

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

MINUTES OF TUESDAY, MAY 24, 2005

Chairman Munaretto called the meeting to order at 9:35 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 Administration Consultant; John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; Ruth Rooney, County Auditor; Tom Carroll, Assistant State's Attorney; Ken Koehler, County Board Chairman; Becky Homola, Summer Intern – Finance.

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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. Gilman, to approve the Finance and Audit Committee May 10, 2005 minutes. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION

None

NEW BUSINESS

*Resolution authorizing the creation of two new temporary staff positions in the Job Training Department; (2) Resolution authorizing the acceptance of the Illinois Dept. of Economic Opportunity Technical Assistance Grant in the amount of \$1,000 and an emergency appropriation to the WIB FY 2005 budget; (3) Resolution authorizing acceptance of the Illinois Dept. of Commerce and Economic Opportunity Grant #05-68102 to the McHenry County Job Training FY 2006 budget; (4) Resolution authorizing acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #04-63102 and an emergency appropriation to the McHenry County Job Training FY 04-05 budget; (5) Resolution authorizing acceptance of the Illinois Dept. of Commerce and Economic Opportunity Grant #04-67202 and an emergency appropriation to the McHenry County Board Training FY 06 budget; and (6) Resolution authorizing acceptance of modification to the Illinois Dept. of Commerce and Economic Opportunity Grant #05-66102 and an emergency appropriation to the McHenry County Job Training FY 04-05 budget:* Noting that these six Resolutions were all relating to the Job Training Department, Ms. Kate made a motion, seconded by Ms. Gilman, to recommend the County Board approve the following six Resolutions: (1) a Resolution authorizing the creation of two new temporary staff positions in the Job Training Department; (2) a Resolution authorizing the acceptance of the Illinois Dept. of Economic Opportunity Technical Assistance Grant in the amount of \$1,000 and an emergency appropriation to the WIB FY 2005 budget; (3) a Resolution authorizing acceptance of the Illinois Dept. of Commerce and Economic Opportunity Grant #05-68102 to the McHenry County Job Training FY 2006 budget; (4) a Resolution authorizing acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #04-63102 and an emergency appropriation to the McHenry County Job Training FY 04-05 budget; (5) a Resolution authorizing acceptance of the Illinois Dept. of Commerce and Economic Opportunity Grant #04-67202 and an emergency appropriation to the McHenry County Board Training FY 06 budget; and (6) a Resolution authorizing acceptance of modification to the Illinois Dept. of Commerce and Economic Opportunity Grant #05-66102 and an emergency appropriation to the McHenry County Job Training FY 04-05 budget. Ms. Gilman commented that she appreciated the addition of the paragraph "BE IT FURTHER RESOLVED, that the Director of Job Training and the County Auditor shall reconcile Fund 90 for November 30, 2005 to assure that the correct fund carryovers are made as part of the annual County year-end process." Members echoed Ms. Gilman's observation after which a roll call vote was taken. The motion carried with all members present voting aye (Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto).

*Resolution authorizing amendments to the McHenry County Debt Issuance Policy:* Ms. Chmiel made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution authorizing amendments to the McHenry County Debt Issuance Policy. Ms. Chmiel asked if the Policy should be amended to eliminate the wording "over \$3,000,000" since the policy is now going with a time threshold. Members agreed and directed staff to make this correction prior to presentation to the County Board. A roll call vote was called and the motion

carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto).

*Resolution authorizing two new attorney positions, one new legal administrative position and recalculation of cost allocation percentages for positions in the State's Attorney's and Risk Management position rosters and a budget line item transfer in the Risk Management FY 2005 budget:* Ms. Gilman made a motion, seconded by Ms. Kate, to recommend the County Board approve a Resolution authorizing two new attorney positions, one new legal administrative position and recalculation of cost allocation percentages for positions in the State's Attorney's and Risk Management position rosters and a budget line item transfer in the Risk Management FY 2005 budget. Ms. Gilman stated that the Human Resources Committee had recommended approval of this Resolution after a lengthy discussion. Mr. Sarbaugh explained that this request is budget neutral in that it is funded with funds that had previously been used to pay outside counsel. Mr. Labaj reported that with the use of Assistant State's Attorney's costs for outside counsel have dropped tremendously in the last six months. The State's Attorney has agreed to track fees for these services which will provide greater accountability of billable hours. If outside legal assistance is necessary these legal fees will be tracked with the use of a special line item. After discussion, a roll call vote was called. The motion carried with all members present voting aye (Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto).

*Resolution authorizing one new attorney position and one new legal administrative position in the State's Attorney's position roster and an emergency appropriation to the State's Attorney's FY 2005 budget:* Ms. Chmiel made a motion, seconded by Ms. Gilman, to recommend the County Board approve a Resolution authorizing one new attorney position and one new legal administrative position in the State's Attorney's position roster and an emergency appropriation to the State's Attorney's FY 2005 budget. The motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto).

*Resolution authorizing a budget line item transfer in the Human Resources FY 2005 budget:* Ms. Gilman made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing a budget line item transfer in the Human Resources FY 2005 budget. Ms. Gilman stated that the Human Resources Committee recommended approval of this Resolution although there was some discontent. The Resolution will provide funding to cover Mr. Light's consultant position during the process of appointing a new Human Resources Director. It was noted that Mr. Light has begun his new position, but is coming in on his own time to complete some of the projects he started. Chairman Munaretto commented that this will benefit the County during the transition period. The motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Hammerand, Kate, Moy and Munaretto). Mr. Hammerand raised concern that during the transition period for a new department head the County hires the former head to serve as a consultant. He asked why there is no overlapping period of at least a week for the new individual to work with the departing employee. Chairman Munaretto noted that there are times when it takes longer to find and hire a qualified individual and the process allows for this transition period. Ms. Chmiel stated it may be necessary to revisit this issue since \$1,500 may not be enough should the hiring process take longer than anticipated.

*Resolution authorizing a formal budget process for FY 05/06:* Chairman Munaretto reported that the Budget Advisory Committee had recently met and recommended a change to the Budget Policies, which are noted in today's document. Ms. Gilman noted that the Human Resources Committee is discussing the 5% increase for new employees after the training period. Mr. Sarbaugh confirmed the discussions and noted that no firm decision had been made as to how to address these concerns. He reviewed the problem and how such a policy could cause a compression issue at the bottom of the grade level. He suggested doing away with the training period and just having a probationary period. Chairman Munaretto stated that the Finance and Audit Committee would not be in a position to make such amendments without the approval of the HR Committee. Ms. Rooney reported that some departments hire an individual at one level for the first 6 months and then give a significant pay raise by bumping them a level. Ms. Kate made a motion, seconded by Mr. Moy, to recommend the County Board approve a resolution authorizing the formal budget process for FY 05/06 as presented. Mr. Hammerand raised concern that if there were changes, such changes would not be included in this document. Mr. Sarbaugh stated that he is beginning the budget process and would like the County Board to consider this policy on June 7<sup>th</sup> to allow the process to move forward. After a discussion, it was agreed that a joint meeting of the Finance and Audit Committee and the Human Resources Committee would be scheduled for Tuesday, June 7, 2005 at 8:15 a.m. to discuss and consider amendments to the employee training period. Ralph will prepare a document for inclusion in the County Board packet. If the Committees make further amendments during the joint meeting,

said amendments will be made at the County Board meeting. Ms. Gilman made a motion, seconded by Mr. Hammerand to table the Resolution until the joint meeting. The motion carried with a unanimous voice vote.

Mr. Sarbaugh introduced Becky Homola who will be working with him as a summer intern. She will be here every other week. We are sharing her expertise with Nunda Township. She is attending Montana State University and currently working on her Master's Degree in Accounting. The Committee welcomed Ms. Homola.

EXECUTIVE SESSION

Mr. Moy made a motion, seconded by Ms. Kate, to enter executive session to discuss personnel and review executive session minutes. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

Ms. Gilman made a motion, seconded by Mr. Hammerand, to return to regular session. The motion carried with all members present voting aye on a roll call vote (Moy, Gilman, Kate, Chmiel, Hammerand and Munaretto).

The Committee was in executive session from 10:22 a.m. until 10:56 a.m.

NEW BUSINESS – CONTINUED

Mr. Hammerand made a motion, seconded by Mr. Moy, to approve executive session minutes of March 8, 2005 and April 12, 2005 pending State's Attorney's review. The motion carried with a unanimous voice vote of all ayes.

OLD BUSINESS

*County Audit Policy:* Chairman Munaretto asked that this be left on the agenda.

REPORTS TO COMMITTEE

*Contingency Report:* Mr. Sarbaugh distributed the Contingency Report for the period ending 5/23/05.

*Building Projects Change Order Reports:* Reports for the Jail Buildout Project Fund, Courts and related services and the Valley-Hi project were submitted. Members asked if the Jail Project would meet the June timeline. Mr. Moy reported the project is approximately 80% complete and it should be done in late July or early August. Chairman Munaretto pointed out that the Financial model was based on expected revenue from this project in July. Mr. Moy explained a 2 to 3 week delay in receiving steel, which has now been received. Members questioned if the contract included a penalty clause. Chairman Munaretto pointed out that in some respects the County was a reason this project did not start sooner and it would be difficult to include a penalty date when we were part of this delay. Ms. Chmiel asked that a date certain be "pinned down" with the firm and if they are unable to do so they need to explain the circumstances to the Building Project Committee. Mr. Moy stated the next Building Projects meeting is on June 6 and Jacobs will be at this meeting. Members questioned the item for concrete pods, detention panels and tray carts at a cost of \$78,530. Mr. Bernotas stated the concrete was used to fill holes to cover any voids so contraband could not be hidden. He will check on the panels and tray carts.

ADJOURNMENT

Noting no further business, Ms. Gilman made a motion, seconded by Ms. Kate, to adjourn the meeting at 11:09 a.m. The motion carried with a unanimous voice vote.

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**RECOMMENDED FOR BOARD ACTION:**

- Approve a Resolution authorizing the creation of two new temporary staff positions in the Job Training Department
- Approve a Resolution authorizing the acceptance of the Illinois Dept. of Economic Opportunity Technical Assistance Grant in the amount of \$1,000 and an emergency appropriation to the WIB FY 2005 budget
- Approve a Resolution authorizing acceptance of the Illinois Dept. of Commerce and Economic Opportunity Grant #05-68102 to the McHenry County Job Training FY 2006 budget
- Approve Resolution authorizing acceptance of the IL Dept of commerce and Economic Opportunity Grant #04-63102 and an emergency appropriation in the McHenry County job Training FY 04-05 budget
- Approve a Resolution authorizing acceptance of the Illinois Dept. of Commerce and Economic Opportunity Grant #04-67202 and an emergency appropriation to the McHenry County Job Training FY 06 budget

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Approve a Resolution authorizing acceptance of modification to the Illinois Dept. of Commerce and Economic Opportunity Grant #05-66102 and an emergency appropriation to the McHenry County Job Training FY 04-05 budget

Approve a Resolution authorizing amendments to the McHenry County Debt Issuance Policy

Approve a Resolution authorizing two new attorney positions, one new legal administrative position and recalculation of cost allocation percentages for positions in the State's Attorney's and Risk Management position rosters and a budget line item transfer in the Risk Management FY 2005 budget

Approve a Resolution authorizing one new attorney position and one new legal administrative position in the State's Attorney's position roster and an emergency appropriation to the State's Attorney's FY 2005 budget

Approve a Resolution authorizing a budget line item transfer in the Human Resources FY 2005 budget

Approve a Resolution authorizing a formal budget process for FY 05/06