

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

MINUTES OF TUESDAY, NOVEMBER 23, 2010

Chairman Munaretto called the meeting to order at 9:30 a.m. The following Committee members were present: Marc Munaretto, Chairman; Scott Breeden; Lyn Orphal; John Hammerand; Mary Donner; and Dan Ryan. Tina Hill was absent. Also in attendance: Kenneth Koehler, County Board Chairman; Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; John Labaj, Deputy County Administrator; John Hadley, Building Operations; Jeff Young, Jason Osborn and Sarah Chadderdon, Department of Transportation; Shannon Teresi, Auditor's Office; Tom Sullivan, I.T.; Cathy Link, Purchasing; Tom Annarella, Valley Hi; Jim Heisler, County Board; interested public; and press.

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

MINUTES: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend approval of the minutes of the Finance and Audit Committee meeting of November 9, 2010. Chairman Munaretto asked that the following correction be made to the Minutes: page 5, "Revolving Loan Fund Update" paragraph, third line, replace the word "tentative" with "leasehold". The minutes were approved as submitted, with the noted correction, with a unanimous voice vote of all ayes.

PUBLIC COMMENT: None.

PRESENTATION: None

NEW BUSINESS:

Resolution Authorizing Acceptance of the Department of Commerce and Economic Opportunity (DCEO) Energy Rebate in the Amount of \$16,854.38 and an Emergency Appropriation to Facilities Management Fiscal Year 2009-2010 Budget: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve the above resolution. Mr. Hadley joined committee members and mentioned they applied for a rebate from the Department of Commerce and Economic Opportunity (DCEO) in the amount of \$16,854.38. This rebate was based on the second phase electrical savings program under the EECBG project for converting parking lot lights to LED. The use of these funds would be for the development of a native plant garden in the secured courtyard of the Government Center. Currently that area is overgrown and it is hard to access in order to mow the grass. They would like to convert the area into a green space with native plants. This was approved by the Management Services Committee. Chairman Munaretto questioned whether or not this was the appropriate way to utilize County money. He would rather see the money used to defray some of their core expenses and he will not support this Resolution. Mr. Ryan agreed with Chairman Munaretto's opinion. Members questioned if a study was done to show the savings of maintenance costs if the area continued to have grass compared to the area having native plants and the answer was no. Mr. Hammerand would rather see the money applied to other areas. Ms. Orphal made a motion, seconded by Ms. Donner, to send this Resolution back to the Management Services Committee for review. The motion carried with a unanimous voice vote of all ayes.

Resolution Approving an Intergovernmental Agreement between the County of McHenry and the City of Crystal Lake, the City of McHenry, and the City of Woodstock Enabling Payments for Dial-A-Ride Services from the Senior Service Grant Funds: Ms. Orphal made a motion, seconded by Mr. Breeden, to recommend the County Board approve the above resolution. Mr. Young, Mr. Osborn and Ms. Chadderdon joined committee members and stated that the Auditor requested an IGA for the processing of the payments with relation to RTA sales tax dollars. Chairman Munaretto stated that the County Board previously adopted a resolution concerning any utilization of RTA sales tax dollars. Members were provided a copy of two resolutions. The first resolution concerns the County providing Senior Services Grant Funds to the DOT. The second resolution enables DOT to partner with the agencies listed in the resolution to provide a pilot program. The first resolution states that the funds given to

DOT will be used for senior trips. The IGA presented today is marrying these two resolutions into one. The senior grant money that was provided to the DOT will be provided to the cities of Crystal Lake, McHenry and Woodstock and DOT will be initially paying for the trips through the RTA sales tax funds which is redundant with the second resolution, and those funds will be reimbursed internally with the Senior Services grant funds which is redundant with the first resolution. Chairman Munaretto questioned as to why they use RTA sales tax dollars instead of using Senior Services grant dollars. Mr. Osborn mentioned that it is related to tracking the grant dollars. The grant was provided to the DOT to provide the umbrella pilot services. The best way to track this is for the County to pay the money and then seek reimbursement from the grant dollars. Ms. Donner stated the Senior Services dollars are significant, but do not fund the entire program. This is based on registered senior citizens and they are providing more services for seniors. The services are provided for the general public, but for those that are registered under the pilot program, they are an eligible cost for the Senior Services grant program. Members were provided a service report for the McHenry County Pilot Project which shows the breakdown for the total number of senior trips provided from February through October, 2010. The motion carried on a roll call vote of all ayes (Breedon, Donner, Hammerand, Orphal, Ryan and Munaretto).

Resolution Authorizing the Purchase of a New Vehicle for Valley Hi Nursing Home and a Budget Line Item Transfer in the Fiscal Year 2010 Budget: Mr. Breedon made a motion, seconded by Mr. Ryan, to recommend the County Board approve the above resolution. Mr. Annarella joined committee members and mentioned that this resolution is for the purchase of a new Chevy Equinox hatchback vehicle. Valley Hi has a bus that transports residents to outings. With the purchase of a new vehicle, they will be able to transport wheelchairs and walkers for the outings which will allow more room in the bus. The vehicle formerly used was an old squad car which has been determined to be more costly to maintain than the vehicle is worth. They put out a bid for a used vehicle and received no responses. They solicited bids for a new vehicle and received 24 bids. Three bids were received with the lowest bid being \$20,445 from Sheppard Chevrolet in Lake Bluff, Illinois. They have \$20,000 in their budget, and \$445 will be a budget line item transfer to cover the remaining cost. Mr. Breedon mentioned that this was discussed at the recent Valley Hi meeting and was approved. Mr. Sarbaugh will correct the typographical error in the "Now Therefore Be It Resolved" paragraph to state the amount is \$20,445.00. Mr. Sarbaugh stated that since the \$20,000 is in the capital budget and \$445 is in their budget, and because they are not increasing the budget, he asked the Committee's permission to allow the Auditor to override the capital budget so a purchase order can be created before closing the year-end process which starts next week. The next County Board meeting for action is December 21, 2010 and they do not want to keep it open for this minor change. Chairman Munaretto obtained the consent of the Committee and mentioned that they do make this consent rarely, but in this instance it is acceptable. The motion carried on a roll call vote of five ayes (Breedon, Donner, Orphal, Ryan and Munaretto) and one nay (Hammerand).

Resolution Authorizing the Purchase of Ten (10) Police Pursuit Vehicles and a Budget Line Item Transfer in the Sheriff's Fiscal Year 2010 Budget: Mr. Breedon made a motion, seconded by Mr. Ryan, to recommend the County Board approve the above resolution. Mr. Sarbaugh mentioned that the vehicles are Chevy Impalas. When the 2011 budget process began, the Sheriff stated that they were looking at 16 vehicles that need to be replaced in FY2011. The Sheriff's budget is coming in under budget and they have funds available that they can transfer to utilize for the purchase of new vehicles. This is not increasing the overall budget, nor an emergency appropriation, but a budget line item transfer. This will eliminate some of the burden against next year's budget. Next year there are two vans that will need to be purchased for the Animal Control Department. The Sheriff understands that the two vans will be the first two vehicles purchased in 2011 prior to any squad cars. Ms. Orphal mentioned that the Resolution does not state where all the money is coming from. Mr. Sarbaugh mentioned that several years ago the State of Illinois passed legislation that created a fee on DUI tickets and the money collected has to go into a new fund, or a new line item, specifically for vehicle replacements. The money can only be used for replacing vehicles. Currently there is \$37,000 of revenue collected this year. He originally budgeted \$50,000 while working with the Sheriff last year during the budget process. Only \$37,000 can be expended because that is the amount collected. Approximately \$25,000 remains in the capital outlay for vehicle budget line items which is the difference. Ms. Orphal asked that the Resolution reflect where the balance of the money is coming from. Mr. Sarbaugh will add language to the Resolution before it is presented to the County Board stating the difference is coming from available budget in the capital outlay. He asked the Committee, since the County Board was not

meeting until December 21, 2010, if the Auditor has their permission to override the budget to allow the purchase order be established before the year-end closure. Chairman Munaretto obtained the consent of the Committee for this request. The motion carried on a roll call vote of all ayes (Breedon, Donner, Hammerand, Orphal, Ryan and Munaretto).

Resolution Authorizing Budget Line Item Transfers in the Fiscal Year 2010 Budget Between General Fund Departments – County Board and County Administration: Mr. Ryan made a motion, seconded by Ms. Donner, to recommend the County Board approve the above resolution. Mr. Sarbaugh mentioned that this request is due to a 3% increase in fees for ADP processing that was not known during the FY2010 budget process. It is projected that an additional \$11,253 will be needed in the budget to fund the department's outstanding expenditures for FY2010. Mr. Sarbaugh will correct the typographical error in the Resolution before it is presented to the County Board and replace \$11,200 with \$11,253 in the third paragraph. He has informed the ADP representative that if there will be an increase in fees in the future, he needs to know about the increase no later than September of any given year. The motion carried on a roll call vote of all ayes (Breedon, Donner, Hammerand, Orphal, Ryan and Munaretto).

OLD BUSINESS: None.

REPORTS TO COMMITTEE:

Auditors Report: Ms. Teresi joined committee members concerning the I.T. audit and informed them that Ms. Palmer was unable to attend today's meeting because she is attending the Illinois Association of County Officials Fall Conference. Ms. Teresi mentioned that Ms. Palmer wanted to inform them that the preliminary field work went well and the manager of the audit mentioned that everything went smoothly. They have started the Clerk of the Court's audit and so far everything is progressing smoothly. Since Ms. Teresi is not involved with the I.T. Audit, and Ms. Palmer is not present, she asked Committee members if they had any questions concerning this audit. She will compile their questions and respond to them at a later date. Chairman Munaretto mentioned that this establishes a continuum of discourse between the Auditor and the County I.T. functions with respect to issues related to security. Mr. Sullivan stated that they have identified some things that could be changed, but it has to be decided if they are able to fund the changes. Members stated concern about gaining access to computers and having computers powered off at night. Mr. Sullivan mentioned that the majority of machines are powered off at night and weekends, but machines located at the jail and those used for processing cannot be powered off at night and weekends. Mr. Hammerand mentioned that it is a matter of production versus security.

Contingency Reports: Chairman Munaretto mentioned that the contingency account has \$359,000 remaining and there are seven days left in the fiscal year. All of the money accretes to the general fund reserve notwithstanding any emergencies between now and the end of the month.

Economic Development Corporation: Ms. Orphal mentioned that they had their annual meeting last week. She knows that Board members have mentioned that they are not aware of everything that the EDC is doing and it is hard for them to recognize the funding issues. However, in defense of the EDC, she stated that many times they are involved in speaking to businesses and companies while trying to obtain jobs for people in the county. The EDC is not at liberty to discuss who the people are because of confidentiality. It is not a matter of the EDC not working; they are working very hard. They are also working on the broadband program for the County. She asked Board members to keep this in mind in the future when discussing the EDC.

Convention & Visitors Bureau: Chairman Munaretto mentioned there was a conversation a few months ago concerning the LTC Grant from the State of Illinois and lack of uncertainty concerning receiving the grant. They have been informed that the grant will be coming to the McHenry County Convention & Visitors Bureau and as a result, the 2010 operating budget for the board was revised to reflect those dollars.

Valley Hi Financial Update: Mr. Annarella joined Committee members and mentioned that during the month of September, the expenses did exceed the revenues, largely in part of one-time indirect costs. September is the month of their picnic so the dietary department had an increase in the food costs for that month. Valley Hi also had the security system installed and the generator transferred during that month. Overtime was also higher, but

several positions are now filled and we should start to see reductions in October. Ms. Orphal asked if they are on target with regard to income versus expenses. He mentioned that they are closing the gap significantly to make the revenues and expenses match. Members thanked Mr. Annarella for doing a great job in a short period of time. Chairman Munaretto mentioned that he is optimistic that we are moving in the right direction. Mr. Annarella stated that the next year's two-step increase in room rates will bring in more revenue, and the marketing of Valley Hi will also help. It will also depend on what the Federal government will do with Medicaid rates. Mr. Sarbaugh mentioned that the State of Illinois prefunded November before the close of the month.

FUTURE TOPICS: None.

EXECUTIVE SESSION: None.

ADJOURNMENT:

Noting no further business, Ms. Orphal made a motion, seconded by Mr. Ryan, to adjourn the meeting at 10:30 a.m. Chairman Munaretto thanked Ms. Orphal and Mr. Ryan for the value and contribution they have made to the Finance and Audit Committee. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution Approving an Intergovernmental Agreement Between the County of McHenry and the City of Crystal Lake, the City of McHenry, and the City of Woodstock Enabling Payments for Dial-A-Ride Services from the Senior Service Grant Funds
- Resolution Authorizing the Purchase of a New Vehicle for Valley Hi Nursing Home and a Budget Line Item Transfer in the Fiscal Year 2010 Budget
- Resolution Authorizing the Purchase of Ten (10) Police Pursuit Vehicles and a Budget Line Item Transfer in the Sheriff's Fiscal Year 2010 Budget
- Resolution Authorizing Budget Line Item Transfers in the Fiscal Year 2010 Budget Between General Fund Departments – County Board and County Administration

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