

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

MINUTES OF TUESDAY, APRIL 26, 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; Don Brewer; and Perry Moy. Also in attendance: Rick Bernotas, Administration Consultant; John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator - Finance; Tim Wenberg, Valley-Hi Administrator; Mary Lou Zierer, County Board Member; Cathy Link, Purchasing; and the press.

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| 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 April 12, 2005 minutes. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION

None

NEW BUSINESS

Resolution authorizing an emergency appropriation to the Valley-Hi Building project FY 05 budget: Mr. Moy made a motion, seconded by Ms. Kate, to recommend the County Board approve a Resolution authorizing an emergency appropriation to the Valley-Hi Building Project FY 05 budget. Mr. Bernotas explained that this Resolution is proposed to meet an increase in construction costs due to the addition of square footage to meet the Illinois Health Facilities Planning Board mandate. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Brewer, Hammerand and Munaretto).

Resolution authorizing acceptance of a \$3,000 amendment to the Tobacco Reality Illinois Grant and an emergency appropriation to the Health Department's FY 2005 budget: Ms. Gilman made a motion, seconded by Mr. Brewer, to recommend the County Board approve a Resolution authorizing acceptance of a \$3,000 amendment to the Tobacco Reality Illinois Grant and an emergency appropriation to the Health Department's 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 mid-year position reclassification and adjustment to the hourly rate of position #005-5-023-99 in the Assessment Office for FY 2005: Mr. Brewer made a motion, seconded by Ms. Gilman, to recommend the County Board approve a Resolution authorizing a mid-year position reclassification and adjustment to the hourly rate of position #005-5-023-99 in the Assessment Office for FY 2005. 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 budget line item transfer in the County Administration FY 05 budget: Ms. Gilman made a motion, seconded by Ms. Moy, to recommend the County Board approve a Resolution authorizing a budget line item transfer in the County Administration FY 05 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Brewer, Hammerand and Munaretto).

Valley-Hi Costs Presentation: Mr. Sarbaugh and Mr. Bernotas provided a presentation on a proposed program to address escalating nursing agency costs at Valley Hi. Goals included an attempt to determine why agency costs continue to increase, County Board expectations for staffing minimums, retention of qualified staff, overall cost of staffing needs, state requirements for quality care and how to solve the problem. Solutions included a raise in all salaries (which has been ineffective in the past); review of benefits (offering a flex schedule or day care); implementation of an incentive program to encourage employees to come to work and stay on the job; and adding new positions. Mr. Sarbaugh recommended initiating a "trial" incentive program for nursing staff at Valley Hi. The program would reward staff for good attendance and would only be paid on hours worked. Payment for this incentive would come from saved agency costs. The program would be reviewed quarterly with payments to the employee quarterly. The employees would be held responsible for fulfilling the required job functions. The program would start the first full pay period in June. By increasing daily attendance,

agency costs would decrease. Mr. Sarbaugh stated that this "pilot" program would also indicate if money was the "big" issue with employees. Hopefully, agency costs will be reduced by 25% during the test period. If goals are met, nursing management staff will also receive a percentage of the savings at the end of the year. Committee members expressed their appreciation for a well-thought out, creative program to help solve an existing problem. They directed Mr. Sarbaugh to draft a Resolution for consideration at the next meeting.

Workers' Compensation Audit and other Insurance matters: Mr. Labaj reported that the Workers' Compensation insurance carrier (Safety National) requires that an estimate on the total payroll be provided to determine premium costs. The information that was provided was found to be under-estimated and the carrier has requested an additional premium payment at a cost of \$4,800. In addition, the carrier also requires the reporting of volunteer hours. Members noted that the Human Resources Committee is developing a Volunteer Policy which may provide a method to track hours for those individuals

Host Agreement for the Crystal Lake Transfer station – Allocation of Funds: Mr. Labaj reported that at a recent meeting of the Pollution Control Facility Siting Committee, a Host Benefit Agreement with Waste Management for a facility located in Crystal Lake was discussed. The fees will be calculated based upon tonnage. If the County designates Virginia road to legally accommodate 80,000 pound vehicles, the fee per ton would be increased. The Committee would also like a fund designated for these host fees. Fees could be used to maintain the road and also for recycling educational programs and events.

EXECUTIVE SESSION

None.

OLD BUSINESS

County Audit Policy: The Committee is waiting for a State's Attorney's opinion and will discuss this at the next meeting.

Chairman Munaretto asked that discussion of the County Debt Policy be included on the next agenda.

REPORTS TO COMMITTEE

Contingency Report: None.

Members requested that an update on the Building Projects Contingency Fund also be provided along with an update to the Finance Model.

ADJOURNMENT

Noting no further business, Ms. Gilman made a motion, seconded by Mr. Brewer, to adjourn the meeting at 10:44 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Approve a Resolution authorizing an emergency appropriation to the Valley-Hi Building Project FY 05 budget
- Approve a Resolution authorizing acceptance of a \$3,000 amendment to the Tobacco Reality Illinois Grant and an emergency appropriation to the Health Department's FY 2005 budget
- Approve a Resolution authorizing a mid-year position reclassification and adjustment to the hourly rate of position #005-5-023-99 in the Assessment Office for FY 2005
- Approve a Resolution authorizing a budget line item transfer in the County Administration FY 05 budget