

**Draft**  
**FINANCE COMMITTEE**  
**MINUTES**  
**May 7, 2008**

The Finance Committee of the DeKalb County Board, met on Wednesday, May 7, 2008 @ 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 Ray Bockman, Gary Hanson, Christine Johnson, Fred Lantz, Ken Campbell and Karen Kahl.

**APPROVAL OF THE MINUTES**

**Moved by Ms. Tobias, seconded by Mr. Augsburger, and it was carried unanimously to approve the minutes from April 2008.**

**APPROVAL OF THE AGENDA**

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

**PRESENTATION OF FY2007 AUDIT – FRED LANTZ FROM SIKICH, LLP**

Mr. Fred Lantz, of Sikich, LLP, presented the annual audit report. He said that the report also covers the Forest Preserve District and the Public Building Commission. He said that the new 13-month period did throw it off just a bit and was very challenging from an accounting standpoint, but that the Finance Department did a great job with it.

On page 1 it explains the Financial Section. It states that this is an independent Audit Report and that it is a clean and unqualified audit. He mentioned that we are one of only eleven counties in Illinois that has received a clean audit.

In the Single Audit Report the county did expend a little over \$2.8 million in Federal funds. Sikich did identify three major federal programs this year that they are required to test under the Single Audit Act and they are pleased to report that they issued a clean bill of health on all of these programs.

On page MD&A 1 there is a discussion and analysis, which Mr. Lantz encouraged the committee to read and the entire county board. There will be an electronic copy of this on the website, Mr. Lantz said.

Page 3 discusses the Consolidated Statement of Net Assets for the entire County, the Public Building Commission and the Forest Preserve. The first column (Governmental Activities) is all the County funds except the nursing home. The nursing home is the only fund that is reported in the next column (Business-Type Activities).

At the end of the year the County ended up with about \$47 million in cash and investments, which is a very good position for the County to be in, said Mr. Lantz.

Mr. Lantz then pointed out that about 1/3 of the way down under "Assets" to "Restricted Assets" and then "Cash and Investments" which shows that the County is down about \$8 million from last year. It's because of the cross over refund that occurred in December 1, 2007. Two lines below that you will see "Advances to" in the amount of \$1.69 million, which refers to the loan from the Nursing Home to the County that was loaned to the City of DeKalb for the Tollway Loan.

In the last two lines on page #3 the County wants to see those numbers as positive numbers and not negative, that is, the total net assets and the unrestricted amount. The County ended up the year with \$88 million with \$28 million being unrestricted cash investments that the County had available to fund your operation, which is a very good place for the County to be in.

Mr. Lantz said that on pages 4 and 5 it shows that the County spent \$39 million with the nursing home spending about \$13 million for a total amount of \$53 million to operate last year. Of that the County received \$24.5 million in charges for services. He continued by stating that the nursing home did very well last year as well as the County. He said with the County, there was a positive change in net assets, at about \$9.7 million, which is up about \$1 million from last year.

Pages 6 and 7 shows the current operations said Mr. Lantz. If you go to the General Fund Column and then go to the third line on page 7 titled Unreserved, Undesignated, General Fund, it shows that the County ended up with about \$9 million. That tells the County how much of a cushion that you have. He feels that the County is where it should be at 50% of the overall expenditures in the General Fund. He noted that all funds ended up in the black at the end of the year.

Pages 9 and 10 show how much the County collected? Again it shows that the County had a very good year. The General Fund balance was up about \$1 million from last year.

Mr. Lantz then briefly discussed the Management Letter with the committee. He said that there were more comments this year than last year because of changing the fiscal year to 12/31/08 and since there are new auditing and management rules to adhere to now. He said that there were no material weaknesses in the County's internal control.

Chairman Haines asked if there were any questions from the committee?

Mr. Steimel asked about some items that related to the Annual Financial Report. He asked about page 192 under Revenues and Sales Tax – if there may have been a typo? That is, that the 2007 figure is lower than the 2006 figure, is that true?

Mr. Lantz said that he would go back and take a look at it.

Mr. Steimel then brought up that on page 196 he wanted to point out that it shows that with the tax breaks that the County gives to attract companies to come here - it shows where we are at after the 5 year declining tax break. He hoped that people would see what the County is getting now from these companies.

Mr. Steimel also mentioned that on page 204 he was questioning the numbers on how many employees work in the County and other companies in the County, is this a typo?

Mr. Lantz said that they would check on those figures too.

Chairman Haines thanked Mr. Lantz for his very informative report.

#### **APPROVAL OF UPDATES TO PANIC ALARM SYSTEM**

Mr. Ken Campbell, Director of the DeKalb County Facilities Management Department, approached the committee about updating the Panic Alarm System and interfacing with 911. He explained that this is not going out to bid because it is a proprietary piece of equipment, which means we already have this equipment. He is seeking the committee's approval on this only.

Mr. Bockman said that this request is as a result of the NIU incident in February 2008. They have had meetings discussing weaknesses in the County's system and this is the result of that. He urges the committee to approve this request to implement safety measures for the County employees.

**Moved by Mr. Hulseberg, seconded by Mr. Steimel, and it was carried unanimously to approve this recommendation for the update to the panic alarm system.**

**UPDATE ON JAIL POPULATION PROJECTIONS**

Mr. Hanson, DeKalb County Deputy Administrator, said that he is approaching the committee about the update on the jail population projections.

He said that the Jail Population Study that was done in 2003 was to be redone but that turned into a \$12-25,000 proposal and that is why he is back here now.

Page C is out of the study that was released in 2003 for Average Daily Population where the County had six different scenarios to project that population and got an average that appears in the far right column. However, the daily population is different from bed needs (page D) because bed needs you have to increase by 20% the population, which doesn't always report the right number of males and females and the right number of criminals and severity of the crime.

Mr. Hanson explained that Page D shows the numbers (366) the County used when the County went out for the last referendum. Pages E and F show the proposal from Mr. Mark Goldman on updating the original study.

Once he and Mr. Bockman received the proposal from Mr. Goldman they sat down with Sheriff Scott and discussed it further. Mr. Bockman drafted a letter that summarizes everything quite nicely.

Mr. Bockman said that his letter is a result of some of the questions that Mr. Hanson and Sheriff Scott raised to him during their talks. He said that he looked at various periods of time, actual counts in our jail, short-term and long-term, and came to the conclusion that there is no fair way to predict population because any one factor can cause high variability. There are some 5-year periods where the County Jail population actually declined. However, external evidence, including bookings, would suggest that population should have gone up certainly from the first year in a five-year period to the fifth year, at least in one case it did not. The longer the period that you look at the more stable the jail population becomes. At twenty-five years out the figure is at 3.16, which is about how many prisoners per year that we have added over that long period of time. Using the longest-term rate available (3.16 ADP/Year), he then projected to the year 2035 starting with the last actual average daily population available (2007-102). His projections are found on Page H of the handout. He feels that Boone County is our best alternative.

Chairman Haines said that the figures from Mr. Bockman look a lot more realistic based on the numbers that we are seeing. He said one way or other we need a target to go for and create a funding package to put together. Do we make a decision tonight?

Mr. Hanson said that since we are not pursuing a new study externally, we should use Ray's. The next referendum will be in 2010. He said that we would need to look at setting up a committee and referendum money to run it.

Where do we go next? Asked Chairman Haines.

Mr. Hanson said one of the steps that we need is to adopt a bed number, like 229 beds and then get estimates on what it would cost to build a jail of that size. We would then need to figure on what it would cost to operate this size jail? Then we would need to study all of our findings.

**ADJOURNMENT**

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

Respectfully submitted,

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Chairman Michael Haines