



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, September 25, 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 Clifford Surges Board Member Vern Tepe Ex-Officio County Board Chair Corinne M. Pierog
REMOTE	Board Member Jarett Sanchez

Also present: Co. Bd. Members Allan*, Bates, Kenyon, Kious, Linder*, Molina*, Roth, Strathmann*; Treasurer Lauzen; Auditor Wegman; Fin. Exec. Dir. Hopkinson & staff Kietzman; ITD/BLD Exec. Dir. Fahnestock & staff Lasky*, Files, Peters; HRM Exec. Dir. Loblillo; KCHD Exec. Dir. Isaacson; Environ. & Water Res. Dir. Wollnik & staff Henshaw, Ryan; State's Attorney staff Frank, Shepro, Hunt*; Dev. Dir. VanKerkhoff; 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 Sanchez attending today's meeting remotely. There were no objections.

4. Approval of Minutes: August 12, 2024, August 19, 2024 & August 28, 2024

Chairman Berman stated the meeting minutes from August 19, 2024 and August 28, 2024 would be deferred until next month's Committee meeting. The minutes from August 12, 2024 were approved by unanimous consent on a motion made by Tepe.

RESULT:	APPROVED BY UNANIMOUS CONSENT
MOVER:	Vern Tepe

5. Public Comment

(Committee Member Sanchez arrived remotely at 9:02 a.m.)

Kane County resident, Jenine Mehr, explained that she has been a financial advisor for

the past 40 years. In 2020, Madam Chairman Pierog was elected. She was the first democratic Kane County Board Chair in the County's history. However, in 2020, the annual budget for the County's General Fund was \$65M. By 2024, the annual budget has raised to \$122M, which is an 87% increase. Mehr stated that the typical nationwide County Board increase is approximately 2% to 6% per year. She explained that the Contractual Services and Employee Benefits are two areas where the budget has drastically increased. Mehr stated that this increase has nothing to do with personalities, politics, and/or emotions, these are facts. This in hurting Kane County residents and the County needs to be ran by a chairman and members that are held accountable for utilizing the citizens' funds in a fiscally responsible manner.

Kane County resident, Julianna Spitilli, read a letter written by fellow concerned Kane County resident, Jenine Mehr. The letter explained that Ms. Mehr has been a financial planner and wealth advisor, who has been counseling individual and businesses for more than 40 years. The letter voiced concerns regarding the 0.75% Special County Retailers' Occupation Sales Tax and the Kane County's annual budget shortfall. Ms. Mehr spoke on the 87% budget increase since 2020 and Madam Chairman Pierog took office. She addressed the declining population in Kane County and how this does not allot for the increase in expenses. She noted that the Kane County Board has mainly democratic members.

Michelle Bettag, St. Charles, spoke on Kane County's FY2025 Budget and excessive spending. She stated that Kane County residents are struggling, while the Kane County Board continues to increase spending. She spoke on the County's potential purchase of a new Health Department and the construction of a new Government Center building. Bettag recalled the meeting on increasing the compensation of elected officials. She spoke on the hypocritical notion of having the County Board saying that the County will run out of money by 2028, while raising the salaries of all elected officials. Bettag spoke on the financial struggles that individuals and small businesses are facing. She stated that people will soon not be able to afford to live in Kane County. She asked those on the Board with financial backgrounds to take the initiative to meet with the County's financial experts to figure out a solution. (Committee Member Surges in-person 9:11 a.m.)

Brad Raschke, Geneva, spoke on the issue of citizens versus the government, which has increasingly become detached from the people it is meant to serve. He stated that government cannot and will not stand unchallenged. He provided historic examples of citizens holding government accountable. The people of Kane County are being asked to shoulder the growing burden, while the officials, who were elected to represent them, grow more distant and unaccountable. Raschke stated that this is not a matter of balancing budgets, it is about principle. A government that continues to expand it's power and it's spending at the expense of the people is a government that will face resistance. Raschke spoke on the Ratchet Effect. He stated that when a government ceases to serve the people, they will push back. Citizens will not stand idle while they are treated as nothing more than an endless source of revenue. If the Kane County Board continues to go down this path, Raschke ensures that the people will respond. The answer to the budget shortfall is not more taxes and spending, but for the Board to

remember who they serve. The citizens of Kane County are demanding accountability, fiscal responsibility, and the cycle of taxation and waste.

Anthony Catella, St. Charles, voiced his concerns on the current state of Kane County's annual budget. He spoke on the increase in spending over the past four years. He stated that Kane County's population has decreased from 520K in 2012 to 515K in 2023. This does not constitute the increase in spending. Catella explained that in 2020, \$41M was allocated for salaries and wages. Today, that figure has increased to \$78.2M. Additionally, contractual personnel costs have increased from \$10M to \$175M, which further adds to the financial strain on tax payers. Catella stated that it is time that leadership take a look at this runaway spending. Recently, he spoke with a man about the high taxes being paid and the lack of services he is provided.

Frank Esposito, St. Charles, spoke on the monthly financial reports. On page 117 of the agenda packet, there is an analysis of the 2022 to 2024 County expenses. He hopes that as the County Board votes on an item, that they are continually looking at the bigger financial picture. The bigger picture starts at the beginning when the annual budget is drafted. Big financial decisions need to be made then. Esposito voiced his opposition to the implementation of the Special County Retailers' Occupation Sales Tax. He stated that he will be able to buy the same product in DuPage and pay less than Kane County. He found it strange that this referendum will be included on the April Consolidated Election when there will be less voters. Lastly, Esposito referenced page 431 of the agenda packet. The County is set to pay \$210,243.73 to Comcast at the end of the fourth quarter. Esposito believes that the County should be getting paid this amount by Comcast, in order for them to service the community. There needs to be somebody that watches these things.

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 graph. He stated that interest-income performance is exceeding the expected \$1.8M. He reported that interest rates are beginning to trend down. Lauzen shared the Kane County Portfolio Analysis Summary. He explained that 63% of Kane County's portfolio has a two to three year duration with interest rates of four to five percent. One of the County's investment managers, Vectors, has been collecting interest on mortgage backed security with 42% invested with a 5.24% interest rate for a duration of 3.25 years. Additionally, PFM Asset Management (PFMAM) has been collecting the mortgage backed security with 35% invested with a 4.96% interest rate for a duration of 3.07 years. Lauzen noted that these numbers illustrates where the County is financially with interest income. He stated that the County did stretch the maturities of the investments over a longer period, knowing interest rates would be decreasing. Finally, Lauzen shared that Vector's Finance Advisor, Neil Powers, was the recipient of the Top Guns Award for 2024 Quarter Two. Mr. Powers is one of the financial advisors that assists Kane County's interest portfolio. Lauzen addressed questions and comments from the Committee. Discussion ensued. (Madam Chairman Pierog arrived in-person at

9:27 a.m.)

7. Auditor's Report (P. Wegman)

A. Monthly Report

Auditor Wegman stated the monthly report was on file. She noted that included within her report is the Quarterly Financial Report and the mid-year Procurement Card Report. She stated that these reports were emailed to all Board Members on Monday.

B. Approving August 2024 Claims Paid

KC Executive Committee

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

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

A. Monthly Finance Reports

Fin. Exec. Dir. Hopkinson stated the monthly financial reports were on file. She shared the General Fund's General Account Analysis. She explained that this report is a subset of the County's General Fund. As of September 25, 2024, the County is utilizing approximately \$6M in fund balance. This is primarily due to the second installment of property tax revenue being submitted. This amount will carry the County for the next 2.5 months, or until the end of the fiscal year. The County is running close to it's allotted budget. At the end of the fiscal year, the County will need to use approximately \$10M to \$14M in excess funds to balance the account. Hopkinson explained that in the primary COVID years, FY2020, FY2021, and FY2022, regular salaries were being paid out of the American Rescue Plan Act and CARES Act funding. Normally, salaries would have been paid out of the General Fund. In 2020, the County paid out \$18.4M in salaries. If this amount would have been covered by the County's General Fund, in 2020, the total expense amount would have been \$83.8M. In 2021, expenses would have been \$85.5M. In 2022, expenses would have been \$95M. The County's total expenses in 2020 for the General Fund was \$270M. Hopkinson addressed questions and comments from the Committee. Discussion ensued.

Hopkinson shared information on the Personal Property Replacement Tax (PPRT). She explained that the Illinois Department of Revenue provided an update on the PPRT forecast. On August 26, 2024, they stated that Kane County would be receiving another decreased amount. For July 1, 2024 through July 1, 2025, the County will receive approximately 2.3%. Additionally, the

Finance Department has completed the County's single audit, which was the audit of the County's federal funds. Hopkinson noted that Baker Tilley was the external firm that completed the audit and found no findings. She explained that the Finance Department and Information Technologies Department had a kick-off meeting to begin installing the financial forecasting software. She noted that this will be a several month process, but is looking forward to better forecast the County's finances. Hopkinson stated that the FY2025 Budget has been on display on the County's Finance webpage and a hard copy is located at the Kane County Clerk's Office. She noted that there has been one department that has requested to make changes to reduce their budget. Lastly, she explained that all of the property tax levies would be placed on the October Finance Committee meeting agenda for discussion and a vote. She noted that the Mill Creek Special Service Area just informed the County on the potential increase in their tax levy, which will need a referendum. Hopkinson addressed questions and comments from the Committee. Much discussion ensued.

9. New Business

A. Authorizing Fiscal Year 2025 Non-Union Cost-of-Living Wage Increase

Committee Member Juby shared her concerns on the 2.5% cost-of-living increase. She explained that the Social Security Office has forecasted a 3.2% cost-of-living increase for 2025. She noted that if the County is only going to offer non-union employees a 2.5% increase, than it should be called something other than a cost-of-living increase, or amend this ordinance to offer the projected 3.2%. Committee Member Lenert stated that this ordinance needs to be amended to read, "Authorizing Fiscal Year 2025 Non-Union Cost-of-Living Wage Partial Increase".

Lenert motioned to amend this ordinance to state the mentioned title, Surges seconded. Discussion ensued. Motion to amend was rescinded.

Juby motioned to amend this ordinance to offer a cost-of-living increase of 3.2%, Lenert seconded. Much discussion ensued. Motion passed by a 4-3 vote.

Further discussion ensued.

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 Clifford Surges
NAY:	Vern Tepe

B. Authorizing a Merit Increase Pool for Kane County Departments

Committee Member Surges thanked his colleagues for sending this resolution back to Committee for further discussion and information. He explained that HRM Exec. Dir. Loblillo and himself identified that this merit component of the budget is a part of the County's compensation policy. However, each year, the County has failed to identify a specific funding pool for it. As of today, the County has allotted a \$270K pool to help cover merit increases, which will have a null effect on the County's budget but an enormous effect of the performance of staff. (Committee Member Sanchez arrived in-person at 10:00 a.m.)

Committee Member Juby asked if this increase is a one-time bonus or will it be an increase to their salaries, which will effect the County's budget. Loblillo explained that this increase will be calculated as a pool that will be distributed at the department head's discretion based on merit. She noted that all the details on how this increase works is described in the County's new compensation policy. The policy does provide for a merit raise for those employees that are high performing. Loblillo explained how the pool amount is calculated. She explained that an evaluation on specific employees is conducted before a merit increase is awarded. Loblillo addressed questions and comments from the Committee. Much discussion ensued.

KC Executive Committee

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

C. Approving a Supplemental Budget Adjustment and Authorizing Execution Of Collective Bargaining Agreement - Coroner's Bargaining Unit

At the request of the State's Attorney's Office and the Coroner's Office, this item was tabled. It will be deferred to next month's meeting.

RESULT:	TABLED
----------------	---------------

- D. Authorizing the County to Contract with Humana Inc. to Provide the 2025 Healthcare Continuation Coverage for Medicare Eligible Retired and Disabled Employees and Surviving Spouses

KC Executive Committee

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

- E. Approving the Kane County Per Diem Meal Rates for Calendar Year 2025

KC Executive Committee

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

- F. Authorizing the Creation of a Position of Fatality Review Manager for the Kane County Health Department

Committee Member Lenert asked if this position was fully funded by grants and not by the County's General Fund. Fin. Exec. Dir. ensured that no funding from the General Fund would be utilized.

KC Executive Committee

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

G. Authorizing IMRF Benefit Protection Leave

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, Jarett Sanchez, Clifford Surges, and Vern Tepe

H. Authorizing Houston-Galveston Area Council (H-Gac) Purchasing Cooperative Agreement

Committee Member Juby asked if there were any purchasing cooperatives located in Illinois or the Midwest. She voiced her discernment on utilizing another purchasing cooperative when the County already has some with other companies. Fin. Exec. Dir. Hopkinson explained that in terms of the location, that is where the cooperatives are put together. She noted that this cooperative was recommended by the Kane County's Purchasing Department because of the options that are offered. 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, Anita Lewis, Jarett Sanchez, Clifford Surges, and Vern Tepe
NAY:	Leslie Juby

I. Approving Transfer and Payment in Accordance to the Agreed Order for Case No. 13 L 134

Committee Member Juby voiced her discernment on why the County is paying for this. She spoke on her confusion on how this amount increased from \$50K to \$210K. Committee Member Surges explained that this was a part of a settlement agreement from several years ago. ASA Frank stated that this amount was part of the negotiated settlement that called for a balloon payment. He noted that this is the final payment and the end of the agreement.

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, Clifford Surges, and Vern Tepe

J. Authorizing Subaward Agreement with the Metropolitan Mayors Caucus to Perform Recycling Education and Outreach in Kane County

Committee Member Tepe asked for an explanation on this resolution. Environ. and Water Res. staff Ryan explained that this is a memorandum of understanding (MOU) for the County to accept money from the Mayors' Caucus to do targeted education and outreach on recycling as part of a regional effort to improve understanding. The amount to be received is \$83,333.33.

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, Jarett Sanchez, Clifford Surges, and Vern Tepe

K. Authorization to Enter into Annual Kane County Health Department Grant Agreements

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, Clifford Surges, and Vern Tepe

- L. Authorizing Execution of a Grant Agreement with Lighthouse Recovery, Inc. to Expand Medication Assisted Recovery Services and Appropriation of Funds

KC Executive Committee

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

- M. Authorizing Transfer of Transportation Capital Fund #540 into Transportation Sales Tax Fund #305

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, Jarett Sanchez, Clifford Surges, and Vern Tepe

- N. Authorizing a Contract with Tech Applications & Consulting, LLC for the 3DEP LIDAR Project (BID# 24-053-KK)

KC Executive Committee

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

10. Old Business

Madam Chairman Pierog inquired on the status of putting forward a Request for Proposal (RFP) for strategic planning. Fin. Exec. Dir. Hopkinson stated that a RFP has been drafted. Currently, the Purchasing Department is reviewing it. Hopkinson noted that this should be completed and posted by the end of the week.

Pierog asked for a status update on the external equity study. The Committee informed her that the resolution did not pass through committee. Discussion ensued.

11. Reports Placed On File

RESULT:	APPROVED BY UNANIMOUS CONSENT
MOVER:	Bill Lenert

12. Committee Chairman's Comments

None.

13. Executive Session (if needed)

None.

14. Adjournment

RESULT:	APPROVED BY VOICE VOTE
MOVER:	Bill Lenert
SECONDER:	Jarett Sanchez

This meeting was adjourned at 10:27 AM.

Savannah Valdez
Sr. Recording Secretary