



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)

Thursday, November 7, 2024

11:00 AM

County Board Room

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

1. Call To Order

Chairman Berman called the meeting to order at 11:03 AM.

2. Roll Call

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

Also present: Co. Bd. Members Bates, Gumz, Kenyon, Linder, Molina, Roth, Strathmann; Fin. Exec. Dir. Hopkinson; HRM Exec. Dir. Loblillo; Auditor Wegman; State's Attorney Mosser & staff Frank, Hunt, Shepro*; ITD/BLD Exec. Dir. Fahnestock & staff Lasky*, Files, Kash; KCAC Admin. Youngsteadt*; and members of the press and public.

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 Member Surges attending today's meeting remotely. There were no objections.

4. Approval of Minutes:

None.

5. Public Comment

SAO CFO Hunt spoke on the Kane County's State's Attorney's Office (SAO) FY2025 Budget. He explained that the following presentation is to provide clarification and content for portions of the FY2025 Kane County Draft Budget Report related to sections that cite statistics for the State's Attorney's Office. He stated that the FY2025 Draft Budget that was prepared by the Kane County's Finance Department is very thorough. He noted that his presentation for today's meeting pertains only to the budget of the SAO, and is based upon the information available in the FY2025 Budget. Hunt stated that the increase in headcount is undeniably a contributing factor in the

increases of salary expenses. Regarding the SAO, the statistics that cited the employee headcount increasing from 130 to 199 is pertaining to the entire staffing. This total includes the Civil Division and all Special Revenue Funds, not just the General Fund positions. As compared to the FY2020 Budget, the SAO's positions in the County's General Fund have increased by 47. In FY2020, there were 87 positions in the General Fund and in FY2025, there will be a total of 134. Hunt explained that there have been several factors contributing to this headcount increase, such as the creation of new units and the implementation of the SAFE-T Act. Collectively, these changes have accounted for 34 new positions, which had not existed in the FY2020 Budget. In the FY2025 Budget, the County Board adopted a new version of the Position Control tool, which further complicated the comparisons. In FY2020, temporary employees, such as law clerks and summer interns, were not included in the headcount or the salary budget. However, in FY2025, the new Position Control Policy added to the SAO headcount by including these temporary positions and the \$167,700 salary expense. Hunt provided the background and guidelines of the County's FY25 Budget, such as limits on increases of 2.5% for salaries and 3.0% for contractual and commodities expenses. He explained that for FY2025, the SAO submitted a budget with a 2.04% increase in salaries, and a 1.52% reduction in commodities and contractual services. Additionally, the SAO salary budget included only two vacant positions, which was less than the allowed under the suggested policy. Hunt explained that in August 2024, the Kane County's Finance Committee amended a draft resolution to reduce certain budgets, including the SAO by 4.8%. He noted that the SAO had already reviewed their budget and determined that the Office could not continue operations with the suggested budget cut of \$527,867. In summary, Hunt explained that the employees of the SAO have increased over the past four years in response to changing needs and state mandates. He noted that the SAO has managed its operations to be under budget in FY2021, FY2022, and FY2023, and will be under budget in FY2024, once the year is closed. He stated that the SAO's General Expense Fund Budget for FY2024 is \$10,906,622. The draft budget currently on display for FY2025 is \$11,139,676, which represents an increase of \$233,054 or 2% overall. Hunt stated that the SAO recognizes and appreciates the complexity of the budget process and the amount of time and effort put in by the Kane County Finance Department and Committee. (Committee Member Surges arrived remotely at 11:08 a.m.)

State's Attorney Mosser thanked CFO Hunt for his work on being fiscally responsible with the FY2025 Budget.

6. New Business

A. Answers to Questions on FY 2025 Budget (Discussion)

Chairman Berman stated that financial questions were submitted to the Kane County Finance Department Director previous to this meeting. He explained that the answers were provided to the County Board Members via email. He stated that the questions and answers would not be gone through individually at today's meeting, but any other questions could be addressed.

Committee Member Juby asked Fin. Dir. Hopkinson which department/office is over budget and making up the 12% to 18% overage of the FY2025 Budget.

Hopkinson stated that the majority of the County's departments/offices are over budget, which pertains to the increase in salaries.

B. Draft FY2025 Budget (Discussion)

Chairman Berman reviewed the changes made to the FY2025 Budget by the Kane County's Executive Committee. The main change was the increase to the Cost-of-Living expense, which would add \$388,673 to the FY2025 Budget. Discussion ensued.

Fin. Exec. Dir. Hopkinson presented the FY2025 Draft Budget. She noted that this presentation is in response to the questions asked by County Board Members. She spoke on the County's General Fund's increased expenses. She reviewed the average increase per year. She noted that salaries are the largest component of the General Fund's expenses. She explained the difference between commodities and contractual services. Salary expenses have increased from \$46M in FY2015 to \$70M in FY2023, which is an increase of \$24M. Hopkinson reviewed the General Fund's increased revenue from 2015 to 2023. She explained that other taxes increased in 2021 due to inflation, but are now leveling out. In 2022 and 2023, the County provided an extra \$15M per year in response to inflation. Hopkinson shared that the increase in the County's headcount is also causing salary expenses to increase. While the majority of County offices/departments have held a flat headcount or has had it decline, there are several offices/departments with a significant headcount increase from 2020 to 2025. These increases have added to the cost-of-living and equity increases. Hopkinson reviewed the offices/departments that have had a headcount increase, such as the State's Attorney's Office, Sheriff's Office, Information Technologies Department, and Building Management Department. She shared that the County Board determines union and non-union wage increases, with the union increases being overseen by the Kane County AD HOC Labor Management Committee. She reviewed the Collective Bargaining Agreements (CBAs) and their pay increases. She spoke on the non-union increases that were recommended by the Finance Committee and the issues that have occurred from it. In February 2024, the Finance Committee members provided guidance to the Finance Department to use a 2.5% increase in the FY2025 Budget for non-union cost-of-living. Elected offices were provided the budgeted amount, but chose not to follow the guidelines due to internal control. Hopkinson explained that non-elected departments are required to follow the County's Compensation Policy. She noted that these offices can only provide an employee with a raise that is in addition to the cost-of-living and merit pool by obtaining approval from the County Board. Hopkinson reviewed the budgeting process. She explained that every office/department enters their own budget into the accounting/budgeting software, NewWorldSystems (NWS). She reviewed the ways the Finance Department assists the offices/departments. For FY2025, budgeted revenues for general government accounts, such as sales and income taxes, were budgeted by looking at current revenue trends and looking at current financial information provided in the State of Illinois' annual budget, Illinois Department of Revenue, and Illinois Municipal League website. Hopkinson reviewed the FY2025 Budget budgeting process, regarding the

guidance given and budget cuts. She shared the decisions made by the County Board members at previous meetings that affected the overall total of the budget, such as removing the \$4M transfer of the Regional Transportation Authority (RTA) Sales Tax. Hopkinson reviewed the County's Financial Policy regarding fund balance/reserves. She reviewed the history of the County utilizing the Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) funds in the General Fund, specifically covering salaries. By depositing \$38.5M in federal CARES/ARPA funds into the General Fund and treating it as a credit to expenses. It made it look like expenses had decreased when in reality, it did not. Hopkinson shared a table that compared FY2020 and FY2022 General Fund expenses with and without the CARES/ARPA credits. She reviewed the differences between revenues, expenses, and transfers. She shared the County's historical process on dealing with revenues, expenses, and transfers. She addressed the General Fund's balance/reserves. From 2020 to 2022, the General Fund balance/reserves increased by \$33.6M, because the County deposited \$38.5M in CARES/ARPA funds in to the General Fund. Starting in 2023, the General Fund's reserves decreased from \$98.9M to \$87.7M, because expenses and transfers-out of the General Fund exceeded revenues and transfers-in from other funds. For FY2024, the General Fund is forecasted to use approximately \$14.7M in reserves. Hopkinson shared a table depicting the General Fund's actual FY2018 to FY2023, FY2024 forecast, and FY2025 draft budget. She reviewed the 90-day reserve balance and how it is utilized. She shared the budgeted use of fund balance/reserves compared to actual use in the General Fund. Hopkinson spoke on the hypothetical scenario of not utilizing the CARES Act and ARPA funds. If the County never deposited these funds, the General Fund's reserves would have started decreasing in FY2020. At the end of FY2023, the County would have had only \$49,139,745 in total fund balance/reserves. If the County had only \$49,139,745 total in fund balance/reserves at the end of FY2023, the County would have had \$19,661,818 in excess of 90-day target at the end of FY2023. Additionally, the General Fund would be ending FY2025 with \$5,169,256 in total reserves, which would leave the County short of \$28,608,132 in the 90-day reserve target. She reviewed the scenarios of including the additional Cost-of-Living Adjustment (COLA) and merit pool in the General Fund budget with decreases in contractual services and commodities to 3% of the FY2024 Budget. Hopkinson reviewed the County Board's options in increasing property taxes. The County Board has the option to increase property taxes to the Consumer Price Index (CPI) of 3.4%. Hopkinson stated that the current draft FY2025 Budget adds new construction to Veterans and Payroll Tax Funds. She shared information on how the County utilizes interest earned. Interest earned is allocated across County funds each month based on that individual fund's month-end balance as a percent of the total of all funds balance. She shared a table depicting the interest earned from FY2021 to FY2025 and how it was transferred. Hopkinson addressed questions and comments from the Committee. Much discussion ensued.

C. Adopting a Tax Levy for the General Fund

Committee Member Juby asked if the amount for the General Fund tax levy would need to be adjusted due to the recent conversations. Chairman Berman motioned to amend this resolution to increase the tax levy amount to the amount of the Consumer Price Index (CPI) of 2.6%, Lewis seconded. Motion passed with a 3-2, with one present, vote.

KC Executive Committee

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

D. Adopting a Tax Levy for the Insurance Liability Fund

KC Executive Committee

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

- E. Adopting a Tax Levy for the Illinois Municipal Retirement Fund
KC Executive Committee

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

- F. Adopting a Tax Levy for the Social Security Fund
KC Executive Committee

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

- G. Adopting a Tax Levy for the County Highway Fund
KC Executive Committee

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

H. Adopting a Tax Levy for the County Bridge Fund

KC Executive Committee

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

I. Adopting a Tax Levy for the County Highway Matching Fund

KC Executive Committee

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

J. Adopting a Tax Levy for the Kane County Health Fund

KC Executive Committee

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

K. Adopting a Tax Levy for the Veterans' Commission Fund

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, Clifford Surges, and Vern Tepe
ABSENT:	Jarett Sanchez

L. Adopting a Tax Levy for the Shirewood Farm Special Service Area

KC Executive Committee

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

M. Adopting a Tax Levy for Mill Creek Special Service Area

Committee Member Juby asked if this resolution is in relation to the public hearing that will take place this afternoon. ITD/BLD Exec. Dir. Fahnestock stated that the purpose of this resolution being placed on today's agenda is to simply advance it to the County Board meeting. The public hearing is to hear public comment.

KC Executive Committee

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

N. Adopting a Tax Levy for the Wildwood West Special Billing Area

KC Executive Committee

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

- O. Adopting a Tax Levy for the Plank Road Estates Special Billing Area
KC Executive Committee

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

- P. Adopting a Tax Levy for the Exposition View Special Billing Area
KC Executive Committee

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

- Q. Adopting a Tax Levy for the Pasadena Drive Special Billing Area
KC Executive Committee

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

- R. Adopting a Tax Levy for the Tamara Dittman Special Billing Area
KC Executive Committee

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

- S. Adopting a Tax Levy for the Church Molitor Special Service Area
KC Executive Committee

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

- T. Adopting a Tax Levy for the 45W185 Plank Road Special Service Area
KC Executive Committee

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

- U. Adopting a Tax Levy for the Boyer Road Special Service Area
KC Executive Committee

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

- V. Adopting a Tax Levy for the Crane Road Estates Special Billing Area
KC Executive Committee

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

7. **Old Business**

None.

8. **Reports Placed On File**

RESULT:	APPROVED BY UNANIMOUS CONSENT
MOVER:	Vern Tepe

9. **Committee Chairman's Comments**

Chairman Berman thanked the Committee for their comments and participation at today's meeting.

10. **Executive Session (if needed)**

None.

11. Adjournment

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

This meeting was adjourned at 12:37 PM.

Savannah Valdez
Sr. Recording Secretary