



Friends for Lauzen

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Press Release

“Treasurer Candidate Lauzen Challenges Kane County Board to Raise FY 11/30/23 Investment Income Revenue Forecast by \$2,000,000”

Aurora, IL. (October 28, 2022): Kane County Treasurer Candidate, former 8-year elected Board Chairman, and 20-year State Senator Chris Lauzen (CPA, MBA) today challenged the Kane County Board’s Ruling Majority to increase its FY 11/30/23 investment income revenue projections by \$2,000,000, thereby reducing their currently proposed deficit-spending and use of savings reserves.

“On behalf of my taxpaying neighbors, I am calling upon the Kane County Board today to immediately raise their interest income (non-property tax) revenue budget assumption for FY 11/30/23 by a full \$2,000,000 before their final board vote on November 8, 2022”, Lauzen said.

He added, “Whether voters select me to supervise the process of this advantage for them or not, the County Board should amend next year’s budget proposal that was passed out of the Finance Committee on Wednesday, October 26. This should help curb the Ruling Majority’s appetite for tax increases of any kind, their FY 2023 \$15-16 Million annual deficit spending, and \$124,000,000 massive one-year reduction in projected year-end cash balances.”

Lauzen continued, “The cash-on-cash return on County investments was 2.20% in FY 11/30/19, 1.06% in FY 11/30/20, and 0.47% last year in FY 11/30/21. So far in FY 11/30/22, investments and demand accounts interest income (according to the 10/26/22 Finance Committee report) is 1.88%; **however, the interest income budget assumption that was given to the Board by the County’s investment manager on 6/27/22 was only 1.00% for next year - - during a time when interest rates are dramatically increasing.**”

“The mathematical difference between the current, but rising, county interest performance of 1.88% and the 6/27/22 budget assumption from 6/27/22 of 1.00%, which has not been changed as of the 10/26/22 final Finance and Budget Committee meeting vote, is 0.88% . . . times the FY23 End-of-Year budgeted cash balance of \$255,151,178 is approximately \$2,245,000 . . . with the additional momentum of interest rates rising dramatically and the use of more funds during the fiscal year.”



"This \$2,000,000 is an early Christmas present to taxpayers and the Board (!) . . . nearly equal to the 5% cost-of-living property tax increase that they had to vote down recently", Lauzen concluded enthusiastically. (See attached supporting details.)

Lauzen added final thoughts, "My sense of urgency for advocating that this more accurate assumption should be built into the budget now, regardless of the outcome of the election, is that, if the Board squanders just 90 days implementing the advantage, it will cost Kane County taxpayers \$500,000 within next year's budget."

"I'm sorry to say that the liberal-Democrat-controlled current County Board and Administration has had almost 2 years to correct this very expensive deficiency . . . but has not.

"This is the soft despotism of governance mediocre expectations. It's time at the ballot box on November 8 for Board Membership change."

For more information call 630-264-2419 or email campaign@lauzen.com

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(10-26-22)
Have County Finance Director Onzick, CPA MB
for Finance Committee

Return on Investments Based on Finance Department Records - Fiscal Year 2018 - 2021

Fiscal Year	Return on Investments Before GASB Adjustments				Year End GASB Adjustments				General Fund	
	Average Month End Cash Held by Treasurer	Total Interest Earned	Total Amortization of Premium or Discount	Yield on Investment Before Market Value and Unavailable Interest Adjustments	Change in Market Value	Change in Unavailable Interest	Total Investment Revenue	Average Rate of Return After GASB Adjustments	General Fund Share of Investment Revenue	
2018	234,948,672	4,571,959	(514,840)	4,057,119	1.73%	(129,393)	3,289	3,931,014	1.67%	726,424 18.5%
2019	264,639,645	6,212,023	(394,854)	5,817,168	2.20%	1,116,866	(44,304)	6,889,731	2.60%	1,162,375 16.9%
2020	310,514,931	4,228,740	(925,795)	3,302,945	1.06%	663,762	24,411	3,991,117	1.29%	638,878 16.0%
2021	316,957,259	3,140,137	(1,662,069)	1,478,068	0.47%	(1,580,338)	1,772	(100,497)	-0.03%	(23,440) 23.3%

Budget Assumptions From Treasury to Finance Dept. 6/27/20 (No Updates since then)
[Confirmed 10-24-22]

2023
2024
2025
2026

1.00%
1.30%
1.75%
1.75-2.0%

6 Mo. T-Bills (of) 10/18/22 = 4.25%

Terrible.

Projected Cash Balances

Category	FY22		FY22 Projected		FY22 Projected		FY23 Budgeted		FY23 Budgeted	
	Actual BOY	Cash Balance	Change in Cash	Balance	EOY Cash	Balance	Change in Cash	Balance	EOY Cash	Balance
General Operating Reserves										
General Operating	71,442,486		7,752,669	79,195,155			(596,200)		78,598,955	
Operating Reserves	31,005,803		(2,025,472)	28,980,331			(16,172,515)		12,807,816	
Emergency Reserve	5,237,676		36,619	5,274,295			52,770		5,327,065	
Health Insurance	7,432,729		836,317	8,269,046			-		8,269,046	
Total General Operating Reserves	115,118,694		6,600,133	121,718,827			(16,715,945)		105,002,882	
Special Purpose Funds										
Special Revenue Funds	77,781,411		26,049,803	103,831,215			(29,322,531)		74,508,684	
Grand Victoria Casino	6,255,128		2,403,195	8,658,323			929,080		9,587,403	
Judicial Technology (CMS)	919,753		271,665	1,191,418			1,520		1,192,938	
Farmland Preservation	3,588,897		69,129	3,658,026			(2,861,153)		796,873	
Capital Funds	17,188,019		(6,833,021)	10,354,998			(7,726,728)		2,628,270	
KDOT	104,591,979		(4,299,836)	100,292,143			(60,194,522)		40,097,621	
Impact Fees	12,743,814		3,423,566	16,167,380			(7,903,249)		8,264,131	
SSA / SBA	1,335,391		823	1,336,214			(127,373)		1,208,841	
Debt Service Funds	8,067,191		(1,279,465)	6,787,726			(6,047)		6,781,679	
Enterprise Funds	5,210,612		(113,289)	5,097,323			(15,467)		5,081,856	
Total Special Purpose Funds	237,682,195		19,692,570	257,374,766			(107,226,470)		150,148,296	
Total Projected Cash Balances	352,800,889		26,292,703	379,093,593			(123,942,415)		255,151,178	

Projected Fund Balances

Category	FY22 Actual BOY Fund Balance	FY22 Forecasted Revenues	FY22 Forecasted Expenditures	FY22 Projected EOY Fund Balance
General Operating Reserves				
General Operating	73,023,707	127,285,207	127,248,841	73,060,073
Operating Reserves	31,000,580	3,771,073	5,827,345	28,944,308
Emergency Reserve	5,236,418	20,960	-	5,257,378
Health Insurance Fund	5,247,855	22,224,058	22,164,660	5,307,253
Total General Operating Reserves	114,508,560	153,301,298	155,240,846	112,569,012
Special Purpose Funds				
Special Revenue Funds	35,073,593	161,231,866	93,551,842	102,753,617
Grand Victoria Casino	7,135,314	5,416,298	2,948,752	9,602,860
Judicial Technology (CMS)	1,138,227	1,147,039	1,221,500	1,063,766
Farmland Preservation	3,581,071	555,505	494,750	3,641,826
Capital Funds	15,284,823	5,816,634	11,089,813	10,011,644
KDOT	108,171,406	55,256,378	65,266,950	98,160,834
Impact Fees	12,225,528	4,911,263	1,455,864	15,680,927
SSA / SBA	1,264,670	910,755	847,982	1,327,443
Debt Service Funds	7,862,317	3,305,970	4,497,517	6,670,770
Enterprise Fund	8,054,994	178,851	269,067	7,964,778
Total Special Purpose Funds	199,791,943	238,730,559	181,644,037	256,878,465
Total Projected Cash Balances	314,300,503	392,031,857	336,884,883	369,447,477



General Fund Revenue Budget by Category

Deficit
SP

Revenues	FY22 Budget Less Safe-T-Act	FY22, FY23 Safe-T-Act Expenses	FY23 New Positions	FY23 Other Changes	3% Non- Union Increase	Tentative 3% Union Increase	Dept. Equity Adjust.	FY23 Proposed Budget
General Gov. Revenue	64,605,397	(250,375)	(532,678)	16,236,151	(155,613)	-	(115,200)	79,787,682
Use of Reserves	13,158,941	-	-	3,163,464	-	-	-	16,322,405
Court Services	6,785,501	-	-	252,971	-	-	-	7,038,472
Recorder	3,633,550	-	-	747,000	-	-	-	4,380,550
Circuit Clerk	5,058,000	-	-	(1,469,900)	-	-	-	3,588,100
Sheriff	3,923,249	-	-	(765,093)	-	-	-	3,158,156
Development	1,813,350	-	-	185,000	-	-	-	1,998,350
State's Attorney	1,579,749	-	-	289,897	-	-	-	1,869,646
Treasurer/Collector	1,521,000	-	-	-	-	-	-	1,521,000
Information Technologies	1,130,533	-	-	121,380	-	-	-	1,251,913
County Clerk	1,188,090	-	-	(53,547)	-	-	-	1,134,543
Judiciary and Courts	727,657	-	-	(39,627)	-	-	-	688,030
Public Defender	137,061	-	-	1,191	-	-	-	138,252
County Board	66,250	-	-	26,250	-	-	-	92,500
Supervisor of Assessments	91,653	-	-	(19,000)	-	-	-	72,653
Environmental Management	71,000	-	-	(6,911)	-	-	-	64,089
Building Management	50,659	-	-	-	-	-	-	50,659
Finance	-	-	-	5,000	-	-	-	5,000
	105,541,640	(250,375)	(532,678)	18,674,226	(155,613)	-	(115,200)	123,162,000

See Separate
Package for
Attachments &
Text. (7)

**8-POINT PLAN TO EARN TAXPAYERS
\$2,000,000+ MORE "CASH-ON-CASH" INTEREST PER YEAR ON
KANE COUNTY FUNDS**

Political cynics say that a competent political leader can no longer explain an important and complex solution to a problem facing his/her constituents these days because voters don't care or won't take the time to understand it. Thirty years of experience serving you in public office have taught me that's simply not true.

When the Kane County Treasurer earns more interest on funds that you entrust to the County, the less pressure there is on raising property (and other) taxes.

By causing them to do their jobs better and not accepting the status quo, we prove that we can live within our means without asking your family and/or business for more.

[A.] How to Make \$2,000,000+ More Cash-on-Cash Interest Income Per Year for Taxpayers (Before Bookkeeping Adjustments) . . . Simple, Shorter Version:

Consistently Tell the Whole Truth Clearly (Part I)

When six-month Treasury Bills are yielding more than 4.0% annually (October 16, 2022) and the County's money manager is using only 1.0% as the "budgeting assumption", taxpayers and the current County Administration are allowing themselves to be "sandbagged"/"low-balled".

A three percent (3%) difference in earnings on \$250,000,000 in funds equals \$7,500,000 (actual on-demand and investable funds are \$597,001,889 as of the Finance Committee Treasurer's Report for 10/26/22, Page 5). Even if you cut out two-thirds (2/3rds) of that increase, the resulting improvement is still \$2,000,000+ more than we're currently earning on funds. (See Chart #1)

If you didn't know better or lacked specific experience, you would believe the money manager but bureaucratic budgeting gamesmanship is being played here (to put it politely).

[B.] Detailed, Longer Version (see page of Description for Each of These):

1. Identify Major Problems
2. Consistently Tell the Whole Truth Clearly (Part II)
3. Open the Books and Ask for Help
4. Don't Be Naïve or Get Too Comfortable
5. A Penny Saved (in Fees) is a Penny Earned
6. Customer Service is Important . . . But Not Enough
7. Time is of the Essence
8. Manage Funds and Liquidity to Optimize Longer, Higher-Yielding Investment (Extra). What a Monster Current Inflation Is. . . How It Affects Our Interest Income

My opponent is quoted in one of the newspapers ". . . that claim cannot be honestly made". Just because he does not have the confidence and experience to correct this very expensive deficiency doesn't mean that significant improvements cannot be made in the Treasurer's Office by someone who has already demonstrated that he produced documented positive results (see Chart #2).

In effect, my opponent argues for maintaining the status quo and unnecessary pressure for property tax and other tax increases. This is the typical government approach . . . it's insufficient.

Please call or email me any questions at 630-262-2419 or campaign@lauzen.com.