

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

MINUTES OF TUESDAY, MARCH 11, 2008

Committee Chairman Marc Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto; Marie Chmiel; John Hammerand; Tina Hill; Daniel Ryan; and Barbara Wheeler. Lyn Orphal was absent. Also in attendance: Cindy Kozlowski, Financial Analyst; John Labaj, Deputy County Administrator; Peter Austin, County Administrator; Barry Valentine, EMA; Pat McNulty, Health' John Hadley, Facilities Management; Sue Ehardt, Planning & Development; Linda Pyfer, Valley-Hi Administrator; Pam Shumway, Valley-Hi Director of Nursing; Representatives from Revere Healthcare; interested public; and the press.

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

MINUTES

Mr. Ryan made a motion, seconded by Ms. Hill, to recommend approval of the February 26, 2008 committee minutes. The minutes were approved as submitted with a unanimous voice vote of all ayes.

PUBLIC COMMENT: None.

NEW BUSINESS

Chairman Munaretto asked that the discussion on Valley-Hi financial situation – Revere Healthcare be done at this time. Representatives from Revere Healthcare, Ms. Pyfer and Ms. Shumway joined the Committee to provide an update on Valley-Hi financials. Grant Shumway of Revere Healthcare stated that financial figures break into the following three categories: (1) Charity; (2) Operating Decisions; and (3) Management. He noted as a benchmark the statewide average loss is \$19.77 per bed / per day. He noted the first challenge to management was the bookkeeping system and converting numbers to a profit/loss type statement. The second was to gather benchmarks to provide a measurable resource. Lastly, the task was not to just keep doing as before, but to address agency use and how staff were assigned. There were huge variances in staffing and with adjustments this has been changed. John Smith of Revere Healthcare provided additional information on Valley-Hi financials and how the system had to be changed to create an easier and more accurate reporting system. They had to rethink the true operating base and insure that expenses were in the current month. They worked to try get away from multiple entries by posting directly into the system. He noted the importance of reconciling the accounts with the County's system. He reviewed Medicare/Medicaid payments and how they are reconciled on a quarterly basis. He stated there is still a lot of work, but progress is being made and the business office staff has been very helpful. He stated concerns include costs, census, the impact of tax revenue and operating figures. It was noted that a recent change in reimbursement methods made the process easier and more time efficient. The charitable mix needs to be determined on a rationale basis and to make such a decision, good information and along with comparisons must first be available. Before the "mix" is decided, there must be a good understanding of financials. A spreadsheet on operating income for Valley-Hi was distributed. Members asked that a budget column be included along with footnotes explaining various points. Ms. Shumway reviewed staff scheduling and how it has been changed. With the changes agency staffing dropped from 392.5 in October of 2007 to 256 in February, 2008. It was noted that although agency expenses were high, there were no complaints regarding patient care. Ms. Shumway stated that the facilities has kept the same patient/staff ratio, noting that weekend coverage is still a problem, but is being addressed through the hiring process. The Committee will be updated on Valley-Hi financials on a regular basis.

Resolution authorizing acceptance of State of Illinois Emergency Management Hazardous Materials Emergency Preparedness (HMEP) Planning Grant Program Grant Agreement and an emergency appropriation in the Emergency Management Agency's FY 07-08 budget. Ms. Wheeler made a motion, seconded by Ms. Hill, to recommend the County Board approve a Resolution authorizing acceptance of State of Illinois Emergency Management Hazardous Materials Emergency Preparedness (HMEP) Planning Grant Program Grant Agreement and an emergency appropriation in the Emergency Management Agency's FY 07-08 budget. On a roll call vote, the motion carried with all members present voting aye (Chmiel, Wheeler, Ryan, Hammerand, Hill and Munaretto).

Resolution authorizing workers' compensation claim settlement: Ms. Hill made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing Workers' Compensation Claim Settlement. Mr. Labaj reviewed the claim settlement after which a roll call vote was called. The motion carried with all members present voting aye ((Chmiel, Wheeler, Ryan, Hammerand, Hill and Munaretto).

Resolution authorizing the purchase of Sheriff Vehicles: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing the purchase of Sheriff Vehicles. On a roll call vote, the motion carried with all members present voting aye (Chmiel, Wheeler, Ryan, Hammerand, Hill and Munaretto).

Resolution authorizing acceptance of the Labor Day 2008 "You Drink and Drive, You Lose" campaign grant from the Illinois Department of Transportation in the amount of \$1,825.00 and an emergency appropriation to the Sheriff's FY 08 budget: Mr. Ryan made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing acceptance of the Labor Day 2008 "You Drink and Drive, You Lose" campaign grant from the Illinois Department of Transportation in the amount of \$1,825.00 and an emergency appropriation to the Sheriff's FY 08 budget. On a roll call vote, the motion carried with all members present voting aye (Chmiel, Wheeler, Ryan, Hammerand, Hill and Munaretto).

Resolution authorizing entering into a lease agreement to install, maintain and operate communications equipment on the property of AAT Communications LLC.: Ms. Chmiel made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing entering into a lease agreement to install, maintain and operate communications equipment on the property of AAT Communications LLC. Members questioned what line item this would be funded from. Mr. Austin stated he would need to check, but felt it would be from the project fund. On a roll call vote, the motion carried with all members present voting aye (Chmiel, Wheeler, Ryan, Hammerand, Hill and Munaretto).

Resolution authorizing the acceptance of 2007 State Criminal Alien Assistance Program (SCAAP) Award and an emergency appropriation to establish a budget in the Sheriff's FY 08 budget: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing the acceptance of 2007 State Criminal Alien Assistance Program (SCAAP) Award and an emergency appropriation to establish a budget in the Sheriff's FY 08 budget. Mr. Austin explained that this is a reimbursement grant to house criminal aliens. The reimbursed funds can only be used for projects relating to the jail. Mr. Hammerand questioned if the funds are being reimbursed for housing such people why the funds would not go back into current expenses to the fund that was used initially. It was noted that the Sheriff can allocate SCAPP funds for various items and last year through budget negotiations he purchased vests for officers. After discussion, a roll call vote was taken. The motion carried with all members present voting aye (Ryan, Hammerand, Hill, Chmiel, Wheeler and Munaretto).

Resolution authorizing acceptance of a \$25,000 grant from the Chicago Community Trust and an emergency appropriation to the Dental Care Clinic Fund for FY 08 budget: Mr. Hammerand made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing acceptance of a \$25,000 grant from the Chicago Community Trust and an emergency appropriation to the Dental Care Clinic Fund for FY 08 budget. Mr. McNulty explained that this is the second year of receiving these grants funds which have no match requirements. On a roll call vote, the motion carried with all members present voting aye (Hammerand, Hill, Chmiel, Wheeler and Munaretto). Mr. Ryan was absent during the vote.

Resolution authorizing acceptance of a \$47,441.00 grant from the Illinois Department of Public Health for a Cities Readiness initiative and an emergency appropriation to the Health Department's FY 08 budget: Ms. Chmiel made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing acceptance of a \$47,441.00 grant from the Illinois Department of Public Health for a Cities Readiness initiative and an emergency appropriation to the Health Department's FY 08 budget. There are no match requirements to this grant. On a roll call vote, the motion carried with all members present voting aye (Hammerand, Hill, Chmiel, Wheeler and Munaretto). Mr. Ryan was absent during the vote.

Resolution authorizing the award of bid for carpet removal and tiling of approximately 7600 square feet of the third floor hallway in the Government Center: Mr. Hadley addressed the Committee and reviewed the request. He stated the square footage should be changed to 9200. A Scottsdale Arizona firm was the lowest bidder, but it was determined they had an incorrect square footage and eventually withdraw their bid. Ms. Hill made a

motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing the award of bid for carpet removal and tiling of approximately 9200 square feet of the third floor hallway in the Government Center. On a roll call vote, the motion carried with all members present voting aye (Hammerand, Hill, Chmiel, Wheeler and Munaretto). Mr. Ryan was absent during the vote.

Resolution authorizing the addition of a CDBG Coordinator to the Department Roster in the Planning and Development Department: Ms. Hill made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing the addition of a CDBG Coordinator to the Department Roster in the Planning and Development Department. It was noted that this Resolution had gone through the Planning and Development Committee and the Human Resources Committee and both recommended approval. Ms. Ehardt reviewed the Resolution which will be the first step in addressing HUD concerns that the Staff needed to be increased to meet the needs of the Commission. After a discussion, a roll call vote was taken. On a roll call vote, the motion carried with all members present voting aye (Ryan, Hammerand, Hill, Chmiel, Wheeler and Munaretto).

Resolution authorizing additional earnings for the Deputy Director/Principal Planner position within the Planning and Development Department: Ms. Wheeler made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing additional earnings for the Deputy Director/Principal Planner position within the Planning and Development Department. Ms. Ehardt reviewed the Resolution after which a roll call vote was taken. On a roll call vote, the motion carried with all members present voting aye (Ryan, Hammerand, Hill, Chmiel, Wheeler and Munaretto).

Resolution authorizing appointments to the Board of Review: Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing appointments to the Board of Review. On a roll call vote, the motion carried with all members present voting aye (Ryan, Hammerand, Hill, Chmiel, Wheeler and Munaretto).

Resolution authorizing a court ordered property clean-up: Ms. Hill made a motion, seconded by Ms. Ryan, to recommend the County Board approve a Resolution authorizing a court ordered property clean-up. On a roll call vote, the motion carried with all members present voting aye (Ryan, Hammerand, Hill, Chmiel, Wheeler and Munaretto).

Resolution authorizing a contract addition for the installation of a new sound system in the County Board room: Ms. Hill made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing a contract addition for the installation of a new sound system in the County Board room. On a roll call vote, the motion carried with all members present voting aye (Ryan, Hammerand, Hill, Chmiel, Wheeler and Munaretto).

OLD BUSINESS: None

REPORTS TO COMMITTEE:

Auditor's Report: None

Contingency Report: Ms. Kozlowski distributed the General Fund Contingency Statement of Activity as of March 11, 2008.

Chairman Munaretto provided a letter from Harris Bank which provided a synopsis of the current credit market. The market is significantly volatile and no changes are recommended at this time. Chairman Munaretto noted it is important for the Committee to review these issues on a regular basis.

Chairman Munaretto reported that additional information in Valley-Hi Finances will be discussed when Mr. Sarbaugh is available to present and explain a financial model.

Chairman Munaretto announced that the March 25, 2008 Finance and Audit Committee will be canceled.

EXECUTIVE SESSION: None.

ADJOURNMENT

Noting no further business, Mr. Hammerand made a motion, seconded by Mr. Ryan, to adjourn the meeting at 11:00 a.m. The motion carried with a unanimous voice vote.

* * * * *

RECOMMENDED FOR BOARD ACTION:

- Resolution authorizing acceptance of State of Illinois Emergency Management Hazardous Materials Emergency Preparedness (HMEP) Planning Grant Program Grant Agreement and an emergency appropriation in the Emergency Management Agency's FY 07-08 budget
- Resolution authorizing workers' compensation claim settlement
- Resolution authorizing the purchase of Sheriff Vehicles
- Resolution authorizing acceptance of the Labor Day 2008 "You Drink and Drive, You Lose" campaign grant from the Illinois Department of Transportation in the amount of \$1,825.00 and an emergency appropriation to the Sheriff's FY 08 budget
- Resolution authorizing entering into a lease agreement to install, maintain and operate communications equipment on the property of AAT Communications LLC.
- Resolution authorizing the acceptance of 2007 State Criminal Alien Assistance Program (SCAAP) Award and an emergency appropriation to establish a budget in the Sheriff's FY 08 budget
- Resolution authorizing acceptance of a \$25,000 grant from the Chicago Community Trust and an emergency appropriation to the Dental Care Clinic Fund for FY 08 budget
- Resolution authorizing acceptance of a \$47,441.00 grant from the Illinois Department of Public Health for a Cities Readiness initiative and an emergency appropriation to the Health Department's FY 08 budget
- Resolution authorizing the award of bid for carpet removal and tiling of approximately 7600 square feet of the third floor hallway in the Government Center
- Resolution authorizing the addition of a CDBG Coordinator to the Department Roster in the Planning and Development Department
- Resolution authorizing additional earnings for the Deputy Director/Principal Planner position within the Planning and Development Department
- Resolution authorizing appointments to the Board of Review
- Resolution authorizing court ordered property clean-up
- Resolution authorizing a contract addition for the installation of a new sound system in the County Board room

:bjt