

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

MINUTES OF TUESDAY, JUNE 14, 2011

Mr. Breeden called the meeting to order at 9:30 a.m. The following Committee members were present: Scott Breeden, Chairman; John Hammerand; Jim Heisler; Tina Hill and Bob Bless. Mary Donner and Mary McCann arrived at 9:36a.m. Also in attendance: Ralph Sarbaugh, Associate County Administrator – Finance; John Labaj, Deputy County Administrator; Cindy Kozlowski, Financial Analyst; Pam Palmer and Shannon Teresi, Auditor; Barb Wheeler and Ersel Schuster, County Board Members; Bob Ross, Assessor; Pat McNulty, Health Department; David Christensen, EMA; Dan Wallis, Court Administration; and interested public.

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

MINUTES

Committee members reviewed the committee minutes of May 24, 2011 and Joint Finance and Audit and Natural and Environmental Resource Committee minutes of June 7, 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

Chairman Breeden stated that agenda item number 5.1 will be moved down on the agenda to allow Mr. Labaj time to join the committee meeting.

Ms. Donner and Ms. McCann arrived at 8:36a.m.

NEW BUSINESS

*Resolution Authorizing a Budget Line Item Transfer in the Law Library Fiscal Year 2011 Budget for the Purchase of Technology for the Judges of the 22<sup>nd</sup> Circuit:* Mr. Heisler made a motion, seconded by Mr. Bless to recommend approval of the above Resolution as presented. The County is trying to reduce its use of paper and the court has made tremendous strides in the reduction of paper usage. Since the Government Center has installed wireless technology, the office would like to purchase I-PADS for use by the judges of the Circuit Court. Mr. Wallis stated that there are 100's of cases called every day with case files being transported to the chambers and courtrooms. The Circuit Clerk's IT department has written a program for I-PAD use in the courtroom. The I-Pads will allow for legal research as well. These devices will be much easier to use than laptops. Payment for this equipment will come out of the fund balance enhancement and will not touch General Fund monies. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Authorizing the Reclassification of Positions 042-0015-10 and 042-0013-08 (Self Help Center Navigators) From Less Than 1,000 Hours Per Year to 1,000 Hours Per Year Each and a Budget Line Item Transfer in the Law Library Fiscal Year 2011 Budget:* Ms. Hill made a motion, seconded by Ms. Donner to recommend approval of the above Resolution as presented. Committee members were informed that this request will allow the department to get in compliance with IMRF guidelines. IMRF must be paid to those working 20+ hours per week. The department has seen an increase in demand for services by 96.3% within the past year. The department has the option to reduce the time for each person by 1 hour per week in order to remain in compliance or pay \$2,500 for IMRF for these two positions. This issue was discussed extensively by the Human Resources Committee, who recommended approval. Committee members questioned if it would be better to hire one full time person to address the needs of the department. They were informed that this would increase the benefit costs for the department. They questioned if it would be better to hire a third person, with reduced part time hours to address this increased need without the extra expense for IMRF benefits. Mr. Wallis stated they may have to hire an additional person anyway to meet the demands. The department tracks the hours used. They are currently using staff from the Law Library to address the needs if additional help is needed. He stated that he feels the demand for service will continue to increase. Committee members stated that they feel the department should hire an additional part time person, with less hours so they do not have to pay IMRF benefits. Mr. Wallis stated that they do not have room in the self help center to increase staff in the area. Committee members questioned if they should table this issue until questions surrounding IMRF can be answered. Mr. Wallis reported that the Law Library is under the purview of the Chief Judge and he is not sure that the judge will want to be told to hire additional personnel. The Department has tried to work in the most economic way to meet the demands of the public. The Law Library is paying for the expenses of the department from fees received. The department is not interested in raising fees in order to address increased cost. Committee members suggested that the Committee to direct Mr. Wallis, pursuant to what

Approved 06 28 11

FINANCE AND AUDIT COMMITTEE

June 14, 2011

Page 2

the committee would like to see done, to hire additional personnel, bring back a resolution, with a disposition of decreased hours and costs, for consideration at the 2<sup>nd</sup> meeting in August. Mr. Sarbaugh cautioned committee members that if a part time person is hired and previously worked for an IMRF employer, the person could qualify for IMRF under the 600 hour rule. Mr. Hammerand made a motion, seconded by Mr. Bless to amend the Resolution to keep the part time self help center employees at less than 1,000 hours, and allow the hiring of an additional part time person, to address the needs of the department. Committee members were informed that the self help navigators already work less than 1,000 so there would be no need for this resolution. They are currently working overtime to address the increased need. Mr. Hammerand stated that the committee needs to give them direction to reduce the hours of these persons to no more than 999 hours per year. Ms. McCann called the question. The motion failed with a majority of member's present voting nay on a roll call vote (Donner, Hill, McCann, Breeden) aye (Bless, Hammerand, Heisler) The original motion carried with a majority of the members present voting aye on a roll call vote (Bless, Donner, Heisler, Hill, McCann, Breeden) nay (Hammerand) Committee members noted there are other issues that fall into this IMRF issue as well. They requested that the IMRF issue brought back to committee the 2nd meeting in August for an update.

*Resolution Authorizing Workers' Compensation Claim Settlement No. 10-8200-30:* Mr. Labaj joined committee members for presentation of the above Resolution. Mr. Bless made a motion, seconded by Mr. Hammerand to recommend approval of the above Resolution as presented. Mr. Labaj informed committee members that this is a claim from a Division of Transportation worker that injured their thumb while lowering a spreader onto a truck. The crank slipped out of his hand causing the spreader to hit his right thumb. This was a very serious injury to the thumb. The employee has returned to work, without restrictions. The department now has new trucks that have a digital lift, alleviating the hand crank usage and potential for injury. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Authorizing a Budget Line Item Transfer in the Health Department's Fiscal Year 2011 Budget and a Reclassification of Hours to Position #051-0963-11 (Public Health Nurse):* Mr. Bless made a motion, seconded by Ms. McCann recommending approval of the above Resolution as presented. Mr. McNulty stated that when calculating the hours for the above grant, the IMRF costs were not included. The grant covers all the costs for the program. The motion carried with a majority of members present voting aye on a roll call vote (Bless, Donner, Heisler, Hill, McCann, Breeden) nay (Hammerand)

*Resolution Authorizing Acceptance of a \$50,202 Grant From The Illinois Department of Public Health For a Mosquito Vector Prevention Program, an Emergency Appropriation to the Health Department's FY2011 Budget and the Unfreezing of Two Part Time Intern Positions (#051-0919-99 and #051-0948-07):* Ms. McCann made a motion, seconded by Ms. Hill recommending approval of the above Resolution as presented. Mr. McNulty informed committee members that this is a yearly grant that is received from a surcharge that is placed on new tire sales state wide for the Mosquito Vector Prevention at the local level. The part time personnel will be brought back just for the program. When the program is completed for the season, the part time positions will go away. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Authorizing a Budget Line Item Transfer in the Emergency Telephone System Board's 2010-2011 Budget:* Ms. Donner made a motion, seconded by Mr. Bless to recommend approval of the above Resolution as presented. Committee members were informed that when the budget for this project was set up they used the best estimate and coding to allow the purchase of the VisionAir integrated software solution. Now they would like to move the expenditures to capital from contractual. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Authorizing the Purchase of a Transportation Van and Transportation Squad Vehicle in the Fiscal Year 2011 Sheriff's Budget out of State Criminal Alien Assistance Program (SCAAP) Funds:* Mr. Bless made a motion, seconded by Ms. McCann to recommend approval of the above Resolution as presented. Committee members were informed that the Sheriff's Department would like to purchase the above vehicles for the corrections department from the remaining FY08 SCAAP grant funds. These funds must be used for the corrections department. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Authorizing the Purchase of a Key Control System and Security Cameras for the Jail Correctional Facility and a Budget Line Item Transfer in the State Criminal Alien Assistance Program Fiscal Year 2011 Budget:* Ms. Donner made a motion, seconded by Mr. Bless to recommend approval of the above Resolution as presented. Committee members were reminded that these funds are the same as the above program but for the FY2010 program. The funds will be used to purchase a key control system and additional security cameras for the jail. 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 the Illinois Emergency Services Management Association EOC Grant Agreement and Authorization for an Emergency Appropriation in the Emergency Management Agency's Fiscal Year 2011 Budget:* Ms. McCann made a motion, seconded by Mr. Bless to recommend approval of the above Resolution, as presented. This grant will utilize funds from the Department of Homeland security (DHS) Fiscal Year 2010 Appropriation to reimburse the County for the purchase of technology equipment for the Emergency Operations Room in the EMA Department. Committee members

questioned the use of emergency sirens throughout the county in order for the community to respond to any weather emergency. He responded that there is no policy across the County to address the sirens. The department has received various reports of sirens going off. It was stated that there should be a policy regulating when and how these sirens are being operated. The department has been contacting those that have the sirens to figure out their alert patterns. Each alert will depend on the technology of the siren. It was suggested that Mr. Christensen work with McCog (McHenry County Council of Governments) in order to obtain contact numbers for some of the communities. Mr. Christensen stated that the department encourages everyone to obtain a all hazard alert radio in order to be notified of a weather emergency. These radios can be purchased at local retail outlets. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

*Resolution Authorizing the Appointment of a Board of Review Member:* Mr. Hammerand made a motion, seconded by Mr. Bless to recommend approval of the above Resolution as presented. Committee members were informed that the Chair of the Board of Review has resigned necessitating the need for another Board of Review member. This alternate has served since 2003. This is a retired person that will be able to serve as much as needed. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

#### OLD BUSINESS

*Review of McHenry County Micro Loan Fund:* Mr. Labaj joined committee members to provide an update on the Micro Loan Fund. In July 2009 the Finance and Audit Committee authorized the establishment of a Micro Loan Fund. The concept was to create a pool of dollars from the McHenry County Loan Fund to be used exclusively for startup and smaller businesses. There were different criteria for these funds. They were smaller loan amounts, shorter loan maturity dates from one to five years, and the applicant needed to agree to the underwriting criteria in the case of a start up business. He questioned if the committee wanted to continue with the program do away with the micro loan fund. These funds would be placed in the McHenry County Loan Fund. Someone could still request smaller loans from this fund. Mr. Hammerand made a motion, seconded by Ms. Hill to suspend the Micro Loan Fund and put the funds into the regular McHenry County Loan Fund. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden)

#### REPORTS TO COMMITTEE, AS APPLICABLE

*Auditor's Report:* Ms. Palmer informed committee members that the outside auditors from Baker, Tilly, Virchow, Krause LLP are expected to provide an update to the committee at the next committee meeting. They provide a review of the internal controls and management report. They are doing testing and reviews in advance. They are finishing the single audits. They test a few grants yearly. They will bring forward a report and its findings after presentation of the report on the 28<sup>th</sup>.

Ms. Palmer stated that in the past she has mailed the continuing disclosure requirement reports, which are required yearly. This is now being done electronically.

She reported that she attended the annual GFOA conference. She stated that she attended some interesting sessions and came away with some good information. Ms. Palmer presented a Report on Internal Controls, and an Informational Report to the County Board issued in Connection with the Annual Audit. She requested the committee members to bring all their reports to the next committee meeting so they can follow along during the committee meeting on the 28<sup>th</sup>. She stated that there will be a presentation of the internal audits and review of the standards at the next committee meeting.

Ms. Teresi presented the Internal Audit Division's Internal Audit Charter. This Charter is a required formal document for an internal audit program according to Attribute Standard 1000 of the "International Standards for the Professional Practice of Internal Auditing", which is included at the back of the packet. Final approval of the Charter rests within the Auditor's office, due to the fact that the Internal Audit Division resides within an Elected Official's Office. This is provided as information purposes. The Finance and Audit Committee may choose to have their own document that governs their duties related to the internal audit. The Charter should define the internal audit activities purpose, authority and responsibility. The Charter must recognize the definition of Internal Auditing, the Code of Ethics and the Standards, which this charter does on top of page 2. The Internal Audit Division should discuss the mandatory nature of these. The purpose of the Standards is to delineate basic principles that represent the practice of internal auditing provide a framework for performing and promoting a broad range of value-added internal auditing, establish the basis for the evaluation of internal audit performance and foster improved organizational processes and operations. The structure of the Standards is divided between Attribute and Performance Standards. Attribute Standards address the attributes of organizations and individuals performing internal auditing. The Performance Standards describe the nature of internal auditing and provide quality criteria against which the performance of these services can be measured. Committee members questioned why the committee should have their own Charter. They were informed that it defines the responsibility of the committee. It was stated that they should check to see if a Charter is in existence. This issue will be discussed as a committee at a future meeting.

*Contingency Report:* None.

*Economic Development Corporation:* None.

*Convention and Visitors Bureau:* None.

#### FUTURE TOPICS

Ms. Hill stated that they should discuss how the process works to lower the levy next year. It was stated that this is done during the budget process. This was one of the goals of this committee. Committee members requested that information regarding the levy process forwarded to them.

FINANCE AND AUDIT COMMITTEE

June 14, 2011

Page 4

Chairman Breeden stated that he spoke with the bond council regarding some of the outstanding debt. He stated they need to look at this issue and discuss whether some of the debt should be paid off.

Ms. Heisler stated they should investigate the County's employment application form to see if there are any questions on it regarding whether an individual has ever worked for an IMRF Employer. Committee members stated that this issue should be forwarded to the State's Attorney in order to word this question properly or to find out if it would be allowed.

Mr. Heisler questioned what he needs to do in order to reconsider his vote on item 5.3, *Resolution Authorizing the Reclassification of Positions 042-0015-10 and 042-0013-09 (Self Help Center Navigators) from Less Than 1,000 Hours Per Year to 1,000 Hours Per Year Each and a Budget Line Item Transfer in the Law Library Fiscal Year 2011 Budget*. Mr. Heisler made a motion, seconded by Ms. Hill to reconsider item 5.3, *Resolution Authorizing the Reclassification of Positions 042-0015-10 and 042-0013-09 (Self Help Center Navigators) from Less Than 1,000 Hours Per Year to 1,000 Hours Per Year Each and a Budget Line Item Transfer in the Law Library Fiscal Year 2011 Budget*. The motion carried with all members present voting aye on a roll call vote (Bless, Donner, Hammerand, Heisler, Hill, McCann, Breeden) Committee members voted on the recall motion for the above Resolution. The motion carried with four ayes (Donner, Hill, McCann, Breeden) and three nays (Bless, Hammerand, Heisler).

EXECUTIVE SESSION

None.

ADJOURNMENT: Noting no further business, Mr. Heisler made a motion, seconded by Mr. Hammerand to adjourn the meeting 11:03 a.m. The motion carried with all ayes on a voice vote.

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**RECOMMENDED FOR BOARD/COMMITTEE ACTION:**

- Resolution Authorizing Workers' Compensation Claim Settlement No. 10-8200-03
- Resolution Authorizing a Budget Line Item Transfer in the Law Library Fiscal Year 2011 Budget for the Purchase of Technology for the Judges of the 22<sup>nd</sup> Circuit
- Resolution Authorizing the Reclassification of Positions 042-0015-10 and 042-0013-08 (Self Help Center Navigators) From Less Than 1,000 Hours Per Year to 1,000 Hours Per Year Each and a Budget Line Item Transfer in the Law Library Fiscal Year 2011 Budget
- Resolution Authorizing a Budget Line Item Transfer in the Health Department's Fiscal Year 2011 Budget and a Reclassification of Hours to Position #051-0963-11 (Public Health Nurse)
- Resolution Authorizing Acceptance of a \$50,202 Grant from the Illinois Department of Public Health for a Mosquito Vector Prevention Program, an Emergency Appropriation to the Health Department's FY2011 Budget and the Unfreezing of Two Part Time Intern Positions (#051-0919-99 and #051-0948-07)
- Resolution Authorizing a Budget Line Item Transfer in the Emergency Telephone System Board's 2010-2011 Budget
- Resolution Authorizing the Purchase of a Transportation Van and Transportation Squad Vehicle in the Fiscal Year 2011 Sheriff's Budget Out of State Criminal Alien Assistance Program (SCAAP) Funds
- Resolution Authorizing the Purchase of a Key Control System and Security Cameras for the Jail Correctional Facility and a Budget Line Item Transfer in the State Criminal Alien Assistance Program Fiscal Year 2011 Budget
- Resolution Authorizing Acceptance of the Illinois Emergency Services Management Association EOC Grant Agreement and Authorization for an Emergency Appropriation in the Emergency Management Agency's Fiscal Year 2011 Budget
- Resolution Authorizing the Appointment of a Board of Review Member

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