

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

MINUTES OF TUESDAY, MAY 9, 2006

Chairman Munaretto called the meeting to order at 9:33 a.m. The following Committee Members were present: Marc Munaretto, Chairman; Ann Gilman; Marie Chmiel; Don Brewer; John Hammerand; Blake Hobson; and Perry Moy. Also in attendance: Ralph Sarbaugh, Associate County Administrator-Finance; Peter Austin, County Administrator; Pam Palmer, Auditor; Kathie Schultz, County Clerk; Sandy Lewis and Jane Wacker, Mental Health Board; Tom Carroll, Assistant State's Attorney; Eric Anderson, Harrison Bank & Trust; interested public; and the press.

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

MINUTES

Mr. Moy made a motion, seconded by Ms. Gilman, to approve the Finance and Audit Committee April 25 2006 minutes. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION:

None

PRESENTATION:

None

Chairman Munaretto welcomed Blake Hobson as the newest Committee and County Board Member.

Chairman Munaretto asked for permission to have the County Clerk address the Committee regarding the selection of election judges. Ms. Schultz reported that selection of election judges will need to be approved by the County Board on May 16th. She noted that the State is considering a bill to amend this requirement to make the selection date in July, but currently that bill has not been passed. She is working on the list of election judges, which will not be completed until after this Friday since that is the application deadline. Chairman Munaretto asked the members if they would like to meet just prior to the Board meeting on the 16th to consider a Resolution or if this item could be placed on the County Board Agenda under new and unfinished business. Members agreed to meet on Tuesday, May 16, 2006 at 6:30 p.m. to consider a Resolution for the selection of election judges. This item will also be included on the County Board agenda for the 16th.

Chairman Munaretto reported that the Mental Health Board met last evening. He asked Ms. Lewis to address the Committee regarding the conclusions from last night's meeting for bond refinancing. Ms. Lewis thanked the Committee for bringing this refinancing opportunity to their attention. She presented a letter from Amcore Bank which states the original agreement to prepay the debt early will be honored. The Mental Health Board has authorized moving forward with Option 4, which involves making a payment of \$450,000 with the funds that have been reserved for the balloon payment and then making an additional \$90,000 payment each December. These payments would retire the debt earlier. To assist the agency with cash flow, it has been decided that payments to contractors will be suspended in the spring months with a catch-up to said payments in the summer months.

NEW BUSINESS

Resolution authorizing acceptance of CDBG funds and an emergency appropriation to Veterans Assistance Commission FY 06 budget: Ms. Gilman made a motion, seconded by Mr. Moy to recommend the County Board approve a Resolution authorizing acceptance of CDBG funds and an emergency appropriation to the Veterans Assistance Commission FY 06 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

Resolution authorizing an emergency appropriation and budget line item transfers in the McHenry County Mental Health Board FY 06 Child Initiative Grant Fund budget: Mr. Moy made a motion, seconded by Ms. Gilman, to recommend the County Board approve a Resolution authorizing an emergency appropriation and budget line item transfers in the McHenry County Mental Health Board FY 06 Child Initiative Grant Fund budget. Ms. Lewis stated that this resolution reflects the late start-up date and anticipates changes in the personnel costs due to late hires and reflects the second year submission of the grant. The grant is held by the State with

the Mental Health Board being the contractor. The grant allows the Mental Health Board to place personnel in the schools to work side-by-side with the schools' counselors/professionals as a separate entity. After a discussion a roll call vote was called. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

Resolution authorizing an emergency appropriation and budget line item transfers in the McHenry County Mental Health Board FY 06 budget: Ms. Chmiel made a motion, seconded by Mr. Hobson to recommend the County Board approve a Resolution authorizing an emergency appropriation and budget line item transfers in the McHenry County Mental Health Board FY 06 budget. Ms. Lewis stated that this Resolution recognizes the late start to the project and acknowledges facility costs including space, telecommunications and computers and accommodates start up for personnel. It also allows for the transfer of funds to provide for the two year payment on the bonds by using the set-aside funds. It was noted that these funds had not be encumbered since costs were unknown. A roll call vote was called. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

Resolution authorizing a fee schedule for service of summons and subpoenas: Mr. Brewer made a motion, seconded by Ms. Gilman, to recommend the County Board approve a Resolution authorizing a fee schedule for service of summons and subpoenas. The fees collected will allow for partial funding for a special investigator position in the State's Attorney's Department. It was unknown if the fees would cover 100% of the costs, but the fees are comparable to those of other counties. Mr. Brewer noted that the Sheriff conducted a fee study approximately two years ago and the proposed fees are consistent with that report. Ms. Gilman made a motion, seconded by Mr. Hobson, to amend the Resolution to add wording that the fee schedule will be consistent with the study conducted by the Sheriff's Department every two years. Mr. Carroll stated that the fees cannot rise independently of the Sheriff's. He also noted that the State's Attorney's Investigator will be deputized by the Sheriff to be able to serve the summons and subpoenas. The vote on the amendment carried with a unanimous voice vote. A roll call vote on the original motion with amendments carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

Resolution authorizing the purchase and installation of headstones at Valley-Hi Cemetery: Mr. Moy made a motion, seconded by Mr. Hobson, to recommend the County Board approve a Resolution authorizing the purchase and installation of headstones at Valley-Hi Cemetery. Ms. Gilman asked if the word "paupers" could be changed or just left out of the Resolution. It was noted that the term "pauper" does have legal meaning and is connected to a body of law; as such it should remain in the Resolution. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

Resolution authorizing the establishment of Mental Health Court Fee: Mr. Brewer made a motion, seconded by Ms. Gilman, to recommend the County Board approve a Resolution authorizing the establishment of Mental Health Court Fee. Mr. Austin reviewed the proposed Resolution noting that collection of fees will begin on July 1, 2006 if approved. The funds will go into the General Fund and will be tracked under a specific OCA code. These funds can only be used to finance the court system. Mr. Hammerand raised concern that collection of fees only applied to those who go to court. It was noted that the fees apply only to those who appear in court that are found guilty of a felony, misdemeanor, petty and business offenses. After the discussion, a roll call vote was taken. The motion carried with six ayes (Chmiel, Hobson, Gilman, Brewer, Moy and Munaretto) and one nay (Hammerand).

Resolution authorizing the creation of new positions to support the Office of the new Associate Judge: Mr. Brewer made a motion, seconded by Mr. Moy to recommend the County Board approve a Resolution authorizing the creation of new positions to support of the office of the new associate judge. Mr. Austin noted that one new judge will be added and personnel are needed prior to the arrival of that judge. The new judge will not decrease the workload, but will help with the back log of cases. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

Resolution authorizing membership in the McHenry County Historical Society: Mr. Moy made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing membership in the McHenry County Historical Society. It was noted that this Resolution had been approved by the Management Services Committee with a 5/2 vote. Ms. Gilman stated she was unable to support this Resolution, noting that there are many good organizations and that this was not a good use of taxpayer funds. Mr. Hobson noted that this is a yearly membership and stated he could not support this membership. Mr. Hammerand commented he

also could not support this membership. Chairman Munaretto noted that this is not the first time the Board has have been asked to join such organizations and in the past the County Board has chosen not to contribute dollars. Mr. Moy supported membership in the Historical Society noting that it is a preservation source for the flavor and quality of the County. Ms. Chmiel commented that although she seconded this motion, after further consideration she could not support this request. On a roll call vote, the motion failed with six nays (Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto) and one aye (Moy).

Resolution authorizing a budget line item transfer in the Planning and Development Department's FY 06 budget to allow for temporary administrative services: 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 P & D Department's FY 06 budget. The motion carried with all members voting aye on a roll call vote (Moy, Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

EXECUTIVE SESSION: None.

OLD BUSINESS:

Refinancing (continued discussion): Mr. Anderson joined the Committee to continue the discussion on refinancing of bonds, he begin by noting that we are on "Fed watch today" with rates expected to rise. He noted that as rates go up, savings go down. A sheet of today's market conditions was distributed. Mr. Anderson stated the document reflects today's conditions, which are expected to change. He reviewed refinancing options, including adopting a "parameter" Resolution at the May 16, 2006 County Board meeting that would allow "us" to capture a refinancing opportunity should the rates dip. Such a Resolution could be in effect until a new Board takes office or for however long the Board chooses. Chairman Munaretto stated the Committee could either decide to take Mr. Anderson's recommendation relative to a parameter resolution or could decide to abandon refinancing efforts at the current time and readdress the issue at a future time. Mr. Moy supported a parameter resolution, noting this was a one time opportunity. Mr. Anderson noted that the next time a second refinancing opportunity would be available would be in 7 years/9 mos. Ms. Chmiel did not support a parameter resolution. Members agreed by consensus to abandon the program until a more attractive opportunity becomes available, noting this was not a reasonable time given the current savings according to GFOA standards.

REPORTS TO COMMITTEE:

Contingency Reports: Mr. Sarbaugh distributed Contingency reports for the Valley-Hi Building Project; the Jail Build-out; the Courthouse Remodeling; and the General Fund.

Ms. Gilman commented that she is aware that the Management Services Committee has been discussing property for an animal control facility and that a building within a municipality is being considered. She raised concern that this is currently an office building and it would need extensive remodeling to make it useable as an animal control facility. She felt there may be less expensive options that had not be considered including the building of a pole building on the current site of animal control. She asked that a Committee of the Whole meeting be scheduled so all County Board Members could discuss this issue. Other members asked that research be conducted to provide options for a new animal control facility. Ms. Chmiel stated she would also like the Health Department to provide square footage needs for that division. An indepth study of the needs for animal control should also be conducted before any final decision is made. Mr. Brewer added that the building currently being considered was originally thought to be a good location for a satellite court facility but the parking was too limited. Ms. Chmiel asked if a new building could be constructed at the current site while animal control continues to work out of the old building. This option had not be studied. Members felt there could be an array of options that could be possible, including a pole building at the Banford location, or a facility at another property owned by the County. Members also questioned a payment of \$1,050 and who approved this payment. Mr. Austin stated the payment was to take zoning requests to the Crystal Lake Plan Commission. It was noted that staff is authorized to approve expenditures from the Contingency Fund for amounts under \$10,000. Chairman Munaretto asked that the Committee be informed of any Contingency expenditures regarding animal control issues. Chairman Munaretto asked that Mr. Austin discuss with the Board Chairman the scheduling of a COW to discuss animal control within the next thirty days. Options available and studies conducted to support options should be available at that meeting.

Chairman Munaretto stated the Finance & Audit Committee has a Loan Review Sub-Committee which currently has three members, himself, Ms. Gilman and Mr. Merkel. He felt the sub-committee should become part of the Finance and Audit Committee, with the review process the work of the committee instead of a sub-committee.

Members agreed and Chairman Munaretto asked that a Resolution be prepared for consideration at the next meeting to properly record this change.

Ms. Palmer reported that the outside audit is set to go to the printers. After the audit is completed, members will discuss the contract with Virchow Krause. Ms. Palmer reported that Management Letter issues are being resolved. She also noted that there are three to four department audits being conducted at the present time.

ADJOURNMENT

Noting no further business, Mr. Hammerand made a motion, seconded by Mr. Brewer, to adjourn the meeting at 11:17 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution authorizing acceptance of CDBG Grant and an emergency appropriation to the Veterans Assistance Commission FY 06 budget
- Resolution authorizing an emergency appropriation and budget line item transfers in the McHenry County Mental Health Board FY 06 Child Initiative Grant Fund budget
- Resolution authorizing an emergency appropriation and budget line item transfers in the McHenry County Mental Health Board FY 06 budget
- Resolution authorizing a fee schedule for service of summons and subpoenas
- Resolution authorizing the purchase and installation of headstones at Valley-Hi Cemetery
- Resolution authorizing the establishment of Mental Health Court Fee
- Resolution authorizing the creation of new positions to support of the office of the new associate judge
- Resolution authorizing a budget line item transfer in the P & D Department's FY 06 budget

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