

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

MINUTES OF TUESDAY, JANUARY 12, 2010

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; Cindy Kozlowski, Financial Analyst; Pam Palmer, Auditor; Sandy Lewis, Don Larson and Frank Gosser, Mental Health Board; Barry Valentine, EMA; Donna Mayberry, Assessments; 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 minutes of the Finance & Audit Committee meeting on December 22, 2009. Chairman Munaretto asked that the minutes be amended on page 3 to reflect his comments on the EDC as follows “...he would like to see a closer financial 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 minutes were approved as amended with a unanimous voice vote of all ayes.

PUBLIC COMMENT: Richard Drapper, a trustee for the Pioneer Center, addressed the Committee. He stated that the Pioneer Center opposes the County entering into an intergovernmental agreement with the Mental Health Board to expand the current facility. He asked that the Committee vote against this Resolution.

Sandy Lewis, Director – McHenry County Mental Health Board, addressed the Committee and reported that there have been several meetings with various agencies of the Mental Health Board including the Pioneer Center, the Center of Autism and others. She stated that most supported the proposed expansion, especially with the added use of the building for public meetings. She noted that \$220,000 has already been spent toward this project.

PRESENTATION: None.

Chairman Munaretto stated that he had sent an e-mail to members yesterday to provide an overview to the monthly meetings that are held with County Board Chairman Koehler, Mr. Austin, Mr. Sarbaugh and himself to discuss various financial related issues. He stated in an effort to keep the Committee aware and informed of the issues discussed during these meetings, he would like to make these meetings part of the Finance and Audit Committee agenda rather than holding separate meetings. A question was raised on the timing of a proposed public safety building. Chairman Munaretto stated that the building of this facility will not be driven by the economy but rather by the expanding needs of the 22<sup>nd</sup> Judicial Circuit. He noted that eventually non-judicial space will need to relocate, including the Sheriff’s Department. This will mean the building of a new Public Safety Building. It is possible that this will need to be addressed within the next five years.

NEW BUSINESS:

*Resolution authorizing an intergovernmental agreement for the acquisition, construction and equipping of a County Mental Health Facility in and for McHenry County Illinois.* Ms. Donner made a motion, seconded by Ms. Hill, to recommend the County Board approve a Resolution authorizing an intergovernmental agreement for the acquisition, construction and equipping of a County Mental Health Facility in and for McHenry County Illinois. It was noted that this issue and documents have been reviewed by the State’s Attorney, the attorney for the Mental Health Board and has been adopted by the Mental Health Board. After discussion, a roll call vote was called. The motion carried with all members present voting aye (Breeden, Donner, Orphal, Hill, Ryan and Munaretto).

*Resolution authorizing acceptance of State of Illinois Emergency Management Assistance Grant Program Agreement for FY 2010.* Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing acceptance of State of Illinois Emergency Management Assistance Grant Program Agreement for FY 2010. Mr. Valentine reviewed the Resolution. On a roll call the motion carried with all members present voting aye (Breeden, Donner, Orphal, Hill, Ryan and Munaretto).

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*Resolution authorizing acceptance of the State of Illinois Emergency Management Hazardous Materials Emergency Preparedness (HMEP) Planning Grant program grant agreement and an emergency appropriation in the Emergency Management Agency's Fiscal year 09-10 budget.* Ms. Orphal made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing acceptance of the State of Illinois Emergency Management Hazardous Materials Emergency Preparedness (HMEP) Planning Grant program grant agreement and an emergency appropriation in the Emergency Management Agency's Fiscal year 09-10 budget. On a roll call vote the motion carried with all members present voting aye (Breedon, Donner, Orphal, Hill, Ryan and Munaretto).

*Resolution authorizing salary increases for the Board of Review for the Fiscal Budget Year 09-10.* Mr. Ryan made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing salary increases for the Board of Review for the Fiscal Budget Year 09-10. It was noted that the Resolution should be revised to indicate a 2% increase. On a roll call vote was called. The motion carried with five ayes (Donner, Orphal, Hill, Ryan and Munaretto) and one nay (Hill).

*Resolution authorizing the creation of a new position in the Law Library Departmental Roster and budget line item transfers in the Law Library Fund FY 10 budget.* Mr. Breedon made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing the creation of a new position in the Law Library Departmental Roster and budget line item transfers in the Law Library Fund FY 10 budget. Mr. Sarbaugh stated that the proposed Resolution would allow for the hiring of another part-time self help navigator position to assist the public during the afternoon hours. Ms. Hill questioned why this request was not addressed during the budget process. Mr. Sarbaugh stated the need was identified, but the Law Library had not increased their fees. The new position would be funded from the special Law Library reserve fund that can only be used for Law Library expenses. Ms. Hill stated she is still concerned with expanding government at this time. Mr. Sarbaugh explained that the Law Library reserve fund is self sustaining at this time. If a problem did arise, positions would need to be reviewed and eliminated if necessary. On a roll call vote, the motion carried with all members voting aye (Breedon, Donner, Orphal, Hill, Ryan and Munaretto).

*Resolution authorizing workers' compensation claim settlement.* Ms. Orphal made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing workers' compensation claim settlement. The Human Resources and Management Services Committee had reviewed this resolution and recommended approval. Ms. Hill stated she is still concerned that the settlement is in the amount of \$34,000 for an injury to a "pinky" finger. Mr. Labaj explained that this lump sum settlement provides that the County will pay no medical bills (other than those already paid) and the County will pay no indemnification for any bills. After discussion, a roll call vote was called. The motion carried with five ayes (Donner, Orphal, Hill, Ryan and Munaretto) and one nay (Breedon).

*Resolution authorizing a budget line item transfer in the Dental Care Clinic Fund FY 09 budget.* Mr. Breedon made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing a budget line item transfer in the Dental Care Clinic Fund FY 09 budget. Mr. Sarbaugh explained that this Resolution provides the year end clean-up for this account; it does not increase the budget as funds are only being transferred from one line item to another to allow for the year-end posting of accruals. On a roll call vote, the motion carried with all members voting aye (Breedon, Donner, Orphal, Hill, Ryan and Munaretto).

*Update on McHenry County Loan and Micro Loan fund:* Mr. Labaj provided an update for the McHenry County Loan fund. The State's attorney is pursuing legal action for collection of the payments from E's Bakery. Contempo Industries is trying to emerge from bankruptcy. Lenders have frozen some of Contempo's normal payments; however, it is anticipated that payments will be forthcoming by January 31<sup>st</sup>. Mr. Labaj reported that there is currently \$5,700 available in the loan fund. Chairman Munaretto noted that the micro loan fund requests have not been successful and perhaps the Committee should revisit the efficiency of a micro loan fund at a future meeting.

Chairman Munaretto stated he is breaking from tradition and would like to distribute the Executive Session minutes from June 26, 2007 for the Committee to review without going into executive session. The members reviewed the minutes after which Ms. Orphal made a motion, seconded by Mr. Ryan, to approve the minutes and to advance them to the State's Attorney for review. The motion carried with all members voting aye on a voice vote. Ms. Hill stated she felt Chairman Munaretto was taking a risk in handling this issue during open

session. Chairman Munaretto responded that he made a judgment call and felt these minutes could be viewed during open session.

Chairman Munaretto stated that the County currently has a \$93,000 contract with the Ferguson Group to act as our lobbyist. He noted that during 2009 trips to Washington D.C. were made by County Board Members, staff and MCEDC and he asked under what authority was this allowed, what were the costs, how were the expenses paid and who requested these trips. Ms. Hill stated perhaps Mr. Austin could address these questions. Mr. Austin stated he is aware of one such trip to Washington D.C. to present our Federal Legislative Program in March. He also reported there was a second trip in December of 2009. Chairman Munaretto stated he is looking for some information on what would be the benefits of such trips given the County's contract with the Ferguson Group to provide these services. Ms. Donner suggested that perhaps Mr. Austin could investigate these questions for further discussion at the next meeting. Chairman Munaretto agreed and noted that such trips should be discussed by the County Board to engage the members in this process and determine the who, what, when, where and why for such travel. Mr. Ryan commented that he does see a need for visits to re-enforce our lobbying efforts. Chairman Munaretto stated he is just laying the issues on the table and that the Committee will discuss this further in two weeks.

OLD BUSINESS:

*Update on a project for McHenry County Sportsplex LLC:* Mr. Labaj reported that all documents requested from Sportsplex have not yet been received. Chairman Munaretto stated that until all the documents have been received from Sportsplex the Resolution allocating recovery zone volume cap and approving the project that was approved by the Committee on December 22, 2009 would not move forward to the County Board. Chairman Munaretto noted that for these projects, there are no tax dollars involved and in these instances the County is only acting as a conduit to use bond financing for private development

REPORTS TO COMMITTEE:

*Auditor's Report:* Ms. Palmer reported that the external auditor will attend the meeting on the 26<sup>th</sup> to provide information on government reporting standards and answer any questions the Committee may have. Ms. Palmer also noted that during the January 26<sup>th</sup> meeting she will provide a timeline of the audit process and what is involved in completing the CAFR. The department is rapidly closing out 2009 and staff is working on year end accruals. Chairman Munaretto commented that the Auditor runs an organized office and accomplishes their work in an efficient manner.

*Contingency Reports:* the Sales Tax Analysis report; the General Fund Contingency Account Statement of Activity as of 11/30/09, the General Fund Contingency Account Statement of Activity as of 1/12/2010 and the Merit Distribution list were distributed and reviewed by the Committee. It was noted that sales tax is showing some improvement. Chairman Munaretto commented that the County may be losing more car dealerships which may impact the sales tax.

Mr. Sarbaugh reported that the Dental Care Clinic FY 09 fund has run out of dollars and asked for Committee approval for the Auditor to over-ride this budget until the Resolution previously discussed is approved by the County Board on January 19, 2010. Committee agreed with this over-ride request.

EXECUTIVE SESSION: None.

ADJOURNMENT

Noting no further business, Ms. Orphal made a motion, seconded by Mr. Ryan, to adjourn the meeting at 10:42\_ a.m. The motion carried with a unanimous voice vote.

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**RECOMMENDED FOR BOARD ACTION:**

Resolution authorizing an intergovernmental agreement for the acquisition, construction and equipping of a County Mental Health Facility in and for McHenry County Illinois

Resolution authorizing acceptance of State of Illinois Emergency Management Assistance Grant Program Agreement for FY 2010

Resolution authorizing acceptance of the State of Illinois Emergency Management Hazardous Materials Emergency Preparedness (HMEP) Planning Grant program grant agreement and an emergency appropriation in the Emergency Management Agency's Fiscal year 09-10 budget

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Resolution authorizing workers' compensation claim settlement  
Resolution authorizing a budget line item transfer in the Dental Care Clinic Fund FY 09 budget

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