

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

MINUTES OF TUESDAY, AUGUST 25, 2009

Committee Chair Marc Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto; Lyn Orphal; John Hammerand; and Daniel Ryan. Tina Hill; Scott Breeden and Mary Donner were absent. Also in attendance: John Labaj, Deputy County Administrator; Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator – Finance; Cindy Kozlowski, Financial Analyst; Kathie Schultz, County Clerk; John Hadley, Facilities Management; Bob Ivetic, Human Resources; Pam Palmer, Auditor; Donna Mayberry, Assessor; interested public; and press.

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

MINUTES

Mr. Ryan made a motion, seconded by Ms. Orphal, to recommend approval of the minutes of the Finance & Audit Committee meeting on August 11, 2009. The minutes were approved as submitted with a unanimous voice vote of all ayes.

PUBLIC COMMENT: None

PRESENTATION: None

NEW BUSINESS:

Resolution allocating Recovery Zone Volume Cap and approving a project for the City of Crystal Lake for Purposes of the American Recovery and Reinvestment Tax Act of 2009: Mark Nannini, City of Crystal Lake Director of Finance/Treasurer, joined the Committee to discuss the City of Crystal Lake's request for \$5,000,000 of Recovery Zone Allocation bonds to help finance improvements to Vulcan Lakes which will become a recreational area. Mr. Nannini noted that in 2007 the 462 acre property was officially deeded to the City of Crystal Lake. He reviewed the City's plan to develop this area into a recreational site and the how this project would stimulate economic development opportunities for the region. Mr. Nannini submitted a summary of the project which is attached hereto and made part hereof. After discussion Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution allocating Recovery Zone Volume Cap and approving a project for the City of Crystal Lake for Purposes of the American Recovery and Reinvestment Tax Act of 2009. The motion carried with all members present voting aye on a roll call vote (Ryan, Hammerand, Orphal and Munaretto).

Chairman Munaretto noted that the City of Crystal Lake has also requested additional funds for the Vulcan Lakes Project. He stated currently, if all the requests for Recovery Zone Allocations are approved, the requests will exceed the \$18,338,000 allocation. He reported that he will be meeting on Thursday to discuss options that may be available by acquiring funds from other counties. Should additional funds become available it may be possible to revisit additional funding requests.

Resolution allocating Recovery Zone Volume Cap and approving a project for the McHenry County Library District for Purposes of the American Recovery and Reinvestment Tax Act of 2009: A representative from the McHenry County Library District joined the Committee to answer questions and discuss the District's request for to designate \$600,000 of Recovery Zone Allocations to finance the remodeling of the library. Mr. Hammerand made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution allocating Recovery Zone Volume Cap and approving a project for the McHenry County Library District for Purposes of the American Recovery and Reinvestment Tax Act of 2009. Members discussed this request noting that library is housed in a former warehouse and upgrades to the facility are needed. A roll call vote was called. The motion carried with all members voting aye (Hammerand, Ryan, Orphal and Munaretto).

FY 09-10 Budget Reviews: **Assessor** – Ms. Mayberry, Mr. Austin and Mr. Sarbaugh joined the Committee to present the proposed FY 09/10 budget for the Office of Assessments. Mr. Sarbaugh reminded the Committee that the Assessor is a General Fund Department. Ms. Mayberry stated that a recent bill was passed in the House and Senate that impacts notice requirements and the costs to send these notices is not included in the

proposed budget. In addition, Mr. Sarbaugh noted that it is unknown when or if reimbursement from the State for part of Ms. Mayberry's salary will be received. Stipends are also off the table at this time. This issues, if not resolved with the State, will also increase the BY 09/10 budget for the Assessor. Mr. Sarbaugh stated that currently Ms. Mayberry has set aside \$23,700 for the 2010 budget inventory. He stated \$20,000 of that would be taken back by the Assessor to address the new notice requirements. Chairman Munaretto asked if it was being "penny wise and dollar foolish" to take the \$23,700 out of this budget at this time. It was also noted that appeals could double next year. Mr. Sarbaugh noted that is it difficult to budget for the unknown and should the Assessor's budget exceed the projections, the department would come back to request additional funding. The Assessor's supplement requests were also reviewed and included a change in position hours, which would reduce the budget by \$28,042.14; and additional funds for alternate Board of Review hearing officers at a cost of \$9,000. After discussion, Mr. Ryan made a motion, seconded by Ms. Orphal, to adopt the FY 09/10 Assessor's budget as submitted and move it on in the process. The motion carried with all members voting aye on a roll call vote (Ryan, Hammerand, Orphal and Munaretto).

County Clerk – Ms. Schultz joined Mr. Austin and Mr. Sarbaugh to present the FY 09/10 budget for the County Clerk, including Elections. These are General Fund budgets. The County Clerk also has an Automation Fund for the issuing of vital records. It was noted that State reimbursements of Election Judges salaries have not yet been received. Mr. Sarbaugh noted that there will be another major election in November of 2010 and the proposed budget has been increased accordingly. Supplemental requests include additional funds for payment of election judges; Maintenance Agreements; election judge training, extra help to cover election and election supplies. Mr. Hammerand made a motion, seconded by Mr. Ryan, to adopt for FY 09/10 budgets for the County Clerk as submitted and move these forward in the process.

Non-Departmental – This item was deferred to the September 8, 2009 Finance and Audit Committee meeting.

Revolving Loan Fund – The proposed FY 09/10 budget for the Revolving Loan funds was reviewed by Mr. Labaj, Mr. Austin and Mr. Sarbaugh. Ms. Orphal made a motion, seconded by Mr. Ryan, to adopt the budget as presented. The motion carried with all members present voting aye on a roll call vote (Ryan, Hammerand, Orphal and Munaretto).

Resolution authorizing acceptance of Community Services Block Grant – American Recovery and Reinvestment Act of 2009 Veterans Benefit Enrollment Program and an emergency appropriation to the Veterans Assistance Commission FY 09/10 budget: Mr. Ryan made a motion, seconded by Mr. Hammerand, to recommend the County Board approve a Resolution authorizing acceptance of Community Services Block Grant – American Recovery and Reinvestment Act of 2009 Veterans Benefit Enrollment Program and an emergency appropriation to the Veterans Assistance Commission FY 09/10 budget. The motion carried with all members present voting aye on a roll call vote (Ryan, Hammerand, Orphal and Munaretto).

Resolution authorizing a contract agreement between the International Unions of Operating Engineers, Local 150, Division of Transportation and the County of McHenry: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing a contract agreement between the International Unions of Operating Engineers, Local 150, Division of Transportation and the County of McHenry. Mr. Ivetic reviewed the three year agreement, noting that the proposed agreement appears to be fair and equitable. He stated that although not part of the final agreement, there was a big push by Local 150 to have a "step system wage table" and overtime requests that would double pay on weekends, etc. After discussion, a roll call vote was taken. The motion carried with all members present voting aye (Ryan, Hammerand, Orphal and Munaretto). Mr. Hammerand asked if the agreement was turned down by the County Board would it need to be re-negotiated. Mr. Ivetic stated that once the contract is signed it could be re-negotiated, however it could not be pulled back during the process and noted that if it is not approved there would be consequences.

Resolution to approve appointment of Members to an expanded Board of Review for assessment year 2009: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution to appoint Members to an expanded Board of Review for assessment year 2009. On a roll call vote, the motion carried with all members present voting aye (Orphal, Ryan, Hammerand and Munaretto).

Resolution authorizing workers' compensation claim settlement: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing workers' compensation claim

settlement. Mr. Labaj reviewed the claim after which a roll call vote was called. The motion carried with all members present voting aye (Ryan, Hammerand, Orphal and Munaretto).

Resolution authorizing an emergency appropriation to the Treasurer Office Building Remodel Project Fund in the FY 08/09 budget; Resolution authorizing an emergency appropriation in the non-departmental FY 08/09 budget; Resolution authorizing a budget line item transfer in the Treasurer's FY 08/09 budget: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve the three Resolutions as submitted. The project was reviewed and the Resolutions were discussed. Chairman Munaretto asked that the summary of the estimated budget for the project be attached to the Resolution authorizing an emergency appropriation as this will provide additional information for the County Board. The project has increased from the initial proposal of \$560,217 to \$867,363.93 due to issues identified during the site inspections. Chairman Munaretto asked that an updated summary of costs be provided to the Committee prior to further discussion of these proposed Resolutions. Discussion was deferred to later in the meeting.

Review of Micro Loan Fund requests for SDA Visions and Diesels Corner Feed: Mr. Labaj reviewed the two requests received for Micro Loan Funds. The first was a request from a start-up in-home business of laser etching on personal items such as cell phones, computers, etc. The request was for \$14,000. The credit analysis was conducted by the Economic Development Corporation (EDC). The business will mostly operate as a word of mouth business. Ms. Orphal made a motion, seconded by Mr. Ryan, to approve the loan request for SDA Visions. A discussion followed after which a roll call vote was called. The motion failed with all members voting nay (Ryan, Hammerand, Orphal and Munaretto).

Mr. Labaj presented a Micro Loan Request from Diesels Corner Feed. Mr. Ryan made a motion, seconded by Mr. Hammerand, to approve the request as submitted from Diesels Corner Feed. A discuss followed and members agreed that the loan would not stem the tide of the business and would put the County at risk if the loan would fail. On a roll call vote, the motion failed with votes of all nay (Ryan, Hammerand, Orphal and Munaretto).

Discussion on Integrated Justice Funding: Mr. Austin reported that this item is not ready for discussion or consideration at this time. He stated the issued is being delayed with questions on the ownership of the Code and exactly how the County will get the rights to the Code. He stated he would present this item when further information becomes available.

OLD BUSINESS: None

REPORTS TO COMMITTEE:

Auditor's Report: Ms. Palmer submitted the Auditor's 2nd Quarter report for the 6 months ended May 31, 2009.

Contingency Reports: None available at this time.

Report on Long Term Owner Occupant Tax Relief: This report will be provided to the Committee at their meeting on September 8.

Chairman Munaretto provided an update to McHenry County's Convention Visitors and Tourism Bureau (CVTB). He stated that the County benefits through its affiliation with the State's Convention and Visitors Bureau by receiving a share of the State's funding. The local tax receipts for tourism in 2008 were \$6,260,000.

Chairman Munaretto asked that the agenda for the second meeting of each month include updates for the ECD and the CVTB.

EXECUTIVE SESSION: None.

ADJOURNMENT

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

* * * * *

RECOMMENDED FOR BOARD ACTION:

Resolution authorizing acceptance of Community Services Block Grant – American Recovery and Reinvestment Act of 2009 Veterans Benefit Enrollment Program and an emergency appropriation to the Veterans Assistance Commission FY 09/10 budget

Resolution authorizing a contract agreement between the International Unions of Operating Engineers, Local 150, Division of Transportation and the County of McHenry

Resolution to approve appointment of Members to an expanded Board of Review for assessment year 2009

Resolution allocating Recovery Zone Volume Cap and approving a project for the McHenry County Library District for Purposes of the American Recovery and Reinvestment Tax Act of 2009

Resolution allocating Recovery Zone Volume Cap and approving a project for the City of Crystal Lake for Purposes of the American Recovery and Reinvestment Tax Act of 2009

Resolution authorizing workers' compensation claim settlement

Resolution authorizing an emergency appropriation to the Treasurer Office Building Remodel Project Fund in the FY 08/09 budget

Resolution authorizing an emergency appropriation in the non-departmental FY 08/09 budget

Resolution authorizing a budget line item transfer in the Treasurer's FY 08/09 budget

:bjt