

Note: These minutes are not official until approved by the Finance Committee at a subsequent meeting. Please refer to the meeting minutes when these minutes are approved to obtain any changes to these minutes.

DeKalb County Government
Sycamore, Illinois

**Finance Committee Minutes
February 1, 2017**

The Finance Committee of the DeKalb County Board met on Wednesday, February 1, 2017, at 7:00 p.m. in the Administration Building's Conference Room East. Chairman Stoddard called the meeting to order. Those members present were Mr. Cribben, Mr. Jones, Ms. Leifheit, Mr. Luebke, Ms. Polanco, Mr. Reid, and Chairman Stoddard. A quorum was established with all seven Members present.

Also present was Gary Hanson, Pete Stefan, Christine Johnson, Joan Hanson, Jim Scheffers, Greg Millburg, and Karen Cribben.

APPROVAL OF THE MINUTES

It was moved by Mr. Luebke, seconded by Mr. Jones, and it was carried unanimously to approve the minutes of the November 2, 2016 Finance Committee Meeting.

APPROVAL OF THE AGENDA

Mr. Reid requested to remove item #10: Sober Living Home from the Finance Committee Agenda stating that it was a Law & Justice item and will discuss his concerns further with that Committee.

It was moved by Mr. Cribben, seconded by Ms. Polanco and it was carried unanimously by voice vote to approve the agenda as amended.

PUBLIC COMMENTS

There were no public comments.

DELINQUENT PROPERTY TAX SALE RESOLUTIONS

DeKalb County Treasurer Christine Johnson joined the Committee and shared that the Treasurer's Office is requesting approval for the sale of six parcels with delinquent taxes in order to return the properties to the County's tax rolls. Additionally, she presented a list of 46 additional parcels in the Nature's Crossing subdivision in the Town of Cortland that are working their way through the tax sale process and, pending intervention by the Town of Cortland. Ms. Johnson reviewed the location of the total 52 parcels with the Committee.

It was moved by Ms. Leifheit, seconded by Mr. Luebke and approved unanimously to forward all of the delinquent property tax resolutions to the full County Board recommending their approval.

ANNUAL PROPERTY TAX ABATEMENT RESOLUTION

Mr. Stefan reviewed a proposed resolution that will abate the portion of property taxes levied for debt service that will be extended by the County Clerk if no action is taken. The entire \$1,233,705 levy for the debt service payments due on the 2010 bonds issues for the Courthouse Expansion and Jail Expansion Projects would be abated. The debt issue is being repaid by sales tax revenue generated by the County Farm property and is being proposed in accordance with the FY 2017 Budget. He additionally noted that in prior years, two property tax abatement resolutions were proposed but since the 2005 Health Facility Re-Financing Bonds were completed paid off in 2016, only one abatement resolution needs to be passed this year.

It was moved by Mr. Luebke, seconded by Mr. Jones and was approved unanimously to forward the resolution to the full County Board recommending its approval.

JANITORIAL SERVICES CONTRACT EXTENSION

Mr. Stefan reviewed a proposal from the Facilities Management Office to extend the janitorial services contract for an additional three years at no increase in costs from the current amount in lieu of bidding the services out for the next three year cycle to the exemplary performance under the contract and the flexibility and responsiveness of the current contractor.

It was moved by Mr. Reid, seconded by Ms. Leifheit and it was approved unanimously to grant the three-year extension to Citywide Building Maintenance, Inc. for the continuation of providing janitorial services to DeKalb County Government for the Sycamore Campus.

TRAVEL REGULATIONS RESOLUTION

Mr. Stefan reviewed a copy of the Public Act 99-604 called the “Local Government Travel Expense Control Act” which became effective in 2017 and the proposed new amended County’s Travel Policy. He explained that the County is required to adopt a travel reimbursement policy that spells out the types of official business for which travel reimbursement will be made and the maximum allowable reimbursement amounts, requires that a standardized form be used for reimbursement, and prescribes certain approval processes that must be adhered to in order for reimbursement to be made. This Public Act applies to all governing board members, employees, and officers of the County.

Mr. Hanson added that the County’s travel policy was last re-drafted in 1985. After reviewing the draft policy the Committee suggested outlining that alcohol was not reimbursable. Mr. Stefan added that this was just an informational item this month and he asked Committee Members to review the proposed policy wording and a final version with Committee and Department Head revisions will be brought back to the March Finance Committee with the goal of the County Board passing a new policy at their March 15, 2017 meeting.

ANNUAL FINANCIAL ITEMS

CPI Indices

Mr. Stefan noted that during the month of January, the Consumer Price Index (CPI) figures for 2016 were released. He reviewed the historical CPI numbers for two key indices the County monitors – the National CPI-U used to calculate the property tax cap and the Chicago Region CPI-U used to calculate the rate adjustment for the host benefit fee at the landfill.

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Mr. Stefan continued on explaining that the property tax cap CPI came in at 2.1% for 2016 compared to the 0.7% increase from last year. Pending any significant changes in the estimated EAV used for budget purposes when the final EAV figures are released, this allows for an increase of approximately \$446,000 to be spread amongst the various competing tax levies combined – both General Fund and non-General Fund levies. The 2016 levy amounts for non-General Fund levies were reduced from 2015 levy amounts by a combined \$174,000 as part of the solution adopted to balance the General Fund budget for 2017. The strain in both General Fund and non-General Fund revenues has continued into the early part of Fiscal Year 2017 and capturing the full 2.1% CPI increase, which is in line with the Federal Open Market Committee's long-term goal for inflation, will help to stabilize those funds reliant on property tax revenue.

The host benefit fee CPI increased by 0.7% in 2016 compared to a 0.3% decrease in 2015. Accordingly, the fee will increase from the current \$4.73 per ton to \$4.76 per ton for the next year of operations at the landfill from June, 2017 through May, 2018. This will result in approximately an additional \$16,000 being generated on an annualized basis by the fee increase assuming the same volume of waste is received in the 2017-2018 operating year as was in the 2016 calendar year (490,000 tons).

Regarding bond interest rates, Mr. Stefan further explained that due to the size and term of the proposed \$33 million, 30-year bond issue for the Jail Expansion project, there aren't as many comparable samples as there would be for smaller, shorter term bond issues. However, Speer Financial, the County's Municipal Advisor on debt issues, estimates that selling in today's market would result in interest rates in the range of 4.0% to 4.5%.

Our projections have been based on 4.25% to date which is the midpoint of the estimated range. Should interest rates end up at the higher end of the range, closer to 4.5% at the time of the actual sale, the contingencies built into our projections from landfill host benefit fees would be sufficient to cover the additional interest rate costs.

Mr. Cribben questioned why the two CPI Indices had such a discrepancy between them. Mr. Stefan explained that the disparity between the property tax cap CPI (2.1%) and the landfill host benefit fee CPI (0.7%) is due not only to the different indices being used, the US City Average index for property taxes and the Chicago-Gary-Kenosha index for the landfill host benefit fee, but it is also due to different methods being used to calculate the annual increase.

The property tax cap CPI is measured based on comparing the year ending December index to the prior year's December index. The landfill host benefit fee CPI, however, is measured based on comparing the annual average index for the year to the prior year's annual average index.

The annual average index method will be less volatile from year to year and also tends to be a lagging method as it will report a lower rate of increase when indexes are rising faster because some of the older, lower figures are used to compute the annual average, and conversely it will report a higher rate of increase when indexes are rising slower or even falling because some of the older, higher figures are used to compute the annual average. This will tend to even out in the long run but will result in some discrepancies in shorter time periods.

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If the landfill host benefit fee CPI had been calculated using the same December-to-December method that the property tax CPI is calculated under, it would have resulted in a 1.9% increase for 2016 for the Chicago-Gary-Kenosha CPI compared to the 2.1% for the US City Average CPI which is a much smaller variance that can easily be explained by regional difference in housing costs, utility costs, fuel costs, etc.

GFOA Award

Mr. Stefan announced that last week, the County was notified by the Government Finance Officers Association of the United States and Canada (GFOA) that the County received the GFOA's Certificate of Achievement for Excellence in Financial Reporting award for its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2015. This is the 30th consecutive year that the County has received this award. Only 14 Illinois Counties received the award, and only 4 of those Counties have received it for more consecutive years that DeKalb County has.

Moody's Issuer Comments Report

Mr. Stefan shared that on last Friday, Moody's Investor Service issued its annual Issuer Comment Report on DeKalb County. The Committee reviewed an excerpt from the report which provides a good indication of what our credit rating might be when we issue the Jail Expansion bonds later this year. The County's current rating is Aa1 which is one notch below Aaa which is the highest quality and lowest credit risk. In general, they have some favorable comments about the County but do point to net pension liability and full value (i.e. EAV) as two areas that have weakened.

NEW BUSINESS


There were no new business items discussed.

ADJOURNMENT

It was moved by Mr. Jones, seconded by Ms. Polanco, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,


Tasha Sims, Recording Secretary


Paul Stoddard, Chairman

Delinquent Property Tax Sales

Township	Parcel #	Total Paid by Purchaser
Cortland	09-17-385-023	\$650.00
Cortland	09-29-252-001	\$650.00
Kingston	02-22-100-004	\$650.00
Cortland	09-17-377-019	\$650.00
Cortland	09-17-377-020	\$650.00
Cortland	09-17-377-021	\$650.00

COLLECTION TOTAL **\$3,900.00**

PENDING Delinquent Property Tax Sales

Township	Parcel #	Total Paid by Purchaser	Township	Parcel #	Total Paid by Purchaser
Cortland	09-17-326-001	\$650.00	Cortland	09-17-384-007	\$650.00
Cortland	09-17-329-005	\$650.00	Cortland	09-17-384-009	\$650.00
Cortland	09-17-329-006	\$650.00	Cortland	09-17-385-007	\$650.00
Cortland	09-17-329-007	\$650.00	Cortland	09-17-385-008	\$650.00
Cortland	09-17-329-008	\$650.00	Cortland	09-17-385-009	\$650.00
Cortland	09-17-377-013	\$650.00	Cortland	09-17-385-010	\$650.00
Cortland	09-17-377-014	\$650.00	Cortland	09-17-385-011	\$650.00
Cortland	09-17-377-015	\$650.00	Cortland	09-17-385-012	\$650.00
Cortland	09-17-377-016	\$650.00	Cortland	09-17-385-013	\$650.00
Cortland	09-17-377-017	\$650.00	Cortland	09-17-385-014	\$650.00
Cortland	09-17-377-018	\$650.00	Cortland	09-17-385-015	\$650.00
Cortland	09-17-382-003	\$650.00	Cortland	09-17-385-016	\$650.00
Cortland	09-17-382-004	\$650.00	Cortland	09-17-385-022	\$650.00
Cortland	09-17-382-005	\$650.00			
Cortland	09-17-382-006	\$650.00			
Cortland	09-17-382-007	\$650.00			
Cortland	09-17-382-010	\$650.00			
Cortland	09-17-382-011	\$650.00			
Cortland	09-17-382-012	\$650.00			
Cortland	09-17-382-013	\$650.00			
Cortland	09-17-382-014	\$650.00			
Cortland	09-17-383-007	\$650.00			
Cortland	09-17-383-008	\$650.00			
Cortland	09-17-383-009	\$650.00			
Cortland	09-17-383-017	\$650.00			
Cortland	09-17-383-018	\$650.00			
Cortland	09-17-383-019	\$650.00			
Cortland	09-17-383-020	\$650.00			
Cortland	09-17-383-021	\$650.00			
Cortland	09-17-384-002	\$650.00			
Cortland	09-17-384-003	\$650.00			
Cortland	09-17-384-004	\$650.00			
Cortland	09-17-384-006	\$650.00			

COLLECTION TOTAL: **\$29,900.00**

AN ACT concerning local government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 1. Short title. This Act may be cited as the Local Government Travel Expense Control Act.

Section 5. Definitions. As used in this Act:

"Entertainment" includes, but is not limited to, shows, amusements, theaters, circuses, sporting events, or any other place of public or private entertainment or amusement, unless ancillary to the purpose of the program or event.

"Local public agency" means a school district, community college district, or unit of local government other than a home rule unit.

"Travel" means any expenditure directly incident to official travel by employees and officers of a local public agency or by wards or charges of a local public agency involving reimbursement to travelers or direct payment to private agencies providing transportation or related services.

Section 10. Regulation of travel expenses. All local public agencies shall, by resolution or ordinance, regulate the reimbursement of all travel, meal, and lodging expenses of officers and employees, including, but not limited to: (1) the

types of official business for which travel, meal, and lodging expenses are allowed; (2) maximum allowable reimbursement for travel, meal, and lodging expenses; and (3) a standardized form for submission of travel, meal, and lodging expenses supported by the minimum documentation required under Section 20 of this Act. The regulations may allow for approval of expenses that exceed the maximum allowable travel, meal, or lodging expenses because of emergency or other extraordinary circumstances. On and after 180 days after the effective date of this Act of the 99th General Assembly, no travel, meal, or lodging expense shall be approved or paid by a local public agency unless regulations have been adopted under this Section.

Section 15. Approval of expenses. On or after 60 days after the effective date of this Act of the 99th General Assembly, expenses for travel, meals, and lodging of: (1) any officer or employee that exceeds the maximum allowed under the regulations adopted under Section 10 of this Act; or (2) any member of the governing board or corporate authorities of the local public agency, may only be approved by roll call vote at an open meeting of the governing board or corporate authorities of the local public agency.

Section 20. Documentation of expenses. Before an expense for travel, meals, or lodging may be approved under Section 15 of this Act, the following minimum documentation must first be

submitted, in writing, to the governing board or corporate authorities:

(1) an estimate of the cost of travel, meals, or lodging if expenses have not been incurred or a receipt of the cost of the travel, meals, or lodging if the expenses have already been incurred;

(2) the name of the individual who received or is requesting the travel, meal, or lodging expense;

(3) the job title or office of the individual who received or is requesting the travel, meal, or lodging expense; and

(4) the date or dates and nature of the official business in which the travel, meal, or lodging expense was or will be expended.

All documents and information submitted under this Section are public records subject to disclosure under the Freedom of Information Act.

Section 25. Entertainment expenses. No local public agency may reimburse any governing board member, employee, or officer for any entertainment expense.

DEKALB COUNTY GOVERNMENT
TRAVEL POLICY
(Draft of February 2, 2017)

A. State Statute

The Local Government Travel Expense Control Act (Public Act 99-604) requires that DeKalb County adopt a Resolution related to the approval of travel expenses and meal purchases. The law provides that the County regulate the reimbursement of all travel, meal, and lodging expenses of officers and employees.

B. Policy Statement

It is the policy of DeKalb County to pay on behalf of or to reimburse its employees and officers, within established budget restraints, for all reasonable expenses related to travel or meetings which are deemed to be necessary and beneficial to DeKalb County. Employees and officers are expected to exercise the same care in incurring expenses for official business as a prudent person would in spending personal funds.

“Travel” means any expenditure directly incident to official travel by employees and officers of DeKalb County or by wards or charges of the County involving reimbursement to travelers or direct payment to private agencies providing transportation or related services.

C. Authorized Types of Official Business

Travel, meal, and lodging expenses will be reimbursed to employees and officers of the County only for purposes of official business conducted on behalf of the County. These include but are not limited to:

1. Training and professional development associated with the individual’s function at the County.
2. Professional association meetings related to the individual’s function at the County.
3. Business meetings associated with functions related to the individual’s function at the County.
4. Site visits to current or potential vendors of the County or associated with current or future County projects.
5. Case site visits and client meetings associated with the performance of the individual’s function at the County.
6. Transportation of prisoners, probationers, or other persons in the County's custody.
7. Law enforcement activities and investigative efforts undertaken in connection with the individual’s function at the County.
8. Transportation of County equipment.
9. Travel between County offices as authorized by the Department Head.
10. Marketing of locations in the County to prospective businesses/consultants.
11. Other travel as authorized by the County Board Chairman or Department Head in compliance with County regulations.

D. Maximum Allowable Reimbursement for Travel Expenses

1. Mileage – The maximum allowable expense is the privately owned vehicle mileage reimbursement rate as determined by the United States General Services Administration (GSA). This rate is adjusted periodically and the current and historical rates are available via the GSA website: www.gsa.gov/perdiem. Rate changes will become effective on the same date as the GSA rate change.

2. Meals and Incidentals
 - a. For overnight travel, the maximum allowable expense is 80% of the meals and incidental per diem determined by the GSA for the geographic region. This rate is adjusted periodically and the current and historical rates are available via the GSA website: www.gsa.gov/perdiem. The amount determined as of January 1st of each year shall remain in effect for the entire calendar year.

 - b. For same day travel where all three meals are not reimbursable, the maximum allowable expense per meal is:
 - i. Breakfast: 25% of the overnight travel per diem total (20% of the GSA amount).

 - ii. Lunch: 25% of the overnight travel per diem total (20% of the GSA amount).

 - iii. Dinner: 50% of the overnight travel per diem total (40% of the GSA amount).

 - c. Taxes are included in the maximum amounts listed above and will not be reimbursed separately.

 - d. Reasonable gratuities (not to exceed 20%) may be included as part of the cost of the meal but, if included, the total cost of the meal plus applicable taxes plus the gratuity cannot exceed the maximum amounts established above.

 - e. There will be no reimbursement for alcoholic beverages of any kind except for the limited exception described in Paragraph D(5) below.

3. Lodging – For overnight travel, the maximum allowable expense is 100% of the lodging per diem as determined by the GSA for the geographic region of the overnight stay. This rate is adjusted periodically and the current and historical rates are available via the GSA website: www.gsa.gov/perdiem. The amount determined as of January 1st of each year shall remain in effect for the entire calendar year.

Lodging taxes (i.e. hotel tax, room tax, etc.) are not included in the GSA lodging per diem rates and will be reimbursed at the same tax rate in addition to the maximum lodging per diem rate specified above.

4. Mode of Travel - The mode of travel shall be identified when making a request to travel. The factors of distance, expense, convenience, and travel time shall be taken into account when selecting the mode of travel. Transportation should be arranged in the most reasonable and economical manner. For example, if air travel is more economical than driving (mileage, meals, lodging, etc.), the County will reimburse only for the cost of the air fare.
5. Stays at Private Residences – For overnight travel, individuals may opt to stay in the private residence of friends or relatives if they so desire. In such incidences, the County will not pay a lodging fee; however, the employee or officer can be reimbursed for a small gift given in appreciation for the hospitality and cost savings, provided the value of the gift does not exceed twenty-five dollars (\$25) per stay. For purposes of this paragraph only, a limited exception to the prohibition of reimbursement for alcoholic beverages is allowed if prepackaged alcohol is given as the gift for the stay. A receipt for the cost of the gift is required. All overnight stays must be necessary for the business trip and not done for the convenience of the individual.

E. Standardized Reimbursement Form

In accordance with Public Act 99-604, DeKalb County has created a standardized form for submission of travel, meal, and lodging expenses. The Travel Expense Report will be maintained and updated by the Finance Director as rates change or other modifications are required. The current version of the Travel Expense Report is available on the “Finance Office – Forms & Publications – Internal Forms” page of the County’s website at www.dekalbcounty.org.

F. Expenses Exceeding the Maximum Allowable Reimbursement

Travel, meal, and lodging expenses that exceed the maximum allowable reimbursement amount as stated in this policy because of emergency or other extraordinary circumstances, must be approved by the DeKalb County Board via a roll call vote either before or after the travel occurs.

G. County Board Expenses / Reimbursement

Travel, meal, and lodging expenses that are submitted by or on behalf of a member of the governing board, must be approved by the DeKalb County Board via a roll call vote either before or after the travel occurs.

H. Receipts & Required Documentation

Approval of reimbursement may only occur after specified documentation has been submitted to the Finance Office in compliance with this policy and accounts payable procedures.

Required documentation includes: (a) receipts for the cost of travel, meals, or lodging if the expenses have already been incurred, or the estimated cost of travel, meals, or lodging for travel advances if the expenses have not yet been incurred; (b) the name, job title, and department of the individual requesting the reimbursement; (c) the date(s) of travel; and (d) a description of the nature of the official business with supporting documentation (agenda, itinerary, brochure, etc.) as necessary to validate the travel.

Receipts are required for all travel, meal, and lodging expenses, and the per diem amounts referenced earlier are for purposes of establishing maximum allowable amounts only. Any excess funds remaining from travel advances upon returning from travel, must be reimbursed to the County.

L. Approval by the County Board

Approval by the DeKalb County Board may occur either before or after the travel occurs. Travel advances can be made at the sole discretion of the Treasurer and, if approved, must be reconciled with actual expenses within five (5) business days after returning from the travel event, with any balance due to either the County or the individual documented and processed accordingly.

J. Entertainment Expenses Prohibited

Public Act 99-604 prohibits reimbursing entertainment expenses for all local public agencies. "Entertainment" is defined to include shows, amusements, theaters, circuses, sporting events, or any other place of public or private entertainment or amusement, unless ancillary to the purpose of the program or event.

K. Freedom of Information Act Applicability

All documentation submitted as proof for reimbursement shall be subject to disclosure under the Freedom of Information Act.

L. Effective Dates

This policy must be approved by Resolution by the DeKalb County Board prior to June 29, 2017. If the policy is not approved, no travel, meal, or lodging expenses will be permitted to be paid. Beginning March 1, 2017, all travel, meal, and lodging expenses that exceed the maximum allowable reimbursement as stated in this policy, or any expenses submitted by a member of the governing board, must be approved by a roll call vote.



2017 DEKALB COUNTY TRAVEL EXPENSE REPORT

Name:		Job Title:	
Check One:	Estimated Costs _____ or Actual Costs _____	Department:	

(a)

Reason for Travel / Destination:

EXPENSES	DATE:							TOTALS
1. Auto Mileage x 2017 Mileage Rate (\$0.535)								
2. Lodging Costs								
3. Meals: Breakfast								
Lunch								
Dinner								
4. Air Fare								
5. Rental Car								
6. Other Transportation (Taxi/Train)								
7. Tolls								
8. Parking								
9. Fuel								
10. Telephone								
11. Other (Describe in Comments)								
12. Total Reimbursable Expenses								

COMMENTS:	13. Less Travel Advance Received, if any	
	14. Amount Due Employee	
	15. Amount Due DeKalb County	
	16. Budget Line Items to be Charged	
	Department	Account / Line Item
17. TOTAL CHARGES		

(b)

(c)

I certify that the foregoing expenses were incurred in connection with official DeKalb County business and that no other reimbursement has been or will be received for these expenses.

_____/_____
Employee's / Officer's Signature Date

Note 1: Expenses incurred must have receipts attached to this form!

_____/_____
Department Head's Signature Date

Note 2: Line 17-Total Charges must equal Line 14-Amount Due!

- (a) Estimated costs must be reconciled to actual costs within five (5) days of completing travel.
- (b) Please submit claim.
- (c) Please submit cash or check for amount due. (Check # _____)

**Consumer Price Index - All Urban Consumers
U.S. City Average
Used for PTELL / Tax Cap Calculations**

**Consumer Price Index - All Urban Consumers
Original Data Value**

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2003 to 2015

For PTELL / Tax Cap Calculations

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2	% Increase Dec. to Dec.	% Increase Year Over Year (Dec. to Dec.)	% Increase Year-to-Date (Dec. to Dec.)
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6			
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2	3.3%		
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4	3.4%		
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6	2.5%		
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976	4.1%		
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177	0.1%		
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935	2.7%		
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576	1.5%		
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.599	226.280	3.0%		
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	228.850	230.338	1.7%		
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	232.367	233.548	1.5%		
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812	236.736	236.384	237.088	0.8%		
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525	237.017	236.265	237.769	0.7%		
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432	240.007	238.778	241.237	2.1%	2.1%	2.1%

1.2% 3-Year Average (2014-2016)
 1.4% 5-Year Average (2012-2016)
 1.8% 10-Year Average (2007-2016)

**Consumer Price Index - All Urban Consumers
Chicago-Gary-Kenosha, IL-IN-WI
Used for Landfill Host Agreement Calculations**

**Consumer Price Index - All Urban Consumers
Original Data Value**

Series Id: CUURA207SA0, CUUSA207SA0
 Not Seasonally Adjusted
 Area: Chicago-Gary-Kenosha, IL-IN-WI
 Item: All items
 Base Period: 1982-84=100
 Years: 2003 to 2015

For Landfill Host Fees Agreement Calculations

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2	% Increase Avg. to Avg.	% Increase Year-to-Date (Avg. to Avg.)
2003	182.7	184.1	184.8	183.4	183.4	184.1	184.1	184.5	186.1	185.8	185.6	185.5	184.5	183.8	185.3		
2004	185.4	186.4	186.3	187.2	188.7	189.1	189.2	190.2	190.0	190.8	190.7	189.6	188.6	187.2	190.1	2.2%	
2005	189.9	190.5	191.3	193.2	193.3	194.0	194.2	195.8	198.3	197.9	197.3	196.4	194.3	192.0	196.7	3.0%	
2006	197.5	197.2	197.6	197.7	198.4	199.0	199.3	200.4	199.6	197.5	197.9	197.8	198.3	197.9	198.8	2.1%	
2007	199.401	200.630	202.483	204.019	205.686	206.092	205.561	205.813	206.454	206.696	207.821	207.155	204.818	203.052	206.583	3.3%	
2008	208.757	209.526	211.542	212.662	214.932	215.738	217.459	215.971	215.465	213.363	209.053	205.959	212.536	212.193	212.878	3.8%	
2009	207.616	207.367	207.462	207.886	209.809	211.010	210.906	211.441	211.345	211.708	212.206	211.185	209.995	208.525	211.465	-1.2%	
2010	212.104	212.456	212.952	212.929	212.984	212.186	212.535	212.784	213.339	213.332	213.066	213.778	212.870	212.602	213.139	1.4%	
2011	215.155	216.192	217.880	218.762	220.094	220.182	219.277	219.688	220.027	219.592	219.181	218.180	218.684	218.044	219.324	2.7%	
2012	219.585	219.626	222.351	222.416	222.262	222.138	221.611	222.967	223.611	223.227	222.425	221.838	222.005	221.396	222.613	1.5%	
2013	222.251	224.681	224.433	224.522	225.645	225.864	225.375	225.525	225.161	224.422	223.703	222.960	224.545	224.566	224.524	1.1%	
2014	225.027	226.217	228.784	229.848	229.612	230.477	229.633	229.753	229.829	228.987	227.184	226.262	228.468	228.328	228.608	1.7%	
2015	225.852	225.763	227.405	227.704	228.494	228.837	228.588	229.527	228.826	228.600	227.641	226.271	227.792	227.343	228.242	-0.3%	
2016	227.977	227.438	227.778	229.197	229.247	230.341	228.454	228.956	230.282	230.506	230.969	230.476	229.302	228.663	229.941	0.7%	0.7%

0.7% 3-Year Average (2014-2016)
 1.0% 5-Year Average (2012-2016)
 1.5% 10-Year Average (2007-2016)

ISSUER COMMENT

27 January 2017

RATING

General Obligation (or GO Related)¹

Aa1 No Outlook

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DeKalb County, IL

Annual Comment on DeKalb County

Issuer Profile

DeKalb County is located in central northern Illinois. Sycamore, the county seat, is approximately 55 miles west of downtown Chicago. The county has a population of 105,462 and a population density of 167 people per square mile. The county's per capita personal income is \$34,679 (3rd quartile) and the August 2016 unemployment rate was 5.2% (3rd quartile).² The largest industry sectors that drive the local economy are retail trade, health services, and manufacturing.

Credit Overview

The credit position for DeKalb County is very strong and its Aa1 rating is slightly higher than the US county median of Aa2. The rating reflects a robust financial position, and an exceptionally light debt burden with a somewhat inflated pension liability. It also incorporates a healthy socioeconomic profile with a considerable tax base.

Finances: The county has a robust financial position, which is a modest credit strength with respect to the assigned rating of Aa1. The available fund balance as a percent of operating revenues (80.9%) is far above the US median. Furthermore, the net cash balance as a percent of revenues (77.4%) is far superior to other Moody's-rated counties nationwide, although this percentage fell modestly between 2012 and 2015.

Debt and Pensions: The debt and pension liabilities of the county are low. That said, they are slightly unfavorable when compared with its Aa1 rating. The net direct debt to full value (0.3%) is slightly below the US median. Moreover, the Moody's-adjusted net pension liability to operating revenues (2.0x) is above the US median and unfavorably rose from 2012 to 2015.

Economy and Tax Base: The economy and tax base of the county are healthy. That said, they are relatively weak when compared with the assigned rating of Aa1. The total full value (\$5.1 billion) is below the US median and declined significantly between 2012 and 2015. The full value per capita (\$48,785) is also below other Moody's-rated counties nationwide. On the other hand, the median family income is a solid 109.6% of the US level.

Management and Governance: The ability to generate balanced financial operations demonstrates sound financial management. In this situation, DeKalb County's operations were approximately break-even whereas the tax base generally shrank.

Illinois counties have an institutional framework score ³ of "A," or moderate. Revenue predictability is moderate, with varying dependence on revenue from property taxes, sales taxes, and state-distributed income taxes. Revenue-raising ability is moderate. Most counties

are subject to tax rate limitations but have access to a variety of uncapped levies, although total operating tax yield for most counties is capped at the lesser of 5% or CPI growth, plus new construction. Expenditures, which are primarily for criminal justice, are moderately predictable. Counties have a low ability to reduce expenditures partially due to unions. Pension expenditures are manageable for most counties.

Sector Trends - Illinois Counties

Illinois counties face uncertainty stemming from the state's budgetary challenges. Proposals have been made to cut income tax distributions to local governments and to freeze property tax revenues. Property valuation declines have been severe in the northern region of the state, translating into reduced operating revenue for some local governments. However, downstate valuations have remained largely stable in recent years. Illinois counties have experienced stagnant property tax revenue growth in recent years given limited CPI growth, while economically sensitive revenues have begun to recover for most counties.

Exhibit 1

Key Indicators^{4 5}

DeKalb County, IL

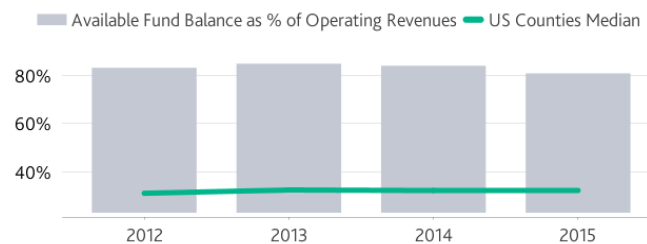
	2012	2013	2014	2015	US Median	Credit Trend
Economy / Tax Base						
Total Full Value	\$6,093M	\$5,591M	\$5,185M	\$5,091M	\$7,427M	Weakened
Full Value Per Capita	\$58,131	\$53,343	\$49,416	\$48,785	\$78,398	Weakened
Median Family Income (% of US Median)	110.4%	110.2%	109.6%	109.6%	94.2%	Stable
Finances						
Available Fund Balance as % of Operating Revenues	83.2%	84.9%	84.1%	80.9%	32.3%	Stable
Net Cash Balance as % of Operating Revenues	81.3%	80.9%	82.2%	77.4%	36.5%	Stable
Debt / Pensions						
Net Direct Debt / Full Value	0.11%	0.31%	0.28%	0.27%	0.51%	Stable
Net Direct Debt / Operating Revenues	0.19x	0.48x	0.41x	0.37x	0.63x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	0.87%	0.99%	1.1%	1.4%	0.97%	Weakened
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	1.46x	1.54x	1.65x	2.00x	1.26x	Weakened

Source: Moody's

Exhibit 2

Available fund balance as a percent of operating revenues decreased from 2012 to 2015

Available Fund Balance as a Percent of Operating Revenues



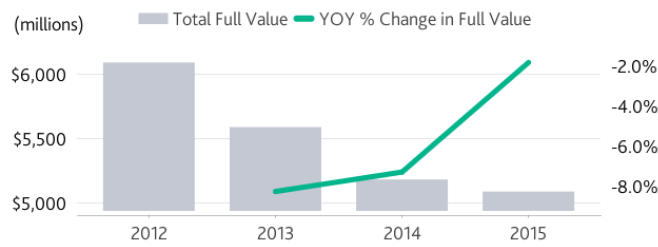
Source: Issuer financial statements; Moody's

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Exhibit 3

Full value of the property tax base decreased between 2012 and 2015

Total Full Value

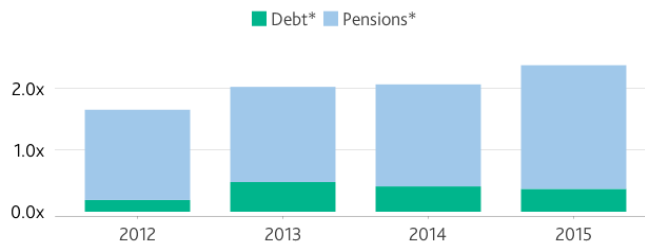


Source: Issuer financial statements; Government data sources; Offering statements; Moody's

Exhibit 4

Moody's-adjusted net pension liability to operating revenues increased from 2012 to 2015

Net Direct Debt and Adjusted Net Pension Liability / Operating Revenues



*Debt is represented as Net Direct Debt / Operating Revenues. Net Direct Debt is defined as gross debt minus self supporting debt. Pensions are represented as ANPL / Operating Revenues. ANPL is defined as the average of Moody's-adjusted Net Pension Liability in each of the past three years.

Source: Issuer financial statements; Government data sources; Offering statements; Moody's