

**FINANCE AND AUDIT COMMITTEE**  
**McHenry County Government Center – Administration Building**  
**667 Ware Road**  
**Woodstock IL 60098**

MINUTES OF TUESDAY, APRIL 11, 2006

Chairman Munaretto called the meeting to order at 9:35 a.m. The following Committee Members were present: Marc Munaretto, Chairman; Ann Gilman; Marie Chmiel; Don Brewer; John Hammerand; and Perry Moy. Also in attendance: Ralph Sarbaugh, Associate County Administrator-Finance; Peter Austin, County Administrator; John Labaj, Deputy County Administrator; Pam Palmer, Auditor; Pat McNulty, Health Department; Rich Weinhandl, Sheriff's Department; Bob Ivetic, Human Resources; Eric Anderson, ; interested public; and the press.

Marc Munaretto, Chairman	
Don Brewer	Marie Chmiel
Ann Gilman	John Hammerand
<del>Ann Kate</del>	Perry Moy

MINUTES

Mr. Hammerand made a motion, seconded by Ms. Chmiel, to approve the Finance and Audit Committee April 4, 2006 minutes. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION: None

PRESENTATION:

*Debt Refinancing:* Eric Anderson provided a report on debt refinancing of the County's debt certificates issued for the non-bank qualified portion of the Administration Center (Series 2002B) and for the Mental Health Board (Series 2001A). He noted that the County can only refinance once on a tax exempt basis and it would make sense to combine both debts. As part of the refunding analysis, consideration should be given to how efficient is the escrow and if the savings would be between 3 to 5 percent. Of the outstanding certificates \$21,409,991 is callable. The Mental Health Series 2001A does not achieve the 3-5 percent savings, but is issued with a Balloon payment required in 2012. Although the Mental Health Board has set aside approximately \$504,00 as of 2005 to retire the balloon payment, it appears to make sense to refinance now. He stated the call provision can be tricky but it was felt that it may be possible to discuss advance refunding with Amcore and call for redemption on December 30, 2006. Mr. Anderson presented the following three options: (1) Pro-rata refunding; (2) Pro-rata refunding with principal buy down; and (3) an Extension of the debt retirement period. He felt options 2 and 3 had merit. Chairman Munaretto felt option 2 would make sense as it would reduce the balloon payment due in 2012. He stated it would be necessary to discuss this with Mental Health before making a decision. The next opportunity for refinancing would not be until the year 2015. After further discussion, Chairman Munaretto asked Mr. Anderson to continue this discussion at the next meeting (4/25/06). Mental Health will also be invited to this meeting.

NEW BUSINESS

*Resolution authorizing a budget line item transfer in the Department of Information Technology FY 06 budget:* Ms. Gilman made a motion, seconded by Ms. Chmiel to recommend the County Board approve a Resolution authorizing a budget line item transfer in the Department of Information Technology FY 06 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand and Munaretto).

*Resolution authorizing acceptance of GAP funding from the Illinois Criminal Justice Information Authority:* Ms. Gilman made a motion, seconded by Mr. Moy to recommend the County Board approve a Resolution authorizing acceptance of GAP funding from the Illinois Criminal Justice Information Authority. Mr. Weinhandl reviewed the Resolution and noted that the local match would be funded by Turning Point. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand and Munaretto).

*Resolution authorizing the acceptance of a \$100,000 grant amendment from the Illinois Department of Public Health for a bioterrorism preparedness program and an emergency appropriation to the Health Department FY 06 budget:* Mr. Moy made a motion, seconded by Mr. Brewer to recommend the County Board approve a Resolution authorizing the acceptance of a \$100,000 grant amendment from the Illinois Department of Public Health for a bioterrorism preparedness program and an emergency appropriation to the Health Department FY 06 budget. Mr. McNulty reviewed the grant and noted that funds would be used to purchase some equipment with a portion going toward contractual services. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand and Munaretto).

*Resolution authorizing acceptance of \$10,000 in additional funding from a HIV Prevention grant from the Illinois Public Health Association and an emergency appropriation to the Health Department FY 06 budget:* Mr. Moy made a motion, seconded by Ms. Chmiel to recommend the County Board approve a Resolution authorizing acceptance of \$10,000 in additional funding from a HIV Prevention grant from the Illinois Public Health Association and an emergency appropriation to the Health Department FY 06 budget. Mr. McNulty reported that the additional funds will be used for some intervention services for high risk categories. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand and Munaretto).

*Resolution authorizing a Delegation Agreement with the Illinois Environmental Protection Agency (IEPA) for a joint solid waste program:* This Resolution was pulled from the agenda as it did not need to come before this Committee for consideration. The Resolution will go to the County Board as recommended by the Public Health and Human Services Committee.

*Resolution authorizing acceptance of a \$58,129.40 grant from the Illinois Department of Public Health for a mosquito vector prevention program and an emergency appropriation to the Health Department FY 06 budget:* Mr. Moy made a motion, seconded by Mr. Hammerand to recommend the County Board approve a Resolution authorizing acceptance of a \$58,129.40 grant from the Illinois Department of Public Health for a mosquito vector prevention program and an emergency appropriation to the Health Department FY 06 budget. Mr. Brewer questioned if any consideration had been given to use of a new substance that has garlic as one of its ingredients. Mr. McNulty responded the Health Department uses a larva site approach and focuses on the West Niles variety of mosquitoes. He noted that a vaccine is available for horses and there have been no reported cases of West Niles in the County's horse population. After the discussion a roll call vote was called. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand and Munaretto).

*Resolution authorizing the acceptance of an additional \$28,617 in grant funding from the Illinois Department of Human Services and an emergency appropriation to the Health Department FY 06 budget:* Ms. Chmiel made a motion, seconded by Mr. Moy to recommend the County Board approve a Resolution authorizing the acceptance of an additional \$28,617 in grant funding from the Illinois Department of Human Services and an emergency appropriation to the Health Department FY 06 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand and Munaretto).

*Resolution authorizing adoption of a Petty Cash Policy:* Mr. Brewer made a motion, seconded by Ms. Chmiel to recommend the County Board approve a Resolution authorizing adoption of a Petty Cash Policy. Ms. Chmiel asked that wording be added on Page 3 under "Verification of Funds" to reference and clarify the forms to be used for the reconciliation of funds. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand and Munaretto).

*Draw Downs on the Courthouse Remodel Project – Discussion:* Mr. Austin addressed the Committee and reported that the cost to purchase the furniture for the Building Operations training room office and conference room is \$4,200. He also noted that this area is being developed by our in-house Facilities Management staff. Although not all work is completed the labor cost is anticipated to be 5 to 10 thousand dollars. He stated that the Facilities Management Department would like to charge these costs back to the project and asked for Committee direction as to how they would like to fund these requests. Ms. Chmiel stated that she felt there was a separate FFE account that could be used. Mr. Sarbaugh stated it is called the Capital Project budget. After a discussion the Committee directed Mr. Austin to move forward and use the General Fund – Capital Projects budget to cover the expenses as reported and discussed above.

*Group Health Insurance – Discussion:* Mr. Ivetic provided an update to Group Health Insurance that the Health Insurance Task Force has been discussing. Membership of the Task Force includes a representative from each department. The Task Force was formed to review the current policy and look at future options, including the possibility of self-funding. Mr. Ivetic noted there may also be a possibility of forming a consortium, noting that MCCOG has expressed some interest. He stated that with the union contracts, not much can be changed at the current time, but consideration should be given to options in the future. Mr. Ivetic reported that the cost of our current Blue Cross/Blue Shield coverage will only increase 2.7% this year. Members commended Mr. Ivetic for his approach and noted that the increase had been the lowest in the last eight years.

*Budget Policy – Discussion:* Mr. Sarbaugh reported that the Budget Advisory Committee has been meeting to discuss the current budget policy and make recommendations for revisions if necessary. Members on this Committee are Marc Munaretto, Ann Gilman, Kathie Schultz, Pam Palmer, Donna Mayberry, Bill Kays, SuzAnne Ehardt, Bob Ivetic and Ralph Sarbaugh. He noted that the Human Resources Committee will be discussing possible changes as to how to award merit raises. The Committee will bring their recommendations forward for consideration in the next few weeks. Mr. Munaretto noted that the Budget Policy must be approved by the County Board in June.

EXECUTIVE SESSION: None.

OLD BUSINESS:

*Resolution authorizing a wage stipend for the Deputy Auditor:* Ms. Gilman reported that the Human Resources Committee took no action on this Resolution. She stated that the Committee did not support this Resolution as they noted that one of the responsibilities of the Deputy Auditor position is to step in when the Auditor is away or vacates the position. Mr. Moy made a motion, seconded by Ms. Chmiel to recommend the County Board approve a Resolution authorizing a wage stipend for the Deputy Auditor. Ms. Chmiel stated that although she did not agree with the HR Committee, she felt some kind of plan should be implemented so this issue could be addressed fairly in the future. Chairman Munaretto stated that Ms. Chmiel's point is well taken and perhaps the HR Committee should develop a policy for individuals who are placed in an "Interim department head or elected official position." Ms. Chmiel suggested sending this Resolution back to the HR Committee and request more information. Ms. Palmer addressed the Committee and stated that she has been doing much more than the Deputy Auditor's job description but she would abide by whatever decision was made. Ms. Gilman stated that the conversation at the HR Committee was that part of the Deputy Auditor's duties was to step in when the Auditor was unavailable, she agreed that a policy should be developed to resolve these concerns and ensure uniformity in the future. Ms. Gilman made a motion, seconded by Mr. Brewer, to postpone voting on this Resolution until the second meeting in May (5/23/06). The motion to postpone carried with all members present voting aye on a voice vote.

REPORTS TO COMMITTEE: Mr. Sarbaugh distributed the following contingency reports: Valley-Hi Building Project; Jail Build-out; Courts and Related Services Remodeling; and the General Fund. In addition, the Sales Tax Analysis was distributed along with the Financial Report of the General Fund Revenues and Expenses for the 1<sup>st</sup> Quarter – 2006.

ADJOURNMENT

Noting no further business, Mr. Brewer made a motion, seconded by Moy, to adjourn the meeting at 11:16 a.m. The motion carried with a unanimous voice vote.

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**RECOMMENDED FOR BOARD ACTION:**

- Resolution authorizing a budget line item transfer in the Department of Information Technology FY 06 budget
- Resolution authorizing acceptance of GAP funding from the Illinois Criminal Justice Information Authority
- Resolution authorizing the acceptance of a \$100,000 grant amendment from the Illinois Department of Public Health for a bioterrorism preparedness program and an emergency appropriation to the Health Department FY 06 budget
- Resolution authorizing acceptance of \$10,000 in additional funding from a HIV Prevention grant from the Illinois Public Health Association and an emergency appropriation to the Health Department FY 06 budget
- Resolution authorizing acceptance of a \$58,129.40 grant from the Illinois Department of Public Health for a mosquito vector prevention program and an emergency appropriation to the Health Department FY 06 budget
- Resolution authorizing the acceptance of an additional \$28,617 in grant funding from the Illinois Department of Human Services and an emergency appropriation to the Health Department FY 06 budget
- Resolution authorizing adoption of a Petty Cash Policy

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