

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

MINUTES OF TUESDAY, AUGUST 26, 2008

Committee Chairman Marc Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto; John Hammerand; Tina Hill; Lyn Orphal; Daniel Ryan; and Barbara Wheeler. Marie Chmiel was absent. Also in attendance: John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator – Finance; Cindy Kozlowski, Financial Analyst; Peter Austin, County Administrator; Kenneth Koehler, County Board Chairman; Mary Lou Zierer and Randy Donley, County Board Members; Bill LeFew, Treasurer; Kathie Schultz, County Clerk; Phyllis Walters, Recorder; UnderSheriff Gene Lowery, Sheriff Department; Donna Mayberry, Supervisor of Assessments; Pam Palmer and Jim Bernier, Auditor; Maryann Wanaski, Planning and Development; Nicole Gattuso, GIS Manager; interested public; and the press.

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

MINUTES

Ms. Hill made a motion, seconded by Ms. Orphal, to recommend approval of the August 19, 2008 Finance and Audit committee minutes. The minutes were approved as submitted with a unanimous voice vote of all ayes.

PUBLIC COMMENT: None

PRESENTATION: None

NEW BUSINESS

FY 09-09 Budget Reviews:

Auditor: Ms. Palmer and Mr. Sarbaugh joined the Committee and provide an overview to the proposed FY 08/09 budget for the Auditor's Department. The budget as proposed is a non-growth maintenance budget. The department also has one supplemental request for a new position that will be presented to the Chairman's Advisory Legislative Forum (CALF) for consideration. Ms. Palmer reported that the Auditor's office has made significant strides to meet auditing standards adding that staff recently completed the second quarter report that will be presented to the Committee after it is reviewed. Noting no further discussion on the proposed FY 08/09 budget for the Auditor, Ms. Hill made a motion, seconded by Ms. Orphal, to accept the FY 08/09 Auditor's budget as presented and move it forward in the budget process. The motion carried with all members present voting aye on a voice vote. Ms. Palmer invited anyone with questions regarding the Auditor budget or the supplemental request to contact her.

County Clerk: Ms. Schultz and Mr. Sarbaugh presented the FY 08/09 budgets for the County Clerk's Department. It was noted that 2009 is a non-election year and the budget has been reduced accordingly. There were no supplement requests for the County Clerk. The budgets were submitted as no growth, maintenance budgets. After review, Mr. Ryan made a motion, seconded by Ms. Orphal, to accept the FY 08/09 budgets as presented for the County Clerk allowing them to move forward in the budget process. The motion carried with all members present voting aye on a voice vote.

Treasurer: Mr. LeFew joined Mr. Sarbaugh in presenting the FY 08/09 budgets for the Treasurer's Department. It was noted that these are also no growth, maintenance budgets. Mr. LeFew reported interest tax payments are usually due the first week in November, but in an effort to help individuals he has set the due date for these payments to the first week in December, giving people an additional 30 days to make these payments. It was noted that the expenditure budget remains in a state of flux and it may change based on future decisions by the County Board. Mr. LeFew submitted on supplement request to add a new position. He stated he has applied for a Senior Services Grant to assist senior citizens in applying for discounts on their real estate tax bills. The person would serve as a Senior Property Tax Ombudsman. He noted that the current application is 57 pages of very small type and the Ombudsman would provide help in preparing the application forms. The grant money would be used to fund this proposed position. After review, Mr. Hammerand made a motion, seconded by Mr. Ryan, to accept the Treasurer's FY 08/09 budgets as submitted allowing them to move forward in the budget process. The motion carried with all member present voting aye on a voice vote.

Assessor: Ms. Mayberry joined Mr. Sarbaugh to present the FY 08/09 budget for the Assessment Department. It was noted that the budget as presented is a no growth maintenance budget. Supplemental requests will be reviewed by the CALF. Ms. Orphal made a motion, seconded by Mr. Ryan, to accept the Assessment's FY 08/09 budget as submitted allowing it to move forward in the budget process. The motion carried with all members present voting aye on a voice vote.

The FY 08/09 budget reviews for Non-Departmental and the Revolving Loan Fund will be conducted at the September 9, 2008 Committee Meeting.

Grant application to assist low income senior citizens apply for discounts on their real estate tax bill (B. LeFew); Mr. Labaj noted that this item had been discussed earlier in the meeting, with nothing further to add at this point.

Resolution authorizing the reclassification of position # 0061-0008-04 in the Valley-Hi Nursing Home Departmental Roster: Ms. Orphal reported that the Human Resources Committee had approved this Resolution, but in doing so had raised concerns that the Valley-Hi Committee had not first approved the Resolution. Valley-Hi is scheduled to consider this Resolution at their meeting schedule for Thursday, August 28th. Mr. Austin agreed that the Resolution had been taken out of order, noting that the Valley-Hi had discussed this request, but did not have the actual Resolution to consider during their August 14th meeting. Ms. Wheeler stated she would be more comfortable with this Resolution going first to the Valley-Hi Committee. Other members agreed with Ms. Wheeler. Chairman Munaretto stated a joint meeting with the Human Resources Committee could be scheduled for Tuesday, September 2, 2008 at 8:15 am. Members agreed, after which Mr. Ryan made a motion, seconded by Ms. Orphal, to postpone consideration of this agenda item until the Finance and Audit Committee meets jointly with the Human Resources Committee on Tuesday, September 2, 2008 at 8:15 am. The motion carried with all members present voting aye. Chairman Munaretto gave direction to include this item on the County Board agenda for consideration on September 2, 2008.

Chairman Munaretto encouraged members to attend the Valley-Hi Committee meeting on the 28th. He noted that the Committee would be discussing the 9-month management update by Revere that may be of interest. He noted that a meeting of the Committee of the Whole is also being planned for Thursday, September 16, 2008 to present this report to the full County Board. Ms. Zierer noted that agency costs for the month of July had increased but the Valley-Hi Committee has not yet receive the July report from Revere. County Board Chairman Koehler noted that there still appears to be some discrepancies in the numbers that may need some "ironing" out by Thursday. Chairman Munaretto noted that there is a difference in how management reports versus government reporting which needs to be addressed.

Chairman Munaretto stated he is also confused with the proposed Valley-Hi rate program that failed to be passed by the County Board. He stated that this issued needs to be revisited in the near future, noting that the rates should be competitive with the current market. Mr. Austin stated that local nursing home rates were provided and current rates for county nursing homes are being compiled for consideration by the Valley-Hi Committee in September. Mr. Ryan stated that it is important to look at our costs first and then look at the market. Chairman Munaretto noted that one of the points to hiring a management firm was to implement marketing controls for the facility. He added that the Financial Model was created to look at revenues. County Board Chairman Koehler noted that Valley-Hi cannot continue to subsidize a person who can afford to pay, which has been done for many years at Valley-Hi.

Resolution authorizing a pre-design Needs Assessment Study for expanded public safety center space needs with Kluber, Shahan & Associates and Kimme & Associates, Inc.: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing a pre-design Needs Assessment Study for expanded public safety center space needs with Kluber, Shahan & Associates and Kimme & Associates, Inc.. UnderSheriff Lowery joined Mr. Austin in presenting this proposal. Mr. Austin stated that the Management Services Committee had approved this Resolution noting that although the County is not in a position to start another building project at this time it was their desire to keep this program alive by moving forward with this study. UnderSheriff Lowery pointed out that the Department is aware that there will be no building projects for at least another year, but this study would provide information and help in understanding space needs and what direction should be considered for a future public safety building. County Board Chairman Koehler stated that in looking at the County's Campus Plan and future needs a public safety building was not a matter of if but a matter of when. The proposed study will address our current and future needs for

such a facility. He stated this is a logical progression and is important to the future space needs, especially as it impacts the judicial system. Ms. Orphal stated she understands the needs, but is concerned with the economical stress this project would put on the County for the next year. She stated she does not see the campus plan moving forward during the coming year and noted she is not in favor of this project at this time. Mr. Ryan also raised concerns and asked that this project not be considered this year. Chairman Munaretto questioned if the study was conducted if the findings would be of value if the project was not implemented in the next three years. Undersheriff Lowery noted that things do change but there would still be value to the study. Chairman Munaretto noted that the Financial Model indicates some "rocky" times in the next few years and that from a conservative point of view it may not be good financial stewardship to move forward at this time. He also questioned why the study was to be conducted by KS&A and Kimmee & Associates. UnderSheriff Lowery responded that the department actually sought out Kimme & Associates, not knowing their connection with KS&A. Noting no further discussion, a roll call vote was called. The motion carried with four ayes (Wheeler, Ryan, Hill and Munaretto) and two nays (Hammerand and Orphal)

Resolution authorizing a budget line item transfer in the Insurance Liability Fund for FY 07/08 budget: Ms. Hill, made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing a budget line item transfer in the Insurance Liability Fund for FY 07/08 budget. Mr. Labaj stated that funds have already been appropriated in the budget for this item. Due to projected costs and the increase in Workers Compensation cases and settlement cost it is necessary to transfer the funds at this time. After discussion, a roll call vote was called. The motion carried with all members present voting aye (Wheeler, Ryan, Hill, Orphal, Hammerand and Munaretto).

Resolution approving additional Senior Services Grant Funding for a Housing Needs Assessment Study: Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing additional Senior Services Grant Funding for a Housing Needs Assessment Study. On a roll call vote, the motion carried with all members present voting aye (Hammerand, Orphal, Hill, Ryan, Wheeler and Munaretto).

Resolution authorizing an increase in the Geographic Information System Filing Fee: Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing an increase in the Geographic Information System Filing Fee. Ms. Gattuso stated the increase would raise the current fee from \$10 per document to \$15 per document. An independent study was conducted and concluded that the fee needs to be raised to \$14.59 per document to maintain the current staff, data and equipment of the department. To meet existing demands for GIS services, the fee would need to be raised to \$15.40 which would fund two new positions to meet this need. Members questioned what surrounding counties are charging for this filing fee, Mr. Austin stated he did not know, but could find out. After discussion, a roll call vote was called. The motion carried with all members present voting aye (Wheeler, Ryan, Hill, Hammerand, Orphal and Munaretto).

Resolution authorizing an increase to the County Recorder's Automation Fee allowing the Recorder to collect an additional \$3.00 per document recorded: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing an increase to the County Recorder's Automation Fee allowing the Recorder to collect an additional \$3.00 per document recorded. Members questioned why this was not done nine months ago and Ms. Walters responded that they wanted to be conservative in their anticipated costs. After discussion, a roll call vote was called. The motion carried with all members present voting aye (Wheeler, Ryan, Hill, Hammerand, Orphal and Munaretto).

Resolution authorizing the reclassification from Administrative Specialist II to Community Relations Specialist on the McHenry County Mental Health Board Roster: Ms. Wheeler made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing the reclassification from Administrative Specialist II to Community Relations Specialist on the McHenry County Mental Health Board Roster. Mr. Sarbaugh reviewed the request after which a roll call vote on the motion was called. The motion carried with all members present voting aye (Hammerand, Orphal, Wheeler, Ryan, Hill and Munaretto).

Discussion on State Income Tax. Mr. Sarbaugh provided additional information regarding the Committee's previous questions concerning a noted spike in State Income Tax Revenue. Mr. Sarbaugh explained that the increase in State Income Tax is due to a combination of growth and the method in which accruals are posted at year end.

Chairman Munaretto reported that an additional Resolution that was approved by the Planning and Development Committee on August 7th was inadvertently left off today's agenda. He stated with the Joint meeting scheduled for Tuesday, this item to authorize a position reclassification will be considered at that meeting. He directed that the Resolution also be included on the County Board agenda for consideration on September 2, 2008.

OLD BUSINESS: None.

REPORTS TO COMMITTEE:

Auditor: Ms. Palmer reported that a representative from Virchow Krause would be conducting the internal audit for the Information Technology Department. The Auditor's Department will be conducting an audit of internal control process for the payroll department. A written report on the audits will be provided to the Committee when completed.

Contingency Report: The General Fund Contingency Account Statement of Activity as of August 25, 2008 was submitted to the members. The report indicated a remaining balance of \$297,532.02.

EXECUTIVE SESSION: None.

ADJOURNMENT

Noting no further business, Mr. Hammerand made a motion, seconded by Mr. Ryan, to adjourn the meeting at 11:25 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

Resolution authorizing a pre-design Needs Assessment Study for expanded public safety center space needs with Kluber, Shahan & Associates and Kimme & Associates, Inc.

Resolution authorizing a budget line item transfer in the Insurance Liability Fund for FY 07/08 budget

Resolution approving additional Senior Services Grant Funding for a Housing Needs Assessment Study

Resolution authorizing an increase in the Geographic Information System Filing Fee

Resolution authorizing an increase to the County Recorder's Automation Fee allowing the Recorder to collect an additional \$3.00 per document recorded

Resolution authorizing the reclassification from Administrative Specialist II to Community Relations Specialist on the McHenry County Mental Health Board Roster

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