

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

MINUTES OF TUESDAY, FEBRUARY 22, 2011

Chairman Breeden called the meeting to order at 9:30 a.m. The following Committee members were present: Scott Breeden, Chairman; Jim Heisler; Bob Bless and John Hammerand. Tina Hill arrived at 9:31a.m. Mary McCann arrived at 9:38a.m. Mary Donner; was absent. Also in attendance: Ken Koehler, Chairman, McHenry County Board; Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; John Labaj, Deputy County Administrator; Pam Palmer, Auditor; Jeff Young, Division of Transportation; Bob Ellsworth, EMA; Pat McNulty, Health Department; Maryanne Wanaski, Planning and Development; interested public and the press.

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

MINUTES

Committee members reviewed the committee minutes from February 15, 2011. Mr. Heisler made a motion, seconded by Mr. Bless to recommend approval of the minutes as presented. The motion carried with all members present voting aye on a voice vote.

Ms. Hill arrived at 9:31a.m.

PUBLIC COMMENT: None.

PRESENTATION

*FEMA Blizzard Reimbursement Process:* Mr. Bob Ellsworth, McHenry County Emergency Management Agency, joined committee members to provide an update on the 2011 Blizzard Reimbursement Process. Mr. Ellsworth provided a handout for the 2011 Blizzard Damage Assessment. There is no guarantee at this time that Federal disaster assistance will be made available. If a Presidential declaration is made, the Public Assistance Program may provide Federal disaster assistance to the State, local governments and certain private non-profit organizations for eligible costs. Federal Assistance could help municipal, county, township and other governmental bodies to receive reimbursement for 75% of their extraordinary expenses related to this event. We are currently waiting on the State to put together the numbers/costs from the affected Counties. This reimbursement is for costs within a 48 hour time period. The County Division of Transportation has requested an extension of 24hours. If a disaster is declared, FEMA or IEMA may contact the organizations to confirm the information provided. Forms have been provided which breaks down the categories, with FEMA rates. These are standard rates for equipment used as predefined. A good response has been received from the groups in the area. Most agencies have been through this process before so the department was able to compile this information in short order. The County should know by the end of the week if the State had applied for the declaration from FEMA. There is a limited amount of time provided for this process. The Illinois Division of Transportation and the State will determine if an extended time period should be used. Everyone would then need to rush the additional numbers to the State. Every claim will need to make sure they have been tracked and documented (such as overtime for each department). There has been a request for overtime reimbursement for the Sheriff's Department, Facilities Management and Division of Transportation. Committee members thanked Mr. Ellsworth for the information.

Ms. McCann arrived at 9:38a.m.

NEW BUSINESS

Chairman Breeden stated that item 5.5 on the agenda would be brought forward for presentation at this time. *Resolution Commending the Proposal of Mercy Health System Hospital – Crystal Lake:* Mr. Dan Colby and Mr. Rich Grueber from Mercy Health System Corporation, joined committee members to discuss the proposal of the Mercy Health System Hospital –Crystal Lake. Mr. Colby informed committee members that Mercy Health System has been discussing this proposal for a number of years. The building of this facility would provide a great economic development boost for the County. Upon approval of the Certificate of Need, the building of the facility would create approximately 800 construction jobs and within the first year of opening, is expected to employ more than 1,000 individuals, of which approximately 600 will be new jobs. The formal process must be followed in order to obtain the Certificate of Need. A public hearing has been scheduled for March 18<sup>th</sup>. They would love to provide a letter of support from the County, which would go to the Board for approval. The Board will meet in Chicago on May 10<sup>th</sup>. Once the Certificate of Need is obtained, local permits would be obtained with construction to follow. Mr. Colby noted that Mercy Health Systems feels it

FINANCE AND AUDIT COMMITTEE

February 22, 2011

Page 2

is the right project being presented at the right time. Mr. Colby stated that they have heard concerns regarding a part of Mercy Health System having a 501c3, so they would not pay taxes. They assured committee members that Mercy Crystal Lake Hospital and Medical Center will generate tax revenue for the State, McHenry County and local governments. The clinic portion will be subject to property taxes and a portion of the sales (indirect and induced) will be subject to sales taxes. An 80% capacity level is needed in order to build a hospital in the area. They expect the hospital to be at 85% capacity, which is considered to be at full capacity. They stated they expect the capacity to be at the appropriate levels and at the same time, keep current hospitals at their current levels as well. Committee members stated at this time they hear a lot about "infectious diseases" and questioned how many rooms have been set aside for this purpose. Committee members were informed that at this time one room is being planned, but, additional rooms can be converted to address any future needs. The projected types of patients determine the types of rooms needed, though the Review Board does require a specific number of rooms for medical surgery, obstetrics and emergency beds. The hospital is designed to enable future expansion. The facility as proposed encompasses 16 to 17 acres though there is 40 acres available for construction. Mr. Colby and Grueber thanked committee members for their time. Ms. McCann made a motion, seconded by Mr. Bless to recommend approval of the Resolution Commending the Proposal of Mercy Health System Hospital – Crystal Lake as presented. The motion carried with all members present voting aye on a roll call vote (Bless, Hammerand, Heisler, Hill, McCann, Breeden)

Mr. Heisler left committee at 9:50a.m.

*Resolution Authorizing Amendments to Resolution R-200906-10-201 as Related to the HOME Investment Partnerships (HOME) Program:* Committee members reviewed a Resolution Authorizing Amendments to Resolution R-200906-10-201 as Related to the HOME Investment Partnerships (HOME) Program. Ms. Hill made a motion, seconded by Mr. Bless to recommend approval of the above Resolution as presented. Ms. Wanaski informed committee members that there was \$20,000 left in unused funds for this program and they are requesting they be moved to the Housing Authority for their homeowners emergency fund program, so they do not lose these unused funds. These funds can't be used for the purposes intended so the funds need to be moved by March 1<sup>st</sup>. The motion carried with all members present voting aye on a roll call vote (Bless, Hammerand, Hill, McCann, Breeden)

Mr. Heisler re-entered the committee at 9:55a.m.

*Resolution Authorizing the Program Year 2011 Community Development Block Grant Allocations:* Committee members reviewed a Resolution Authorizing the Program Year 2011 Community Development Block Grant Allocations. Committee members were informed this Resolution has been approved by the Planning and Development Committee. Ms. Hill made a motion, seconded by Ms. McCann to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Bless, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Approving the Acquisition of Right-of-Way for Highway Purposes for the Miller Road Project:* Committee members reviewed a Resolution Approving the Acquisition of Right-of-Way for Highway Purposes for the Miller Road Project. Ms. Hill made a motion, seconded by Mr. Bless to recommend approval of the above Resolution as presented. Mr. Young from the Division of Transportation joined committee members to answer questions regarding this Resolution. He stated that this is the start of the acquisition process for the Miller Road Project. Committee members noted that in the past there were complaints about the acquisition process and questioned if this process has been changed. Committee members were informed that an update to the whole County Board has been scheduled in the next couple of months that would explain what they do and how this process is handled. The motion carried with all members present voting aye on a roll call vote (Bless, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Authorizing Acceptance of \$5,000 from the National Association of County and City Health Officials for a Medical Reserve Corps Grant and an Emergency Appropriation to the Health Department FY11 Budget:* Committee members reviewed a Resolution Authorizing Acceptance of \$5,000 from the National Association of County and City Health Officials for a Medical Reserve Corps Grant and an Emergency Appropriation to the Health Department FY11 Budget. Ms. McCann made a motion, seconded by Mr. Bless recommending approval of the above Resolution as presented. Mr. McNulty stated that these funds are used to train the Medical Reserve Corp. This group helps the Health Department during health emergencies. The motion carried with all members present voting aye on a roll call vote (Bless, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Authorizing an Emergency Appropriation and Budget Line Item Transfer in the Animal Control Project Fund Fiscal Year 2011 Budget:* Committee members reviewed a Resolution Authorizing an Emergency Appropriation and Budget Line Item Transfer in the Animal Control Project Fund Fiscal Year 2011 Budget. Ms. Hill made a motion, seconded by Mr. Bless recommending approval of the above Resolution as presented. Committee members were

Approved 3 8 11

## FINANCE AND AUDIT COMMITTEE

February 22, 2011

Page 3

reminded that the County Board previously went out and issued debt to cover three projects, including the building of the Animal Control Facility. After completion of the projects, an arbitrage calculation was done for the County which shows the County does owe the Internal Revenue Service \$12,144.33 in arbitrage rebates. There is approximately \$28,170 left in the bank account set up for this project that can be used to pay this cost. This will leave \$13,525.07 that can be transferred and used against the debt service payment made on January 14<sup>th</sup>. Any remaining funds would be transferred to the General Fund. The motion carried with all members present voting aye on a roll call vote (Bless, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Identifying Work Contracts to Installment Purchase Agreements – Series 2007A Debt Certificates:* Committee members reviewed a Resolution Identifying Work Contracts to Installment Purchase Agreements – Series 2007A Debt Certificates. Committee members were informed that this resolution is required to be brought forward in conjunction with the previous resolution. This resolution shows how the funds were spent for the three projects. Mr. Bless made a motion, seconded by Ms. Hill to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Bless, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Authorizing an Emergency Appropriation in the Starcom21 System Project Fund Fiscal Year 2011 Budget:* Committee members reviewed a Resolution Authorizing an Emergency Appropriation in the Starcom21 System Project Fund Fiscal Year 2011 Budget. Mr. Bless made a motion, seconded by Ms. Hill recommending approval of the above Resolution as presented. Mr. Sarbaugh reminded committee members that in 2007 the County issued debt certificates to purchase an upgraded radio system for the Sheriff's Department. The new system allows communication with all the police departments in the County. There were some funds left that will be used against the debt services payments and this would close out this fund. The motion carried with all members present voting aye on a roll call vote (Bless, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Identifying Work Contracts to Installment Purchase Agreement – Series 2006 Debt Certificates:* Committee members reviewed a Resolution Identifying Work Contracts to Installment Purchase Agreement – Series 2006 Debt Certificates. Mr. Sarbaugh noted that this identifies the work contracts for the Starcom21 System. Ms. McCann made a motion, seconded by Mr. Heisler to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Bless, Hammerand, Heisler, McCann, Breeden)

### OLD BUSINESS

None

### REPORTS TO COMMITTEE

*Auditor's Report:* Ms. Palmer informed committee members that representatives from Baker Tilly Virchow Krause, LLP arrive today to start the Audit. The department will be required to furnish a lot of information for the audit.

The vendor list for the County has had issues for a number of years. It was difficult to locate the correct vendor when needed from this list. When the review started there were 16,000 vendors on the list. This list has been reduced to 8,000. It was recommended as a best practice that the inactive vendors be eliminated from this list. A policy/procedure will be implemented on the proper way to get a vendor on line.

Ms. Palmer informed committee members that at the next committee meeting she will present an overview of FY2010 and how the General Fund and other Funds operated. She is hopeful to have a one or two audits completed for the next meeting as well.

*Contingency Reports:* Contingency reports were provided at the special meeting last week.

*Economic Development Corporation/Convention & Visitors Bureau:* The EDC is trying to interface with more businesses within the County. Mr. Austin informed committee members that he has a meeting scheduled with Ms. Campata from EDC to discuss what issues will be presented to the County Board from the EDC. Ms. Campata is scheduled to go to Washington DC with the County representatives to advocate for job training and the Workforce Network. They will meet with the County's legislators to discuss the needs of the county and funding for the Workforce Investment Board. Legislation is being considered that would include dramatic cuts in these areas. If no resolution is brought forward in support of the Workforce Network, the funding for the agency would be cut off. Mr. Austin stated he does not think this will be quite so dramatic, though they are expecting huge cuts in this area. The representative going to Washington DC will be meeting with the County Legislators and staff to discuss the new rules to request Federal funding and how we need to operate under these new constraints. Committee members questioned how the EDC is reacting to the Scot Forge issue. They were informed that Scot Forge would like to expand their facility, but, because they need additional

FINANCE AND AUDIT COMMITTEE

February 22, 2011

Page 4

power they are unable to expand the facility as needed. Mr. Austin stated he would get an update from Ms. Campata during their meeting. Committee members suggested that someone from the County speak to representatives from ComEd to find out what could be done to help this business in their expansion needs. Committee members stated that a representative from the Convention and Visitors Bureau should come before the County Board with an update. Mr. Heisler stated they are trying to deal with the 15% decrease in county funding and are keeping an eye on what State cuts are being considering as well. He reported that the previous meeting was cancelled because of the blizzard. Mr. Austin reported that he and Mr. Sarbaugh would provide an update on the County Finances and the next County Board Meeting.

FUTURE TOPICS

None

EXECUTIVE SESSION: None.

ADJOURNMENT: Noting no further business, Mr. Hammerand made a motion, seconded by Ms. Hill to adjourn the meeting 10:29a.m. The motion carried with all ayes on a voice vote.

\* \* \* \* \*

**RECOMMENDED FOR BOARD/COMMITTEE ACTION:**

- Resolution Authorizing Amendments to Resolution R-200906-10-201 as Related to the HOME Investment Partnerships (HOME) Program
- Resolution Authorizing the Program Year 2011 Community Development Block Grant Allocations
- Resolution Approving the Acquisition of Right-of-Way for Highway Purposes for the Miller Road Project
- Resolution Authorizing Acceptance of \$5,000 from the National Association of County and City Health Officials for a Medical Reserve Corps Grant and an Emergency Appropriation to the Health Department FY11 Budget
- Resolution Commending the Proposal of Mercy Health System Hospital-Crystal Lake
- Resolution Authorizing an Emergency Appropriation and Budget Line Item Transfer in the Animal Control Project Fund Fiscal Year 2011 Budget
- Resolution Identifying Work Contracts to Installment Purchase Agreements – Series 2007A Debt Certificates
- Resolution Authorizing an Emergency Appropriation in the Starcom21 System Project Fund Fiscal Year 2011 Budget
- Resolution Identifying Work Contracts to Installment Purchase Agreement – Series 2006 Debt Certificates

:ksf