

**Draft**  
**FINANCE COMMITTEE**  
**MINUTES**  
**March 7, 2007**

The Finance Committee of the DeKalb County Board, met on Wednesday, March 7, 2007 @ 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, John Hulseberg, and Roger Steimel. Ms. Julia Fullerton and Ms. Ruth Anne Tobias were absent. Others present were Gary Hanson, Ray Bockman, Greg Millburg and Diane Strand.

**APPROVAL OF THE MINUTES**

**Moved by Mr. Augsburger, seconded by Mr. Hulseberg, and it was carried unanimously to approve the minutes from January 2007.**

**APPROVAL OF THE AGENDA**

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

**REVIEW OF THE FIRST QUARTER FINANCIAL REPORT**

Mr. Gary Hanson, Deputy County Administrator, said he divided the First Quarter Financial Report into 3 different sections (On file in the Finance Department). Section A. is the Quarterly Analysis, Section B. is the Locator and Status Index, which refers to revenues and finally, Section C., which is the Financial Report.

Page A-3 shows expenditures around 25%. Section B, page 1 shows the Locator and Status Index, and Section C, page 1 actually shows the breakdown of expenses for each individual department.

Chairman Haines asked under Section B, page 1, Asset Replacement, it looks like it has been growing steadily? Mr. Hanson said that this is a newer fund and at the time it did not have all the funds in it. In 2004 the County started to put \$200,000 a year in it, in 2005 we added Sheriff's Department cars, and it has been growing ever since.

**REVIEW OF DESIGNATED FUND - STATUS AND RESTRICTIONS**

Mr. Hanson explained that there are 42 different designated funds in 4 different areas (see sheet attached to these minutes). The Board has more flexibility of controlling how those funds grow and how they are spent as you move down the list.

Under Section A. is restricted revenue and restricted use. These are pretty much special fees, like Motor Fuel Tax. You pretty much can't even control how much money goes into this fund, said Mr. Hanson. You also have almost no control on how those funds are spent. In some degree you might be able to set the budget of Motor Fuel by cutting it by \$1 million. You can do that, but you could not use the money for anything else.

Under Section B. these are flexible revenue/restricted use by other boards, like the Community Mental Health Board, the Public Health Board, the Solid Waste Program and the Veteran's Assistance Commission. The Public Health's money is almost all grant money. You could control these funds easier than the funds under Section A. You could levy a lot less money for mental health, you have that ability. But once you do put that money into that fund, then you cannot control it.

Under Section C. these are flexible revenue/restricted use, by not other boards, it is by the County. You can control the revenue, but once it is in those funds you can't use it for some other department.

Under the last Section D. Unrestricted Use, the County has pretty much complete control by determining how much money goes into the fund and you can decide how it is spent. The building fund and the land acquisition fund are really subsets of the opportunity fund. We transfer funds to from the opportunity funds to those areas. Facility management and the general fund are really all the same. It was created as a separate fund because the general fund had a maximum rate that it could levy, which was not enough to run the general operations to pay for the facilities. The most recent law change, is that we not longer have the cap on that rate on the general fund, so we are looking at making that one fund now. And the Opportunity is the sales tax money from the County Farm Property and Special Projects receives money from the general funds.

Mr. Steimel asked if the employee health and life insurance was back in the positive?

Mr. Hanson said that we are almost there. The County budgeted for 15% increase for this year's premium and it came in at 18%. The year before we put money aside to offset an increase and we used very little in this reserve fund.

Chairman Haines asked if the revenue for the Health Insurance is charged to the individual departments now, correct, and it goes into this fund?

Mr. Hanson said yes, then it goes into the disbursement fund.

**COMMUNITY OUTREACH BUILDING – SECOND FLOOR DISCUSSION**

Chairman Haines said that he wanted to revisit the issue of adding a second floor to the new Home Health Care building that is being constructed shortly at the Health Facilities campus.

Mr. Steimel said that he felt that the two top people in the County administration should stay at the Sycamore campus.

Mr. Bockman said that he has always been opposed to splitting office buildings. We have various options, like stay where we are at, go elsewhere, some offices stay and others leave the Sycamore campus.

Mr. Bockman continued by stating that property that the County owns by Tails off of Barber Greene Road may be another project. We also have two outlots on each side of the Cinema that needs to be marketed. Land at the DeKalb Market Square is leased and he would like to bring the person back who worked on this project to study the office space issue and the Tails issue to see if it is profitable. He would like someone who knows more about real estate help guide the County board members and himself.

Chairman Haines said that we have supported the idea to set aside money for the jail fund. When we had talked about this Mr. Bockman stated that there would need to be some belt tightening in the future, where we may have to lose some positions or services, we just can't do both. His concern was to add a second floor to a building isn't always a good idea. To put it another way, by adding that second floor and then the County doesn't have the revenue available to protect those positions, to him he always puts services and positions before building. If belt tightening has to be done, then double up in some offices, rent office space somewhere temporarily until the financial situation improves.

Mr. Bockman said that there is nothing less expensive to do then a building. Even though that front money is rather large (\$2 million) it is the cheapest thing to do. Understanding the concerns - it doesn't fit into the current equation, it doesn't fit now, it doesn't fit then, it isn't going to fit in the future, because there will be other items that will come up in the next ten years, that we don't even know about yet, he further explained.

Mr. Steimel said that he sees this suggestion of moving some departments out there as a major decision. We have options that we are making decisions for and we need to see what direction we are going in. The defeat of the jail referendum has a far-reaching effect.

Mr. Bockman said that they have always looked at it as a temporary fix. He and Mr. Hanson believe that the Health Services Departments will eventually move into the space.

Mr. Bockman said that the State's Attorney, the Public Defender, Court Services and Judiciary have no more room to expand between them. The first time that we say yes to adding anyone in those offices we then have to make a real estate decision, Mr. Bockman continued. He feels that the options are not as good as the one on the table.

Mr. Faivre asked what the timetable is for this?

Mr. Hanson said that a decision needs to be made by the March County Board Meeting.

Mr. Bockman said that this is an interim solution. He further stated this issue was brought before the Executive Committee last month.

Mr. Steimel said that his vote would be to not go ahead with this proposal and to step back and study what direction we should go.

Chairman Haines said that he favors that himself.

Mr. Bockman said that this issue is on the Executive Committee Meeting agenda for next week.

#### **ADJOURNMENT**

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

Respectfully submitted,

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Chairman Michael Haines

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