

MCHENRY COUNTY BOARD
MINUTES OF THE REGULAR SESSION MEETING
JULY 5, 2011

Chairman of the Board – Kenneth D. Koehler (District 2)

District 1
Robert Bless
Anna May Miller
Marc Munaretto
Robert Nowak

District 2
J.S. “Scott” Breeden
James Heisler
Kenneth Koehler
Donna Kurtz

District 3
Mary L Donner
Nick Provenzano
Kathleen Bergan Schmidt
Barbara Wheeler

District 4
Sue Draffkorn
John Hammerand
Pete Merkel
Sandra Fay Salgado

District 5
Tina Hill
John P Jung Jr.
Virginia Peschke
Paula Yensen

District 6
Randall Donley
Diane Evertsen
Mary McCann
Ersel C Schuster

The Honorable County Board of McHenry County, Illinois met in Regular Session on Tuesday, July 5, 2011.

Chairman Koehler called the meeting to order at 9:00 a.m. The Pledge of Allegiance to the Flag was led by County Clerk Katherine Schultz with Members of the Board, department heads and visitors participating. Mr. Jung gave the invocation/personal remarks.

ROLL CALL

The roll was called by County Clerk Katherine Schultz. The following members responded: Munaretto, Peschke, Schmidt, Schuster, Wheeler, Yensen, Bless, Breeden, Donley, Donner, Draffkorn, Evertsen, Hammerand, Hill, Jung, Kurtz, McCann, Merkel, Miller and Koehler. Absent: Nowak, Provenzano, Salgado and Heisler. Parliamentarian Jamie Rein was present. Chairman Koehler declared a quorum present with twenty (20) members responding. Mr. Heisler arrived after the roll was called.

MINUTES

Minutes of County Board Regular Session meeting of June 7th, 2011

Ms. Evertsen made a motion seconded by Ms. Schuster to approve County Board minutes of June 7th, 2011.

Chairman Koehler asked if there were any changes/corrections to the minutes. Ms. Schuster pointed out some typographical errors that will be corrected.

Chairman Koehler asked for a voice vote, the ayes having it, he declared the motion to approve County Board minutes of June 7th, 2011 as corrected has passed.

CHAIRMAN'S REMARKS

Chairman Koehler said he hoped everyone had a good 4th of July weekend.

SPECIAL RECOGNITION/REPORTS

7.1 Proclamation to recognize Bill Dwyer for his years of public service to McHenry County

Mr. Heisler made a motion seconded by Mr. Breeden to approve the above-named Proclamation.

Chairman Koehler asked for a voice vote, the ayes having it, he declared the motion passed.

SPECIAL PRESENTATIONS

8.1 County Financial Update – Peter Austin and Ralph Sarbaugh

Mr. Austin and Mr. Sarbaugh came forward to give a quarterly update on how the budget is doing. A power point presentation was shown. Mr. Austin said when we started this budget year we ended up with about \$230,000 that was undesignated and set aside with no non-union wage increases being given, a reduction in funding to outside agencies and notably the 2011 budget was reduced by \$6 million dollars less than 2010.

Mr. Sarbaugh said the final numbers for fiscal year 2010 show that the General Fund Reserve was enhanced by \$3,297,554; of that the Undesignated General Fund Reserve was enhanced by \$2,933,056. Mr. Austin said upon recognizing the dollars left over from last year's budget, they set aside another \$250,000 for the Contingency which matched what they had done the previous year. Also, they set aside \$200,000 for fuel and \$1 million towards IMRF.

APPROVED: 8.02.2011

That is a step we will realize the benefit for this year when we are building the budget for 2012. That left \$1.4 million undesignated. A mental note was made and \$250,000 was set aside for permitting software which is in great need. Mr. Sarbaugh went over top revenues vs. budget. One thing they are watching is that the Circuit Clerk fees and fines are down and it is something being discussed with Ms. Keefe and Mr. Wallis as to what is happening in the court system. Mr. Sarbaugh noted that property taxes collected to date are \$17,557,562 which is just a little more than half of what they were projecting for the year. Also of note is the Federal Government-other which is representative of the jail revenue and the ICE Program, we are on track to hit \$12 million dollars if things continue to go the way they are going. Mr. Sarbaugh said overall everything is running pretty stable at. On the revenue watch list are Tax Transfer Stamps, Building Permits, Fines, Circuit Clerk Fees and Court Security fees.

Currently they are working on the Fiscal Year 2012 budget schedule going through reviews with departments and are on track to have a draft budget placed on display in October and going before the County Board for approval in November. Some of the budget issues and concerns they will be dealing with are non-union wages; open union contracts; fuel costs; state reimbursement for social service agencies; the property tax levy; and national healthcare. Their budget goals are to look at a cost of living adjustment for non-union employees; the property tax levy, debt retirement; and improved communication with the County Board during the budget process.

Ms. Wheeler asked about the reduction in Circuit Clerk's fees, she wondered what the percentage in drop of cases is. Mr. Austin said they're trying to get the answer to this as their revenue is off by about \$112,000. Case load is declining in some areas and collections of fines are down in some areas and there are many factors that contribute in the revenues dropping in the court system. Ms. Wheeler wondered if we are seeing a reduction in the use of the courtrooms.

Mr. Austin said it's not fair for him to try and say how busy the courts are or how the court rooms are being utilized. We are getting a new judge and he must have a court room for him; so when the expansion is completed we will have 17 court rooms for 17 judges.

In regard to taxes, Ms. Wheeler said the Grafton Twp Assessor did something that reduced their resident's property taxes. She asked how this affected the other townships and how this can be done. Mr. Austin said what drove the Grafton Twp Assessor to approach his responsibility in a slightly different manner than others is hard to say. Perhaps we can have the Assessor come in and talk at least to the Finance Committee and possibility the full board on this. He can't answer these questions.

Ms. Peschke said we have about \$8 million dollars budgeted for sales tax and wondered if Mr. Sarbaugh or Mr. Austin were concerned that if unemployment continues at the current rate that we might have a serious drop in this revenue. Mr. Sarbaugh said there is always a concern and they are watching this very closely and it's reported on monthly. He believes that the high cost of fuel has helped to boost that figure.

Ms. Kurtz asked if at some point we could get an understanding of the fixed costs and variable costs associated with the jail so that we can understand how we might plan for the future. Mr. Sarbaugh said yes.

Ms. Yensen responded to Ms. Wheeler's comments by saying that when she received her tax bill, she lives in Grafton Twp, many of the residents received about a 7% reduction in their bill. She called the County Assessor's office because she was concerned about what was occurring throughout the county. The County Assessor indicated that what the Grafton Twp assessor did was highly unusual. She agreed that it would be helpful if our County Assessor were to explain to the board the processes involved in the assessments of property. Ms. Yensen said in regard to the Circuit Clerk's office, she would like to see a breakdown of the fees of where we see the increase and decrease going on as far as how they receive their funds. Ms. Yensen said communication to our constituents about the workings of the county and our budget is important and she believes there is a problem on how we get the word out.

Chairman Koehler said in regard to the assessments, it's very complicated to do the computation and then to add in the year that we have had makes it more difficult. Mr. Ross has made some very good presentations and he will be invited to come before the board and share what he perceives happened and where we will go from here.

Ms. Miller suggested that when Mr. Ross does his presentation that we invite some of the tax assessors from the townships so that we get their perspective on how they are addressing the concerns of their constituents. Also, she commended Mr. Sarbaugh and Mr. Austin; she is pleased to see the property tax levy as a talking point.

PLATS

None

PUBLIC COMMENT

Chairman Koehler explained the rules of Public Comment. The following people spoke:

James Kennedy of Lake in the Hills regarding appointment to Valley Hi Operating Board

Noting no others wishing to speak, Chairman Koehler closed public comment.

NEW AND UNFINISHED BUSINESS
None

APPOINTMENTS

Ms. Peschke made a motion seconded by Ms. Donner to approve the following Appointments:

Valley Hi Operating Board
James P. Kennedy term to 06/30/2013
Jodi A. Borck term to 06/30/2012

McHenry County Board of Health
Aurel E. Goglin term to 06/30/2014
William E. McNerney term to 06/30/2012
Mary J. Foszcz term to 06/30/2014
William A. Stinson term to 06/30/2014
David R. Banaszynski term to 06/30/2014

Noting no discussion, Chairman Koehler asked for a roll call vote. The following members responded aye: Munaretto, Peschke, Schmidt, Schuster, Wheeler, Yensen, Bless, Breeden, Donner, Draffkorn, Evertsen, Hammerand, Heisler, Jung, Kurtz, McCann, Merkel, Miller and Koehler. Absent: Nowak, Provenzano, Salgado, Donley and Hill. The vote being nineteen (19) ayes noting five (5) absent, the Chairman declared the motion to approve the Appointments has passed.

STANDING COMMITTEE CHAIRMAN UPDATES

Ms. Schuster reminded everyone, and an e-mail was sent, indicating that we will be having a COW at 6 p.m. on July 19th for a refresher on the Open Meetings Act. They are trying to get someone from the Attorney General's (AG) office to come and speak. You will be notified if the date is changed. At Management Services a point that came up was that we can go on the AG's website, in the center of the page, there is the Open Meetings Act FOIA Act. You can go in and do a review and test and it's a good learning experience. If you pass the test they do issue a certificate.

ROUTINE CONSENT AGENDA

Chairman Koehler asked if any member wished to remove an item from the Consent Agenda. Mr. Hammerand removed 14.2 B2 and B11 and Ms. Schuster removed 14.2 B10.

Mr. Heisler made a motion seconded by Mr. Breeden to approve the Routine Consent Agenda with three items removed.

Chairman Koehler asked for a roll call vote. The following members responded aye: Munaretto, Peschke, Schmidt, Schuster, Wheeler, Yensen, Bless, Breeden, Donley, Donner, Draffkorn, Evertsen, Hammerand, Heisler, Hill, Jung, Kurtz, McCann, Merkel, Miller and Koehler. Absent: Nowak, Provenzano and Salgado. The vote being twenty-one (21) ayes noting three (3) absent, the Chairman declared the Routine Consent Agenda approved with three items removed.

14.2 B(2) *Adoption of the Home Investment Partnerships (HOME) Program Community Housing Development Organization (CHDO) reserve funding recommendation and amendment of the action plan for the 2010 program year.*
Mr. Breeden made a motion seconded by Ms. Donner to approve the above-named Resolution.

Chairman Koehler asked for any discussion. Mr. Hammerand said he has concerns that a home is being constructed when we have so many homes for sale in the county. He was told that the \$125,000 is for foundation and plumbing so he is concerned what the total cost of the home is. Other board members agreed with Mr. Hammerand on the amount of vacant homes in the county and the possibility of some of those being used for this type of purpose. Ms. Donner responded that this project is Habitat for Humanity partnering with the veterans to build a ranch home to specification for a handicapped vet. It doesn't cost a lot extra to build a home that is handicap accessible but it is extraordinarily expensive to try and retrofit a home to be handicapped accessible. She asked that any further questions be deferred to MaryAnn Wanaski who is here this evening. Ms. Draffkorn said the money that is being granted to Habitat is granted only because they are a Community Housing Development Organization, the only one in our county right now. If we don't grant this money we will lose this money. Habitat for Humanity's mission is to build new homes for people who can't afford them. She has spoken to the new

Executive Director at Habitat and he said they may consider rehabilitation in the future but right now that is not their mission.

Ms. Wanaski clarified that the money wasn't just for the foundation and plumbing it's also to purchase a lot in a ready designated subdivision. They are using the money to pay for extra services that Habitat can't get donated anymore because many of their subcontractors have gone out of business. In this economy not a lot of donations come forward with time and energy. This money will not pay for the house, there will still be volunteer labor and as part of that, because the person who will eventually own the house has to put in so many service hours, they have an extra call out for more volunteers because this vet can't do it himself. Ms. Wanaski affirmed that Habitat for Humanity is our only Community Housing Development Organization (CHDO). The money has come from the 2009 grant that the county accepted back then, it's a special set aside and if it's not used within the next three months it will go back to the Federal Treasury and be allocated to another community.

Ms. Yensen commented that some municipalities are purchasing foreclosed or short sale homes instead of letting them lay vacant. They do the renovations and then resell them at a low rate to people in the community. Ms. Wanaski said the county is also doing that, it's called the NSP Program and is the grant that has been operating for the last twenty months. She said the county bought some of the worst of homes, cleaned them up and renovated, and have sold almost half of them at reduced rates to low/moderate income people. To date the county has bought 15 homes; they have about 6 of them sold or under contract; 3 have been rented out and 2 are still down to studs and the others are close to being completed. They are all listed and on the county's website under Planning & Development, Community Development if you'd like to see them, and they are also listed with the MLS. Ms. Wanaski said if the board allows the county to go forward they will recycle the money that they get from the first sales and go back and buy more. The grant was originally \$3 million dollars and it also included Consumer Credit Counseling for the new owners.

Ms. Kurtz asked how Veterans Affairs has been involved with the selection of the handicap veteran that will be living in this home. Ms. Wanaski said Habitat selects the prospective homeowner and the county's roll is to allocate the money to Habitat.

Ms. Wheeler asked if there are any other CHDO's. Ms. Wanaski responded that McHenry County Community Homes is an affiliate of Pioneer and they were a CHDO but their organization was under Pioneer. According to the rules of the federal government's program, the CHDO has to be the top dog and Pioneer would have had to have been an affiliate of McHenry County Community Homes. They chose not to renew that certification because they did not want to change the composition of their board. This doesn't mean that they can't apply for home dollars they just don't have any right to get the 15% reserve set aside. She also noted that CHAMCO is on shaky ground and they have not recertified or renewed their ability to act as a CHDO. Habitat at this point is the county's only CHDO. Ms. Wanaski said we have a baby CHDO that is getting technical assistance and is working to become certified but they have not yet submitted their papers.

Noting no further discussion, the Chairman asked for a roll call vote. The following members responded aye: Munaretto, Peschke, Schmidt, Schuster, Wheeler, Yensen, Bless, Breeden, Donner, Draffkorn, Heisler, Hill, Jung, McCann, Merkel, Miller and Koehler. Nay: Donley, Evertsen, Hammerand and Kurtz. Absent: Nowak, Provenzano and Salgado. The vote being seventeen (17) ayes and four (4) nays, noting three (3) absent, the Chairman declared the motion to approve 14.2 B(2) has passed.

14.2 B(10) Authorizing a five year network server lease with CISCO Capital Leasing for CISCO Network Servers and an emergency appropriation to the fiscal year 2011 non-departmental budget.

Mr. Breeden made a motion seconded by Ms. Miller to approve the above-named Resolution.

Chairman Koehler asked for any discussion. Ms. Schuster asked about the dollar amounts that didn't total out. Mr. Sullivan of IT responded that the \$1,940,000 is the purchase price of the equipment, and the \$420,000 would be the lease payment not to exceed. The actual payment is going to be closer to \$409,000 per year which is under what we are paying now.

Noting no further discussion, Chairman Koehler asked for a roll call vote. The following members responded aye: Peschke, Schmidt, Schuster, Wheeler, Yensen, Bless, Breeden, Donner, Draffkorn, Evertsen, Hammerand, Heisler, Hill, Jung, Kurtz, McCann, Merkel, Miller and Koehler. Nay: Donley. Absent: Munaretto, Nowak, Provenzano and Salgado. The vote being seventeen (17) ayes and one (1) nays, noting four (4) absent, the Chairman declared the motion to approve 14.2 B(10) has passed.

14.2 B(11) *Authorizing entering into a contract with Gaver's Excavating for the demolition of the old Valley Hi Nursing Home Facility*

Mr. Breeden made a motion seconded by Ms. Peschke to approve the above-named Resolution.

Chairman Koehler asked for any discussion. Mr. Hammerand asked that the \$50,000 for the roads and landscaping be brought back to us when they were in Finance on this. He was told the road would be serving a garage that houses lawnmowers and maybe snow plows.

Mr. Hammerand made a **motion to amend** seconded by Ms. Yensen **to remove the \$50,000 request for road replacement and minor landscaping and bring back with how much it will cost and who will do the work for the road replacement and for the minor landscaping.**

Chairman Koehler asked for any discussion on the motion to amend. Mr. Hadley said he is working with Adam on this project as he was asked to give him some experiences on what we do for project management. Of the money being asked for, \$35,000 is for the asphalt road. This road goes back to the Valley Hi barn which houses the Valley Hi bus and cars and also Well House #3. This is the main well house that serves the water for Valley Hi. Right now it is an asphalt road going back there and also to a side road and to the parking lot. This road is about 300 feet long. The original demolition plans were to do saw cutting and just leave a patch of asphalt there so they could still have access and then tare the rest of it out. There are a lot of curbs and curb cuts and that is where the other \$15,000 comes in. He anticipates the figure to be lower that is why he asked for the amount not to exceed \$50,000. He didn't want to ask for too low an amount and then have to come back to ask for more.

Chairman Koehler asked for a voice vote on the motion to amend, the nays having it, he declared the **motion to amend to remove the \$50,000 request has failed.**

Chairman Koehler asked for any other discussion on the main motion. Ms. McCann suggested that the title of this resolution should have been a little more descriptive by including "and site improvements". She asked that in the future the titles be more descriptive.

Noting no other discussion, Chairman Koehler asked for a roll call vote. The following members responded aye: Munaretto, Peschke, Schmidt, Schuster, Wheeler, Yensen, Bless, Breeden, Donley, Donner, Draffkorn, Heisler, Hill, Jung, Kurtz, McCann, Merkel, Miller and Koehler. Nay: Evertsen and Hammerand. Absent: Nowak, Provenzano and Salgado. The vote being seventeen (19) ayes and two (2) nays, noting three (3) absent, the Chairman declared the **motion to approve 14.2 B(11) has passed.**

ORDINANCES

None

ADMINISTRATOR'S REPORT

Mr. Austin said two weeks from tonight we will have a presentation celebrating the first anniversary of the Valley Hi Operating Board. The presentation will include what the Operating Board has accomplished in the first year and share the Strategic Plan that they have developed over the last several months.

He said the County Administrator evaluation is about done and will be sent out in the next week or so.

Mr. Austin said the NACO Conference starts on July 15th, he will be there from the 15th to the 18th as will Mr.

Sandquist. It will be an opportunity for both of them to attend the NACO Achievement Awards where McHenry County will be recognized for our De-icing/Pavement Management Training Programs that the DOT and Water Resources have been working on together. Also, the Health Dept is being recognized for a Heart Age Assessment Tool and Mental Health is being recognized for Community Partners Mental Health Awareness for All.

Mr. Austin said Mr. Sandquist will be attending representing the National Assoc of County Planners for the next two years. Mr. Austin said he is starting a new role as the Midwest Vice President of the National Assoc of County Administrators.

Mr. Austin asked Kathie Schultz if she had an announcement to make. Ms. Schultz said on July 1st her new granddaughter was born, Katherine Paige Schultz. Congratulations were given on the new addition.

MEMBERS' COMMENT

Ms. McCann said board members received a note from Mr. Korpalski regarding Rte. 23 at Coral intersection. In cases like this she said it's important to designate which Coral Road because there are four different ones. This one is West Coral Road intersection with Rte. 23. She asked in the future that the location be more specific.

EXECUTIVE SESSION

Chairman Koehler said there is a need to go into Executive Session to discuss Litigation and Personnel.
Ms. Donner made a motion seconded by Ms. Miller to go into executive session.

Chairman Koehler asked for a roll call vote. The following members responded aye: Munaretto, Peschke, Schmidt, Schuster, Wheeler, Yensen, Bless, Breeden, Donley, Draffkorn, Evertsen, Hammerand, Heisler, Hill, Jung, Kurtz, McCann, Merkel and Koehler. Chairman Koehler noted a quorum present with nineteen members responding.

Ms. Peschke made a motion seconded by Mr. Breeden to return to open session.

Chairman Koehler asked for a roll call vote. The following members responded: Munaretto, Peschke, Schmidt, Schuster, Wheeler, Yensen, Bless, Breeden, Draffkorn, Evertsen, Hammerand, Heisler, Hill, Jung, Kurtz, McCann, Merkel, Miller and Koehler. Chairman Koehler declared a quorum present with nineteen members responding.

ADJOURNMENT

Ms. Schmidt made a motion seconded by Ms. Yensen to adjourn at 11:27 a.m. Chairman Koehler declared the motion passed on a unanimous voice vote.

Dated and approved at Woodstock, Illinois this 2nd day of August, A.D., 2011.

s/ Kenneth D. Koehler
Kenneth D Koehler, Chairman
McHenry County Board

ATTEST:

s/ Katherine C. Schultz
Katherine C. Schultz, County Clerk