



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)

Wednesday, November 27, 2024

9:00 AM

County Board Room

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 Anita Lewis Board Member Jarett Sanchez Board Member Vern Tepe
ABSENT	Board Member Clifford Surges Ex-Officio County Board Chair Corinne M. Pierog

Also present: Co. Bd. Members Allan*, Bates*, Kious*, Linder*, Molina*, Roth, Strathmann*; Treasurer Lauzen; Auditor Wegman; Fin. Exec. Dir. Hopkinson; HRM Exec. Dir. Loblillo; KCHD Exec. Dir. Isaacson* & staff Snowden*; OEM Dir. Buziecki; KCAC Admin. Youngsteadt*; Spec. ASA Shepro*; ITD staff Peters; and members of the press and public.

3. Remote Attendance Requests

There were no remote attendance requests for today's meeting.

4. Approval of Minutes: October 23, 2024 & November 7, 2024

RESULT:	APPROVED BY UNANIMOUS CONSENT
MOVER:	Vern Tepe

5. Public Comment

Kane County resident and former Treasurer staff member, Connie Cain, explained that she is a certified public accountant with 20 years of experience in banking. Additionally, she co-founded and actively participates in a government watchdog group run by the Illinois Policy Institute. Cain stated that she had worked for the Kane County Treasurer's Office until last Friday. She wanted to give insight into the office's operations for the benefit of the Finance Committee. Cain explained that on May 9, 2024, Treasurer Lauzen's lack of computer skills was evident when he could not approve a \$24M online transfer to Byline Bank, which led the bank to approve Cain to handle the transfer in Lauzen's place. Additionally, Cain received feedback from

Vectors that stated realized gainer lost is not included in investment income. When she confronted Lauzen about this matter, Lauzen advised Cain to leave this in the County's investment income, anyway. On June 7, 2024 and June 10, 2024, Lauzen asked Cain for all of her login ID's and passwords, in which she refused because sharing them would pose a security risk. On October 9, 2024, Cain was alone with Lauzen. Lauzen spoke to her with contempt in his voice after blaming her for replying to an email from the Finance Department accounting manager. Due to this, she suffered emotional distress. As result, Cain no longer felt comfortable being alone with Treasurer Lauzen. On October 21, 2024, Lauzen called Cain to inquire about an email he received from the Finance Department. After explaining the nature of the email, Lauzen stated that the Finance Department staff are bad because of how they recognize revenue. According to Gatsby rules, the finance staff is correct in their concerns. Cain stated that her concerns are that the Treasurer's Office maintains a record of reconciliation procedures. However, as of last Friday, five months of bank records were incorrectly stored on the N Drive and not the shared drive, where they belong. This deviation from office procedures without justification raises concerns about transparency and adherence to establish procedures. When she began her employment with Kane County, Lauzen tried to block the Finance Department from obtaining bank statements. After she voiced her concern about denying access to these financial documents, Lauzen raised his voice stating it was unacceptable for his assistant to have such concerns. More recently, the Treasurer stated that he had given up on her. This comment left Cain puzzled and left her unsure of his expectations. However, Cain finds it important to note that the Kane County Treasurer provides bank reconciliation for the Finance Department to ensure accuracy and accountability in the County's financial records. Cain hopes these insights will be valuable to the Finance Committee.

6. Treasurer's Report (C. Lauzen)

A. Monthly Report

Treasurer Lauzen stated the monthly report was on file. He presented the Projected versus Promised versus Actual Performance Interest Earned Fiscal Years 2023-2024. He stated that the County's interest earned is in the positive at \$18M. The forecast for the interest income that will be distributed to local taxing bodies is approximately \$3.5M. Lauzen spoke on the Kane County Weighted Average Demand and Investment Yield. He reviewed the Kane County Portfolio Analysis Summary as of October 31, 2024. He stated that a portion of the investments in the Mortgage Backed Security is approximately 45% of the total investment, which is producing 5.5% yield for a duration of 4.2 years through Vectors. PFMAM has 27% of the total investment, which produces 4.7% yield for a duration of 2.7 years.

Chairman Berman explained that the Finance Department is having difficulties reconciling the County's accounts without the original bank statements or adequate communication with the Treasurer's Office. There seems to be an inability to communicate on the outstanding statements and information. Berman thinks that the Treasurer needs to find out what can be done to improve communication between his office and the Finance Department. Lauzen explained that his office has posted bank statements from December 2023

through September 30, 2024. All of the bank statements and reconciliations have been posted within the shared drive, which allows the Finance Department access to these files. Lauzen reviewed the Treasurer's Office's functions provided by state statute. All necessary information for the accountant to reconcile are provided within the bank statements that are on the shared drive. Lauzen spoke on the information needed by the Finance Department to reconcile bank statements. He shared several examples of what is shared on a monthly bank statement that can be used for reconciliation and accounting purposes. Lauzen addressed questions and comments from the Committee. Much discussion ensued.

7. Auditor's Report (P. Wegman)

A. Monthly Report

Auditor Wegman stated the monthly report was on file. No additional report was made.

B. Approving October 2024 Claims Paid

KC Executive Committee

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

8. Finance Director's Report (K. Hopkinson)

A. Monthly Finance Reports

Fin. Exec. Dir. Hopkinson spoke on the bank reconciliation process that was previously discussed. She stated that Finance staff checks the shared drive often, in order to see which bank statements have been uploaded. As of last week, multiple bank statements were loaded, but have since been removed. Currently, the Finance Department does not have all of the bank statements through September 2024. In terms of the documentation that was provided, the bank statements do not provide all of the necessary information to perform the reconciliation. There are transfers, in and out, of a wire clearing account and the Finance Department is unaware where this money is going or coming from. Hopkinson suspects this is the main reason on why the accounts are not balancing. The department has not been able to balance with the County's Treasurer's Office since February 2023. Hopkinson explained that Finance staff has simply asked to speak with the Treasurer's Office's staff to have questions answered, but has not been successful in doing so.

Hopkinson stated the monthly financial reports were on file. She presented the Revenues - All County Funds - Budget to Actual. She explained that the County's amended budget for FY2024 was \$418M. As of last week, the County has only brought in \$251M. The big differences are related to the American Rescue Plan Act revenue. Hopkinson presented the Expenses - All County Funds - Budget to Actual. She stated that County's amended spending budget for FY2024 was \$418M. The year-to-date expenses are \$265M. She noted that this amount will increase through the end of the fiscal year. Hopkinson reviewed the County's total expenditures, such as salaries and benefits, contractual services, and capital. She noted that the majority of the County's funds will come in under or close to budget. Hopkinson presented the General Fund Revenues - Budget to Actual. She stated that the "Other" taxes, such as the County's sales taxes, will fluctuate because the County accrues a few months behind. She shared the General Fund Expenses - Budget to Actual. She reviewed the funds that make up the general fund and what accounts come close to budget. Hopkinson spoke on the purchasing changes that will begin January 1, 2025, per state statute 55 ILCS 5/5-1022. County elected officials will need to do competitive bids for any purchases over \$30K. She presented the current Finance Department organizational chart. The department eliminated a senior accountant and hired a part-time accounting clerk. Hopkinson reviewed the Finance Department's goals and challenges, such as catching up and being more proactive on planning, training, researching, and documenting. Hopkinson addressed questions and comments from the Committee. Discussion ensued. Lauzen provided clarification on what was reported earlier in his report.

9. New Business

A. Emergency Appropriation to Amend the 2025 Budget to Reflect Amounts in Resolutions 24-378, 24-400, and 24-463

Fin. Exec. Dir. Hopkinson provided clarification on this resolution.

KC Executive Committee

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

- B. Abating the Taxes Heretofore Levied for the Year 2024 to Pay Debt Service on \$7,670,000 General Obligation Alternate Bonds (Riverboat Revenue Alternate Revenue Source) Series 2010 of the County of Kane, Illinois

KC Executive Committee

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

- C. Abating the Taxes Heretofore Levied for the Year 2024 to Pay Debt Service on \$13,130,000 General Obligation Bonds (Alternate Revenue Source) Series 2020 of the County of Kane, Illinois

KC Executive Committee

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

- D. Authorizing FY2024 Budget Adjustment for the Office of Emergency Management

OEM Dir. Buziecki noted that this original resolution passed the Judicial Public Safety Committee. The original resolution stated amounts for a grant that was already received and paid out through invoices to pay the consultant that conducted the County's Natural Hazard Mitigation Plan. Referencing an updated resolution, he stated that the resolution will need to be amended to reflect money not yet received. The Office of Emergency Management (OEM) requested the remaining amount of the grant money from the state in August 2024, which has not yet been received. Currently, OEM has multiple invoices to pay. This amendment would account for the additional \$17K to be receivable on the FY2024 budget and invoices.

Committee Member Lenert motioned to pass this resolution as amended, Sanchez seconded. Motion carried unanimously by roll call vote.

KC Executive Committee

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

- E. Emergency Appropriation for Transfer of Funds from the Longmeadow Debt Service Fund #624 to the Transportation Sales Tax Fund #305

KC Executive Committee

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

- F. Emergency Appropriation for Transfer of Funds from the Mass Vaccination Fund #354 to the General Fund - General Account #001

Fin. Exec. Dir. Hopkinson explained that the Federal Emergency Management Agency (FEMA) grants are different from normal ones, in which grant money is applied for after the fact. The Finance Department has been cleaning up funds that were developed during the COVID Pandemic. Recently, the County received a check of \$555K from FEMA. She noted that the County Board will see additional resolutions like this one over the next couple of months where the General Fund had advanced funding to other County funds in order to cover expenses. Due to the County receiving the FEMA grant money, the funding can be added back in to the General Fund. Hopkinson addressed questions and comments from the Committee. Discussion ensued.

KC Executive Committee

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

- G. Emergency Appropriation for Transfer of Funds from the General Fund - General Account #001 to the Sheriff's Detail Escrow Fund #702

KC Executive Committee

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

- H. Emergency Appropriation to Approve Agreement with Lauterbach & Amen for Accounting Services

Fin. Exec. Dir. Hopkinson provided additional information on this resolution. She addressed questions and comments from the Committee. Discussion ensued.

KC Executive Committee

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

10. Old Business

None.

11. Reports Placed On File

RESULT:	APPROVED BY UNANIMOUS CONSENT
MOVER:	Jarett Sanchez

12. Committee Chairman's Comments

Chairman Berman wished the Finance Committee luck in FY2025.

13. Executive Session (if needed)

None.

14. Adjournment

RESULT:	APPROVED BY VOICE VOTE
MOVER:	Jarett Sanchez
SECONDER:	Vern Tepe

This meeting was adjourned at 9:58 AM.

Savannah Valdez
Sr. Recording Secretary