

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

MINUTES OF TUESDAY, JANUARY 9, 2007

Chairman Munaretto called the meeting to order at 10:00 a.m. The following Committee Members were present: Marc Munaretto, Chairman; Lyn Orphal; Barbara Wheeler; Tina Hill; and Marie Chmiel. Daniel P. Ryan and John Hammerand were absent. Also in attendance: Ralph Sarbaugh, Associate County Administrator – Finance; Pam Palmer, Auditor; John Labaj, Deputy County Administrator; Peter Austin, County Administrator; interested public; James P. Kennedy, County Board Member; and the press.

Marc Munaretto, Chairman	
Marie Chmiel	John Hammerand
Tina Hill	Lyn Orphal
Daniel P. Ryan	Barbara Wheeler

MINUTES

Ms. Hill made a motion, seconded by Ms. Orphal, to approve the Finance and Audit Committee December 12, 2006 minutes. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION: None

PRESENTATION: None

NEW BUSINESS

Resolution authorizing the McHenry County Treasurer to invest idle funds in the Working Cash Funds – FY 07: Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve Resolution authorizing the McHenry County Treasurer to invest idle funds in the Working Cash Funds – FY 07. Mr. Sarbaugh stated this is an annual ministerial request. The motion carried with all members present voting aye on a roll call vote (Hill, Orphal, Chmiel, Wheeler and Munaretto).

Resolution authorizing salary increases for the Board of Review for FY 06-07: Ms. Orphal made a motion, seconded by Ms. Hill, to recommend the County Board approve Resolution authorizing salary increases for the Board of Review for FY 06-07. On a roll call vote, the motion carried with all members present voting (Chmiel, Hill, Orphal, Wheeler and Munaretto).

Resolution authorizing a salary increase for the Chief County Assessment Officer for the Fiscal Budget year 06-07: Ms. Orphal made a motion, seconded by Ms. Chmiel, to recommend the County Board approve Resolution authorizing a salary increase for the Chief County Assessment Officer for the Fiscal Budget year 06-07. Mr. Sarbaugh stated this is done yearly to allow the Illinois Department of Revenue to reimbursement the County for one-half of the Chief County Assessment Officer's salary. On a roll call vote, the motion carried with all members present voting aye on a roll call vote (Chmiel, Hill, Orphal, Wheeler and Munaretto).

Resolution authorizing a salary adjustment to position 043-12-052-07 in the Court Services Departmental Roster: Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve Resolution authorizing a salary adjustment to position 043-12-052-07 in the Court Services Departmental Roster. Mr. Sarbaugh explained the request, noting that this adjustment would have no budget impact. It was also reported that the Law & Justice and Human Resources Committees had approved this Resolution at their meetings on January 8, 2007. The motion carried with all members present voting aye on a roll call vote (Chmiel, Hill, Orphal, Wheeler and Munaretto).

Resolution authorizing a budget line item transfer in the State's Attorney's General Fund FY 05-06 budget: Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve Resolution authorizing a budget line item transfer in the State's Attorney's General Fund FY 05-06 budget. The motion carried with all members present voting aye on a roll call vote (Chmiel, Hill, Orphal, Wheeler and Munaretto).

Resolution authorizing a budget line item transfer in the Senior Services Grant Fund FY 06 budget: Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing a budget line item transfer in the Senior Services Grant Fund FY 06 budget. Mr. Labaj stated that this will allow all funding to meet financial obligations of the grants for 2006 and to close-out the fiscal year for this fund. The motion carried with all members present voting aye on a roll call vote (Wheeler, Orphal, Hill, Chmiel and Munaretto).

FY 05-06 Budget Close-Out Issues: The Committee reviewed the following additional Resolutions for budget line item transfers for FY 05-06: (1) from the Planning and Development Department; and (2) from the Circuit Clerk – Child Support Collection Fund. Mr. Sarbaugh explained that the checks would be cut today to allow for the close-out of the FY 2006 budget. The Committee directed staff to include these items on the January 17, 2007 County Board agenda under New and Unfinished Business. Mr. Austin stated that the checks could be held until final approval by the County Board on the 17th.

Chairman Munaretto reminded members that the emergency appropriation Resolution that was approved by the Joint Committees today would require a two-third vote by the County Board.

Chairman Munaretto stated that “training” components will be held over the next few meetings to allow members to get acquainted with the various aspects of the Committee. On January 23, 2007 a presentation on the County Debt Issuance policy will be given along with an update from the outside auditors. Chairman Munaretto asked that the members review the debt policy prior to the next meeting; a copy of which was placed in all members’ mail boxes.

Ms. Hill asked if the liaison Committee for the Economic Development Corporation and the Convention and Visitors Bureau could be changed from the Management Services Committee to the Finance and Audit Committee, noting that Mr. Munaretto serves as liaison to this organization but is no longer a member of the Management Services Committee. Chairman Munaretto stated he would have no problem with this change as there is a reporting relationship with the Finance and Audit Committee which also oversees the Revolving Loan Fund. It was agreed that this move would make sense. Chairman Munaretto stated consider this change done and noted this change will be reflected in future County Board Rules.

Chairman Munaretto reported that he had a recent discussion with Sheriff Nygren pursuant to the program to replacement radio communication equipment and a recent correspondence he received from a competing firm, namely M/A-Com. He noted that the Sheriff was satisfied with the StarCom system and had signed a 7 million dollar contract with Motorola for said system. He pointed out that the contract could be canceled if the County chooses to do so. He asked that members give thoughtful consideration before making a final decision, noting that the financial component is the province of the Finance and Audit Committee. Mr. Austin noted that he had met with the Sheriff during the month of December to discuss the communication system and evaluate the systems offered. During those discussions, it was noted that an important component to the Star Com system is that it allows for a quick start-up as Motorola currently has an approved bandwidth and M/A-Com would need to apply. Chairman Munaretto stated that a consult was hired to review the County’s needs and expectations for a new communication system and the report provided by the consultant indicated that M/A-Com would be the better system. He noted that this report should have been the basis for making a decision. Mr. Kennedy added that StarCom is a qualified system and offers 24/7 assistance. Chairman Munaretto also noted that the County has determined that communication technology should be leased and not purchased by the County. He stated that when the County owns the equipment, they also own the problem. The StarCom system is attractive since it allows the County to simply lease the communication space. Chairman Munaretto stated he has sent a letter to Nick Provenzano, Chairman of the Law & Justice Committee, suggesting that his committee review this matter to satisfy the members that StarCom is the best selection for the County. He noted that ultimately the entire County Board will need to approve this contract. Mr. Austin added that this item may be presented to the County Board for consideration at the second meeting in February.

Ms. Wheeler left the meeting at 10:35 a.m.

EXECUTIVE SESSION: None

OLD BUSINESS: None

REPORTS TO COMMITTEE:

Auditor’s Report: Ms. Palmer reported that the department is busy meeting the close-out deadline for paying FY 2006 bills to the allow the outside auditor to begin their work. The outside auditors will be here from February 13 to March 2. They will also provide a update to the Committee on January 23, 2007. The risk assessment of all departments has been completed. A 2007 audit plan will be reviewed with the Chairman of the Finance and Audit Committee in the near future. Members were invited to forward their ideas for the 2007 audit plan to the

Department in the next couple days for consideration. Chairman Munaretto reviewed the guidelines for conducting an internal audit of a department, noting that this is an audit of "what" not "who" and usually includes departments that are determined to have more risk, such as those that handle money over the counter. Ms. Palmer also reported that the Auditor's Department has developed a newsletter that will be available in the near future. Chairman Munaretto asked if Ms. Palmer had given any thought to additional staff for her department. Ms. Palmer responded that they currently have five staff (including her). Additional staff may be requested "down the road."

Contingency Reports: None

ADJOURNMENT

Noting no further business, Ms. Chmiel made a motion, seconded by Ms. Orphal, to adjourn the meeting at 10:45 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution authorizing the McHenry County Treasurer to invest idle funds in the Working Cash Funds – FY 07
- Resolution authorizing salary increases for the Board of Review for FY 06-07
- Resolution authorizing a salary increase for the Chief County Assessment Officer for the fiscal budget year 2006-2007
- Resolution authorizing a salary adjustment to position 043-12-052-07 in the Court Services Departmental Roster
- Resolution authorizing a budget line item transfer in the State's Attorney's General Fund FY 05-06 budget
- Resolution authorizing a budget line item transfer in the Senior Services Grant Fund FY 2006 budget

DIRECTION TO INCLUDE UNDER NEW AND UNFINISHED BUSINESS:

- Resolution authorizing a budget line item transfer in the Planning and Development General Fund FY 05-06 budget
- Resolution authorizing a budget line item transfer in the Child Support Collection Fund FY 05-06 budget

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