

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

MINUTES OF TUESDAY, APRIL 25, 2006

Chairman Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto, Chairman; Ann Gilman; Marie Chmiel; John Hammerand; and Perry Moy. Don Brewer was absent. Also in attendance: Ralph Sarbaugh, Associate County Administrator-Finance; Peter Austin, County Administrator; Pam Palmer, Auditor; Donna Mayberry, Supervisor of Assessments; staff representative from the Recorder's Office; Eric Anderson, Harrison Bank & Trust; Sandy Lewis, Bob Lessor, Beverly Thomas and Frank Gosser from the Mental Health Board; interested public; and the press.

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

MINUTES

Ms. Chmiel made a motion, seconded by Ms. Gilman, to approve the Finance and Audit Committee minutes of April 11, 2006. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION:

None

PRESENTATION:

None

OLD BUSINESS

Debt Refinance: Chairman Munaretto asked for permission to move Agenda Item 7.1(Debt Refinancing) up on the agenda. Members agreed. Chairman Munaretto noted that the Mental Health Board's Series 2001A Debt Certificates are different from the way the County currently approaches such financing. He stated that the County is interested in trying to conform these certificates through debt refinancing. The County has an opportunity to refinance these certificates which would reduce payment costs and be beneficial to the cash flow of the Mental Health Board. Ms. Lewis stated that she was originally under the impression that the certificates could not be refinanced, but a discussion with Mr. Anderson revealed that this could be done. Mr. Anderson distributed a list of four refunding debt service options that could be implemented for the Series 2001 Mental Health Debt Certificates. Chairman Munaretto pointed out that it would be necessary to take into consideration costs involved in the refinancing and if there were no savings value of an acceptable range then the refinancing would not be acted upon. Ms. Lewis stated that Option Four indicates a savings of \$165,000 and this option could be done without refinancing by making extra payments. Chairman Munaretto agreed, but noted that Option Four would not help with cash flow and that there are special rules governing sinking funds. He also noted how the current debt may have a bearing on the County's Standard & Poor's Ratings. Mr. Gosser asked if an extra payment can be made without a penalty. Chairman Munaretto responded that the County has a strong relationship with Amcore Bank and the County is of the option that such a payment would be possible. Mr. Anderson reported that the original Ordinance provided by Chapman and Cutler and approved by the County allows for a call for redemption of debt. Chairman Munaretto stated that this debt is a good candidate for refinancing as it would allow for replacing of the debt structure and allows partial pay-off with a savings if Option Two is used. Option Four would not change the "sinking fund" issue nor does it help the cash flow. Ms. Lewis noted that Option Four would do away with the "sinking fund." Mr. Larson pointed out that the Mental Health Board has always voted to spend any extra funds for services instead of saving funds. Ms. Lewis noted that she has not had an opportunity to review future building needs of Mental Health and asked what changes were implemented regarding the County's loan financing. Chairman Munaretto stated that since 2001, the County adopted a Debt Financing Policy to enable the best financing rates available through the corporate market. Previously all financing was handled by the Treasure's office. The County now has a more competitive plan and uses an underwriting approach. Consideration is first given to local banks and debt certificates are issued in increments of \$5,000. Mr. Gosser stated that the whole process is beneficial and there could be significant savings, he asked if Mr. Anderson would be able to get a written statement from Amcore Bank on how they interpret the refinancing options. Chairman Munaretto stated it may be easier if Mr. Gosser contacts the bank. Ms. Lewis stated it was their intention to look at the future cash flow in those areas they have control over. Chairman Munaretto added that Mr. Sarbaugh would be happy to work with them if needed. Ms. Lewis stated it will be necessary to discuss these issues with the Mental Health Board prior to making a decision.

Chairman Munaretto pointed out that rates are increasing quickly and if there was a way to get a consensus from the members before the next Finance & Audit Committee meeting on May 9th it would be appreciated. He thanked everyone for their participation today and stated that no action will be taken until a response is received from the Mental Health Board.

NEW BUSINESS

Resolution authorizing Board of Review Appointments: Ms. Chmiel made a motion, seconded by Ms. Gilman to recommend the County Board approve a Resolution authorizing the appointment of Robin Brunshon and Mary Mahady to the Board of Review for terms to expire on May 31, 2008. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Hammerand and Munaretto).

Resolution authorizing the award of bids for landscaping installation services and jail expansion parking lot improvements, an emergency appropriation in the Jail Build-Out Project fund and a budget line item transfer in the General Fund: Mr. Moy made a motion, seconded by Ms. Chmiel to recommend the County Board approve a Resolution authorizing the award of bids for landscaping installation services and jail expansion parking lot improvements, an emergency appropriation in the Jail Build-Out Project fund and a budget line item transfer in the General Fund. Ms. Chmiel noted that the Resolution provided now clearly indicates what account will be used to fund this project and provides a clear tracking record. Ms. Austin reported that the project is somewhat over budget and after redesigning and not doing the Annex A parking area the cost was reduced. Mr. Hadley reported that the parking area to be done will include the lot in front of the Jail area up to the sally port, landscaping will include the median center and front of building with approximately 20,000 square feet of sod. Ms. Gilman stated that approximately 14 years ago the County Board approved a Resolution to use native plants and natural grasses rather than sod when landscaping government center grounds. She asked Mr. Hadley if the landscaping design would conform with this Resolution. Mr. Hadley stated he is unaware of this Resolution. Ms. Gilman asked if it would be possible not to use sod in an effort to try to conform to this previously passed Resolution. She made a motion to send this Resolution back to the Building and Projects Committee for further consideration. Mr. Hammerand seconded Ms. Gilman's motion. Ms. Gilman noted that she has watched trees and shrubs dry around the government center for lack of water and proper maintenance. She added that native plants and natural grasses would reduce maintenance costs and would be ecologically friendly; she asked that the County take some leadership and follow through with previous planning. Ms. Chmiel stated that the paving could be done at this time. After a discussion, it was agreed that Mr. Hadley will talk with the landscaper to see if Ms. Gilman's suggestions would be possible. He will report his findings to the full County Board. Ms. Gilman and Mr. Hammerand agreed to removed the motion to send the Resolution back to the Building Projects Committee. On a roll call vote, the original motion was approved with all ayes (Hammerand, Chmiel, Moy, Gilman and Munaretto).

Resolution authorizing the purchase of 230 Hewlett Packard Laptop Computers for the County Clerk's Election Department and an adjustment to the non-departmental FY 06 budget: Ms. Gilman made a motion, seconded by Mr. Hammerand to recommend the County Board approve a Resolution authorizing the purchase of 230 Hewlett Packard Laptop Computers for the County Clerk's Election Department and an adjustment to the non-departmental FY 06 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Hammerand and Munaretto).

Resolution authorizing an emergency appropriation in the Recorder's FY 06 budget for the purchase of tax transfer stamps: Ms. Gilman made a motion, seconded by Mr. Moy to recommend the County Board approve a Resolution authorizing an emergency appropriation in the Recorder's FY 06 budget for the purchase of tax transfer stamps. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Hammerand and Munaretto).

Discussion of purchasing networked LCD's for County Board Meeting Rooms: Mr. Sarbaugh reported that Chairman Koehler has requested that all County Board meeting rooms (A, B and C) be equipped with networked LCD's to enable the public to clearly see all screen presentations. Three bids have been received, the most economical bid came in at \$11,000. The Contingency fund would be used to cover the cost. Mr. Sarbaugh asked the Committee if they would like this project to move forward. Members stated this was a long overdue project and directed Mr. Sarbaugh to move ahead.

EXECUTIVE SESSION: None.

REPORTS TO COMMITTEE: None

ADJOURNMENT

Noting no further business, Mr. Moy made a motion, seconded by Mr. Hammerand, to adjourn the meeting at 10:23 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

Resolution authorizing the appointment of Robin Brunshon and Mary Mahady to the Board of Review for terms to expire on May 31, 2008

Resolution authorizing the award of bids for landscaping installation services and jail expansion parking lot improvements, an emergency appropriation in the Jail Build-Out Project fund and a budget line item transfer in the General Fund

Resolution authorizing the purchase of 230 Hewlett Packard Laptop Computers for the County Clerk's Election Department and an adjustment to the non-departmental FY 06 budget

Resolution authorizing an emergency appropriation in the Recorder's FY 06 budget for the purchase of tax transfer stamps

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