

FINANCE COMMITTEE
MINUTES
May 3, 2006

The Finance Committee of the DeKalb County Board, met on Wednesday, May 3, 2006 at 7:05 p.m. in the DeKalb County Administration Building's Conference Room East. Chairman Jeff Whelan called the meeting to order. Members present were Jerry Augsburger, Jeff Metzger, Sr., Ruth Anne Tobias, Dennis Sands, Susan Leifheit and Michael Haines. Other staff members present were Gary Hanson, Ray Bockman, Christine Johnson, Joan Berkes-Hanson, Karen Kahl and Margaret Whitwell. Guests included Mr. Fred Lantz, independent auditor and Ms. Diane Strand of the Midweek. Also present were several County Board members who had attended Mr. Hanson's Budget 101 seminar, which directly preceded the meeting.

APPROVAL OF THE MINUTES

Moved by Ms. Tobias, seconded by Mr. Augsburger, and it was carried unanimously to approve the minutes from April 5, 2006.

APPROVAL OF THE AGENDA

Moved by Mr. Haines, seconded by Mr. Sands, and it was carried unanimously to approve the agenda as presented.

AMENDMENT TO AGREEMENT FOR AUCTION OF TAX DEED PROPERTY

Treasurer Christine Johnson brought forth Resolution No. 2006-30 to amend the current contract for professional services with Joseph E. Meyer to increase the minimum auction sale bid for delinquent parcels from the current level of \$450 to \$600. She noted to the committee that an increase had not been proposed since 2003. She further commented that the County is given a portion of the additional fees to cover expenses such as postage, publication and research.

Mr. Haines moved to approve the increase in the minimum bid from \$450 to \$600, seconded by Mr. Sands and the motion passed unanimously.

PRESENTATION OF THE FY 2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Chairman Whelan recognized Mr. Fred Lantz from Sikich LLC to present the annual audit report. Mr. Lantz had copies of the Annual Comprehensive Report distributed to audience members who had not previously received the report for review. He then began by noting that the report had been predominantly prepared by County staff and commended the staff on their extremely thorough preparation.

Mr. Lantz then went on to review and highlight several sections of the report starting with a letter formally transmitting the document to the citizens and board members of the County. He noted that this could be considered a summary strategic plan of where the County has been and where it is going in the future. He commented that

after approval the report would be placed on the DeKalb County website for review and reference and encouraged all citizens to take a moment to familiarize themselves with the many positive messages regarding the County's financial health contained in the report. He closed this initial introduction by noting that the County was only one of ten in the State and 113 in the Country overall to receive a clean, unqualified opinion from their Independent Auditors and noted that the County should be very proud of that fact.

Highlights of his section by section review included comprehensive explanations of the financial mechanisms employed by the County, such as cross-over refunding transactions as well as a discussion of the health and vitality of auxiliary operations, such as the County Nursing Home.

He further commented that at this time all funds of the County stand in the black and the County possesses positive net assets of \$81 million. More importantly, he noted, the County is showing liabilities under assets at this point, a claim that cannot be made by either the State of Illinois nor the City of Chicago both of which are currently running large deficits. He did however caution that \$42 million of the County assets are Capitol Assets, which have no cash flow availability nor revenue production.

Mr. Lantz pointed out that a page of special interest to the citizens might be the Statement of Activities, which summarizes the overall cost of providing services to constituents. Given the size and growth of the County, he commented that it was particularly admirable to see that the County was able to honor these obligations without passing the burden of the expenses on to future taxpayers. He further commended the County in making very conservative use of the single most stable revenue source available to it, the County property taxes. He credited this to very strategic financial management as well as strong, conservative investment.

Mr. Lantz then held a discussion of the overall funding ratios of the County pension funds as well as a brief discussion of the Recommendations section of the report. The pension funds stand very soundly with 77% to 97% fully funded levels, far above many larger funds in the State and Country. As to recommendations for the County, Mr. Lantz pointed out only three departments needing some small adjustments to their practices to improve accountability and control.

He closed by noting that the final twenty pages of the report held an interesting series of statistics showing trend information for the past five and ten year period.

Mr. Whelan and the Committee thanked Mr. Lantz for his exhaustive review of the report and then noted that the Committee would take a fifteen minute adjournment for refreshments before continuing.

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QUESTION AND ANSWER PANEL ON “FINANCES & BUDGETS& MORE”

Mr. Whelan turned the floor over to a panel discussion staffed by Mr. Hanson, Mr. Bockman and Mr. Lantz.

Questions and issues addressed during the presentation included a lengthy discussion of how to address current jail over-crowding, property acquisition and the strategies for best using one-time revenue streams. A lengthy discussion was held on the difficulties of budgeting for large capitol projects as well as the difficulties posed when a taxing body does not maximize their levy growth in light of the tax caps in place. Discussions concluded with a review of impact fee utilization in other counties.

ADJOURNMENT

Mr. Augsburger moved to adjourn, seconded by Mr. Haines and the motion passed unanimously. The meeting adjourned at 9:00p.m.

Respectfully submitted by,

Jeff Whalen, Chairman