

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

MINUTES OF TUESDAY, AUGUST 10, 2010

Chairman Munaretto called the meeting to order at 9:30 a.m. The following Committee members were present: Marc Munaretto, Chairman; Lyn Orphal; John Hammerand; Scott Breeden; Mary Donner; Tina Hill and Daniel Ryan. Also in attendance: Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; Cindy Kozlowski, Financial Analyst; John Labaj, Deputy County Administrator; Tom Sullivan; I.T.; Kathy Keefe, Circuit Clerk; Pam Palmer and Shannon Teresi, Auditor's Office; Angela Wood-Zuzevich and Sgt. Carolyn Hubbard, Sheriff's Department; Jeff Young, Department of Transportation; Robert Ross, Assessments; Dan Wallis, Court Administration; Kathleen Bergan-Schmidt, County Board member; 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 and Audit Committee meeting of July 27, 2010. The minutes were approved as submitted with a unanimous voice vote of all ayes.

PUBLIC COMMENT: None.

PRESENTATION:

7.00% Property Tax Assessment Cap: Robert Ross joined Committee members and gave a presentation regarding Senate Bill 3638. Senate Bill 3638 was passed in May, 2010 and one of the amendments of the Bill extends the Alternative General Homestead Exemption for a minimum of three years beginning in 2010. The maximum amount of exemption is \$20,000 for the first taxable year, \$16,000 for the second taxable year, and \$12,000 for the third taxable year. This exemption is also known as the "7% tax cap" which was originally enacted in 2004. He provided figures for both the General and Senior Homestead Exemptions. The need for proper assessments and a better assessment process was discussed. In 2004 the McHenry County Board did not adopt the Alternative General Exemption. Cook County was the only county in the State of Illinois to adopt the exemption. After discussion, it was the consensus of the Committee that from a financial perspective, further discussions concerning 7.00% property tax assessment cap shall be discussed with the Finance and Audit Committee.

NEW BUSINESS:

Resolution Authorizing the Re-Classification of Position #05-0005-07 from Assessment Specialist III to Chief Appraiser: Ms. Hill made a motion, seconded by Mr. Breeden, to recommend the County Board approve a Resolution Authorizing the Re-Classification of Position #05-0005-07 from Assessment Specialist III to Chief Appraiser. Mr. Ross joined Committee members and informed them that the Assessor's Office is preparing for another year with a large amount of appeals. They are requesting a reclassification of the vacant Assessment Specialist III position to Chief Appraiser. The reclassification of this position will not impact the number of employees in this department as the Assessment Specialist III position will not be replaced. Committee members were informed that these changes would require that an additional \$1,966.53 be added to the department's budget. Because this new position would help settle some of the appeals, it should result in a decrease in per diem costs in this department. If a case is not settled, an appeal is required. Mr. Breeden informed the Committee that this Resolution was discussed at yesterday's Human Resources Committee meeting and it passes unanimously. After discussion, the motion carried on a roll call vote of six ayes (Orphal, Breeden, Ryan, Hill, Donner and Munaretto) and one nay (Hammerand).

Resolution Approving Engineering Services Agreement Amendment and Appropriating Funds for the Randall Road Project and a Resolution Approving an Engineering Services Agreement Amendment and Appropriating Funds for the Rakow Road Project. Ms. Donner made a motion that 5.2 and 5.3 be reviewed at the same time, seconded by Mr. Ryan, and to recommend the County Board approve a Resolution Approving Engineering

Approved: 8-24-10

Services Agreement Amendment and Appropriating Funds for the Randall Road Project and a Resolution Approving an Engineering Services Agreement Amendment and Appropriating Funds for the Rakow Road Project. Mr. Young joined Committee members to inform them that there is a need to provide improvements to Randall Road as the existing road is congested due to inadequate roadway geometry for the traffic volumes that travel upon it. He stated they are working with three municipalities on this project, those being the Village of Algonquin, the City of Crystal Lake and the Village of Lake in the Hills. He stated they are working extensively with these three municipalities concerning this project. Concerning the Rakow Road project, Mr. Young informed the Committee that there is a need to improve Rakow Road between Ackman Road and Illinois Route 31 in Crystal Lake and Lake in the Hills. This is part of the approved 2010 to 2014 Highway Improvement Program. This project will require a consulting engineering firm to provide contract plans and specification documents. Some of the work will be reimbursed by an IGA with the City of Crystal Lake. There is storm sewer work that will need to be done, along with a new design for curbs and gutters. The outside lanes for the entire improvement will change from 12' to 14' wide. This will allow an additional 2' should bicyclists use these lanes. It was mentioned that the motor fuel tax funds both of these projects. After discussion, the motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Hill, Donner and Munaretto).

Chairman Munaretto requested that 5.4 and 5.6 be reviewed at the same time.

Resolution Authorizing to Enter Into a Lease Agreement to Install, Maintain and Operate Communications Equipment on the Tower Property of the Village of Spring Grove, Illinois and a Resolution Authorizing Acceptance of the Department of Justice COPS Technology Grant Award for Equipment at a Remote Radio Transmission Site and an Emergency Appropriation to the Sheriff's Fiscal Year 2009-2010 Budget. Mr. Breeden made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution Authorizing to Enter Into a Lease Agreement to Install, Maintain and Operate Communications Equipment on the Tower Property of the Village of Spring Grove, Illinois and a Resolution Authorizing Acceptance of the Department of Justice COPS Technology Grant Award for Equipment at a Remote Radio Transmission Site and an Emergency Appropriation to the Sheriff's Fiscal Year 2009-2010 Budget. Mr. Sarbaugh, Ms. Wood-Zuzevich and Sgt. Hubbard joined Committee members to inform them that the first Resolution is to place equipment on a tower located in Spring Grove, Illinois, and the second Resolution is to accept a grant to pay for this equipment. Lobbyist Ferguson was able to obtain the \$500,000 COPS Technology Grant for this equipment on behalf of McHenry County. The placement of this equipment will help with coverage in this area of the County. After discussion, the motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Hill, Donner and Munaretto).

Resolution Authorizing a Four Year Panasonic Toughbook Lease with HP Financial Services and an Emergency Appropriation and Budget Line Item Transfer in the Fiscal Year 2010 Non-Departmental Budget. Ms. Hill made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution Authorizing a Four Year Panasonic Toughbook Lease with HP Financial Services and an Emergency Appropriation and Budget Line Item Transfer in the Fiscal Year 2010 Non-Departmental Budget. Mr. Sullivan joined Committee members and informed them that this equipment is part of the lease program established by the Finance Committee and these laptops are for vehicles for the Sheriff's Department. Leases have worked well for the County as equipment is upgraded on a continual basis. Desktop computers are leased for five years and laptop computers are leased for three years. This request is for the lease of 16 Toughbook laptop computers. After discussion, the motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Hill, Donner and Munaretto).

Chairman Munaretto requested that 5.7 and 5.8 be reviewed at the same time.

Resolution Authorizing an Increase in the Circuit Clerk's Court Automation Fee and a Resolution Authorizing an Increase to the Circuit Clerk Document Storage Fee: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution Authorizing an Increase in the Circuit Clerk's Court Automation Fee and a Resolution Authorizing an Increase to the Circuit Clerk Document Storage Fee. Ms. Keefe joined Committee members and stated that these requests are an increase concerning traffic tickets that are satisfied without a court appearance. The effective dates for both resolutions will coincide with the increasing bail amounts for traffic tickets which are effective on September 15, 2010. This request would allow

an increase of the fees on tickets without a court appearance. The fees paid to the municipalities and State Police are taken off the top. Committee members were informed that McHenry County is not the highest court cost county in the state. After discussion, the motion carried with all members present voting aye on a roll call vote (Orphal, Breedon, Hammerand, Ryan, Hill, Donner and Munaretto).

Resolution Authorizing Monthly Transactions for the Delinquent Tax Program: Ms. Donner made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution Authorizing Monthly Transactions for the Delinquent Tax Program. McHenry County has acquired an interest in said real estate because of delinquent property taxes. It is suggested that it would be in the best interest of the County to dispose of its interest in said property. After discussion, the motion carried with all members present voting aye on a roll call vote (Orphal, Breedon, Hammerand, Ryan, Hill, Donner and Munaretto).

Resolution Authorizing a Lease Agreement with Meridian Leasing for Telephony Solution Upgrade: Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution Authorizing a Lease Agreement with Meridian Leasing for Telephony Solution Upgrade. Mr. Sullivan joined Committee members and informed them that this lease replaces the current lease, which expires in mid-October, 2010. This is an opportunity to refresh the current equipment, upgrade the software version from 3 to 5, and add an enterprise Integrated Voice Response (IVR) solution. This version will allow supervisors the ability to run reports and see what type of call volumes people are receiving. It will also provide a voice response system. It is recommended that the County lease the telephony solution over a five year timeframe. The County, in general, needs to have a system that will allow the ability to alert everyone in case of an emergency. After discussion, the motion carried with all members present voting aye on a roll call vote (Orphal, Breedon, Hammerand, Ryan, Hill, Donner and Munaretto).

OLD BUSINESS: None.

REPORTS TO COMMITTEE:

Auditors Report: County members reviewed the FY10/11 budget for the County Auditor. Mr. Sarbaugh stated that the Auditor's Office is created to make sure the books of the County are legally in compliance in accordance with the requirements that are placed on them. This office is not a revenue generating department. They make sure that the numbers you rely on at the end of the year are correct and reflect correctly on financial statements of the County. It is a general fund department. All departments have been asked to maintain a no-growth budget and Ms. Palmer has maintained a no-growth budget for this department. It was the consensus of the Committee to accept the preliminary FY 10/11 budget for the County Auditor as presented and move it forward to the County Board on a voice vote of all ayes.

Ms. Palmer informed the Committee that an Auditors Report will be presented at the next meeting. She stated that Ms. Teresi has been working with the Community Development staff concerning a recent Neighborhood Stabilization Program (NSP) closing and a report will be presented at the next meeting. She also reported that an audit is being conducted concerning wireless cell phone usage and review of the wireless cell phone policy. She provided an update concerning the Request for Proposals for the annual County audit. Six firms presented bids and three firms were interviewed. A qualitative recommendation of who they are will be presented at a later date. Ms. Palmer also mentioned that they are suggesting a pilot program called the "Frugal Award". This award would be presented each month to two employees who have been recommended for the award and who have helped save the County money. She has two trophies and two winners will be named at the monthly Department Head meeting. A note will be posted on the intranet naming the winners, along with information on how they helped save the County money. The two recipients would have the trophies for one month. The "Frugal Award" trophies would be travelling trophies and would be presented to two new recipients each month.

Contingency Reports: Mr. Sarbaugh joined Committee members and mentioned that there is not a Contingency Report to present today. He stated that in 2009 this Committee was approached concerning the malfunctioning elevator located by the rear main entrance of the Courthouse. There is \$110,000 in contingency funds from last year that is set aside to repair this elevator. All bids have been received and the repair work has begun. The

total cost of the repair of the elevator is estimated to be approximately \$80,000. Mr. Wallis and Mr. Sarbaugh informed the Committee that there is a courtroom where the presiding Judge is not feeling secure in and around his bench. This courtroom is the only one that the bench is on an angle which allows direct access through the center of the courtroom to the bench. A request has been made for this courtroom to be reconfigured and have the aisle approaching the bench be relocated to the side of the courtroom. Benches will have to be moved and the carpet will need to be replaced. It is estimated that it will cost approximately \$12,000 to improve this situation in this courtroom. Since the cost for the repair of the elevator is less than the budgeted amount, the Committee was asked if some of the remaining funds could be applied towards the courtroom project. Mr. Sarbaugh stated that they would reduce the Purchase Order created last year that was established for the repair of the elevator and a new Purchase Order will be created for the courtroom repair. After discussion, the Committee gave their approval for the courtroom project mentioned above.

FUTURE TOPICS: None.

EXECUTIVE SESSION: None.

ADJOURNMENT:

Noting no further business, Ms. Donner made a motion, seconded by Mr. Hammerand, to adjourn the meeting at 11:00 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution Authorizing the Re-Classification of Position #05-0005-07 from Assessment Specialist III to Chief Appraiser
- Resolution Approving Engineering Services Agreement Amendment and Appropriating Funds for the Randall Road Project
- Resolution Approving an Engineering Services Agreement Amendment and Appropriating Funds for the Rakow Road Project
- Resolution Authorizing to Enter Into a Lease Agreement to Install, Maintain and Operate Communications Equipment on the Tower Property of the Village of Spring Grove, Illinois
- Resolution Authorizing a Four Year Panasonic Toughbook Lease with HP Financial Services and an Emergency Appropriation and Budget Line Item Transfer in the Fiscal Year 2010 Non-Departmental Budget
- Resolution Authorizing Acceptance of the Department of Justice COPS Technology Grant Award for Equipment at a Remote Radio Transmission Site and an Emergency Appropriation to the Sheriff's Fiscal Year 2009-2010 Budget
- Resolution Authorizing an Increase in the Circuit Clerk's Court Automation Fee
- Resolution Authorizing an Increase to the Circuit Clerk Document Storage Fee
- Resolution Authorizing Monthly Transactions for the Delinquent Tax Program
- Resolution Authorizing a Lease Agreement with Meridian Leasing for Telephony Solution Upgrade

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