

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

MINUTES OF TUESDAY, DECEMBER 22, 2009

Committee Chair Marc Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto; Tina Hill; Lyn Orphal; Scott Breeden; Mary Donner; and Daniel Ryan. John Hammerand was absent. Also in attendance: John Labaj, Deputy County Administrator; Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator – Finance; Pat McNulty, Health; Frank Gosser, Legal representative for the Mental Health Board; Don Larson, Bob Lessor and Jane Wacker, Mental Health Board; Pam Palmer, Auditor; Cindy Kozlowski, Financial Analyst; Mary Bergan Schmidt, County Board Member; Dennis Sandquist, Faith Taylor and Sarah Ciampi, Planning and Development; Erin Smith and Catherine Peterson, Village of Lakewood; representatives for McHenry County Sportsplex LLC; interested public; and press.

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

MINUTES

Ms. Donner made a motion, seconded by Mr. Ryan, to recommend approval of the Finance & Audit Committee minutes of December 8, 2009. Chairman Munaretto stated that the proposed borrowing for the Mental Health Building Project was for \$4 million dollars. The minutes were approved as amended with a unanimous voice vote of all ayes.

PUBLIC COMMENT: None.

PRESENTATION

Current financial status of the County: Chairman Munaretto stated that a presentation would not be given at this time. Committee members reviewed the sales tax summary from September 2009. The report reflects more decline. Committee members are optimistic that October/November/December will reflect a stronger performance. This report was provided to the Department Heads for review as well.

NEW BUSINESS:

Resolution allocating Recovery Zone Volume Cap and approving a project for McHenry County Sportsplex LLC for the purposes of the American Recovery and Reinvestment Tax Act of 2009: Committee members entered into a discussion with representatives from the McHenry County Sportsplex LLC. They have submitted an application requesting an allocation for a capital improvement project to be financed with Recovery Zone Facility Bonds. The allocation shall be used to issue bonds to finance the project. These bonds must close no later than September 30, 2010. At that time the allocation will expire and revert back to the County. Committee members were informed that this project has been in the works for over 18 months. They have all the creative financing in place for an indoor/outdoor multi use complex. The facility will include multiple uses, not just one or two sports. Investors and the Management Group make up the Sportsplex LLC. A feasibility study has been completed. Funding for this project will come from secure foreign investments. The group has been working with the Village of Lakewood and IDOT in order to move the project forward. The project has been discussed with the Village of Lakewood Trustee's, which have issued a conception approval for the project. The Village President stated that they have looked at the environmental issues as well. The Best Management Practices have already been included in this team's vision for this site. Annexation for this process is almost completed. The paperwork will be filed by the New Year. The Village officials have been involved with this project and very lengthy review process from the start. Their consultant knows the requirements and the project has been approved in stages. There has been a good solid commitment for this project. The Village of Lakewood identified this area for this type of facility. After a lengthy discussion, Mr. Breeden made a motion, seconded by Mr. Ryan to recommend approval of a Resolution Allocating Recovery Zone Volume Cap and Approving a Project for McHenry County Sportsplex, LLC. in the amount of \$18,000,000, for the 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 (Breeden, Donner, Hill, Orphal Ryan, Munaretto) Chairman Munaretto reminded everyone

that this item will be subject to the County Board's approval. This item will be placed on the January 5th County Board Agenda. He reminded the McHenry County Sportsplex LLC representatives that if they are not able to place the bonds by September 2010, the funding would revert back to the County for consideration of other projects. Committee members were informed that the County has \$9 million dollars remaining for projects of the American Recovery and Reinvestment Tax Act of 2009.

Chairman Munaretto informed committee members that a copy of the intergovernmental agreement for acquisition, construction, and equipping of a County Mental Health Facility in and for McHenry County, Illinois is available for review. He reminded committee members that during the committee's last conversation they discussed the need to create an agreement so that the Mental Health Board pays the County back. Committee members were informed that the Mental Health Board has adopted the agreement. Chairman Munaretto stated that this has been placed on the committee member's desk in order to have time to review the document prior to committee approval. There was substantial discussion with the States Attorney and Special Counsel prior to approval by the Mental Health Board.

Resolution authorizing payment from the General Fund contingency for a court ordered property cleanup: Ms. Orphal made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing payment from the General Fund contingency for a court ordered property clean up. Mr. Sarbaugh stated there needs to be a correction on the Resolution since this issue has not been presented to the Public Health and Human Services Committee for consideration. Ms. Orphal, the Chairman of Public Health and Human Services stated this item is not required to go to the Public Health and Human Services Committee since it has been ordered by the Court. After discussion, on a roll call vote the motion carried with all members present voting aye (Breden, Donner, Hill, Orphal, Ryan and Munaretto).

Resolution authorizing an amendment to Resolution R-200608-10-218 authorizing adoption of housing investment partnership (HOME) Program funding recommendations for the 2006 program year and an emergency appropriation to the CDBG FY10 budget: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing an amendment to Resolution R-200608-10-218 authorizing adoption of housing investment partnership (HOME) Program funding recommendations for the 2006 program year and an emergency appropriation to the CDBG FY10 budget. The previous resolution erroneously left off funding for administration of the program. This, as well as the next couple Resolutions cleans up the program to be in compliance with HUD. On a roll call vote, the motion carried with all members present voting aye (Breden, Donner, Hill, Orphal, Ryan and Munaretto).

Resolution authorizing the expenditure of CDBG Contingency Funds to Agencies: Ms. Donner made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing the expenditure of CDBG Contingency Funds to Agencies. Previously an emergency fund was set up and then an emergency occurred, requiring the use of the funds. This is the amended action plan for the program year 2009. The motion carried with all members present voting aye (Breden, Donner, Hill, Orphal, Ryan and Munaretto).

Resolution authorizing budget line item transfers in the Workforce Network FY09 budget: Ms. Orphal made a motion, seconded by Mr. Breden to recommend the County Board approve a Resolution authorizing budget line item transfers in the Workforce Network FY09 budget. The Workforce network finds they have insufficient budget for Vocational Training to properly finish posting the 2009 expenditures. They have sufficient budget in their personnel budget and would like transfer the funds in order to make their budgets whole. This is budget neutral by using funds not used. The motion carried with all members present voting aye (Breden, Donner, Hill, Orphal, Ryan and Munaretto)

OLD BUSINESS: None

REPORTS TO COMMITTEE:

Auditor: Ms. Palmer reported that the Auditor's office on the Audit. The preliminary audit has been approved. Ms. Palmer informed committee members that there is a need to develop a procedure to identify whether a person is an independent contractor versus an employee. This issue will be brought before the committee to discuss. She stated with the advent of the stimulus and grant funds more and more departments are hiring contractual workers. Some of these workers are being identified as employees, volunteers or contractual workers causing confusion. Ms. Christina Webb, Assistant State's Attorney is an expert in employee law and has been reviewing this issue. With the H1N1 pandemic, the Health Department has hired volunteers, through

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the Medical Reserve Corp. to issue shots during the clinics. The clinics last approximately 5 ½ hours. Grant funding allows for the nurses to be paid a stipend for each clinic. Checks were issued for some of the nurses. If the nurse is designated as an employee it will be necessary to withhold IMRF and Unemployment funds. Because of the issue in respect to volunteer labor some of the nurses were mis-paid, through payroll. This would cost the County additional funds to fix a \$50 mistake. The consensus of the committee is to treat these nurses as volunteers effective 1/1/2010. They have explored correcting the mistake but realized it would be too costly to fix. Ms. Palmer stated this is why a policy needs to be put in place, with a form for the IRS for contractual employees, prior to entering into a contractual agreement. This form would determine if the person is a volunteer, contractual employee or employee. She questioned how the county departments would go about approving all volunteers in the case of a major disaster. She stated it would be better to address this issue prior to a disaster. She stated this policy would address per diem drivers as well. Ms. Palmer stated she would work on a policy to be brought back to the committee for consideration. She stated she would work with the department heads to educate them on this process as well.

Contingency Report: None.

Economic Development Corporation: Committee members were informed that Pam Cumpata as well as County officials were in Washington DC last week to discuss Transportation and Workforce Investment Act issues. The financial report presented at the last meeting was just two pages of the whole report. Chairman Munaretto stated that he would like to see a closer financial reporting relationship between the EDC and the County and he would like to find a better way to present the EDC's financial information to the Finance and Audit Committee. The newsletter goes out today for those interested. Ms. Cumpata is very personable and has done a fantastic job so far. The programs through the EDC are growing and additional manufacturing companies have moved to McHenry County. The EDC is working to bring itself into line with the vision of the County.

Convention and Visitors Bureau: Chairman Munaretto stated that the CVB held its annual Christmas meeting 1 ½ weeks ago. The CVB receives match grants from the State. For every \$1 invested, \$3 comes back from the State. The group is looking for additional revenue streams. Chairman Munaretto reminded committee members that the funding source for the CVB was to be through a hotel tax, which was not popular with the municipalities. He stated we as a county should require a hotel tax to fund this group.

Chairman Munaretto informed committee members that a couple of future topics that need to be discussed is the MCEDC and its relationship with Transportation and the Finance and Audit Committee as well as the EDC Loan Fund.

EXECUTIVE SESSION: None.

ADJOURNMENT

Noting no further business, Ms. Hill made a motion, seconded by Mr. Breeden, to adjourn the meeting at 10:48 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution allocating Recovery Zone Volume Cap and approving a project for McHenry County Sportsplex LLC for the purposes of the American Recovery and Reinvestment Tax Act of 2009
- Resolution authorizing payment from the General Fund contingency for a court ordered property cleanup
- Resolution authorizing an amendment to Resolution R-200608-10-218 authorizing adoption of housing investment partnership (HOME) Program funding recommendations for the 2006 program year and an emergency appropriation to the CDBG FY10 budget
- Resolution authorizing the expenditure of CDBG Contingency Funds to Agencies
- Resolution authorizing budget line item transfers in the Workforce Network FY09 budget

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