

Draft

Finance Committee

Minutes

June 5, 2013

The Finance Committee of the DeKalb County Board met on Wednesday, June 5, 2013, @ 7:00p.m. in the Administration Building's Conference Room East. Chairman Stephen Reid called the meeting to order. Members present were Anthony Cvek, Charles Foster, Misty Haji-Sheikh, and Ruth Anne Tobias. Mr. Stoddard and Ms. Fullerton were absent. There is a quorum present. Mr. Gary Hanson, Jim Scheffers, Peter Stefan, Joan Hanson, Fred Lantz, Christine Johnson, Karen Kahl, Sheriff Scott and Chief Deputy Gary Dumdie were also present.

APPROVAL OF THE MINUTES

It was moved by Mr. Cvek, seconded by Ms. Tobias, and it was carried unanimously to approve the minutes from May 1, 2013.

APPROVAL OF THE AGENDA

Mr. Cvek asked to amend the agenda to include discussion on an employee bonus resolution. Chairman Reid said that he would place it as item # 7a.) on the agenda.

It was moved by Ms. Tobias, seconded by Ms. Haji-Sheikh, and it was carried to approve the amended agenda.

Ms. Fullerton arrived @ 7:10p.m.

2013 AUDIT PRESENTATION – Mr. Fred Lantz

Chairman Reid introduced Mr. Fred Lantz who is the County's Auditor to go over the DeKalb County Audit Report, the Management Letter and the Single Audit Report. Mr. Lantz went in depth on many pages of the Comprehensive Annual Financial Report and explained many of the details to the Committee. Mr. Lantz then referred to the Single Audit Report and went through multiple pages of the report.

In the Management's Discussion and Analysis it was mentioned that the assets of the governmental activities of the County exceeded its liabilities at the close of the fiscal year by \$114 million and increased in the current year by \$5.1 million. The County has maintained its employment force and has been able to continue with modest increases in pay for its employees. The property tax base this year decreased by \$117.4 million or 5%.

The only business type activity that the County has is the 190 skilled bed Rehab and Nursing Center. Total net position for the Rehab and Nursing Center as of December 31, 2012 was \$10.4 million compared to \$8.8 million as of December 31, 2011. The \$1.6 million increase in net position in 2012 was due to larger Medicare and Medicaid payments received in 2012. Fiscal Year 2012 also marks the 13th straight year that the facility has operated without any property tax or other subsidy from other County funds.

One of the suggestions that the auditors made was to have the County consider a more rigid systems and security policy in the Information Management Office for software solution vendors and 3rd party hardware, that each constituent office using the shared infrastructure adheres to in order to maintain adequate security levels. They recommend that the County create a county-wide strategic technology plan that incorporates policies and procedures to which all agencies utilizing the IMO shared infrastructure will accept and conform. The framework, once implemented, will allow IMO to offer improved services, reduced risks and improved security.

The committee thanked Mr. Lantz for his very informative audit report.

POLICY REGARDING THE AWARD OF CONTRACTS

Mr. Peter Stefan, Finance Director, presented a proposed revised draft of the Award of Contracts Policy to the committee. Some of the changes that were made, said Mr. Stefan, include the following: All unbudgeted or over budget contracts would require County Board approval. That the dollar threshold was decreased and the amount for contracts for services, materials, equipment or supplies, may not be for more than \$30,000 per year without specific County Board approval. Contracts for the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and inter-connect equipment, software, and services may not be for more than \$35,000 per year without specific County Board approval. Another change was the duration of contracts, which may not be for more than 3 years unless a longer term is approved by the County Board. Additionally, contracts should be approved before the goods or services are received.

Mr. Cvek said that the exception for contracts awarded by Elected Officials should be extended to 120 days beyond their term of office rather than only 90 days beyond their term of office.

Chairman Reid said that the Finance Director should provide a summary of contracts due to expire.

It was moved by Ms. Haji-Sheikh, seconded by Mr. Cvek, and it was carried unanimously to forward this recommended policy to the full board for approval.

PURCHASING POLICY UPDATE

This item was spoken about at the last finance committee meeting. One change that Mr. Stefan made from last month is the advertising for Request for Proposals should be advertised on the County's website and published in the local newspaper at least twice in separate calendar weeks. A couple of other changes suggested are: Any purchase by DeKalb County Government for services (other than professional services which shall be selected through a Qualifications-Based Selection process), materials, equipment or supplies in excess of \$30,000, or when individual orders exceed \$35,000 for the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and inter-connect equipment, software, and services, shall be by contract. This is an increase from the prior thresholds of \$20,000 for each category. Another change is allowing joint purchasing through federal, state or local government programs to satisfy the bidding requirements provided that some form of competitive bidding was undertaken by the program. Total product service life cycle costs should be considered when determining the lowest responsible bidder. Sole source purchases are allowed provided that an attempt is made to identify multiple vendors or providers of goods or services whenever possible. Only unbudgeted, over budget, or emergency purchases in excess of \$30,000 (\$35,000 for data processing purchases) will require Committee/Board approval. Purchases for goods or services contained in the approved budget that will not exceed the approved budget amounts will not require any additional approvals beyond the approval of the budget itself.

It was moved by Ms. Haji-Sheikh, seconded by Ms. Fullerton, and it was carried unanimously to forward this recommended policy to the full board for approval.

FY2014 BUDGET CALENDAR AND PROCESS

Mr. Stefan then presented the FY2014 Budget Calendar and process. He said that the beginning of the process would be June 21, 2013 when forms will be sent out. There is a new form "H" that is included which includes a #2 to the form that people can refer to which will require further explanations for commodities and services line items that exceed \$10,000. On July 10, 2013 Mr. Stefan and Mr. Hanson will begin meeting with the County Board members. On July 15, 2013, the County Administrator and the Finance Director will provide department heads with direction regarding overall department budgets and staffing levels in regards to FY2014 budget preparation. Then on August 5, 2013 the budget request forms are due back to the Finance Office. Departments are expected to submit budgets in accordance with the direction provided.

After a brief discussion, the committee also accepted the FY2014 Budget Calendar and process.

It was moved by Ms. Tobias, seconded by Ms. Fullerton, and it was carried unanimously to accept the budget calendar and process.

EMPLOYEE BONUS POLICY – MR. ANTHONY CVEK

Mr. Cvek said that he was bringing this proposed resolution forward to try and set a policy on employees receiving a bonus. He has sent this proposed resolution to the committee earlier to review. He is referring to this resolution as the Taxpayer Cost Savings Incentive Program or Employee Bonus Policy. He feels that the resolution serves as a solid framework for the formulation of a formal County financial bonus policy that is clearly defined, measurable, available to all County employees, and specifically encourages & rewards cost savings measures that benefit the taxpayers we serve.

Mr. Hanson said that he felt that the proposed resolution is not a positive one to send to our employees.

Ms. Tobias said that she felt that we already had an employee bonus policy in place.

Mr. Foster said that we could take a look at it again and see what's out there.

Chairman Reid tabled the item.

ADJOURNMENT

It was moved by Ms. Haji-Sheikh, seconded by Ms. Tobias, and it was carried unanimously to adjourn the meeting.

Respectively submitted,

Stephen Reid, Chairman

Mary C. Supple, Secretary

DEKALB COUNTY GOVERNMENT

H

FY 2014 BUDGET

Commodities & Services
(Accounts 8001 - 9899)

Department: _____

Department Number: _____

FY 2014 Request: _____

FY 2013 Budget: _____

Amount of Increase: _____ \$0

Percent of Increase: _____ #DIV/0!

Notes: 1) If the Commodities & Services request for FY 2014 exceeds the FY 2013 budget by more than 0.0% (plus the target increase for strategic items), please provide a written explanation (attach additional sheets if necessary). Do not include Contributions to Other Funds, which are line-item accounts greater than 9900.

2) If a Commodities & Services line item request is \$10,000 or more, then show calculations for at least 75% of the line item request.

DEKALB COUNTY GOVERNMENT
FY 2014 BUDGET
January 1, 2014 thru December 31, 2014

CALENDAR & PROCESS

- June 5, 2013 Finance Committee adopts budget calendar and process.
- June 21, 2013 Budget request forms distributed to all departments. County Board members also receive a form to submit for areas that they feel should be specifically addressed and/or studied.
- July 10, 2013 County Administrator and Finance Director begin to meet with County Board members (one at a time), for those who so desire, to discuss the budgets for their Committees and any special areas of interest.
- July 15 2013 County Administrator and Finance Director provide Department Heads with direction regarding overall department budgets and staffing levels in regards to FY 2014 budget preparation.
- Aug 5, 2013 Budget request forms are due back to the Finance Office. Departments are expected to submit budgets in accordance with the direction provided. Narratives may be included which outline any concerns the Department has with the direction provided.
- Sept 4, 2013
 1. Budget workbooks are electronically distributed to County Board members. This workbook will include copies of all documentation submitted by Departments.
 2. Finance Committee receives a recommendation on the entire budget from the County Administrator and Finance Director. The proposal will include recommendations for department staffing and line-items which could be changed through an appeal process open to both Board members and Department Heads.
 3. Finance Committee sends the budget recommendation to the County Board to place it on file for public inspection.