

**Finance Committee  
Minutes  
December 2, 2009**

The DeKalb County Finance Committee met on Wednesday, December 2, 2009 @ 7:00p.m., in the Administration Building's Conference Room East. Chairman Michael Haines called the meeting to order. Members present were Ken Andersen, John Hulseberg, Scott Newport, Paul Stoddard, Mark Todd and Michael Stuckert. Ms. Tobias was absent. Others present were Joan Berkes Hanson, Gary Hanson and Jim Scheffers.

**APPROVAL OF THE MINUTES**

Moved by Mr. Stoddard, seconded by Mr. Andersen, and it was carried unanimously to approve the minutes from November 2009.

**APPROVAL OF THE AGENDA**

Mr. Andersen asked if he could speak on a subject matter before the committee tonight. Chairman Haines said yes, and that he would place him under item #6.5 on the agenda.

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

**FAMILY MEDICAL LEAVE ACT POLICY CHANGES**

Mr. Gary Hanson, Deputy County Administrator, explained to the committee that this updated Family Medical Leave Act Policy (FMLA) was a housekeeping item and that there are no changes in benefits to it. The county's attorney, Ms. Jill O'Brien, has wanted a more formal policy to better protect the employer, so she advised that the County make these updates. What he passed out this evening showed the present 2-page policy with a suggested 7-page, more formal policy.

**It was moved by Mr. Stoddard, seconded by Mr. Hulseberg, and it was carried that the committee did agree with the updates to the policy and forwarded this formal updated FMLA Policy to the full board for approval.**

Mr. Andersen asked Mr. Hanson if this would cost the County anything.

Mr. Hanson said no.

**FUND GROUPINGS FOR BUDGET DISCUSSION**

Chairman Haines said that after the budget was adopted last month at the County Board Meeting, he has spoken with some committee members, and spoke about how it is sometimes difficult about where the money is because we have so many accounts and some of the accounts are outside of our discretion, like the Motor Fuel Tax, that can only be spent by the Highway Department for Highway issues. So cutting the MFT expense saves us no money.

Mr. Hanson created a worksheet (attached to these minutes) for the committee to show where the money is and what's flexible. So the A Group is Restricted Revenue with Restricted Use, the B Group is Flexible Revenue with Restricted Use (by other boards), the C Group is Flexible Revenue (comes from property taxes or fees that the County has more control of) with Restricted Use.

Chairman Haines said that the D Group is the category of funds which are substantial, but is a small portion of the County's \$73 million budget, which if we chose to cut, we could actually make savings for the County or taxpayer. He said that he asked Mr. Hanson to translate this into real dollars. Chairman Haines continued by saying that roughly speaking, if you would cut the County's discretionary budget (property taxes) in Groups B, C, and D by 1% , it would cut the County's budget by \$190,000.00. It would cut a homeowner's taxes on a \$200,000 home by \$6.00. Multiply this by 10 would equal \$1.9 million and that would give a homeowner \$60.00 of savings.

Chairman Haines said that he wanted to put this out there because there has been grandstanding about the idea of saving taxpayer's money by cutting up the County's budget. Do we really want to go out there to the homeowners and say that we really saved you money because we saved \$60.00 this year by cutting \$1.9 million out of our budget.

Mr. Andersen, said yes, what's wrong with that?

Chairman Haines, said that there's nothing wrong with it, but at what cost? What would we have to give up in services from the County to get there?

Mr. Newport said that he wanted clarification, that during the budget discussions, it was said that the impetus behind the attempts to reduce the spending was to preserve fund balances for a future year when we might have less flexibility and have to use those funds. He didn't recall anyone saying that we have to refund property tax to tax payers.

Chairman Haines said that the purpose of this is just to let us know in the future as we are looking at that, either savings for taxpayer's or maintaining fund balances, that there is a limited amount of discretion here.

Mr. Todd, said that as the County Board is looking forward, we are going to be looking at some serious fiscal questions, because as we well know even in a recovering economy sales tax and income tax are lagging indicators of recovery. You can be a year or more in a recovery and the revenues can still be flat or trending down. All you have to

do is look at the data over the long term and that's exactly what it shows. We could be faced with some tough questions as we look at 2011 and 2012.

Mr. Hulseberg asked Mr. Hanson if the Forest Preserve fund balance and the land acquisition referendum that was just passed, is it included in this sheet?

Mr. Hanson said no, I was just looking at the County's funds.

Mr. Hulseberg said okay, so how many funds are under Forest Preserve?

Mr. Hanson said that there are four of them, General Fund, Tort and Liability, Retirement and Land Acquisition.

Mr. Hulseberg asked if we could get an updated version of this sheet and the Forest Preserve funds.

Mr. Hanson said yes, absolutely.

Mr. Stoddard asked for the expenditures to be included on the updated sheet, also.

#### **IMRF ADDITIONAL CONTRIBUTION**

Mr. Hanson said that if the committee remembered the discussion that they heard in the recent past about the IMRF contribution, we have a real rate that we will be charged for next year, but we can phase in the rate. We chose to phase in the rate, which delays the payment of about \$400,000. One of the thoughts at that time was instead of paying that money all through the year, we could change our mind next December and voluntarily make an additional contribution. It occurred to him that we also have that opportunity this month, where we could prepay this \$400,000 if you think the investments are going really well. If we keep it we will probably get 1-2% in our CD's. IMRF, through November, has made 22% on their money, in the year we are in right now. The target to make is always 7.5% and everything over that goes to our benefit. If you thought that they would make another 22% next year, you would like to send them a lot of money. Right now we are poised not to do anything, but it's an opportunity to play the stock market.

Mr. Hanson said that we have about \$2 million in this fund.

Mr. Stoddard said that he was in favor of prepaying this last time we considered it.

Mr. Todd said that he thought it was a good investment for the County to prepay the IMRF as the market is strong now and appears to be continuing in that direction.

Mr. Newport agreed.

Mr. Hulseberg said that he was comfortable with the \$400,000 because Mr. Hanson has said that there is \$2 million in the fund.

Mr. Andersen agreed to go along with those who had more financial expertise.

Mr. Stoddard said he was “all in” too.

Chairman Haines said then the consensus of the committee is to prepay the \$400,000 now.

**MR. KENNETH ANDERSEN'S COMMENTS**

Mr. Andersen feels that we need to start working on the budget right now and produce a balanced budget that does not use the County’s rainy day money.

A lengthy discussion followed. This discussion may be continued at the next Finance Committee Meeting.

**JANUARY MEETING DATE**

Mr. Newport moved to cancel the January meeting, seconded by Mr. Stuckert and it was carried unanimously.

**ADJOURNMENT**

Moved by Mr. Andersen, seconded by Mr. Stoddard, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

Michael Haines, Chairman