

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

MINUTES OF TUESDAY, JULY 22, 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; Lyn Orphal; and Daniel Ryan. Tina Hill arrived at 9:31a.m. Barbara Wheeler arrived at 9:37am. Also in attendance: Ralph Sarbaugh, Associate County Administrator – Finance; Cindy Kozlowski, Financial Analyst; Peter Austin, County Administrator; John Labaj, Deputy County Administrator; Adam Lehmann, Administrator Intern; Pam Palmer and Jim Bernier, Auditor; Tom Sullivan, IT; Cassandra McKinney, Groundwater Resource Manager; 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. Chmiel, to recommend approval of the July 8, 2008 Finance and Audit Committee minutes. The minutes were approved as submitted with a unanimous voice vote of all ayes.

Ms. Hill arrived at 9:31a.m.

PUBLIC COMMENT

None

PRESENTATION

None

NEW BUSINESS

Resolution authorizing a policy on the utilization of the new quarter cent sales tax funds: Ms. Chmiel made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing a policy on the utilization of the new quarter cent sales tax funds. This is a joint resolution, being considered by both the Transportation and Finance Committees. Both committees are embracing a policy to use the funds for transportation issues with a yearly review. Mr. Hammerand noted that he will support the Resolution, but, does not agree with the 1/4¢ tax increase. The motion carried with all members present voting aye on a roll call vote (Chmiel, Hammerand, Hill, Orphal, Ryan, Munaretto)

Ms. Wheeler arrived at 9:37a.m.

Resolution authorizing the purchase of Symantec Enterprise Vault software: Ms. Chmiel made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing the purchase of Symantec Enterprise Vault software. This software is used for an email archival system. This Resolution has passed the Management Services Committee. The motion carried with all members present voting aye on a roll call vote (Chmiel, Hammerand, Hill, Orphal, Ryan, Wheeler, Munaretto)

Revolving Loan Fund – Kiddie Campus Inc.: Mr. Labaj presented committee members with a Revolving Loan Fund request for Kiddie Campus, Inc. Mr. Labaj informed committee members that this is a stand alone loan request for \$40,000. The McHenry County Economic Development Corporation has formed a sub-committee to review loan requests and this sub-committee has done the underwriting for this loan. The company has been in existence for over 40 years and it now has a new owner who would like to purchase new furniture and equipment to expand the infant and toddler rooms, add a privacy fence, replace carpet and increase advertising and create a web site. 60% of the clientele is subsidized by the government. Mr. Ryan made a motion, seconded by Ms. Chmiel to recommend approval of the loan request application of Kiddie Campus, Inc. Ms. Chmiel noted that she supports the loan, but is concerned with the pricing structure, the staff to child ratio and collateral shortfall and would feel more comfortable loaning less than the current request. Committee members stated they did not feel the business could support a \$40,000 loan and would like to see \$20,000 used to purchase equipment for collateral for the loan. It was noted that \$25,000 would be needed to accomplish the equipment and capital needs of the company and should tie the borrowing to the hard assets of the company. Committee members noted that the owner has some other funds available and it will be up to her on how to spend these funds and she will have some business decisions to make. After a lengthy discussion, Mr. Hammerand made a motion to amend the loan amount to \$25,000 and to tie this amount to the hard costs of the business, with a personal guarantee for the loan. Committee members continued to note concern regarding the loan and were conflicted over the request. Ms. Hill requested the vote be called. The motion carried with all members

present voting aye on the amended amount of \$25,000. The main motion carried on a roll call vote with six ayes (Chmiel, Hammerand, Hill, Orphal, Ryan, Munaretto) and one nay (Wheeler)

Near Term Borrowing Needs: (1) Land Acquisition; and (2) Building Acquisition: Chairman Munaretto noted that as the committee members are aware, the County will need to borrow funds for the acquisition of the Ware Road property. He stated that this is a time sensitive issue and the Board will want to be ready with the money when needed and ready to coordinate the funding when needed for the investment to Ware Road and the Administration Property.

MCEDC Funding Request: Chairman Munaretto addressed committee members with a request from the McHenry County Economic Development Corporation for the County to contribute \$5,000 of \$25,000 for a feasibility analysis of the EDC. The study would determine if the EDC could raise \$5,000,000 for the continuation of their program in the County. It would also answer whether the EDC should move forward or be dissolved. Committee members stated that the County currently contributes \$148,000 for the program, with an increase of 3% annually and was concerned with this additional request for funding from the County. Chairman Munaretto noted that the EDC board has decided to raise the needed funds for this project internally and the County needs to take a leadership role and make sure the EDC doesn't die because of a lack of funding. He noted that he offered on behalf of the County the remaining funds needed, as long as they raised the first \$20,000 needed for the study. Committee members stated they want to see the results from the study to make certain that they are receiving a value for the costs involved. Committee members were reminded that the County previously had an economic development department and the County did a poor job so the EDC was created in order for the County to get a larger benefit for the County. He stated it is time for the County to move to a higher level and this study will answer needed questions for the EDC. The consensus of the committee was to allow the county to contribute the remaining funds needed for the feasibility study, not to exceed \$5,000.

OLD BUSINESS

Resolution authorizing entering into a two and half year agreement with the Illinois State Geological Survey and an emergency appropriation to the non-departmental FY 08 budget: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing entering into a two and half year agreement with the Illinois State Geological Survey and an emergency appropriation to the non-departmental FY 08 budget. Ms. McKinney informed committee members that the State has cut the water supply funding from the 2009 State budget. 2008 was funded so the County project will help fund the short comings of the State project and include them in the above County project. She noted that they would like to get a complete 3D mapping of the County in order to get a better sense of water resources available in the County. The motion carried on a roll call vote with six ayes (Chmiel, Hill, Orphal, Ryan, Wheeler, Munaretto) and one nay (Hammerand)

REPORTS TO COMMITTEE:

Auditor: Ms. Palmer informed committee members that she will be attending the Illinois County Auditors Conference. She noted that they offer classes for credit hours in order to get their needed certifications. She stated they need 20 additional credit hours yearly to earn their certifications.

She presented a quarterly report for review, which is a required duty of her office. This report gives more detailed information and is available to the public. This report is similar to the CAFR report and includes the original budget and where each budget stands to date. These are unaudited numbers. Committee members thanked Ms. Palmer for the report.

Contingency: Ms. Kozlowski provided the Contingency report to the Committee members for review.

EXECUTIVE SESSION: None.

ADJOURNMENT

Noting no further business, Mr. Hammerand made a motion, seconded by Mr. Ryan, to adjourn the meeting at 10:41 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution authorizing a policy on the utilization of the new quarter cent sales tax funds
- Resolution authorizing the purchase of Symantec Enterprise Vault software
- Resolution authorizing entering into a two and half year agreement with the Illinois State Geological Survey and an emergency appropriation to the non-departmental FY 08 budget

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