

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

MINUTES OF TUESDAY, DECEMBER 13, 2005

Chairman Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto, Chairman; Ann Gilman; Don Brewer; Marie Chmiel; Ann Gilman; Ann Kate; and Perry Moy. John Hammerand was absent. Also in attendance: John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; Peter Austin, County Administrator; Kathie Schultz, County Clerk, Donna Mayberry, Supervisor of Assessments; Pat McNulty, Health Department; Pam Palmer, Auditor's Office; interested public; and the press.

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

MINUTES

Ms. Gilman made a motion, seconded by Mr. Brewer, to approve the Finance and Audit Committee November 22, 2005 minutes. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION

None

PRESENTATION

Paperless Board Training: Members continued their computer training with the Information Technology Department.

Demonstration - Touch Screen Voting Devices: Ms. Schultz reported that the County must be in compliance with the Help America Vote Act (HAVA) by January 1, 2006. She noted that the State has yet to certify any equipment to meet this requirement. She stated that she has narrowed the selection down to two systems, both of which will be demonstrated today; (1) AccuVote – TSX System and (2) AutoMark. The demonstrations were then provided by representatives from those two systems. The AccuVote is a touch screen system which includes a voice-guidance feature enabling blind or visually impaired persons to vote unassisted with complete privacy. The system can support hundreds of ballot styles. The AutoMark system also provides a voice guidance feature for the blind or visually impaired voter. This system uses the same type of ballot we currently use and the completed ballot is scanned and processed using the same method currently in place. This system would act as a supplement to our current equipment.

NEW BUSINESS

Resolution authorizing acceptance of a \$1,000,000 Accessible Voting Equipment Grant Pursuant to Title III, Section 301 (A) (3) of the Help America Vote Act provided by the Illinois State Board of Elections: Mr. Brewer made a motion, seconded by Mr. Moy to recommend the County Board approve a Resolution authorizing acceptance of a \$1,000,000 Accessible Voting Equipment Grant Pursuant to Title III, Section 301 (A) (3) of the help America Vote Act provided by the Illinois State Board of Elections. Ms. Schultz explained that this grant is federal money had has essentially no matching financial obligation to the County. She noted that both systems that were demonstrated today would cost fewer than one million dollars. Both systems are currently being tested and hopefully both will be approved for certification by the State. Ms. Chmiel pointed out to "typos" on page 2 of the Resolution. These errors will be corrected for the County Board meeting. Ms. Schultz stated she has reviewed both systems and although the AccuVote system uses the ballots we currently have, she felt the AccuVote – TSX system would provide more options and is a smaller system that can be moved easily while the AccuVote system is heavier and may be a problem for judges to lift and move. Both are Diebold systems. Mr. Brewer amended the original motion to authorize Ms. Schultz to pursue the Diebold systems and to make a final determination and move forward with the equipment purchase. Ms. Chmiel seconded the motion. The motion to amend carried with all members present voting aye on a roll call vote (Brewer, Chmiel, Gilman, Kate, Moy and Munaretto). On a roll call vote on the original motion as amended, the motion carried with all ayes (Brewer, Chmiel, Gilman, Kate, Moy and Munaretto).

Resolution authorizing discretionary monies for election administration improvements (not in packet): Ms. Schultz explained that another grant for \$59,000 is available for election administration improvements. This grant has been extended and she will bring forward a Resolution for Committee consideration at a future meeting.

Resolution authorizing monthly transactions for the Delinquent Tax Program: Ms. Gilman made a motion, seconded by Ms. Kate to recommend the County Board approve a Resolution authorizing monthly transactions for the Delinquent Tax Program. The motion carried on a roll call vote of all ayes (Brewer, Chmiel, Gilman, Kate, Moy and Munaretto).

Resolution authorizing workers' compensation claim settlement: Ms. Gilman made a motion, seconded by Mr. Moy to recommend the County Board approve a Resolution authorizing a workers' compensation claim settlement. The motion carried on a roll call vote of all ayes (Brewer, Chmiel, Gilman, Kate, Moy and Munaretto).

Resolution authorizing an emergency appropriation to the Dental Care Clinic Fund for FY 04-05 budget: Mr. Moy made a motion, seconded by Ms. Chmiel to recommend the County Board approve a Resolution authorizing an emergency appropriation to the Dental Care Clinic Fund for FY 04-05. The motion carried on a roll call vote of all ayes (Brewer, Chmiel, Gilman, Kate, Moy and Munaretto).

Resolution authorizing a budget line item transfer in the FY 05 budget of the Law Library: Mr. Brewer made a motion, seconded by Mr. Moy to recommend the County Board approve a Resolution authorizing a budget line item transfer in the FY 05 budget of the Law Library. After a discussion, the motion carried on a roll call vote of 5 ayes (Brewer, Chmiel, Kate, Moy and Munaretto) and one nay (Gilman).

Resolution authorizing salary increases for the Board of Review for FY 05-06: Ms. Kate made a motion, seconded by Ms. Gilman to recommend the County Board approve a Resolution authorizing salary increases for the Board of Review for FY 05-06. The motion carried on a roll call vote of all ayes (Brewer, Chmiel, Gilman, Kate, Moy and Munaretto).

Resolution authorizing a budget line item transfer in the FY 05 budget between General Fund Departments – Court Services and Court Administration: Mr. Brewer made a motion, seconded by Mr. Moy to recommend the County Board approve a Resolution authorizing a budget line item transfer in the FY 05 budget between General Fund Departments – Court Services and Court Administration. Mr. Sarbaugh noted that this is the third request for additional funds for Court Administration. He stated that Administration will be working closely with this department on the FY 2007 budget. The motion carried on a roll call vote of all ayes (Brewer, Chmiel, Gilman, Kate, Moy and Munaretto).

Discussion of FY 2005 budget issues: Mr. Sarbaugh reported that to his knowledge there are no additional requests for budget line item transfers and asked the Committee for permission to include any such requests that come forward in the next few weeks on the County Board Agenda for the meeting on January 3rd. Chairman Munaretto stated that the Finance and Audit Committee meeting scheduled for December 27, 2005 will be canceled and if the need does arise, the Committee could meet just prior to the January 3rd Board meeting and review any budget requests. He stated that such Resolutions could be included on the Board Agenda with a discussion by the Committee prior to that meeting.

Mr. Sarbaugh reported that the mileage rate as of December 1, 2005 was set at \$.405. However the Federal Government set a new rate of \$.445 to be implemented on January 1, 2006. He noted that the Board had approved a budget policy which included a statement setting the mileage at the Internal Revenue Service established rate effective December 1, 2005. He asked the Committee for authorization to amend the 2006 mileage reimbursement rate at \$.445 to be effective as of December 1, 2005. The members discussed this request and directed Mr. Sarbaugh to include a Resolution under New & Unfinished business for consideration at the December 20th County Board meeting.

Discussion of FY 2005 merit distribution: Ms. Palmer distributed spread sheets for the personnel year-end expenditure projections. The following Departments were over budget: Auditor; County Board; County Administration; ESDA; Clerk of the Circuit Court; Court Services; and Public Defender. The Committee directed Mr. Sarbaugh and the Auditor's office to adjust these budgets to make their personnel budgets whole by using the remaining balance.

Ms. Gilman stated she is opposed to County Board members receiving reimbursement for mileage when attending committee and board meetings since this is part of their work. She noted that other employees do not get this compensation for "just coming to work" and felt this policy causes disparity. Chairman Munaretto stated

the policy would need to be examined and suggested the Human Resources Committee address Ms. Gilman's concerns. The Management Services Committee would also need to review the Board Rules as this issue is covered in the Compensation section of said rules.

Chairman Munaretto reported that he has spent time with Ms. Palmer in discussing the internal audit program. A risk assessment of departments is currently being conducted as an empirical method of evaluating those departments who are a high risk. He stated he would continue to act as emissary with the Auditor regarding the internal auditor program and will keep the Committee informed of work being done.

EXECUTIVE SESSION

None.

OLD BUSINESS

REPORTS TO COMMITTEE

Contingency Reports (General Fund; Jail Project; Valley-Hi Construction; Courthouse Remodeling): Mr. Sarbaugh distributed the contingency reports noting no General Fund activity since the previous report. Both Valley-Hi and Courts and related services show a payment for builders' risk insurance. The jail projects lists a few payments. The Sales Tax report had been distributed to the members through their in-house mail boxes. Mr. Brewer asked if the Auditor would be a year-end inventory on the Recorder's Transfer Stamps and if any funds would be returned. In response, it was indicated that the Recorder has purchased the stamps and funds are returned as stamps are used. The strong recording fees this year have helped replace lost jail revenues.

Mr. Sarbaugh reported that earning potential is growing on our debt certificates and the Committee should discuss arbitrage in the near future and consider a proposal to have our debt certificate program examined by a qualified firm. The Committee asked Mr. Sarbaugh to prepare a proposal for discussion.

Update on Courthouse Remodeling: Mr. Austin reported that the first two phases have come in under budget. With the next phases beginning, consideration needs to be given to furniture, fixtures and equipment since these were not included in the projects budget. Chairman Munaretto reminded attendees that the new Administration Building was intended to take the County to a population of 350,000 and the County is near that number.

ADJOURNMENT

Noting no further business, Ms. Gilman made a motion, seconded by Mr. Moy, to adjourn the meeting at 11:58 a.m. The motion carried with a unanimous voice vote.

* * * * *

RECOMMENDED FOR BOARD ACTION:

- Resolution authorizing acceptance of a \$1,000,000 Accessible Voting Equipment Grant pursuant to Title III, Section 301 (A) (3) of the Help America Vote Act provided by the Illinois State board of Elections
- Resolution authorizing discretionary monies for election administration improvements (not in packet)
- Resolution authorizing monthly transactions for the Delinquent Tax Program
- Resolution authorizing Workers' Compensation Claim Settlement
- Resolution authorizing an emergency appropriation to the Dental Care Clinic Fund for FY 04-05 budget
- Resolution authorizing a budget line item transfer in the FY 05 budget of the Law Library
- Resolution authorizing salary increases for the Board of Review for FY 05-06
- Resolution authorizing a budget line item transfer in the FY 05 budget between General Fund Departments – Court Services and Court Administration