

**FINANCE COMMITTEE  
MINUTES  
December 6, 2006**

The Finance Committee of the DeKalb County Board, met on Wednesday, December 6, 2006 @ 7:00p.m. in the Administration Building's Conference Room East. Chairman Michael Haines called the meeting to order. Members present were Jerry Augsburger, Vince Faivre, Julia Fullerton, John Hulseberg, Roger Steimel and Ruth Anne Tobias. Others present were Gary Hanson, Ray Bockman, Joan Berkes-Hanson, Sheriff Roger Scott and Greg Millburg.

**APPROVAL OF THE MINUTES**

**Moved by Ms. Tobias, seconded by Ms. Fullerton, and it was carried unanimously to approve the minutes from November 1, 2006 and November 15, 2006.**

**APPROVAL OF THE AGENDA**

Mr. Hanson said that he needed to add another item to the agenda as item #5.5 - Next meeting date.

Moved by Ms. Tobias, seconded by Mr. Augsburger, and it was carried unanimously to approve the amended agenda as presented.

**IMRF RESOLUTION REGARDING FLEX BENEFITS PROGRAM**

Mr. Gary Hanson, Deputy County Administrator, stated that he was bringing this item to the committee this evening about a change in how the County handles flexible benefits in relation to the IMRF salary. Flexible Benefits is a mechanism in the federal tax code that allows employees to pay for three different things in pre-taxed dollars. Those include health insurance premiums, medical expenses that are not covered by their health insurance, and childcare for children 12 years old and under. Employees each year get an election of how much Flex dollars they want to set aside and then they don't pay federal or state taxes on those dollars or social security tax. What he is proposing is to make the flexed money to count towards their pension salary. The IMRF pension is calculated on the employee's highest 48 months in the last ten years, which tends to be the last four years of employment. So employees opt out of the flexible benefits program because they need to maximize their pension value. In turn then, they are incurring substantial tax liabilities because they are now paying federal and state taxes. There is a mechanism in the IMRF law that will let the County include the flex dollars as part of the IMRF pension without affecting the other taxes.

This is what the resolution is that we are asking for tonight. We are asking the committee to do it this month because of the tax year beginning January 1<sup>st</sup>.

Ms. Tobias asked if this is what most governmental bodies are doing? Mr. Hanson said that the majority of them are doing it throughout the state. Mr. Bockman said that the majority of the IMRF employees are doing it according to our IMRF Representative.

Mr. Faivre asked what the cost is to the county? Mr. Hanson said that there is no direct cost. What is happening during the employees' last 4 years of employment is that they are opting out of the program so that their salaries are raised. Consequently, their pension stays the same, but the County has not set aside money to pay that pension amount based on the higher salaries. He believes that we will have a better match by paying them all along.

Chairman Haines said, so if they opt out of the program and they are getting more salary, then the County is paying more pension money over those last 4 years. The cost of the pension over the lifetime goes up, said Mr. Bockman. Chairman Haines said that's what you mean paying it earlier rather than later. Mr. Hanson said yes.

Mr. Bockman said that he had just heard about this program recently and that is why they are bringing the issue to the committee at this time.

Mr. Augsburger said that he feels that it is a fair thing to do.

Mr. Hanson said because of this, if it is adopted, he feels that we will see more people enroll in this program.

Moved by Mr. Augsburger, seconded by Mr. Hulseberg, and it was carried unanimously to include the Flex Benefits Election as part of the IMRF salary, and to forward this resolution to the full board for approval.

#### **DISCUSSION ON DEVELOPING A FRAME WORK FOR ADDRESSING THE JAIL ISSUE**

Mr. Hanson passed out a sheet showing a process that leads to a forum to discuss the jail issue. He is suggesting that a group be formed with Mr. Bockman, himself and Sheriff Scott on it to discuss steps to help identify all viable solutions, with one as a recommendation. Their goal would be to complete this by June 30, 2007. They will report to the Finance Committee every two months on their discussions. He also said that any county board member could attend these meetings if they want to. He said that he would like to know if he has the committee members' consensus to go ahead on this?

Mr. Faivre said that he thought that if the committee made a motion of support for this discussion group that it would show the rest of the county board that we are going to address this issue.

Moved by Mr. Steimel, seconded by Ms. Fullerton, and it was carried unanimously to create a team of administrative staff to address the jail issue.

Mr. Augsburger asked if other people could get involved in this team too, like past member Sue Leifheit? Mr. Bockman said sure, he feels that we will ask others, but likely on an "as needed basis".

**NEXT MEETING DATE**

The committee agreed to cancel the January meeting because of the end of the fiscal and calendar year and for people traveling for the holidays. They will reconvene at their February 7<sup>th</sup> meeting @ 7:00p.m.

**ADJOURNMENT**

Moved by Mr. Augsburger, seconded by Ms. Fullerton, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

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Chairman Michael Haines