

**JOINT MEETING MINUTES OF THE
FINANCE AND AUDIT AND TRANSPORTATION COMMITTEES
TUESDAY, MAY 8, 2007
McHenry County Administration Building
667 Ware Road
Woodstock, IL 60098**

MINUTES OF TUESDAY, MAY 8, 2007

Chairman Munaretto called the joint meeting of the Transportation and Finance and Audit Committees to order at 9:38 a.m. The following members of the Transportation Committee were present: Chairman Dan Shea; Ed Dvorak; Anna May Miller; Virginia Peschke; Sandra Fay Salgado; and Mary Lou Zierer. The following members of the Finance and Audit Committee were present: Chairman Marc Munaretto; Marie Chmiel; John Hammerand; Tina Hill; Dan Ryan; and Barbara Wheeler. Lyn Orphal was absent. Also in attendance: Peter Austin, County Administrator; John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; Eric Anderson, Harris Bank; Joe Miller, Special Assistant State's Attorney; Joe Korpalski, Jr. P.E., Director of Division of Transportation/County Engineer; Tom Sullivan and Paul Lerner, Information Technology; Pam Palmer and Jim Brenier, Auditor's Department; Pat McNulty, Health Department; Donna Mayberry, Supervisor of Assessments; Bob Ivetic, Human Resources Department; UnderSheriff Gene Lowery; Jeff Young, Assistant County Engineer; Wally Dittrich, Division of Transportation; Jason Osborn, Division of Transportation; interested public; and press.

TRANSPORTATION COMMITTEE

Dan Shea, Chairman
Ed Dvorak Anna May Miller
Lyn Orphal Virginia Peschke
Sandra Fay Salgado Mary Lou Zierer

FINANCE AND AUDIT COMMITTEE

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

MINUTE APPROVAL: None.

PUBLIC PARTICIPATION: None

NEW BUSINESS

Ordinance authorizing financial enhancement of the transportation fund for road construction projects: Chairman Munaretto stated that the purpose of today's joint meeting was to consider and discuss an ordinance providing for the issuance of Debt Certificates in the amount of \$50,000,000 for transportation purposes. He asked Mr. Anderson and Mr. Miller to join the Committees and provide background information. Mr. Anderson provided an update to previous presentations regarding this proposed funding program. He noted that the County is proposing to engage in a "pay as you use" program for a portion of road projects. This program would be funded through the issuance of debt certificates. Once the debt certificates are issued, the County would balance its funding for road projects by utilizing both debt and ongoing revenues to construct such projects. He noted that the interest rate environment remains favorable with current rates at 5%. The debt issuance interest rate is projected to be an all inclusive rate of 4.05% to 4.15%. The County would have ample debt authority of approximately \$200 million remaining after the issuance of the \$50,000,000 in debt certificates. The debt certificates will have the capability to be retired over a period of not more than 20 years and retiring the debt over a ten year period would be highly supportive of the current Moody's rating of Aa2+. Dedicated revenue sources to the retirement of the debt certificates would include the County Motor Fuel Tax; the County Option; Matching Fund and Bridge Fund. As a backstop, the County would pledge the County's General Fund should the above mentioned sources be insufficient to make a debt service payment. The timeline was reviewed noting that in late May or early June, after the County's Audit is released, Moody's will conduct a rating review. The proposed Ordinance would then go to the County Board on June 5th or June 19th. Chairman Shea noted that he wanted to be sure: (1) the program would be revenue neutral; and (2) with the cost of road projects increasing, the earlier a project can be done the less it will cost and this program would allow road projects to move forward. Mr. Anderson explained fees to establish this program, noting that they would be approximately 1% of the entire transaction. He stated at this point it is undetermined if insurance will be necessary. Ms. Hill added that a recent news article listed McHenry County as #7 in the nation for traffic congestion. With no further questions, Chairman Munaretto asked if someone would put a motion before the Committees. On behalf of the Finance and Audit Committee, Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve an enabling Ordinance allowing and authorizing for \$50,000,000 Debt Certificates, Series 2007B for transportation purposes. The motion carried with a roll call vote of all ayes (Chmiel, Hill, Ryan, Wheeler, Hammerand and Munaretto). On behalf of the Transportation Committee, Ms. Salgado made a like motion, seconded by Mr. Dvorak. The motion carried with all members of the Transportation Committee voting aye on a roll call vote (Zierer, Miller, Dvorak, Peschke, Salgado and Shea). Ms. Peschke asked if there was a current list of priority projects and Mr. Korpalski responded that such a list is included in the Division of Transportation's Five Year Highway Improvement Program. Mr. Hammerand questioned if the County would be supplementing the State through this Debt Certificate program. Mr. Austin stated that if there were any change in the State Funding that change would need to be memorialized through an intergovernmental agreement.

The joint meeting adjourned at 10:14 a.m.

RECOMMENDED FOR COMMITTEE/BOARD ACTION:

Ordinance authorizing financial enhancement of the transportation fund for road construction projects

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