



Kane County

KC Finance and Budget Committee

Meeting Minutes

Government Center
719 S. Batavia Ave., Bldg. A
Geneva, IL 60134

BERMAN, Lenert, Juby, Lewis, Sanchez, Surges, Tepe & ex-officios Pierog (County Chair)

Monday, August 19, 2024

9:00 AM

County Board Room

*****SPECIAL MEETING*****

1. Call To Order

Chairman Berman called the meeting to order at 9:00 AM.

2. Roll Call

PRESENT	Board Member Dale Berman Board Member Bill Lenert Board Member Leslie Juby Board Member Vern Tepe
REMOTE	Board Member Anita Lewis Board Member Jarett Sanchez
ABSENT	Board Member Clifford Surges Ex-Officio County Board Chair Corinne M. Pierog

Also present: Co. Bd. Members Allan*, Bates, Gumz*, Kenyon, Kious*, Molina*, Roth, Strathmann*; Fin. Exec. Dir. Hopkinson; KDOT Deputy Dir. Rickert; ITD/BLD Exec. Dir. Fahnstock & staff Lasky*, Files, Peters; Sheriff Hain; Auditor Wegman; State's Attorney Mosser* & staff Frank, Hunt*, Shepro; Circuit Clk. Barreiro & staff Herwick, Johnson; Public Defender Conant; Court Srvs. Exec. Dir. Aust & staff Davis; Court Admin. O'Brien & staff Mathis; Asst. Region. Supt. Oliver; HRM Exec. Dir. Loblillo; KCAC Admin. Youngsteadt*; KCHD CFO Snowden*; and members of the press and public.

(Committee Member Sanchez arrived remotely 9:01 a.m.)

3. Remote Attendance Requests

Chairman Berman announced the remote attendance requests for today's meeting. He asked the Committee if there were any objections to Committee Members Lewis and Sanchez attending today's meeting remotely. There were no objections.

4. Approval of Minutes: None

5. Public Comment (Agenda Items)

None.

6. Public Comment (Non-Agenda Items)

None.

7. New Business**A. Fiscal Year 2025 Budget - Presentation**

Fin. Exec. Dir. Hopkinson provided the FY2025 Budget presentation. She noted that this presentation included the responses to the Finance Committee's requests from the previous meeting. Hopkinson reviewed the 2025 Budget Reduction Requests - General Fund. She noted that she heard back from the majority of the County's departments/offices on possible budget cuts for the FY2025 budget. Only four departments were able to make cuts totaling \$544K. Other departments stated they could not afford to make any budget cuts. Hopkinson provided the details of the \$544K budget cuts. (Committee Member Lewis arrived remotely at 9:02 a.m.) She reviewed the details of the elimination of the \$4.3M transfer from the General Fund to the Capital Projects Fund. The Building Management Department provided a list of building improvement projects that will be impacted by this elimination. Hopkinson provided detailed information on the General Government Revenues that Kane County receives and in which County fund they are allocated to. She reviewed the State of Illinois Department of Revenue's estimate reporting regarding the projections, if the Kane County voters implemented a Special County Retailers' Occupation Tax. She provided four financial examples of the County collecting this tax at a 0.25%, 0.5%, 0.75% and 1%. Hopkinson presented the current Assessor Estimated Equalized Assessed Value (EAV) Report by Tax District - Kane County. Provided the estimated EAV, Hopkinson shared the Property Tax options that included Consumer Price Indexes (CPI) of 0.00% or 3.4%. If property tax was collected with a CPI value of 3.4% the annual change is County revenue would be \$2,655,570.15. At a CPI of 0.00%, the County would bring in \$657,235,93. Hopkinson recommended that if the County did raise property taxes to the 3.4%, to apply \$657K to the Veterans' Commission Fund and the FICA Social Security Fund. She noted that the overall General Fund would not benefit from this increase. Hopkinson provided the FICA Fund (Payroll Taxes) - Forecast and Reserve Target. She noted that both the FICA Fund and IMRF Fund are currently using reserves. She provided detail information on these two funds. Hopkinson addressed questions and comments from the Committee. Much discussion ensued.

County Board Member Bates requested that emails being sent to the Finance Committee be sent to all County Board Members. Further discussion ensued.

B. Overview of Regional Transportation Sales Tax

KDOT Deputy Dir. Rickert provided an overview of the Regional Transportation Sales Tax as authorized by the Regional Transportation Authority (RTA) Act. His primary point of discussion for today is the impact of the potential \$4M one-year transfer of the RTA Sales Tax. He provided a brief history of the RTA Sales Tax. This tax was implemented to address funding shortfalls and local transportation needs within the Chicago region. Kane County Division of Transportation (KDOT) and other surrounding county transportation departments worked with RTA, the Chicago Metropolitan Agency for Planning (CMAP), and legislators to

create the funding to address highway safety, capacity, maintenance, and transit needs. The Kane County Board adopted policies to ensure that this sales tax revenue was spent appropriately. Rickert noted that the RTA Sales Tax is KDOT's primary source of revenue, which funds maintenance projects. The RTA Sales Tax revenue equates to 33% of KDOT's overall budget. Rickert provided the historical context on how Public Safety became apart of this legislation. He reviewed the historical actions of the Kane County Board to assist the County's General Fund with Transportation funding. Rickert stated that this is a policy issue and he will follow what the County Board sets forth. He spoke on the significant impacts of the \$4M transfer would have on the Transportation Improvement Program (five-year financial plan). He added that KDOT will continue to seek federal and state grants to help with the financial shortfalls. However, sought out grants will be focused more on maintenance activities. Rickert reviewed the list of projects and programs that will be impacted if the sales tax reduction were to occur. Rickert presented KDOT's Proposed FY2025 Budget Revenues and Expenditures - Recurring and New Capital Project Costs. KDOT's proposed FY2025 budget is approximately 8% less than FY2024. Rickert stated that today's presentation was an overview to show the County Board what would need to occur if the \$4M or 60% reduction is implemented. From the staff level, the primary goal will be to try to protect the existing grants. Currently, there is inadequate matching funds for FY2025 through FY2028, with an estimated shortfall of \$33M. KDOT will need to limit further grant applications and submit only bridge maintenance grants. The Randall at Hopps Intersection and CNRR Grade Separation projects are KDOT's greatest concern. Rickert stated that the proposed RTA Sales Tax decrease of 60% will have a severe and immediate impact on capital projects as the County already has limited funds for matching grants. Rickert addressed questions and comments from the Committee. Discussion ensued.

C. Adopting Requests for County Offices and Departments for Proposed Reductions in the Preparation of the FY2025 County Budget

Court Svcs. Exec. Dir. Aust reiterated that when budget cuts are talked about, especially something as complex as the court system, they cannot be discussed in isolation. Each judiciary and public safety department cannot simply provide cuts without conferring with the other partners to make sure these cuts do not have adverse effects on one another. Additionally, Aust stated that the County Board should look at the how they would like the County and court system to be ran. Everyone in the County needs to have a say in this. The Finance Department gave a two-day time frame to come up with adequate cuts. This not conducive to strategic planning. These proposed budget cuts need to have time for preparation in order to transition appropriately.

Committee Vice-Chair Lenert stated that the Finance Committee understands the hardships these potential cuts could have. He was pleased to hear that four County departments/offices were able to cut approximately \$544K from the General Fund's budget. He stated that the County Board will need to focus on addressing the \$4.5M shortfall.

Committee Member Tepe spoke on Aust's presentation at the Judicial Public

Safety (JPS) Committee on the impacts these budget cuts would have on Court Services. He stated that the majority of the departments/offices have done a good job staying within the budget guidelines set forth by the County Board. One of the main points Aust made was that any implemented budget cuts would be to personnel, who do an effective job for this County. Tepe stated that the County needs to look at how to handle this shortfall and not look at budget cuts of people.

Committee Member Juby spoke on her surprise of trying to implement FY2025 budget cuts, when the plan of the Board was to utilize excess reserve funds to balance the FY2024 and FY2025 budget. She suggested that the Finance Committee honor the decisions of the County Board to spend down the County's excess reserves until FY2026 and find two additional revenue sources, such as the Special County Retailers' Occupation Tax. Discussion ensued.

Fin. Exec. Dir. Hopkinson reminded the Committee that when the FY2025 budget process began, it was discussed that all departments/offices cut back on their expenses in order to avoid budget cuts. The Board set parameters and provisions for departments/offices to stick to, such as reducing vacancy positions. Hopkinson shared her concerns on the Request for Proposal (RFP) for strategic plan services. If the County decides to move forward, any reductions in services will need to go through strategically. Much discussion ensued.

Hopkinson stated that within this resolution there are a few items would have to change to reflect the Finance Committee direction. In the fourth WHEREAS clause, the amount of \$15M would be changed to \$19,445,661. In the seventh WHEREAS clause, the \$5M would need to be changed to \$554,339.

Tepe motioned to amend this resolution to reflect the suggestions of Hopkinson as previously stated, Lenert seconded. Motion passed by a 4-2 vote.

KC Finance and Budget Committee

RESULT:	MOVED FORWARD BY ROLL CALL VOTE
TO:	KC Finance and Budget Committee
MOVER:	Bill Lenert
SECONDER:	Vern Tepe
AYE:	Dale Berman, Bill Lenert, Anita Lewis, and Vern Tepe
NAY:	Leslie Juby, and Jarett Sanchez
ABSENT:	Clifford Surges, and Corinne M. Pierog

D. Authorizing the Submission to the Electors of the County of Kane by Referendum on the April 1, 2025, Consolidated Election Ballot the Question of Imposing a 0.75% Special County Retailers' Occupation Tax for Public Safety Purposes

Committee Vice-Chair Lenert motioned to amend this resolution. He stated that in the fifth WHEREAS clause, the "for the next regularly scheduled election, which is April 1, 2025, general election, for a 1% Special County Retailers' Occupation Tax for public safety purposes," wording needs to be changed to "for the next regularly scheduled consolidated election, which is April 1, 2025 election, for a 1% Special County Retailers' Occupation Tax for public safety purposes," General Election wording needs to be amended to Consolidated Election ballot, Sanchez seconded. Discussion ensued. Motion carried unanimously by roll call vote.

Committee Member Juby reviewed the projected revenue the County would receive from implementing this sales tax. She voiced her concerns on accepting a 1% sales tax. She questioned if the County were to adopt a 0.5% sales tax, what the options would be to ask the public for more at a future date. She suggested amending this resolution from 1% to 0.5%. Discussion ensued on the County's options for increasing revenue and the proposed percentage amount.

Juby motioned to change the 1% Special County Retailers' Occupation Tax to 0.5%, Lenert seconded. Discussion ensued. Motion was rescinded.

Lenert motioned to change the amount from 1% to 0.75%, Juby seconded. Discussion ensued. Motion passed by a 4-2 vote.

KC Executive Committee

RESULT:	MOVED FORWARD BY ROLL CALL VOTE
TO:	KC Executive Committee
MOVER:	Vern Tepe
SECONDER:	Bill Lenert
AYE:	Dale Berman, Bill Lenert, Leslie Juby, Anita Lewis, and Jarett Sanchez
NAY:	Vern Tepe
ABSENT:	Clifford Surges, and Corinne M. Pierog

8. Old Business

None.

9. Committee Chairman's Comments

Chairman Berman stated that he was pleased to see that the Finance Committee has arrived to these decisions and commended the effort put forth.

10. Executive Session (if needed)

None.

11. Adjournment

RESULT:	APPROVED BY VOICE VOTE
MOVER:	Bill Lenert
SECONDER:	Vern Tepe

This meeting was adjourned at 11:07 AM.

Savannah Valdez
 Sr. Recording Secretary