

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

MINUTES OF TUESDAY, JULY 12, 2005

Chairman Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto, Chairman; John Hammerand; Ann Kate; Marie Chmiel; Ann Gilman; and Perry Moy. Don Brewer arrived at 9:47 a.m. Also in attendance: John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; Ruth Rooney Auditor and members of her staff; Pat McNulty, Health Department; Kathie Schultz, County Clerk; Dennis Smith, Mental Health Board; Karen Patel, McHenry County Economic Development Corporation; Cathy Link, Purchasing Department; Tom Carroll, Assistant State's Attorney; Ken Koehler, County Board Chairman; and the press.

Marc Munaretto, Chairman	
Don Brewer	Marie Chmiel
Ann Gilman	John Hammerand
Ann Kate	Perry Moy

MINUTES

Mr. Moy made a motion, seconded by Mr. Hammerand, to approve the Finance and Audit Committee June 28, 2005 minutes and the meeting minutes of the July 7, 2005 Joint Human Resources and Finance and Audit Committees. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION

None

NEW BUSINESS

Resolution authorizing budget line item transfers to the County Clerk's election FY 05 budget: Mr. Moy made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing budget line item transfers to the County Clerk's election FY 05 budget to cover a capital line expense. Ms. Schultz reviewed the Resolution and noted that these funds will be used to purchase a larger file for voter registration cards. The motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto).

Resolution authorizing a contribution to the McHenry County Convention and Tourism Bureau: Mr. Moy made a motion, seconded by Ms. Gilman, to recommend the County Board approve a Resolution authorizing a contribution to the McHenry County Convention and Tourism Bureau. Chairman Munaretto stated that this three year commitment will provide funding for the formation of a convention and tourism bureau. The bureau will initially need to hire an executive director and a clerical worker. The bureau will be a completely separate entity established to enhance and promote tourism within McHenry County. After a discussion, a roll call vote was called. The motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto).

Resolution authorizing a contract for Agent/Broker Insurance Services with Market Financial Group, LTD.: Ms. Gilman made a motion, seconded by Ms. Kate, to recommend the County Board approve a Resolution authorizing a contract for agent/broker insurance services with Market Financial Group, LTD. The motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto).

Discussion regarding a loan from the General Fund to the Jail Buildout Project Fund: Mr. Sarbaugh addressed the Committee and provided information on the Jail Buildout Fund. He reported that the Sheriff had filed for a 3 million dollar drawdown from the Federal Government. The drawdown has been approved and we are waiting for the wire transfer. Mr. Sarbaugh explained that it may be necessary to approve a loan from the General Fund until the transfer is complete. He wanted the Committee to be aware of this situation and if necessary a Resolution will be presented for Committee approval. Chairman Munaretto thanked Mr. Sarbaugh for the information and noted that the consensus of the committee is to borrow the funds if needed.

Mr. Brewer arrived at 9:47 a.m.

Resolution authorizing a temporary increase to select Health Department Staff for the FY 04/05 budget: Mr. Brewer made a motion, seconded by Ms. Gilman, to recommend the County Board approve a Resolution authorizing a temporary increase to select Health Department Staff for the FY 04/05 budget. The motion carried with all members present voting aye on a roll call vote (Brewer, Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto).

Resolution authorizing the creation of one full time position and an emergency appropriation to the Health Department's FY 04/05 budget: Chairman Munaretto reported that the Human Resources Committee had not approved this Resolution and therefore it was being pulled from today's agenda.

Resolution authorizing salary adjustments to three State's Attorney employees who fall below the floor of their assigned grade and range: Mr. Brewer made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution authorizing salary adjustments to three State's Attorney employees who fall below the floor of their assigned grade and range. Mr. Carroll reported that this Resolution will correct an error that happened during the hiring process. The motion carried with all members present voting aye on a roll call vote (Brewer, Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto).

Labor Agreement: Mr. Sarbaugh provided an update on labor negotiations. He stated that the Interest Arbitration Opinion and Award had not been ratified by the Union. After ratification, a Resolution will be prepared and will flow through the various Committees (Law & Justice, Human Resources, and Finance and Audit Committees) with final approval by the County Board.

Resolution authorizing the appointment of a Human Resource Director: Ms. Gilman made a motion, seconded by Ms. Kate, to recommend the County Board approve a Resolution authorizing the appointment of a Human Resource Director. The motion carried with all members present voting aye on a voice vote.

Resolution authorizing the creation of new funds to account for Public Act 94-0118: Ms. Chmiel made a motion, seconded by Ms. Kate, to recommend the County Board approve a Resolution authorizing the creation of new funds to account for Public Act 94-0118. The motion carried with four ayes (Hammerand, Kate, Gilman and Chmiel) and three nays (Brewer, Moy and Munaretto). Mr. Brewer stated that at the next Board meeting he will request that the County Board Chairman send a letter of objection to the Governor regarding this mandate

EXECUTIVE SESSION

None

OLD BUSINESS

Resolution authorizing the purchase of out of state years of service for IMRF for Mental Health: Mr. Moy made a motion, seconded by Ms. Gilman, to recommend the County Board approve a Resolution authorizing the purchase of out of state years of service for IMRF for Mental Health. Mr. Smith reported that he will be contributing \$30,000 of his own money and the Mental Health Board has agreed to make a \$30,000 contribution to allow him to purchase these years of service. He noted that the Mental Health Board had approved this request in 2002, but it was not approved by the County Board at that time. The County Board had requested additional information, which is being provided today. The funds provided by the Mental Health Board will be put into a restricted investment account and eventually the principle would be returned to the Mental Health Board. Payments would come from the interest earned. The Mental Health Board will provide a Resolution certifying the \$45,000 allocation. Mr. Brewer asked for the specific date that IMRF first implemented the buy back of service. This will be provided prior to the County Board meeting. The motion carried with five ayes (Moy, Brewer, Chmiel, Gilman and Munaretto) and two nays (Hammerand and Kate).

REPORTS TO COMMITTEE

No reports

FUTURE TOPICS

After a brief discussion, Chairman Munaretto asked that staff cancel the Finance and Audit Committee meeting scheduled for Tuesday, July 26, 2005. Management Services Committee Chairman Kate announced that July 26, 2005 meeting of the Management Services Committee would also be canceled. If there is a need for a meeting prior to the County Board Meeting, one will be scheduled just before the Board Meeting on August 2nd.

As a consequence of Management Letter, Chairman Munaretto asked that the following items be added to the Finance and Audit Committee meeting agenda as future topics: GASB No. 40 – new disclosures for investment securities; GASB No. 42 – To establish guidelines for the accounting and financial reporting of capital asset impairments; GASB No. 45 – Establish procedures for the accounting and financial reporting of employers benefits other than pensions; and the handling of payroll functions, which are currently done through the Treasurer's Department.

ADJOURNMENT

Noting no further business, Mr. Brewer made a motion, seconded by Ms. Kate, to adjourn the meeting at 10:47 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

Approve a Resolution authorizing budget line item transfers to the County Clerk's election FY 05 budget to cover a capital line expense.

Approve a Resolution authorizing a contribution to the McHenry County Convention and Tourism Bureau

Approve a Resolution authorizing a contract for agent/broker insurance services with Market Financial Group, LTD

Approve a Resolution authorizing a loan from the General Fund to the Jail Buildout Project Fund

Approve a Resolution authorizing a temporary increase to select Health Department Staff for the FY 04/05 budget

Approve a Resolution authorizing salary adjustments to three State's Attorney employees who fall below the floor of their assigned grade and range

Approve a Resolution authorizing the appointment of a Human Resource Director

Approve a Resolution authorizing the creation of new funds to account for Public Act 94-0118

Approve a Resolution authorizing the purchase of out of state years of service for IMRF for Mental Health

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