

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

MINUTES OF TUESDAY, JANUARY 25, 2011

Chairman Breeden called the meeting to order at 9:30 a.m. The following Committee members were present: Scott Breeden, Chairman; Bob Bless; Mary Donner; Mary McCann and Jim Heisler. John Hammerand and Tina Hill were absent. Also in attendance: Ralph Sarbaugh, Associate County Administrator-Finance; Pam Palmer, Auditor; Cindy Kozlowski, Financial Analyst; Gerri Sherman and Peggy Sarbaugh McNally, Workforce Network.

Scott Breeden, Chairman	
Bob Bless	Mary L. Donner
John Hammerand	James Heisler
Tina Hill	Mary McCann

MINUTES

Committee members reviewed the committee minutes from December 14, 2010, December 21, 2010 and January 11, 2011. Mr. Heisler made a motion, seconded by Mr. Bless to recommend approval of the above minutes as presented. The motion carried with all members present voting aye on a voice vote.

PUBLIC COMMENT: None.

PRESENTATION

None

NEW BUSINESS:

Resolution Authorizing the Renewal of the GIS Annual ESRI Software Maintenance Agreement: Committee members reviewed a Resolution Authorizing the Renewal of the GIS Annual ESRI Software Maintenance Agreement. This is a yearly process that requires renewal. This is the contract that covers the desk top and server licenses. The cost for this agreement is taken from the GIS recording fees. Ms. McCann made a motion, seconded by Mr. Bless to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Heisler, McCann, Breeden)

Resolution Authorizing the Renewal of the IFMS Performance Series Accounting Software Maintenance Contract with Cogsdale Holdings for Fiscal Year 2011: Committee members reviewed a Resolution Authorizing the Renewal of the IFMS Performance Series Accounting Software Maintenance Contract with Cogsdale Holdings for Fiscal Year 2011. This is the annual renewal for the maintenance contract for the County's Accounting Software. Ms. Donner made a motion, seconded by Mr. Bless to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Heisler, McCann, Breeden)

Resolution Authorizing Acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #10-661002 and an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2011 Budget: Committee members reviewed a Resolution Authorizing Acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #10-661002 and an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2011 Budget. This grant was received for the Trade Adjustment Assistance Program (TAA). These funds are to be used to finish up Vocational Training for the TAA Customers that were in the old program. Mr. Bless made a motion, seconded by Ms. Donner to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Heisler, McCann, Breeden)

Resolution Authorizing Acceptance of a Modification to the Illinois Department of Commerce and Economic Opportunity Grant #08-761002 and an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2011 Budget: Committee members reviewed a Resolution Authorizing Acceptance of a Modification to the Illinois Department of Commerce and Economic Opportunity Grant #08-761002 and an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2011 Budget. Committee members were informed that this is a modification to a current grant. Ms. McCann made a motion, seconded by Mr. Heisler to recommend approval of the above Resolution as presented. These funds are from stimulus money not used and reallocated to other programs. The funds are to be used for vocational re-training of older individuals that have lost their jobs.

Approved 02 15 11

FINANCE AND AUDIT COMMITTEE

January 25, 2011

Page 2

Committee members were informed that this Resolution had passed this morning by the Public Health and Human Services Committee. The motion carried with all members present voting aye on a roll call vote. (Bless, Donner, Heisler, McCann, Breeden)

Committee Meeting Schedule for 2011: Committee members entered discussion regarding the proposed committee meeting schedule for 2011. It has been proposed that the committee meet the 2nd and 4th Tuesday of the month at 9:30a.m. Committee members stated they would like to schedule the meetings earlier if possible. They were informed that the Human Resources Committee has scheduled their meetings on the 2nd Tuesday of the month at 8:30a.m. and there are members from this committee on that committee. Chairman Breeden stated he will check with staff to see if this time change is possible and will discuss this at the next committee meeting.

OLD BUSINESS

None

REPORTS TO COMMITTEE:

Auditor's Report: Ms. Palmer joined committee members and told them that she normally provides a verbal report to the committee though there are times that she will provide audit reports as they are provided to her. Baker Tilly Virchow Krause, LLP are currently involved in an IT audit, which is required yearly. A report should be forwarded in May regarding this audit with any additional controls that may be needed. They have a new member of their staff that will be completing this audit that is more experienced in IT audits. The Auditor's staff is in "audit" mode to get ready for the outside auditors that are due to arrive in mid February. 1099 processing is being completed, which included big changes through the IRS. Many changes are expected in the coming years. Beginning in 2012 the county must report every corporation doing business with the County. This is approximately 250 corporations that will receive 1099's. This will quadruple their current workload. Additional reporting will be necessary for right-of-way forms as well as any employee's death benefits.

Ms. Palmer provided an update to the employee incentive pilot program. Their office is looking to reward people for cost savings in a department. Mr. Annarella, Valley Hi Administrator, will receive the first quarter award for taking two fulltime CNA positions and creating 4 part time positions. This resulted in over \$78,000 savings in benefit costs. He was provided with a frugal award as well as some gift certificates. Mr. Dan Wallis, Trial Court Administrator, will receive the 2nd quarter award. He went out for bid for psychological services that may be required through the Courts. In the past this cost was as much as \$140,000. The new contract has resulted in a savings of \$60,000. A frugal award has been recommended for the Mental Health Department because they negotiated a 20% for items purchased from Hobby Lobby for some of their programs. It was suggested that the newspapers be informed of these awards. It was noted that this may raise questions of why these savings weren't realized before and with the savings, where will this money be spent. Committee members recommended that a copy of the award be placed in the employee's personnel folder to give recognition to the employees. Committee members were informed that other Counties have similar programs in place with great success. Committee members stated that in some organizations patents are created. If this should occur, who owns this patent, the employee or the employer? It was stated that patents are given to individual, but could be assigned to the employer. It was suggested that this be looked into.

Ms. Palmer stated that she and Mr. Sarbaugh have been in discussion regarding the creation of a Financial Managers Group within the County. They would like to involve finance people from the municipalities, villages, townships etc. The group would invite speakers to discuss topics of joint interest, offer training and discuss common issues. They stated this would allow them to get to know the financial individuals at each organization. A letter would be sent to the Mayors, Presidents, Township's etc. to let them know of the proposed group. The first meeting was suggested to be at the end of March, which would be the end of the first quarter. Committee members felt this was a great program that the County would support.

Contingency Reports: Mr. Sarbaugh informed committee members that there were two contingency reports provided to the Committee members this month. The first report is the yearend report for FY2010. The FY2010 report shows their remains \$218,000 in the contingency fund. He stated that this was a misnomer, as the County Board has approved payment of \$112,000 for the Special Prosecutor's payment. This leaves a balance of \$106,000 in the contingency fund. Mr. Sarbaugh reminded committee members that there was a Resolution passed in October or November that asked that funds be encumbered to pay for the Special Prosecutor's bill to cover September, October and November. Mr. Sarbaugh stated that FY2010 was a tough year and he

FINANCE AND AUDIT COMMITTEE

January 25, 2011

Page 3

appreciated the department's efforts to cut their budgets to help with this year's budgeting. After the year closed, there was \$106,000 left in the contingency fund.

Mr. Sarbaugh provided an update to the FY2011 report. He informed committee members that they will notice a \$9,500 entry for the beginning of this year. This was for a court ordered payment. The contingency fund started with a \$500,000 balance. Committee members questioned if there were enough funds put into this fund. Mr. Sarbaugh stated that he would like to add \$250,000 to the fund since the department budgets are so tight this year, which could result in more hits to the contingency fund. Mr. Sarbaugh stated he is waiting to see what the overall numbers are to the general fund. If the County ended in the black, he may request an increase to the contingency fund instead of placing any leftover funds into the fund reserves. The books for 2010 will not be closed until the outside audit has been completed. Only the Auditor's office can change any of these numbers. Mr. Sarbaugh stated that he believes the County ended the year in the black but the numbers have not been finalized. This should take place by the end of February. There are still a lot of entries that still need to be made.

Committee members were informed that there was an EDC Meeting this morning. The EDC has some ideas where they would like to work with the County to draw new companies to McHenry County. The EDC had stated that the County does not have a long permitting process like they do in some of the Villages and Municipalities so it should be easier to get commercial businesses to move into the area. Committee members noted that there is a lot open space in the unincorporated areas of the County making development easier. It was suggested that the individuals working on the Unified Development Ordinance (UDO) should schedule a meeting with the EDC to speak about this issue.

Mr. Heisler stated that he is the new representative for the Convention and Visitors Bureau (CVB). The last meeting was cancelled because of snow.

FUTURE TOPICS: The meeting dates and times will be discussed at the next committee meeting after checking if the meeting times could be moved earlier.

EXECUTIVE SESSION: None.

ADJOURNMENT:

Noting no further business, Ms. Donner made a motion, seconded by Ms. McCann to adjourn the meeting 10:15 a.m. The motion carried with all ayes on a voice vote.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION:

- Resolution Authorizing the Renewal of the GIS Annual ESRI Software Maintenance Agreement
- Resolution Authorizing the Renewal of the IFMS Performance Series Accounting Software Maintenance Contract with Cogsdale Holdings for Fiscal Year 2011
- Resolution Authorizing Acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #10-661002 and an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2011 Budget
- Resolution Authorizing Acceptance of a Modification to the Illinois Department of Commerce and Economic Opportunity Grant #08-761002 and an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2011 Budget

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