

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

MINUTES OF TUESDAY, SEPTEMBER 14, 2010

Chairman Munaretto called the meeting to order at 9:30 a.m. The following Committee members were present: Marc Munaretto, Chairman; John Hammerand; Scott Breeden; Tina Hill; and Dan Ryan. Lyn Orphal and Mary Donner were absent. Also in attendance: Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; Cindy Kozlowski, Financial Analyst; John Labaj, Deputy County Administrator; Pat McNulty, Department of Health; Pam Palmer, Auditor; Dennis Sandquist, Planning and Development; Kenneth Koehler, County Board Chairman; Julie Courtney, Workforce Network; Jim Heisler and Kathleen Bergan-Schmidt, County Board members; interested public; 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 Mr. Ryan, to recommend approval of the minutes of the Finance and Audit Committee meeting of September 7, 2010. Noting no corrections or comments, the minutes were approved as presented with all members present voting aye on a voice vote.

PUBLIC COMMENT: None.

PRESENTATION: None.

NEW BUSINESS:

Chairman Munaretto requested that 5.1 and 5.2 be reviewed at the same time.

Resolution Authorizing Workers' Compensation Claim Settlement No. 09-3210-10 and Resolution Authorizing Workers' Compensation Claim Settlement No. 07-3210-20: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution Authorizing Workers' Compensation Claim Settlement No. 09-3210-10 and a Resolution Authorizing Workers' Compensation Claim Settlement No. 07-3210-20. Mr. Labaj joined Committee members and stated that these are two workers' compensation claims generated by correction officers. He noted that both claims have been reviewed by the Human Resources and Management Services Committees and were approved by both committees. Agenda Item No. 5.2 is for a claim that was contested by the County and was brought before the Workers' Compensation Commission. The employee's attorney would not budge from a 35% MAW (Man as a Whole) settlement. The Workers' Compensation Commission awarded a 5% MAW settlement of \$15,903.75. The motion for both Resolutions carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Resolution Authorizing a Budget Line Item Transfer in the Workforce Network Fiscal Year 2010 Budget: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution Authorizing a Budget Line Item Transfer in the Workforce Network Fiscal Year 2010 Budget. Ms. Courtney stated that this is a request to transfer funds to cover the amount charged the Workforce Network for their share of the computer lease. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Resolution Authorizing the Acceptance of the National Trust for Historic Preservation Grant and an Emergency Appropriation to the McHenry County Historic Preservation Commission FY2010 Budget: Ms. Hill made a motion, seconded by Mr. Breeden, to recommend the County Board approve a Resolution Authorizing the Acceptance of the National Trust for Historic Preservation Grant and an Emergency Appropriation to the McHenry County Historic Preservation Commission FY2010 Budget. Chairman Munaretto stated that the acceptance of this grant does require 50% in matching funds and the funds are already available within the Historic Preservation Commission's FY2010 budget. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Resolution Authorizing the Adoption of Senior Services Grant Fund Funding Allocations for Program Year 2011: Ms. Hill made a motion, seconded by Mr. Breeden, to recommend the County Board approve a Resolution Authorizing the Adoption of Senior Services Grant Fund Funding Allocations for Program Year 2011. Mr. Labaj informed Committee members that the 17 member Senior Services Grant Commission solicit proposals on an annual basis for programs that provide public transportation and social services for the County's senior population. The allocations noted on the Resolution have been approved by the Public Health and Human Services Committee. Discussion ensued concerning public transportation being a key link for the aging population in McHenry County. This year found the highest level of funding being provided for public transportation by the Senior Services Grant Fund. Increasing funds for public transportation has been a goal for a number of years. The Commission tries to insure that transportation services are coordinated between townships and other agencies. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Resolution Authorizing the Acceptance of a \$25,000 Grant and a Budget Line Item Transfer of \$45,000 Within the Dental Budget and the Creation of a Full-time Position in the Dental Care Clinic for FY2010-2011: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution Authorizing the Acceptance of a \$25,000 Grant and a Budget Line Item Transfer of \$45,000 Within the Dental Budget and the Creation of a Full-time Position in the Dental Care Clinic for FY2010-2011. Mr. McNulty joined Committee members and stated that this Resolution would allow for the creation of a new full-time position to meet the growing needs of the public and deliverables of the grant. This grant provides dental care and treatment to low income adults and children unable to obtain care elsewhere. There is currently an eight-week waiting period to obtain an appointment at the Dental Care Clinic. The department receives Medicaid reimbursement which helps maximize services being offered. The Dental Care Clinic budget is self contained through a special fund and utilizes no County funding. It was mentioned that this Resolution has been before both the Public Health and Human Services and Human Resources Committees and both committees passed the Resolution. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Resolution to Authorize County Financial Support of a Breast and Cervical Cancer Program and Acceptance of an IDPH Grant for FY2011: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution to Authorize County Financial Support of a Breast and Cervical Cancer Program and Acceptance of an IDPH Grant for FY2011. The Illinois Breast and Cervical Cancer Program (IBCCP) provides much of the resources necessary to provide for comprehensive breast/cervical cancer screening and diagnosis for women who otherwise could not afford to have this done. The Health Department is in the fourth year of the IDPH Grant program. The County's cost to conduct this program will exceed the revenues received from the IDPH by \$158,000 for FY11. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Resolution to Accept \$83,160 in Additional Grant Funding from the Illinois Department of Public Health and to Make an Appropriation to the Health Department Proposed FY11 Budget: Mr. Ryan made a motion, seconded by Ms. Hill, to recommend the County Board approve a Resolution to Accept \$83,160 in Additional Grant Funding from the Illinois Department of Public Health and to Make an Appropriation to the Health Department Proposed FY11 Budget. Mr. McNulty stated this Resolution would allow the Department to increase a half-time Case Manager RN position to a full-time Case Manager RN position to help handle the increased caseload of the Department. He stated that they have to show County participation in order to qualify for the Grant. The IBCCP is a voluntary Program on the part of the County and should the Grant funding be reduced, the position could be reduced or eliminated. Committee members were informed that if this full-time person were laid off, the County would be responsible for unemployment benefits. Mr. McNulty reminded committee members that this is an RN position. Mr. McNulty stated that this person is already trained to handle this position. The patient load has more than doubled since the beginning of this program, and he feels this person could fill the requirements of this position better than hiring a new person that would require additional training. The motion carried on a roll call vote of three ayes (Ryan, Hill and Munaretto) and two nays (Breeden and Hammerand).

Chairman Munaretto mentioned that it should be noted on the County Board floor that the Human Resources Committee had a different opinion of this Resolution as the Finance and Audit and Public Health and Human Services Committees had. Mr. Austin reported that when there is not consent of a Resolution, the recent trend has been to place it under New and Unfinished Business on the County Board Agenda to acknowledge a split vote.

Resolution to Approve Appointment of Members to an Expanded Board of Review for Assessment Year 2010: Ms. Hill made a motion, seconded by Mr. Breeden, to recommend the County Board approve a Resolution to Approve Appointment of Members to an Expanded Board of Review for Assessment Year 2010. Committee members discussed that the number of complaints filed with the Board of Review relating to the assessment of property has increased in recent years. Board of Review members are paid \$125.00 per diem. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Resolution Authorizing an Emergency Appropriation and Budget Line Item Transfer in the Insurance Liability Fund Fiscal year 2009-2010 Contingency: Mr. Ryan made a motion, seconded by Ms. Hill, to recommend the County Board approve a Resolution Authorizing an Emergency Appropriation and Budget Line Item Transfer in the Insurance Liability Fund Fiscal year 2009-2010 Contingency. Mr. Labaj reported that Risk Management has experienced a record number of workers' compensation settlements, as well as an increased number of workers' compensation cases not requiring staff time off. It is anticipated that an additional \$20,000 will be needed to pay the medical-only claims through this budget year. Risk Management has also experienced property damage claims beyond its original projections including power outages, lightening strikes and water damage claims. They also did not originally budget for a County-wide appraisal of all property holdings for FY2010. The current appraisal is four years old and at the recommendation of the County's insurance consultants, an updated appraisal of assets was obtained. This appraisal was not a budgeted expense. The appraisal is anticipated to provide an accurate property valuation for the County's property insurance quote for FY2011. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Resolution Authorizing Payment of Special Prosecutor Fees and Consultant Fees from the General Fund Fiscal Year 2010 Contingency: Ms. Hill made a motion, seconded by Mr. Breeden, to recommend the County Board approve a Resolution Authorizing Payment of Special Prosecutor Fees and Consultant Fees from the General Fund Fiscal Year 2010 Contingency. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Resolution Authorizing the Remodel of the Old Regional Superintendent Office Space and Budget Line Item Transfers to Cover Said Costs in the Fiscal Year 2010 Budget: Ms. Hill made a motion, seconded by Mr. Breeden, to recommend the County Board approve a Resolution Authorizing the Remodel of the Old Regional Superintendent Office Space and Budget Line Item Transfers to Cover Said Costs in the Fiscal Year 2010 Budget. This is a request for minor remodeling to be done to the old Regional Superintendent of Schools space on the second floor of the Administration Building to allow for the expansion of the Planning and Development Department into said space. It was mentioned that this Resolution was heard in the Management Services Committee where it passed. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

Approval of Foreign Trade Zone Designation for McHenry County by the U.S. Department of Commerce: Mr. Labaj presented a Resolution from the U.S. Department of Commerce which formally approves Foreign-Trade Zone 176 under Alternative Site Framework. No action was taken on this matter since it was provided to the Finance and Audit Committee for informational purpose only.

Review of McHenry County Revolving Loan Fund Request for Millennium Electronics, Inc.: Mr. Labaj stated that he has received a request from Millennium Electronics, Inc. for funding in the amount of \$320,000 to buy-out a piece of equipment. He is proposing that the loan fund request would be in the amount of \$200,000 which would leave a balance of \$78,000 in the micro-loan fund. Chairman Munaretto mentioned that at a prior Finance and Audit Committee meeting, it was agreed to keep a balance of \$50.00 in the micro-loan fund. The original invoice cost for the piece of equipment was \$710,000, and the lendable value of it is currently \$532,000. A motion was made by Mr. Breeden, seconded by Ms. Hill, to approve a loan fund request in the amount of \$200,000 for Millennium Electronics, Inc. The motion carried on a roll call vote of all ayes (Breeden, Hammerand, Hill, Ryan and Munaretto).

OLD BUSINESS:

REPORTS TO COMMITTEE:

Auditors Report: None.

Contingency Reports: Mr. Sarbaugh presented his contingency report statement of activity as of 9/8/2010.

Recovery Zone Bonds: Mr. Labaj joined Committee members and presented them with a memorandum concerning updates on Recovery Zone Bond activity, including Equity One Sports Development, Sportsplex, LLC and the Wonder Lake Master Property Owners Association. Equity One Sports Development is in the process of applying for the total amount of funding to the Illinois Finance Authority (IFA). The County has had discussions with bond council regarding the need to document the agreement on behalf of all parties to insure that the transfer of volume cap is for the exclusive use of Equity One Sports Development. Sportsplex, LLC reported receiving an updated feasibility study last week. Stern Brothers and Ice Miller are discussing the structure of the bond. The next steps are to solicit bond investors, and prepare and circulate the first drafts of documents. Wonder Lake Master Property Owners Association (MPOA) has circulated the first drafts of the bond documents. A public hearing (TEFRA Notice) has been scheduled for the Finance and Audit Committee's September 28, 2010 meeting. Chairman Munaretto mentioned that the hotel development that previously approached the Committee does not look like it will be moving forward. Mr. Labaj informed the Committee that New Dimensions, Inc. recently applied for Recovery Zone Bond financing in the amount of \$8 million for the purchase of equipment.

FUTURE TOPICS: None.

EXECUTIVE SESSION: None.

ADJOURNMENT:

Noting no further business, Mr. Hammerand made a motion, seconded by Mr. Breeden, to adjourn the meeting at 10:45 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION:

Resolution Authorizing Workers' Compensation Claim Settlement No. 09-3210-10
Resolution Authorizing Workers' Compensation Claim Settlement No. 07-3210-20
Resolution Authorizing a Budget Line Item Transfer in the Workforce Network Fiscal Year 2010 Budget
Resolution Authorizing the Acceptance of the National Trust for Historic Preservation Grant and an Emergency Appropriation to the McHenry County Historic Preservation Commission FY2010 Budget
Resolution Authorizing the Adoption of Senior Services Grant Fund Funding Allocations for Program Year 2011
Resolution Authorizing the Acceptance of a \$25,000 Grant and a Budget Line Item Transfer of \$45,000 Within the Dental Budget and the Creation of a Full-time Position in the Dental Care Clinic for FY2010-2011
Resolution to Authorize County Financial Support of a Breast and Cervical Cancer Program and Acceptance of an IDPH Grant for FY2011
Resolution to Accept \$83,160 in Additional Grant Funding from the Illinois Department of Public Health and to Make an Appropriation to the Health Department Proposed FY11 Budget
Resolution to Approve Appointment of Members to an Expanded Board of Review for Assessment Year 2010
Resolution Authorizing an Emergency Appropriation and Budget Line Item Transfer in the Insurance Liability Fund Fiscal year 2009-2010 Contingency
Resolution Authorizing Payment of Special Prosecutor Fees and Consultant Fees from the General Fund Fiscal Year 2010 Contingency
Resolution Authorizing the Remodel of the Old Regional Superintendent Office Space and Budget Line Item Transfers to Cover Said Costs in the Fiscal Year 2010 Budget

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