

**FINANCE COMMITTEE
MINUTES
August 1, 2007**

The Finance Committee of the DeKalb County Board, met on Wednesday, August 1, 2007 @ 7:00p.m. in the Administration Building's Conference Room East. Chairman Michael Haines called the meeting to order. Members present were Vince Faivre, John Hulseberg, Roger Steimel and Ruth Anne Tobias. Michael Haines was absent. Mr. Augsburg and Ms. Fullerton were absent. Others present were Gary Hanson, Joan Berkes-Hanson, Eileen Dubin, Ken Campbell and Greg Millburg.

APPROVAL OF THE MINUTES

Moved by Mr. Hulseberg, seconded by Ms. Steimel, and it was carried unanimously to approve the minutes from June 2007.

APPROVAL OF THE AGENDA

Moved by Ms. Tobias, seconded by Mr. Faivre, and it was carried unanimously to approve the agenda.

Ms. Fullerton arrived at 7:03p.m.

1ST TIME HOMEBUYERS PROGRAM

Mr. Bockman, DeKalb County Administrator, explained the 1st Time Homebuyers Program to the committee. He explained how the program helps with the down payment for first time homebuyers. Last year the County did not participate in the program because the bonds went to the Supportive Living Center project. He said that these are non-recourse private activity bonds of which the County is not the issuer. The County is simply giving the program access to our portion of a statewide cap on private activity bonds.

The committee asked Mr. Bockman how long has the County been participating in this annual program? Mr. Bockman said that he felt it has been around 4 years.

Moved by Mr. Faivre, seconded by Mr. Hulseberg, and it was carried unanimously to continue to participate in this program and to forward this recommendation to the full board for approval.

FY2008 BUDGET PRELIMINARY DISCUSSION

Chairman Haines said that he wanted this item on the agenda so that some of the issues that are still hanging over next year's budget could be discussed

further. One of the items that are unknown is what type of budget proposals will come from the departments. What we do with law enforcement needs is what his is concerned about. The rental position that we are currently in is not bad for the foreseeable future from the discussions that he has had with the administrative staff, as long as all things in the market stay the same. The downside is that it could change tomorrow, there is no guarantee.

We have proposed setting aside a portion of our EAV money for some sort of fund to deal with the jail issue. Are we still interested in doing this? Are there other ideas out there that someone wants to discuss? These are things that he feels we need to discuss here tonight.

Mr. Steimel said that he likes the idea and feels that we are in for good times here in DeKalb County right now. We have an increasing EAV, we have a balanced budget, an increase in revenues, etc. If there is ever a time to start a jail savings account, now is the time to begin it, he said.

Mr. Faivre said that if we start a fund, what is the ultimate goal? Based on what information? We need to look beyond what was proposed at the referendum. What are we looking at for long-range goals for the County? Are there other facilities out there that could be purchased or long-term rent? Then the Sycamore Campus could become a Judicial Campus, he further stated.

Ms. Tobias said that the jail is outdated and she feels that the funds that the County raises in this fund can take of this problem.

Mr. Hanson said that we have been budgeting for upgrades at the jail now. We are allocating \$1 million for over the next 4 years. He said that this is a 20-year old building that needs to have upgrades with safety issues, cameras, and the dispatching area.

Ms. Fullerton asked what are the County's limitations on this fund and how fast is the population growing in Boone County?

Mr. Bockman said that this Board cannot sequester funds from your successors.

He then said that Boone County is growing at a more rapid percentage rate than DeKalb County, he believes.

Last time that our County asked Boone County if we could have a long-term contract for renting beds at their jail they told him that that they were not interested in long-term agreements.

Chairman Haines suggested looking at multiple sites to enter into contracts with regards to renting beds. Who would do this? Is this prudent to do? Maybe we could look at entering into contracts for the next ten years with these counties.

Ms. Fullerton asked if we had multiple contracts, how would that work? You don't pay for the bed whether you're in it or not, is this correct?

Mr. Bockman said that there is not a standard contract.

Mr. Faivre suggested that we may want to look at trying to get a 3-year rolling contract if possible.

Ms. Dubin said that it is her understanding that Winnebago County has 1700 beds and she believes that 1200 are being used. If we do something locally she would like the people that have a mental illness to be taken out of our jail and placed in a mental health facility.

Chairman Haines said that the more we accumulate money in this fund the more it is approachable. If something comes up in three years and we are all not on the board and a new bridge is needed because the old one washed out in a flood and they wanted to spend the money on a new bridge - they could?

Mr. Bockman said that the only way that you could encumber a board is to do a bond. Then it is required that the money goes to the one item. They usually can only spend the money on an unforeseen event.

Chairman Haines said that the only way that we could really lock ourselves into some sort of plan, to renovate something here on this campus, renovate the jail, we would need to bond it out. We would need to make a commitment now and bond it out.

Mr. Bockman said that if you bond a project - there is no choice. Subsequent boards would need to spend the money on the bonded project.

Ms. Tobias asked Mr. Hulseberg about the Halfway House that he suggested. Has there been any research on this or would it be called a Day Reporting Center?

Mr. Hulseberg said yes, that would probably be the proper name to call it. Certain amount of the jail population who are non-violent offenders could go to this minimum secured facility during the day, then at night they could be allowed to go home.

Ms. Tobias said that we could possibly rent an existing facility for this purpose.

Mr. Hulseberg said that the old Kishwaukee Hospital was one suggestion. He asked if anything is happening with the old hospital?

Mr. Bockman said that they have had a lot of interest from the community. He asked if the building had any administrative office space that would be relatively easy to move into? They have hired an architect to look at uses for it. They have been very frank about the fact that they are not going to give the building away. He feels that it is worth looking into.

Mr. Faivre said that if we would acquire the old hospital he feels that it could contain our growth for a lot of years. The Sycamore Campus would be a good place for the jail needs then, he feels.

Mr. Bockman said that he has the County Farm Consultant looking at the County's current assets. There are two lots that could be sold by packaging them together or possibly improve upon them. There is land by Tails that we own that we could sell as Commercial development. He would also like the consultant to develop a decision-making model for this campus too. A public entity could rent office space, but after three to five years it doesn't make sense. He feels that the consultant's report will give us a stable platform when we begin studying the issue. He would like to get Mr. Kobes, the consultant, to come out here next month to discuss this further with the County Board.

Mr. Steimel asked what the COLA will be this year? What the EAV will be?

Mr. Hanson said that the COLA is 2.5% and that Ms. Whitwell, the Supervisor of Assessments is still waiting for the township assessors to come in with their numbers. Mr. Hanson said that the number has been lower over the past couple of years.

Chairman Haines said that in the short-term we are in a good situation on the rental issue from what he understands if the rental climate doesn't change. We are getting more income than we anticipated and it is costing us less to rent space for our prisoners than what it would have cost us to build a jail and pay those payments.

Mr. Hanson said that we can't ignore though the fact that we are running inflation costs, construction cost increases, and you are also taking money out of the community, those are not concrete numbers.

The committee further discussed how much does the County need to bond out the jail?

Mr. Bockman said that we need an unallocated revenue stream larger than what we have now to bond out.

Chairman Haines said so the bonding out option is no longer an option?

Mr. Bockman said certainly not at the level that we went out on for the referendum.

Ms. Fullerton asked how much do we need to bond out?

Mr. Hanson said it was a \$20 million bond issue at the time of the last referendum, with a \$1.6 million annual debt payment.

Chairman Haines said that the Opportunity Fund doesn't cut it at all then. This jail issue will need to be a referendum again.

Mr. Bockman said or change the state law.

Before adjourning Chairman Haines said that at the September Finance Committee Meeting the members will be able to see the department budgets.

Mr. Bockman said he would also be working on some type of report on the asset possibilities and real estate decision-making and deliver it sometime in September either with the Finance Committee or the Executive Committee and invite all county board members to attend.

ADJOURNMENT

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

Respectfully submitted,

Chairman Michael Haines