

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

MINUTES OF TUESDAY, MARCH 22, 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 was absent. Also in attendance: Rick Bernotas, County Administrator; John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator - Finance; Donna Mayberry, Supervisor of Assessments; Pat McNulty, Health Department; Bob Trevarthen, Special Assistant State's Attorney; Frank Gosser, Attorney; Bob Lesser and Jane Wacker, Mental Health 708 Board; Ruth Rooney, Auditor; Dan Shea, County Board Member; 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 Ms. Chmiel, to approve the Finance and Audit Committee March 8, 2005 minutes and the Joint Law and Justice and Finance Audit Committee minutes of March 15, 2005. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION

None

NEW BUSINESS

Mr. Lesser asked that item #4.2 be pulled from the agenda. As requested, the Committee removed this item.

*Resolution authorizing an emergency appropriation and budget line item transfer for additional Teen Reach funding / Garden Quarter for the Mental health Board FY 05 budget:* Ms. Gilman made a motion, seconded by Mr. Moy, to recommend the County Board approve Items # 4.1 (a Resolution authorizing an emergency appropriation and budget line item transfer for additional Teen Reach funding / Garden Quarter for the Mental health Board FY 05 budget); 4.3 (a Resolution authorizing the addition of one part-time employee on the FY 04-05 Mental Health Board's Department roster for a Project Success case manager); 4.4 (a Resolution authorizing the reclassification of position 903 on the Mental Health Board's Department Roster); 4.5 (a Resolution authorizing the change in annual compensation for position #025-10-020-99 on the Mental Health Board); and 4.6 (approve a Resolution the reclassification of position #025-10-902-99 on the Mental Health 708 Board's Departmental roster) on the agenda. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Item 4.7 - Resolution authorizing the County Administration, County Treasurer and Mental Health Board's Executive Director to obtain interim financing for the Mental Health 708 Board; Item 4.8 – Resolution authorizing the issuance of Tax Anticipation Warrant (TAW) for the Mental Health board for FY 2005; and Item 4.9 – Resolution authorizing a short term loan from the General Fund to the Mental Health Board in FY 2005:* Mr. Trevarthen addressed the Committee to review these Resolutions. He noted that item 4.7 was not needed and it was pulled from the agenda. He then reviewed the remaining two Resolutions. He stated that in his opinion a short term loan from the general fund should be the first option; this would save the Mental Health interest costs and legal fees. The loan would be done as a draw-down. Mr. Gosser agreed that a short term loan would be the simplest method, but stated it was his understanding that the County could not charge interest. If for some reason a short term loan cannot be done, then the County could consider 4.8 as a second option. Mr. Trevarthen recommended the issuance of non-taxable TAWs. He recommended that the Committee approve both Resolutions and forward same to the County Board for consideration on April 7, 2005. A State's Attorney's opinion will be requested to: (a) determine if it is possible to do a short term loan from the general fund to the Mental Health 708 Board; and (b) if there is any statute that would allow or disallow the County to charge the Mental Health 708 Board interest on said loan. Mr. Trevarthen stated he would offer an opinion on the TAW. It was noted that the repayment of the loan would be 100% paid when taxes are received. Mr. Trevarthen reported if the sale of TAWs is necessary his costs would be approximately \$4,000 and if a loan can be accomplished his costs would not exceed \$1,000. Mr. LeFev agreed that a short term loan was the best method but added that if the County could not charge interest there would a lost of approximately \$7,000 of interest on these funds. Ms. Gilman stated if interest on the loan could not be charged then TAWs should be

issued. Ms. Chmiel agreed with Ms. Gilman and asked if there were other Boards that could make like request. Chairman Munaretto responded that any department with their own levy or budget can borrow against that levy. Noting no additional questions, Ms. Gilman made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution authorizing the issuance of Tax Anticipation Warrant for the Mental Health Board for FY 2005. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

Mr. Moy made a motion, seconded by Ms. Kate to recommend the County Board approve a Resolution authorizing a short term loan from the General Fund to the Mental Health Board for FY 2005. Mr. Hammerand questioned if the Resolution should include wording regarding repayment. Chairman Munaretto responded that this would be included in the agreement. On a roll call vote, the motion carried with five ayes (Moy, Kate, Chmiel, Hammerand and Munaretto) and one nay (Gilman).

*Resolution authorizing acceptance of subgrant #008 and emergency appropriations in the Job Training FY 2005 budget:* Ms. Gilman made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution authorizing acceptance of subgrant #008 and emergency appropriations in the Job Training FY 2005 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Brewer, Hammerand and Munaretto).

*Resolution authorizing a lease with Dell Government Leasing and a budget line item transfer in the Job Training FY 2004- 2005 budget:* Mr. Moy made a motion, seconded by Ms. Kate, to recommend the County Board approve a Resolution authorizing a lease with Dell Government Leasing and a budget line item transfer in the Job Training FY 2004- 2005 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution authorizing a court ordered property clean-up:* Ms. Gilman made a motion, seconded by Ms. Kate, to recommend the County Board approve a Resolution authorizing a court ordered property clean-up. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution authorizing acceptance of a grant for mosquito vector prevention program and an emergency appropriation to the Health Department's FY 04-05 budget:* Mr. Hammerand made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution authorizing acceptance of a grant for mosquito vector prevention program and an emergency appropriation to the Health Department's FY 04-05 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution establishing the salary of the County Engineer and appropriating funds:* Ms. Gilman made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution establishing the salary of the County Engineer and appropriating funds. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution authorizing a mid-year salary adjustment to position #045-E11-005-99 and budget line item transfers in the State's Attorney's FY 04-05 budget:* Ms. Chmiel made a motion, seconded by Ms. Gilman, to recommend the County Board approve a Resolution authorizing a mid-year salary adjustment to position #045-E11-005-99 and budget line item transfers in the State's Attorney's FY 04-05 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution authorizing reappointment of Jan Hervert to the Board of Review:* Ms. Gilman made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution authorizing reappointment of Jan Hervert to the Board of Review. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution authorizing reappointment of the Supervisor of Assessments:* Mr. Moy made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing reappointment of the Supervisor of Assessments. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution authorizing an emergency appropriation in the County Board's FY 04-05 budget:* Mr. Moy made a motion, seconded by Ms. Kate, to recommend the County Board approve a Resolution authorizing an emergency appropriation in the County Board's FY 04-05 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution identifying work contracts to installment purchase agreements for Annex A:* This item will be considered at the next regular meeting of the Finance and Audit Committee.

*Resolution identifying work contracts to installment purchase agreements for Valley-Hi:* This item will be considered at the next regular meeting of the Finance and Audit Committee.

*Resolution identifying work contracts to installment purchase agreements for the Jail Project:* This item will be considered at the next regular meeting of the Finance and Audit Committee.

*Resolution in support of the Greater Marengo / Union Area Watershed Planning Project:* Ms. Gilman made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution in support of the Greater Marengo / Union Area Watershed Planning Project. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution authorizing acceptance of a Senior Services Grant award and an emergency appropriation to the Veterans Administration FY 04-05 budget:* Mr. Hammerand made a motion, seconded by Ms. Kate, to recommend the County Board approve a Resolution authorizing acceptance of a Senior Services Grant award and an emergency appropriation to the Veterans Administration FY 04-05 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution authorizing an emergency appropriation to the General Fund FY 2005 budget:* Ms. Kate made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution authorizing an emergency appropriation to the General Fund FY 2005 budget. Mr. Sarbaugh noted that this Resolution was to repay those departments who agreed to reduce their expenditure budgets to keep the General Fund in compliance with the County Board Policy. The Finance and Audit Committee had made a commitment to make these departments whole. On a roll call vote, the motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Resolution authorizing pay adjustment to the hourly rate of position #017-7-004-99 in the Treasurer's Department:* Mr. Moy made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing a pay adjustment to the hourly rate of position #017-7-004-99 in the Treasurer's Department. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

*Discussion on the use of Contingency Funds for County's Gypsy Moth Aerial Spraying Program:* Mr. Labaj provided an update regarding spraying for Gypsy Moths. The State has withdrawn their program for Gypsy Moth spraying for McHenry County. Costs for the County to provide this program without State assistance will be approximately \$18 to \$25 per acre. If spraying is not done, the County could find itself in a quarantine situation. Members suggested that local greenhouses and nurseries be contacted for possible funding for this program since these industries have a vested interest. The total cost of this program for 2005 would be \$50,000 to \$60,000, including insurance. Chairman Munaretto asked for a consensus from the Committee members to use the Contingency fund to cover the expense of this program. Members agreed and directed Mr. Labaj to take the necessary steps to begin this program. Members also suggested that this program become a budget item. It was also noted that the public should be educated as to spraying services available and the advantages to hiring such a service for their individual property. Mr. LeFew stated a brochure could be inserted and mailed with the tax bill.

#### EXECUTIVE SESSION

None.

#### OLD BUSINESS

*Formation of a 501 C (3) company for grants:* Chairman Munaretto stated this item will be disposed of since there is no reason to form a foundation. He pointed out that it is possible for any individual make a donation to the County and take a tax credit for said donation. The McHenry County Community Foundation is also available and can act as a "conduit" if a grant is desired.

*Audit Policy:* Chairman Munaretto distributed a revised version of a proposed Internal Audit Policy along with the Audit Committee Charter. He noted that information contained in the Charter had been included in the revised policy. The policy describes the tasks, duties and responsibilities of the Auditor. Mr. Moy stated he supported the purpose of a partnership endeavor, but noted that the Committee should not become the "taskmaster." Chairman Munaretto responded that the proposed policy would only enhance the partnership and asked that the members focus on the Internal Audit Policy. Members asked for time to read and "digest" the document. Ms. Rooney stated she would also like to review the proposed policy and asked that this discussion continue at the next meeting. Ms. Chmiel agreed that there was no need for the Charter and raised many concerns with the proposed Internal Audit Policy. She noted that the duties and responsibilities of the Auditor fall under the State Statutes and as the proposed policy is worded she could not support this document noting that the Committee could only give direction to conduct an audit. Members asked that a copy of the state statutes relative to the auditor's duties be provided prior to the next meeting. They also asked Ms. Rooney to review this document and put any comments she may have in writing.

REPORTS TO COMMITTEE

The following reports were distributed: Contingency Report statement of activity as of 3/21/05; a Sales Tax Analysis; and the FY 2004 Fourth Quarter Financial Report.

Chairman Munaretto reported that there will be a Resolution on the April 7, 2005 County Board agenda under "new and unfinished" business to authorize the purchase of software and hardware for the Sheriff to accommodate jail growth. The cost will be approximately \$500,000.

ADJOURNMENT

Noting no further business, Mr. Hammerand made a motion, seconded by Ms. Kate, to adjourn the meeting at 11:10 a.m. The motion carried with a unanimous voice vote.

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**RECOMMENDED FOR BOARD ACTION:**

- Resolution authorizing an emergency appropriation and budget line item transfer for additional Teen Reach funding / Garden Quarter for the Mental Health Board FY 05 budget
- Resolution authorizing the addition of one part-time employee on the FY 04-05 Mental Health Board's Department roster for a Project Success case manager
- Resolution authorizing the reclassification of position 903 on the Mental Health Board's Department Roster
- Resolution authorizing the change in annual compensation for position #025-10-020-99 on Mental Health 708 Board
- Resolution authorizing reclassification of position 025-10-902-99 on the Mental Health 708 Board's Departmental roster
- Resolution authorizing the issuance of Tax Anticipation Warrant for the Mental Health Board for FY 2005
- Resolution authorizing a short term loan from the General Fund to the Mental Health Board in year 2005
- Resolution authorizing acceptance of subgrant #008 and emergency appropriations in the Job Training FY 2005 budget
- Resolution authorizing a lease with Dell Government Leasing and a budget line item transfer in the Job Training FY 2004-2005 budget
- Resolution authorizing a court ordered property clean-up
- Resolution authorizing acceptance of a grant for mosquito vector prevention program and an emergency appropriation to the Health Dept's FY 04-05 budget
- Resolution establishing the salary of the County Engineer & appropriating funds
- Resolution authorizing a mid-year salary adjustment to position #045-E11-005-99 and budget line item transfers in the State's Attorney's FY 04-05 budget
- Resolution authorizing reappointment of Jan Hervert to the Board of Review
- Resolution authorizing reappointment of the Supervisor of Assessments
- Resolution authorizing an emergency appropriation in the County Board's FY 04-05 budget
- Resolution in support of the Greater Marengo / Union Area Watershed Planning Project
- Resolution authorizing acceptance of a Senior Services Grant award and an emergency appropriation to the Veterans Administration FY 2004-2005 budget
- Resolution authorizing an emergency appropriation to the General Fund FY 2005 budget
- Resolution authorizing pay adjustment to the hourly rate of position #017-7-004-99 in the Treasurer's Dept.