

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

MINUTES OF TUESDAY, FEBRUARY 10, 2009

Committee Chairman Marc Munaretto called the meeting to order at 9:35 a.m. The following Committee Members were present: Marc Munaretto; Scott Breeden; Mary Donner; Tina Hill; Lyn Orphal and Daniel Ryan. John Hammerand was absent. Also in attendance: John Labaj, Deputy County Administrator; Peter Austin, County Administrator; Pam Palmer, Auditor; Adam Lehman, Administrative Intern; Pat McNulty, Health Department; Gene Lowery and Angela Wood-Zuzevick, Sheriff's Department; and press.

Marc Munaretto, Chairman	
Scott Breeden	Mary L. Donner
John Hammerand	Tina Hill
Lyn Orphal	Daniel P. Ryan

MINUTES

Ms. Hill made a motion, seconded by Ms. Donner, to recommend approval of the January 27, 2009 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

Resolution authorizing acceptance of State of Illinois Emergency Management Hazardous Materials Emergency Preparedness (HMEP) Planning Grant Program Agreement and an Emergency Appropriation in the Emergency Management Agency's Fiscal Year 2008-2009 Budget: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing acceptance of State of Illinois Emergency Management Hazardous Materials Emergency Preparedness (HMEP) Planning Grant Program Agreement and an Emergency Appropriation in the Emergency Management Agency's Fiscal Year 2008-2009 Budget. On a roll call vote, the motion carried with all members present voting aye (Hill, Orphal, Ryan, Breeden, Donner and Munaretto).

Resolution authorizing the purchase of nine (9) police pursuit vehicles: Mr. Ryan made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing the purchase of nine (9) police pursuit vehicles. These will replace 9 vehicles with high mileage. Much of the equipment from older vehicles is transferred to retro fit the new vehicles. This work is done in-house at the Sheriff's fleet garage. After discussion, a roll call vote was called. The motion carried with all members present voting aye (Hill, Orphal, Ryan, Breeden, Donner and Munaretto).

Resolution authorizing the acceptance of an additional \$28,100 in grant funding from the Illinois Department of Human Services and an emergency appropriation to the Health Department's FY 09 budget: Ms. Hill made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing the acceptance of an additional \$28,100 in grant funding from the Illinois Department of Human Services and an emergency appropriation to the Health Department's FY 09 budget. Mr. McNulty noted that this grant will fund two part-time positions to work with the WIC program. Ms. Orphal noted that a recommendation to draw from current staff to fill these positions was made at the Public Health & Human Services Committee. The department will work with the Human Resources Department to see if this could be accomplished. After discussion, a roll call vote was called. The motion carried with all members present voting aye (Orphal, Ryan, Hill, Breeden, Donner and Munaretto).

Resolution authorizing acceptance of \$20,000 in grant funding from the Illinois Department of Public Health and an emergency appropriation to the Health Department's FY 09 budget: Ms. Hill made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing acceptance of \$20,000 in grant funding from the Illinois Department of Public Health and an emergency appropriation to the Health Department's FY 09 budget. This grant will fund new promotional materials for the breast and cervical cancer program. On a roll call vote, the motion carried with all ayes (Breeden, Donner, Hill, Ryan, Orphal and Munaretto).

Resolution authorizing acceptance of \$75,320 in grant funding from the Illinois Department of Public Health and an emergency appropriation to the Health Department's FY 09 budget: Ms. Donner made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing acceptance of \$75,320 in grant funding from the Illinois Department of Public Health and an emergency appropriation to the Health Department's FY 09 budget. This grant to fund needed services for the existing breast and cervical cancer screening program. On a roll call vote, the motion carried with all ayes (Breedon, Donner, Hill, Ryan, Orphal and Munaretto).

Resolution authorizing acceptance of a \$72,333 grant from the Illinois Department of Public Health for a Cities Readiness Initiative and an emergency appropriation to the Health Department's FY 09 budget: Ms. Donner made a motion, seconded by Mr. Breedon, to recommend the County Board approve a Resolution authorizing acceptance of a \$72,333 grant from the Illinois Department of Public Health for a Cities Readiness Initiative and an emergency appropriation to the Health Department's FY 09 budget. Funding from this grant will be used for the emergency response system to conduct drills and exercises for the mass dispensing of medication during a natural or manmade event that has a public health consequence. After discussion, a roll call vote was called. The motion carried with all ayes (Breedon, Donner, Hill, Ryan, Orphal and Munaretto).

Resolutions authorizing assignment of Tax Sale Certificate of Purchase: (A) Certificate No. 06-02626; (B) Certificate No. 06-02627; and (C) Certificate No. 06-02628: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve the following three (3) resolutions authorizing assignment of Tax Sale Certificate of Purchase: (A) Certificate No. 06-02626; (B) Certificate No. 06-02627; and (C) Certificate No. 06-02628. Chairman Munaretto provided an overview to the assignment to tax sale certificates. A roll call vote was called. The motion carried with all members present voting aye (Breedon, Donner, Hill, Ryan, Orphal and Munaretto).

Resolution authorizing the purchase of the Cardinal Bank Building: Ms. Orphal made a motion, seconded by Ms. Hill, to recommend the County Board approve a Resolution authorizing the purchase of the Cardinal Bank Building. The motion carried with all members present voting aye (Breedon, Donner, Hill, Ryan, Orphal and Munaretto). Mr. Austin reviewed the estimated cost to remodel / renovate the building. The treasurer has agreed to pay for the remodeling expenses through fees he currently collects. Said payment will be done through a Memorandum of Understanding with the Treasurer.

Discussion of Klehm Building: Mr. Austin reported that there has been a tentative agreement with the County Clerk to use a building on the Klehm property for storage of election equipment. The cost estimates provide to renovate this existing building are \$20,500. This will be a temporary solution so a limited investment is anticipated. The County Clerk is excited about this possible use, which will free up the employee luncheon room which is currently being used by the County Clerk. The storage space is approximately 4,500 square feet. The building will need to be secure with an alarm system. There is no need for a high-speed internet connection, but it will have at least one phone line. He stated that no action is necessary today, but more information will be forthcoming. Members were pleased with the anticipated use of this building.

Mr. Austin reported that monthly meetings to assess where we are with the budget have begun. Economic concerns are very real and we need to address the next steps to "pull back" and prepare for tough times. A number of departments have initiated a hiring freeze and some have taken steps to delay hiring. Staff is inventorying all vacant positions and identifying general fund expenses that can be cut back. The initial steps began with a decrease in the budget for 2009 and will continue with the next budget process. Meetings are planned with all departments during the month of March to discuss where we are and where we are going. Mr. Breedon questioned how this would impact labor negotiations. Mr. Austin replied that there is an impact but they have been addressed in the budget. Mr. Breedon commented that he still had a concern with negotiations. Ms. Hill stated that all budget increases must be justified with supplemental requests. Mr. Austin stated that with negotiations there will be retro-checks but the numbers are included in the budgeted.

Discussion on bidding for outside audit: Ms. Palmer reported that Virchow Krause has provided the outside audit for the past four years. Such a relationship for five to six years is not unusual nor a problem. It takes a firm at least two years to get up to speed on auditor issues. Virchow Krause has made changes in those individuals conducting the work for the County which also brings new and fresh ideas. Chairman Munaretto stated that the question being raised is do we want to continue with Virchow Krause for the next year. He noted we may not be ready to act on this at this time and asked that this item be kept on the agenda for the next two

meetings. Ms. Palmer stated that although there is an option, she thought it best to stay with Virchow Krause for the next year. She reported that Virchow Krause would be here on February 23rd to begin work for the next audit. She stated by the end of the month there will be a better understanding of where we are with the year end close-out. She reviewed the many factors including recording and reconciling that are involved in the year end close-out. Chairman Munaretto asked that Ms. Palmer provide an update at the March 10th Committee meeting.

OLD BUSINESS:

Two-year work plan: Chairman Munaretto reviewed a revised two-year plan for the Committee. It was agreed that Chairman Munaretto and Ms. Orphal would provide updates on Valley-Hi; Ms. Donner would report on the Memorandum of Understanding with mental Health Board; Ms. Hill would track GASB 45; Committee members would track the budget policy/procedures; Mr. Ryan would report on Transportation funding decisions and Mr. Breeden would report on law enforcement issues. The Committee would look at issues with integrated justice financing.

REPORTS TO COMMITTEE:

Auditor: Ms. Palmer as discussed above. Members asked that Ms. Palmer review the Journal Entry Policy at the next meeting.

Contingency: None

Loan Fund Update: Mr. Labaj provided an update to the Loan Fund. He reported that two applications are anticipated to be received within the next few weeks. The amount of total funds currently available is \$904,762.00. Ten loans remain outstanding with payments being made (2 of which are slow pay). E's Bakery has closed and through court action they are required to pay \$20,000. Bankruptcy court settlement for Contempo Industries is being paid. Chairman Munaretto reviewed the role of the Finance and Audit Committee in the allocation of these loan requests. The role of the Economic Development Corporation (EDC) is to market the loan funds and take the applications which are underwritten by the prime lender.

EXECUTIVE SESSION: None.

ADJOURNMENT

Noting no further business, Ms. Orphal made a motion, seconded by Ms. Donner, to adjourn the meeting at 11:15 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution authorizing acceptance of State of Illinois Emergency Management Hazardous Materials Emergency Preparedness (HMEP) Planning Grant Program Agreement and an Emergency Appropriation in the Emergency Management Agency's Fiscal Year 2008-2009 Budget
- Resolution authorizing the purchase of nine (9) police pursuit vehicles
- Resolution authorizing the acceptance of an additional \$28,100 in grant funding from the Illinois Department of Human Services and an emergency appropriation to the Health Department's FY 09 budget
- Resolution authorizing acceptance of \$20,000 in grant funding from the Illinois Department of Public Health and an emergency appropriation to the Health Department's FY 09 budget
- Resolution authorizing acceptance of \$75,320 in grant funding from the Illinois Department of Public Health and an emergency appropriation to the Health Department's FY 09 budget
- Resolution authorizing acceptance of a \$72,333 grant from the Illinois Department of Public Health for a Cities Readiness Initiative and an emergency appropriation to the Health Department's FY 09 budget
- Resolutions authorizing assignment of Tax Sale Certificate of Purchase: (A) Certificate No. 06-02626; (B) Certificate No. 06-02627; and (C) Certificate No. 06-02628
- Resolution authorizing the purchase of the Cardinal Bank Building

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