

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

MINUTES OF TUESDAY, APRIL 12, 2011

Chairman Breeden called the meeting to order at 9:55 a.m. The following Committee members were present: Scott Breeden, Chairman; Tina Hill; Jim Heisler; John Hammerand and Bob Bless. Mary Donner and Mary McCann arrived at 9:56a.m. Also in attendance: Chairman Ken Koehler; Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; John Labaj, Deputy County Administrator; Pam Palmer and Shannon Teresi, Auditor; Pat McNulty, Health Department; Tom Annarella, Valley Hi; Barb Wheeler, County Board Member; Dan Wallis, Court Administration and Cindy Kozlowski, Financial Analyst.

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

MINUTES

None.

PUBLIC COMMENT

None.

Ms. Donner and Ms. McCann arrived at 9:56a.m.

PRESENTATION

Mr. Cort Carlson from the McHenry County Convention and Visitors Bureau joined committee members to provide an update on the Visitors Bureau. Mr. Carlson stated that the bureau is the official tourism market for McHenry County. He thanked McHenry County for the support of the bureau since 2005. He presented information on where tourism stands in the County, including the expenditure for FY2009. He stated this is the most current year that the information is available for. The County had \$178.6 Million tourism dollars brought into the county in 2009. The tourism industry employs 1,500 employees in McHenry County. The County ranks 14th in travel expenditures. This places McHenry County in a good position for tourism. The County is one of 41 Convention Visitors Bureaus in the State. It is not easy to get certified as a Convention Visitors Bureau. Once certified they are able to apply for grants that are only available to the CVB's. Currently their fiscal year runs from July 1st to June 30th. The grant funding for FY2011 is \$106,896, which is a match grant program. The CVB must bring matching funds in the same amount in order to bring this grant funding to the County. The goal of the CVB is to bring visitors into McHenry County that will stay in hotels and spend money on food and other items. They are in the process of writing grant applications and preparing forms to get recertified for the next fiscal year. Tourism is currently funded in the State Budget. The State Grant has restrictions on how these funds can be spent. The CVB is allowed to spend 10% of these funds for administrative costs. The rest of the funds are used to generate more funding for the County CVB. These funds must be spent on tourism promotion. Committee members noted that most of the municipalities have a bed tax and questioned if the CVB receives any of these funds. Committee members were informed that these tax funds are shared. Mr. Carlson stated that the City of McHenry has been a great supporter of the CVB. Woodstock supports the program and this is the first year that Crystal Lake has agreed to support the CVB as well. The CVB has a two member staff and are governed by a 16 member board. Mr. Carlson informed committee members that the president of the board is scheduled to change this year. Mr. Carlson presented a map guide to each of the committee members. He stated that this is the main marketing piece for the CVB. Each of the members is listed on the map. You must be a member in order to be highlighted on the map. The cost of the membership depends on the size of the company. The fees can range from \$50 to \$3,000+. This scale is so small business owners can afford to be a partner with the CVB. Committee members were informed that there is more comprehensive information available on their website. Committee members noted that there seems to be a lack of information on restaurants in the area. They voiced concern as they can get visitors into the County but they can't find places to eat. Mr. Carlson stated that they are trying to bump up the restaurant memberships and push this information to the website. This will include members and non-members. They try to stay away from "chain" restaurants. They are in the process of developing a full color visitor's guide on what the County has to offer. They also advertize on facebook and twitter. Mr. Carlson noted that people prefer the magazines over maps. Chairman Breeden stated that he would like Mr. Carlson to provide updates to the committee every 6 months. He thanked Mr. Carlson for the update.

NEW BUSINESS

Resolution Authorizing the Reclassification of a Full Time Certified Nursing Assistant (Position #061-0153-05) into Two (2) Part Time Certified Nursing Assistant Positions and Two (2) Certified Nursing Assistant Registry Positions in the

Approved 05 10 11

FINANCE AND AUDIT COMMITTEE

April 12, 2011

Page 2

Valley Hi Departmental Roster: Ms. Hill made a motion, seconded by Ms. McCann to recommend approval of the above Resolution as presented. Mr. Annarella stated that this request is to change a full time position to multiple part-time positions to address vacation and weekend needs at the facility. This change will result in a savings in salary, benefits and overtime costs at the facility. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Authorizing Workers' Compensation Claim Settlement No. 09-5100-06 and Resolution Authorizing Workers' Compensation Claim Settlement No. 08-3210-23: Ms. Donner made a motion, seconded by Ms. McCann to recommend approval of both the Resolutions as presented. Mr. Labaj reported that the first claim is for a health department employee that was injured with driving in a county car. Her attorney chose to go to trial to try to get an award of 25% of a man as a whole. The arbitrator recommended a settlement of 5% of a man as a whole award. This was closer to what the county was offering. The second claim is from a corrections officer that was injured by twisting his ankle on the stairs when responding to an inmate altercation within the jail. The claimant's attorney wanted a settlement of 45-50% loss of a leg. The arbitrator recommended a settlement of 30% loss of a leg, which was closer to what the county was offering. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Authorizing Acceptance of a \$35,000 Grant from the Illinois Department of Public Health and an Emergency Appropriation to the Health Department's FY2011 Budget: Ms. Hill made a motion, seconded by Mr. Heisler to recommend approval of the above Resolution as presented. Mr. McNulty reported that these are new grant funds to be used to improve the Vaccines for Children Program immunization rates in the County. These are vaccines for low/no income children. The State recommended the Health Department coordinate the program for the County. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution to Accept \$13,197 in Additional Funding from an HIV Prevention Grant from the Illinois Public Health Association and to make an Emergency Appropriation to the Health Department: Mr. Heisler made a motion, seconded by Ms. Donner to recommend approval of the above Resolution as presented. Mr. McNulty informed committee members that this is additional funding that was received to provide additional outreach for the HIV program. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution to Accept a \$13,000 Illinois Tobacco Free Communities Grant from the Illinois Department of Public Health and to make an Emergency Appropriation to the Health Department FY11 Budget: Ms. McCann made a motion, seconded by Ms. Donner to recommend approval of the above Resolution as presented. Committee members were informed that these are additional funds received from grant-funds that were unused by other counties for non-use. The funds are to be used to improve the department's ability to work with a more difficult to reach population to deliver an anti tobacco message. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Authorizing Acceptance of a \$203,926 Grant from the Illinois Department of Public Health for Public Health Emergency Response Program and to make an Emergency Appropriation to the Health Department's FY11 Budget: Ms. Donner made a motion, seconded by Ms. McCann recommending approval of the above Resolution as presented. Committee members were informed that this grant is from funds returned by others grant recipients in the H1N1 program that did not use all of their funds. This grant is to be used to purchase items for any emergency response items. They will upgrade their electronic message board at Animal Control for ongoing promotions, expand their vaccination programs, and purchase generators for their vaccination refrigerators. They store over \$130,000 worth of vaccines at any given time. They have alarms on the refrigerators, but if the power gets knocked out, they have to move the vaccines to an alternate location. This will allow the vaccines to maintain their optimal temperature. They will upgrade their trailer to use as a mobile command unit. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution amending Resolution R-201010-99-273 to include Authorizing a Contract with Boller Construction from Waukegan, IL, Budget Line Item Transfers in the Series 2010-A Capital Projects and the 2010 Archive Facility Project Fund, and an Emergency Appropriation to the Fiscal Year 2011 Courtroom Build-out Project Budget: Mr. Wallis joined committee members to provide an update on the above project. He stated that meetings were held to come up with a good plan to take the existing space and convert this space to courtrooms. They needed an additional jury courtroom, which is more expensive to build. They took the current juvenile courtroom and converted that to a jury courtroom as this space already included a jury box. The juvenile courtroom was moved to 101. This allowed space to create a waiting area for the juvenile courts. This is a closed room that will allow for them to have a closed room so the juveniles

Approved 05 10 11

FINANCE AND AUDIT COMMITTEE

April 12, 2011

Page 3

are not exposed to other areas of the building. They will make courtroom 104 into a high volume courtroom. The most active courtrooms will be 102, 103 and 104. Carpeting and tile was added to the project to address the older areas of the courts. It was stated that it makes more sense to include these changes than to add another project after the new courtroom is built. They will also caulk and provide window repairs. While exploring their alternatives they looked at the case types to make sure they use these judges more efficiently. Committee members were informed that they try to run the courts program as efficient as possible. They double book the courtrooms and map the cases to make sure the case calls are staggered. This staggering of the cases is done to help address parking issues at the facility as well. Committee members were reminded that they did a debt issuance for multiple projects with all the funds being placed into one fund. All the funds were lumped together. This Resolution establishes budget for the project. The Archive facility and IT refresh came in lower than expected. This project is over budget because they increased the scope of the project. Ms. Donner made a motion, seconded by Ms. McCann to recommend approval of the above Resolution as presented. The motion carried with a majority of members present voting aye on a roll call vote (Bless, Donner, Heisler, Hill, McCann, Breeden) nay (Hammerand)

University of Illinois Extension Update: Mr. Austin informed committee members that a couple of weeks ago he met with the Lake County Finance Director and James Reece, the Director of the Extension Service to see how the Extension Service is doing since they have joined efforts with both Lake and McHenry County. McHenry County had suggested reducing the funding for the Extension Service. Lake County reduced their commitment from \$92,000 down to \$70,000. All management has been moved to the Grays Lake office. They have done some significant fund raising efforts for the Service. They are requesting a \$25 contribution from their 4H members. They have received a grant from the military to work with members from the base and their families. They will continue to provide updates on how funding from the State is doing and fund raising efforts. Lake County will continue to push down their contributions to the group. McHenry County has requested a list of the County's that support their local Extension Services from their General Fund. The vast majority of the Counties in the State have large agricultural communities that support their program. Committee members were informed that updates will be provided as information is received. Committee members questioned what they have done with the McHenry County facility. They were informed that they still staff the facility with one full time and one part time staff member. The contract is not up for renewal and they continue to pay an inflated rate above the market rate since they are unable to get out of the lease. They have tried to renegotiate a change without success.

OLD BUSINESS

None

REPORTS TO COMMITTEE, AS APPLICABLE

Auditor's Report: Ms. Palmer joined committee members to provide a Revenue Report as promised at the last committee meeting. This is a sneak preview of where the county ended up in FY2010. The report includes The Historical Perspective of the General Fund Revenues from FY2003 to FY2010. GASB was implemented in FY2003. Revenues have grown from \$54,314,390 in FY2003 to \$83,557,519 in FY2010. The revenues were further broken down by charges for services, licenses and permits, fines and forfeitures, grants, contributions and intergovernmental agreements, property taxes, sales taxes, state income taxes, tax transfer stamps, other taxes, investment income and miscellaneous. It was noted that this report is a good reference with a great historical perspective of the revenues for the past eight years. Committee members thanked Ms. Palmer for the information.

Ms. Palmer introduced Ms. Teresi from her office. Ms. Teresi provided an internal audit report for the Sheriff's Office Grant Financial Reporting and Accounting Internal Audit. The purpose of the internal audit is to follow up on external audit findings from Baker Tilly Virchow Krause, LLP in the report on Federal Awards from FY2009 that related to the Sheriff's Office grants. The scope of the audit was a review of federal financial reports available of grants managed by the Sheriff's Office from 12/1/09 to 09/1/10. Their observation is that Finding 2009-6 (Attachment A) has been partially addressed as of 9/23/10. The inventory listing related to the Public Safety Partnership and Community Policing (PSIC) grant was not updated with the field "percentage of federal participation in the property". However, they did note that the field "acquisition date" was missing, which was not mentioned in the external auditor's report. Finding 2009-7 has been partially addressed as well. The Financial Status Reports reviewed were all filed within the 45 or 30 day deadline during FY2010 however, they did note that the report for the Public Safety Partnership and Community Policing Grant (Secom #1) for reporting period ending 6/30/10 had inaccuracies compared with the County's accounting system. They noted that Child Safety and Child Booster Seats Incentive Grants recorded entries incorrectly in the County's accounting system as well. The Holiday Mobilization Grant reimbursement forms/reports from the Sheriff's Office did not tie to the revenue actually received. This can be accounted for by miscalculations and/or rounding differences that were on the submitted forms. All revenue received from the grants was recorded as a credit to an expense account instead of being recorded as revenue. For Finding 2009-8 they did not note any circumstances where funds received by electronic transfer were required to be dispersed within 10 days. This was due to some grants receiving reimbursements after the expenditures were spent or some grants having limited to zero activity. On March 3rd the Sheriff received a letter

Approved 05 10 11

FINANCE AND AUDIT COMMITTEE

April 12, 2011

Page 4

requesting a corrective action plan, which included a request for more detailed reporting. Additional procedures and training have been put into place so hopefully all of the findings have been addressed. Ms. Palmer stated that the importance of the internal reports is twofold. One shows they are following up on the issues and the second is we don't want a repeat of previous issues. Committee members thanked Ms. Palmer and Ms. Teresi for their reports.

Contingency Reports: Ms. McCann questioned why codification services are listed on the contingency report. Mr. Sarbaugh noted that this was not a budgeted line item. When this went to contract, the remaining funds were pulled from the FY2010 contingency fund and rolled into FY2011. Committee members questioned how come the legal fees for the special prosecutor are not paid out of the State's Attorney's budget. They were informed that the State's Attorney has a small legal fee budget for the County Board. These bills have all been delayed and sealed so there was no way to determine how to establish a budget for these costs so it was determined that the contingency fund was the best place to pull the funds from in order to pay the invoices.

Chairman Koehler informed committee members that he was going to court to try to get some of the funds back from the cost for the special prosecutor. They have filed a motion to reconsider the costs for September, October and November on behalf of the County. The County has spent \$221,000+ so far for these costs. Mr. Austin reported that he emailed the County Board members on this issue. This has happened very fast and information has been forwarded to the County Board members as quickly as possible.

Economic Development Corporation: None
Convention and Visitors Bureau: See above.

FUTURE TOPICS

None

EXECUTIVE SESSION: None.

ADJOURNMENT: Noting no further business, Ms. Hill made a motion, seconded by Mr. Hammerand to adjourn the meeting 11:08a.m. The motion carried with all ayes on a voice vote.

* * * * *

RECOMMENDED FOR BOARD/COMMITTEE ACTION:

- Resolution Authorizing the Reclassification of a Full Time Certified Nursing Assistant (Position #061-0153-05) into Two (2) Part Time Certified Nursing Assistant Positions and Two (2) Certified Nursing Assistant Registry Positions in the Valley Hi Departmental Roster
- Resolution Authorizing Workers' Compensation Claim Settlement No. 09-5100-06
- Resolution Authorizing Workers' Compensation Claim Settlement No. 08-3210-23
- Resolution Authorizing Acceptance of a \$35,000 Grant from the Illinois Department of Public Health and an Emergency Appropriation to the Health Department's FY2011 Budget
- Resolution to Accept \$13,197 in Additional Funding from an HIV Prevention Grant from the Illinois Public Health Association and to make an Emergency Appropriation to the Health Department
- Resolution to Accept a \$13,000 Illinois Tobacco Free Communities Grant from the Illinois Department of Public Health and to make an Emergency Appropriation to the Health Department FY11 Budget
- Resolution Authorizing Acceptance of a \$203,926 Grant from the Illinois Department of Public Health for Public Health Emergency Response Program and to make an Emergency Appropriation to the Health Department's FY11 Budget
- Resolution amending Resolution R-201010-99-273 to include Authorizing a Contract with Boller Construction from Waukegan, IL, Budget Line Item Transfers in the Series 2010-A Capital Projects and the 2010 Archive Facility Project Fund, and an Emergency Appropriation to the Fiscal Year 2011 Courtroom Build-out Project Budget

:ksf