

**JOINT MEETING MINUTES OF THE
HUMAN RESOURCES AND FINANCE AND AUDIT COMMITTEES
TUESDAY, JUNE 5, 2007
McHenry County Administration Building
667 Ware Road
Woodstock, IL 60098**

MINUTES OF TUESDAY, JUNE 5, 2007

Chairman Munaretto called the joint meeting of the Human Resources and Finance and Audit Committees to order at 8:15 a.m. The following members of the Human Resources Committee were present: Chairman Lyn Orphal; Randy Donley; Sue Draffkorn; Ed Dvorak; Anna May Miller; Virginia Peschke; and Sandra Fay Salgado. The following members of the Finance and Audit Committee were present: Chairman Marc Munaretto; Marie Chmiel; Tina Hill; Lyn Orphal; and Barbara Wheeler. Dan Ryan arrived at 8:19 a.m. and John Hammerand arrived at 8:30 a.m. Also in attendance: Peter Austin, County Administrator; John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; Pam Palmer, Auditor; Bob Ivetic, Director – Human Resources Department; interested public; and press.

HUMAN RESOURCES COMMITTEE

Lyn Orphal, Chairman	
Randy Donley	Sue Draffkorn
Ed Dvorak	Anna May Miller
Virginia Peschke	Sandra Fay Salgado

FINANCE AND AUDIT COMMITTEE

Marc Munaretto, Chairman	
Marie Chmiel	John Hammerand
Tina Hill	Lyn Orphal
Daniel Ryan	Barbara Wheeler

MINUTE APPROVAL

Finance and Audit Committee – Minutes of May 22, 2007: Ms. Hill made a motion, seconded by Ms. Wheeler, to approve the Finance & Audit Committee minutes of May 22, 2007. The minutes were approved as presented with a unanimous voice vote of all ayes.

Human Resources Committee – Minutes of May 14, 2007: Ms. Salgado made a motion, seconded by Ms. Draffkorn, to approve the Human Resources Committee minutes of May 14, 2007. The minutes were approved as presented with a unanimous voice vote of all ayes.

PUBLIC PARTICIPATION: None

PRESENTATION: None

NEW BUSINESS

Resolution authorizing the approval of a formal budget process for FY 07/08: To put the item up for discussion on behalf of the Finance and Audit Committee, Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing the approval of a formal budget process for FY 07/08. On behalf of the Human Resources Committee, Ms. Draffkorn made a like motion, seconded by Mr. Donley. Chairman Munaretto asked that the Resolution be amended add a "Whereas" to acknowledge that the County Board Rules require that the Finance and Audit Committee present a Resolution to the County Board in June of each year to adopt the Annual Budget Policies. He asked that the following language to added as a third "Whereas": "Whereas, according to County Board Rules, the Finance and Audit Committee is required to set forth policy guidelines for setting the Annual Budget." Ms. Hill made a motion to amend the Resolution to as the language as stated by Chairman Munaretto, Ms. Wheeler seconded the motion. On a voice vote by the Finance and Audit Committee, the motion to amend passed with all members present voting aye. A similar motion to amend was made by Ms. Peschke of the Human Resources Committee and seconded by Ms. Salgado. On a voice vote by the Human Resources Committee, the motion to amend passed with all members present voting aye.

Chairman Munaretto and Chairman Orphal then asked that the main motion be considered and discussed. Ms. Salgado raised concern with wording on Page 5 of the proposed Budget Polices. She asked if the section highlighted in "red" was included because "someone as taking advantage of the situation." She stated she would be opposed to setting a cap if an employee was deserving of a salary increase over the 6%. Mr. Ivetic noted that requires for an increase above the cap would be determined through staff review as noted in this section. Ms. Chmiel asked what is the current grade level for the position of senior level management position as noted in this section. Mr. Austin stated the policy is silent on this issue but this position would be a supervisory position. Chairman Munaretto commented that this is a budget policy statement not a personnel policy. Ms. Chmiel stated she would tend to disagree and also asked how the 6% increase had been determined. Mr. Ivetic stated the 6% was an average. Mr. Austin added that there is always an option to consider more than the recommended 6% increase if appropriate.

Chairman Munaretto directed members to Page 3 of the Budget Policies. He recommended the last sentence under the Capital Plan section be amended adding the language, "...a five year Capital Plan is a Component of the Financial Model." Noting this was a recommendation by the Finance and Audit Committee, Ms. Hill made a motion, seconded by Mr. Ryan, to amend the language on Page 3 as presented by Chairman Munaretto. The motion carried with all members of the Finance and Audit Committee voting aye on a voice vote.

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Chairman Munaretto asked for confirmation that the date of November 2006 was correct as stated on Page 6. Mr. Sarbaugh stated confirmed that this is the correct date. Members asked that the words "will be" be changed to "was" which would make the sentence more understandable.

Chairman Munaretto asked that the following language on Page 7 under the Fund Balance section be added at the end of the first sentence: "...as based on the Financial Model and adjusted for future capital expenditures." He noted that the County Board cannot ignore commitments to spend in the future and needs to acknowledge the full meaning of this section and that the Finance and Audit Committee is required to keep to the fund balance at the 150 day level. Mr. Sarbaugh pointed out that although today's County Board presentation on the Highway funding project will show a 6.6 month fund balance, which is not a mistake, with capital projects happening over the next year, we are really at a 5.9 month fund balance. Noting the wording change by Chairman Munaretto would be a Finance and Audit Committee item, Ms. Hill made a motion, seconded by Ms. Chmiel, to amend the Budget Policy to add the language as proposed. The motion carried with all members of the Finance and Audit Committee voting aye on a voice vote.

Ms. Chmiel asked that language highlighted on Page 5 be documented for future consideration when the wage and salary study is conducted and a definition for the Senior Level Management Position be provided.

Noting no further discussion regarding the proposed Resolution and Budget Policies, a voice vote by the Finance and Audit Committee was called. The motion carried with all members present voting aye.

On behalf of the of the Human Resources Committee, Virginia Peschke made a motion, seconded by Mr. Dvorak, to recommend approval of the Resolution and Budget Policies as amended. The motion carried with all members present voting aye on a voice vote.

EXECUTIVE SESSION: None

OLD BUSINESS: None

REPORTS TO COMMITTEE: None

ADJOURNMENT

Ms. Chmiel made a motion, seconded by Mr. Hammerand to adjourn the Finance and Audit Committee at 8:40 a.m. The motion carried with all members of the committee voting aye on a voice vote.

Ms. Peschke made a motion, seconded by Ms. Miller, to adjourn the Human Resources Committee meeting at 8:41 a.m.. The motion carried with a unanimous voice vote of all ayes.

RECOMMENDED FOR COMMITTEE/BOARD ACTION:

Resolution authorizing the approval of a formal budget process for FY 07/08

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