

**Draft**  
**FINANCE COMMITTEE**  
**MINUTES**  
**October 1, 2008**

The Finance Committee of the DeKalb County Board, met on Wednesday, October 1, 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, Pat Vary, Jim Scheffers, Kevin Hickey, Sheriff Roger Scott, Joan Berkes Hanson, Christine Johnson, Elena Grimm, Eileen Dubin, Aaron Ruder and Karen Grush.

**APPROVAL OF THE MINUTES**

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

**APPROVAL OF THE AGENDA**

Chairman Haines placed the auditing firm resolution before the FY2009 Budget discussion on the agenda.

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

**TAX DEED RESOLUTIONS - TREASURER CHRISTINE JOHNSON**

Ms. Christine Johnson, DeKalb County Treasurer, approached the committee about three tax deed resolutions. She said that this is an annual housekeeping item. It is the eighth year of this program, she said. These resolutions are for the sale of three delinquent properties and the process that we are doing is required by State law. She explained that if a property is delinquent for three or more years, Joseph Meyer and Company acts as the County's trustee and goes to deed for us. We take deed of these properties and we offer them for sale once a year. Once these properties are sold they return back on the tax roles. She said that the three properties in question are located in DeKalb Township, Shabbona Township and Sycamore Township. She also mentioned that all of the adjoining landowners are purchasing these three separate properties.

Mr. Steimel asked Ms. Johnson about the second resolution in the amount of \$35,000 for a tract of land in DeKalb Township, is there anything in particular about that land?

Ms. Johnson said that it lies between what used to be an old railroad line and the old Gene's Produce property located in the City of DeKalb. The person who bid on it is the owner of the property next to it and they want to purchase this property too.

**Moved by Mr. Faivre, seconded by Mr. Steimel, and it was carried unanimously to forward this recommendation to the full board for approval.**

### **CONTRACT RENEWAL FOR AUDITING FIRM**

Mr. Gary Hanson, Deputy County Administrator, approached the committee tonight about renewing our auditing contract with Sikich, Inc. He explained that the proposal involves a renewal of the contract for the next five (5) years. He mentioned that in the handout that he presented this evening it shows a fairly large increase for next year in costs. The firm said that in the single audit they perform additional hours and the court system is involving more compliance auditing.

Mr. Hanson said that he feels that Sikich is a very competent firm. Mr. Hanson has insisted that Mr. Fred Lanz will be the managing partner on the audit each year and he will be onsite, if this is approved by the county board this month.

Mr. Faivre asked Mr. Hanson if there were an comparison with other counties and what they are spending on audits?

Mr. Hanson said that Winnebago, Kane and McHenry are all over \$100,000. Ogle County is close to \$60,000. McLean County is low because they do not have the same type of audit conducted as we do. He feels that our costs fall in the middle.

**Moved by Ms. Fullerton, seconded by Ms. Tobias, and it was carried unanimously to forward this recommendation to the full board for approval.**

### **FY2009 BUDGET DISCUSSION**

Mr. Hanson briefly reviewed each appeal for the Finance Committee to discuss this evening.

Chairman Haines asked the committee if they would agree to bunch the appeal numbers 5, 8, 9, 11, 12 and 13 - since they all deal with employee benefits?

The committee agreed.

Chairman Haines said that he feels that our County is in good financial shape and that we do not mirror other counties east of us who are looking at cutting their budgets. He is recommending maintaining the proposed 5.8% budget. He also said that he doesn't agree with cutting our employee benefits because it is like shooting your own foot.

He also mentioned that he asked Mr. Hanson that if we did cut these items - how much money we would save? Mr. Haines also asked Mr. Hanson that if you had a \$200,000 home - what would a \$100,000 cut into the budget be? He said that Mr. Hanson told him about \$3.00.

Chairman Haines then discussed appeal item #27 that deals with the Spay and Neuter Program. He stated that this item has been withdrawn by the Board of Health.

Ms. Grush, Director of the Public Health Department, stated that her board decided to withdraw this item because the public is struggling with economic hardships out there right now.

**Moved by Mr. Faivre, seconded by Mr. Augsburger, and it was carried unanimously to direct the monies from the withdrawal of the Spay and Neuter (item #27) to the Jail Fund.**

Chairman Haines discussed appeal item #29, which calls for cutting fund for new countywide aerial photos and eliminate \$160,000 for 2' contour maps.

The committee returned to discussing the personnel appeal item numbers 5, 8, 9, 11, 12 and 13.

Sheriff Scott read a statement on how he feels about these appeals that have been filed regarding cutting the employee benefits. "He stated that the 4% raise elimination is really made up of a 2% cost of living and a possible 0-2% percent merit that applies to only a few non-union employees and even the 0-2% is just a range. He believes that this item 5, as well as items 8, 11 and 12 are unfair, undeserved and unnecessary actions against non-union employees and is laying the groundwork for future action against union employees.

He is not affected by most of what is identified in the appeals, but he is talking about this because these ideas are a disservice to a few members of his office and every other county department. According to Mr. Bockman's letter it stated that this would affect currently about 18 county employees. The savings you would see would be relatively minor compared to the economic damage, morale and operational issues that would be caused. The cost of living raise for those employees suggested, would, as like in previous years, be close to being eaten by increasing insurance premiums. The elimination of a paid hours off system and longevity plan for these or any employee is rocking the foundation of well thought out, developed and modified programs that have been tried and tested through several years. These programs help recruit and retain employees since county salaries generally do not compare well with the largest cities in the County. He urged the county board members to remember that our services are countywide, whether it is the Health Department, the Sheriff's Department or any other County department. It is not one village or town."

**Moved by Mr. Augsburger, seconded by Mr. Hulseberg, to recommend the denial of appeal items 5, 8, 9, 11, 12 and 13.**

Mr. Faivre asked that the county look at the healthcare issue (item #8) in the future to possibly reduce the employer's share from 75% to 50%.

Mr. Bockman said that the cost of healthcare is bankrupting America and not just county government or private industry. There are a couple of problems with the suggestion of changing benefit levels for current employees. There is a contractual problem. There are the moral contracts that you hold with people who chose us as an employer for those benefits who have been here for many years because of the promises that they heard. His suggestion would be to pick a date now or in the future for people that join our employment from that point forward - they will not get this benefit. Mr. Bockman further stated, then grandfather in the people that you told and promised that they had a certain benefit to come here. He further stated that one of the problems that we have here is that one of the largest employers in this community has a better healthcare benefit, he thinks then the County does, and that's your competition for employees. He feels that Mr. Faivre's advice is good and that we should look into it in the future.

Ms. Fullerton said that it's the package and benefits that attracts people to work here.

Mr. Osborne said that he would like to see an ad hoc committee be formed by the Chairman of the Board to review our employee policies and benefits.

Mr. Bockman said that given our wage structure and if our costs keep going up 10% each year, he doesn't know if we will be able to employ people here who can afford 25% for what we are paying them. We can afford the 75%, but their share comes out of their hourly earnings.

**After a brief discussion, the motion was carried unanimously to deny appeal items 5, 8, 9, 11, 12 and 13.**

The committee then briefly discussed appeal #25 to eliminate the proposed \$225,000 funding for Renewal and Replacement Program for the Health Facility.

**Moved by Ms. Fullerton, seconded by Mr. Steimel, and it was carried unanimously to deny appeal item #25.**

The committee returned to appeal item #29 that would eliminate the \$820,000 contribution to the Asset Replacement Fund and eliminate the \$160,000 for 2' contour maps.

Mr. Steimel said that he feels that we need to keep item #6 for the Stormwater Management Committee project.

**Moved by Mr. Steimel, seconded by Mr. Augsburger, and it was carried unanimously to deny appeal item #29.**

The committee then discussed the last three appeal items #30, #32 and #35. These items deal with anticipated future spending needs.

Mr. Hanson said that if we miss a year we will create a problem for ourselves down the road.

Mr. Bockman read a statement from "Moody's" that said that our County was fiscally responsible and was run by conservative management.

**Moved by Mr. Augsburger, seconded by Ms. Tobias, and it was carried unanimously to deny appeal item #30, #31 and #35.**

Mr. Hanson said that this now concludes the discussion on appeals that were filed that involved the Finance Committee.

The committee decided not to move into Executive Session to discuss Personnel.

It was the consensus of the committee that Mr. Hanson and Mr. Joan Berkes Hanson have both completed their Standard Work Plans and their Professional Education requirements. The committee thanked both of them for a job well done.

**ADJOURNMENT**

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

Respectfully submitted,

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Chairman Michael Haines