.

Mr. Wiegand said that he is also curious about the \$200,000 planned for the parking lot project. He asked, is that parking lot project more important than the two positions for the Sheriff's department? Mr. Bockman said that those are two different expenses, that is, one is under Operating Expenses and the other is a Capital Expense.

Mr. Wiegand said that there was another fund called the Opportunity Fund that shows \$825,000 in it. We are spending \$280,000 of that amount on land acquisitions, sidewalks and landscaping. This is new money negotiated with the City of DeKalb. Mr. Bockman said that those are sales tax revenues from the county farm.

Mr. Wiegand said that he just wanted to show that we didn't need to cut these positions, there are other things that we could have cut. Mr. Bockman said that the cuts that were made when the fees were reduced were to Operating Revenues and the cuts that he and Mr. Hanson suggested were to Operating Expenses. You can take that money and use it for operating expenses if you wish, but you will eventually run out of money. You can also start taking the sales tax revenues from the county farm project and start using those for operations as well. You don't need an Opportunity Fund, you don't have to have one.

You don't have a funding mechanism for the county's jail. That study suggested that in 2005 you were going to need space for 85 people in the jail; in 2010 you will need space for 120 people. Forty-seven people will need to be in housing elsewhere, that's about \$1 million dollars a year. The operating difference that the consultants came up with is \$2 million dollars a year operating costs. We're looking at double-digit increases in health insurance and he doesn't know how much longer the county will be able to pass 25% of that cost along to the employees particularly at the low-end of the wage scale. He doesn't know what's going to happen.

Mr. Bockman said that the problem is a mandated non-discretionary service that has no upper limit. You could not have G.I.S. or a fee, no body is making you do this. When the judge sends someone over to the jail to incarcerate - we don't have a decision - we have to do it - whether they are housed here or in somewhere else, those are the only choices you have. All that he is saying is that this county is in good shape and you've got some "dry powder" and if you want to stay that way, "keep your powder dry."

Mr. Wiegand said that Under Administrative Services portion of the budget, Department 5530, Page A, Assets Replacement fund - shows the summary report for the entire department budget. It states actual FY2003 = \$0, budget year FY2004 = \$0, request FY2005 = \$364,000, and one line item charged against it is \$30,000 for expenditure 7301 - Sheriff's Vehicle. He is concerned about two things, one about designating spending that would

immediately be projected to be a rolled over fund balance, and secondly the creation of new funds. The second consideration may have been dealt with when Mr. Bockman said that the monies might just be named a new name for the same payment, which is the Sheriff's replacement Vehicle Fund and Mr. Bockman will check on that

Mr. Wiegand also said that he had a question on revenues on page B1, department number 1290 under Administrative Services portion again, under non-departmental services. Sales tax projection = 6 months actuals for the line item 3321 sales taxes of 0.01 = \$402,000 and our budgeted projection is \$320,000 for FY2004 and FY2005 is \$330,000. This line item seems to be trending above our estimates of as much as 120%. But then we are showing a deficit in our projections in the following line item of 3322 sales tax of .0025 where our six-month figure is \$859,000 and our 12-month projection is \$2,500,000.00. He feels that our first six months figure includes the Christmas retail season. Mr. Bockman stated that clearly that figure is wrong.

The tax came into effect in January of this year, said Mr. Bockman. This is the City of DeKalb's increased sales tax, which involves the Market Square and across the street. Mr. Steimel said that our 2004 budget figure would reflect a smaller amount because we don't have a full year. Mr. Wiegand said that he feels that the new figures (revenue) from the new ¼% sales tax is not reflected in these figures because these are numbers that are historical from 2002 and 2001. Mr. Bockman said the figures done today show, the 1% county-wide sales tax, in 2001 it was \$294,000; in 2002 it was \$320,000; in 2003 it was \$381,000; in 2004 it was \$390,000 and in 2005 it is projected to be \$400,000. This is under line item number 3321. Under line item 3322 it shows: was 1.6 in 2001; 1.9 in 2002; 2.4 in 2003; 2.5 in 2004; and 2.650 in 2005.

Chairman Leifheit said that by just getting this information this evening and with Mr. Hanson not being present to answer these questions she is asking the committee if they feel that they need another evening to discuss this further and also to have Mr. Hanson present? She feels that the committee members are asking very good questions this evening.

More discussion followed and Mr. Wilson called for a question.

Sheriff Scott said that before the committee closes off the discussion on this issue he would like to make a statement. Chairman Leifheit apologized and granted him and the rest of the departments present, that are affected by the budget cuts, to make a statement. Mr. Wilson cancelled his call for the question and allowed the department heads to speak.

Sheriff Scott said that he originally asked for 10 officers and to have funds to move the command center. He was granted 2 officers and \$250,000 for physical improvements. He said that never has Mr. Bockman or Mr. Hanson misled them. He didn't like it, but he accepted it because of their credibility. He would be irresponsible if he loses those two officers.

Mr. Matekaitis said that he was granted one position out of two that he asked for. He feels that he has always been treated fairly. He said that this position is being funded for a misdemeanor attorney. He said that he feels that the salaries with other counties are competitive, what isn't - is the caseload. Our felony caseloads are 2 ½ to 3 times higher than Kane County. Our assistants can handle it for awhile, but eventually they get burned out.

Mr. Metzger said that he would vote no against the increase and that he will not vote against any motion that would make the cuts by the administration recommendations. He feels that the Sheriff needs all of the officers requested and that we should have found a way to fund all of the requests. He feels that all questions should be answered. He sees this as two separate issues to vote on, that is, the G.I.S. fee increase as one issue and the Administrative Cuts as another issue. Mr. Steimel said that he feels the same way.

Mr. Bockman said that he and Mr. Hanson have been doing the budget for 20 years now and the county is in good financial shape. The cumulative effect that you have agreed with us for those twenty years has not left you in a very bad position. What we have here is a balanced budget that the two of them worked on where they met all summer with department heads to present their recommended budget that is before the committee this evening. Mr. Bockman said that it is your job to tell them what the community's priority is by either agreeing or disagreeing with their recommendations. Disagreeing with their recommendations is nothing but honorable in his opinion. What he can't apologize for is that this has turned out to be a very complicated business and things are not always as simple as we would like them to be. When those fees were voted down at the board, they were in shock. The reason the fees were ahead of the budget was that they wanted to maximize the revenue that could be gained from the fees by getting them implemented earlier than the budget was adopted. This all started last year in 2003 in the budget when the County put in an appropriation to approve a study to have the fees reviewed. You can only raise them with a certified study. This is what, for them, was a 1 ½ year process to implement a legislatively granted fee. Call it a tax, it is a tax. He doesn't like it either. It is a price that we are all going to pay for living in a County that has a decent G.I.S. system. We all pay for the school system, but we don't all have a child in the school system.

Mr. Sands said that he would like to see this all settled before going into the board meeting this month. Chairman Leifheit agreed that she would like the committee to all go into the meeting backing this budget, that we know what we are talking about, that we don't have any further questions, etc. She doesn't feel that the committee is at that point yet.

After further discussion Mr. Metzger asked if the motioner would be agreeable to separate the motion? Mr. Faivre said no, that if we approve the appeals then we need to find some way to balance the budget.

Mr. Millburg said that on page A2 asset replacement fund, on A1 - 2004 budgets for all the cars, 2005 does not have it budgeted. So he feels it went

from the 5-year plan for special projects, that is, it basically was switching funds. Chairman Leifheit said thank you.

Mr. Weigand said that the asset replacement fund under the administrative services portion shows no previous spending in previous fiscal years. Under the Sheriff's Department budget, under the Public Services portion of the budget – it shows line item 7801 of vehicles - that the board adopted \$240,000 for last year and requested \$250,000 for this year. So would that be the Sheriff's vehicle replacement fund? Sheriff said yes, that it goes into the Asset Replacement Fund so that they have money to buy a vehicle when it is necessary.

Chairman Leifheit said that she feels that there are certain questions that need to be answered by Mr. Hanson, regarding the sales tax, parking lot, revenues streams, assets replacement fund and capital funds being used for operating expenses and that she feels the committee needs to meet again.

It was moved by Mr. Faivre, seconded by Mr. Steimel, and it was carried to table the motion and schedule an additional meeting on Tuesday at 6:30p.m. on October 12, 2004 before the Executive Committee Meeting in the Administration Building's Conference Room East. Ms. Tobias opposed the motion. The Executive Committee Meeting will also meet in Conference Room East at 8:00p.m. The motion will be opened when the committee holds their meeting on Tuesday, October 12, 2004.

DISCUSSION ON OPTION FOR 7% CAP ON PROPERTY ASSESSMENTS

Mr. Bockman said that this is from last month's meeting and that no county in Illinois is adopting this proposal except for Cook County.

Moved by Mr. Metzger, seconded by Mr. Wilson, and it was carried unanimously to not adopt this proposal and to go no further with it.

SYCAMORE TAX ABATEMENT PROGRAM

Mr. Bockman said that Sycamore is debating a tax abatement program that is similar to what we agreed to do with the City of DeKalb. In fact, what they are proposing is less than what we are doing with the City of DeKalb. We are taking the position of supporting it. This would be on a case by case basis. The City of Sycamore is looking at a formula that they can agree on. They are looking at 3 to 4 years programs. It really is no different from what we have seen before. Our county is not bound to anything, said Mr. Bockman.

Before adjourning Chairman Leifheit said that the committee will also be inviting the other departments affected by these appeals, those being, the Health Department, the Treasurer's and the Planning and Zoning Department.

ADJOURNMENT

Moved by Mr. Steimel, seconded by Mr. Wilson, and it was carried unanimously to adjourn the meeting.

Respectively Submitted,

Chairman Sue Leifheit

Mary C. Supple, Secretary

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