

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

MINUTES OF TUESDAY, MAY 23, 2006

Chairman Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto, Chairman; Marie Chmiel; John Hammerand; and Perry Moy. Absent: Don Brewer; Blake Hobson (had informed the Committee he would be out-of-town); Ms. Gilman (had called notifying the Committee she would be unable to attend today's meeting). Also in attendance: Peter Austin, County Administrator; Pam Palmer, Auditor; Donna Mayberry, Supervisor of Assessments; Bob Ivetic, Human Resources; John Labaj, Deputy County Administrator; Cathy Link, Purchasing; John Hadley, Facilities Management; Representatives from the McHenry County Conservation District; Don Rahn and Ms. Karan Afseth, representatives from Virchow Krause & Company; 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 Mr. Hammerand, to approve the Finance and Audit Committee May 16 2006 minutes. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION:

None

PRESENTATION:

*Virchow Krause & Company – Report Updates / Discussion (Audit, CAFR, Single Audit, Internal Control Report and the Circuit Clerk Report):* Mr. Rahn and Ms. Afseth provided an update to the audit process. They reported that the Comprehensive Annual Report is completed and is at the printers. This report is the largest task of the audit and pulls together all the financial information of the County. Mr. Rahn stated that this year this report was prepared internally by the Auditor's office and the process went exceedingly well and, compared to previous years, is ahead of schedule. The Internal Control Report is in the final stage, the grants document is 95% complete, the Circuit Clerk report is also near completion and the agreed upon procedures will be ready soon. Mr. Rahn stated that once all five reports are completed they could meet with the Committee for further discussion. Chairman Munaretto agreed and asked that advance copies be e-mailed to him so he could review them. He asked if they encountered any special challenges during this process. Mr. Rahn noted that perhaps the jail grant raised some challenge since this was unknown and once identified they had to go back and test the figures. He noted the biggest change this year was in GASB 40 investment disclosure requirements, but this did not cause any significant problems since the County had kept good records. He commended the Auditor's Department, specifically the completion of the Annual Report done by Mr. Jim Bernier. Issues raised in previous reports were tested to insure that departments are making changes to address previous concerns. Areas of concerns with Valley-Hi's tracking and record keeping are being addressed to make sure records are well maintained. Mr. Sarbaugh is working closely with Valley-Hi staff regarding these issues. Ms. Palmer stated that process went smoothly and points raised will only enhance future operations. Chairman Munaretto thanked both Mr. Rahn and Ms. Afseth for their update. Mr. Rahn noted that he would be happy to meet with the Committee in June to review the final reports; he stated he would be unavailable in July.

NEW BUSINESS

*Resolution authorizing adoption of the Annual Budget and Appropriation for the McHenry County Conservation District:* Andy Dylak, MCCD Director of Finance; Bonnie Leahy, MCCD Trustee; and Attorney Joe Gottemoller joined the Committee to review the proposed FY 06-07 annual budget of the McHenry County Conservation District (MCCD). The budget indicates an estimated total general fund expenditure of \$20,579,114, which includes both operating expenses and dedicated accounts. The operating budget relates to a group of accounts to cover all operational and capital expenditures for on-going services, programs, etc. Dedicated Accounts is a separate group of accounts within the General Fund that consists of expenditures relating to capital projects (land acquisitions, trail developments, site developments and natural restoration projects). After a page by page review of the Budget, Mr. Moy made a motion, seconded by Ms. Chmiel to recommend the County Board approve a Resolution authorizing adoption of the Annual Budget and Appropriation for the McHenry County Conservation District. Chairman Munaretto and Members commented that they were pleased with the new format which was well organized and very readable. It was noted that the Busy Bee project is to restore a wetland that was filled in by the Busy Bee and the Hebron Trail Head project will fill in a gap in the trail to allow a

crossing in the Robinson property through a right-of-way. Noting no further discussion, a roll call vote was called. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Hammerand and Munaretto).

*Resolution authorizing a modification to the Workforce Boards of Metropolitan Chicago Subgrant #008 and an emergency appropriation in the Workforce Network FY 06 budget:* Mr. Moy made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing modification to the Workforce Boards of Metropolitan Chicago Subgrant #008 and an emergency appropriation in the McHenry County Workforce Network FY 06 budget. Ms. Sherman noted that this modification is to accept an additional \$15,000 to provide child care and transportation to WIA participants. A typo in the title will be corrected in the final document. The motion carried on a roll call vote of all ayes (Chmiel, Hammerand, Moy and Munaretto).

*Resolution authorizing acceptance of an Illinois Department of Commerce & Economic Opportunity Grant #06-681002:* Mr. Moy made a motion, seconded by Mr. Hammerand to recommend the County Board approve a Resolution authorizing acceptance of an Illinois Department of Commerce & Economic Opportunity Grant #06-681002. A roll call vote was called. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Hammerand and Munaretto).

*Resolution authorizing acceptance of a modification to the Illinois Department of Commerce and Economic Opportunity Grant #05-651002 and an emergency appropriation in the McHenry County Workforce Network FY 06 budget:* Mr. Hammerand made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution authorizing acceptance of a modification to the Illinois Department of Commerce and Economic Opportunity Grant #05-651002 and an emergency appropriation in the McHenry County Workforce Network FY 06 budget. This modification will allow for an additional \$15,829 to fund a job counselor to serve TAA customers. The word "benefits" will be added to the third paragraph. On a roll call vote the motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Hammerand and Munaretto).

*Resolution authorizing a mid-year position reclassification and adjustment to the hourly rate of position #010-7-017-05 in the P & D Department for FY 06:* Ms. Chmiel made a motion, seconded by Mr. Moy, to recommend the County Board approve a Resolution authorizing a mid-year position reclassification and adjustment to the hourly rate of position #010-7-017-05 in the P & D Department for FY 06. Ms. Ehardt reported this reclassification will fill a vacant position with no impact to the current personnel budget. Mr. Hammerand asked for more specific information and Ms. Ehardt stated she would like to discuss that information in an executive session. Chairman Munaretto pointed out that the County has a salary and wage schedule in place and did not feel an executive session was necessary. He asked if Mr. Hammerand could discuss his concerns with Ms. Ehardt after the meeting if necessary. Ms. Chmiel noted that the wording at the end of the first paragraph "and/or salary adjustment" had been deleted by Planning and Development Committee and this was just a reclassification. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Hammerand and Munaretto).

*Resolution authorizing modifications to the Economic Development Loan Fund Committee:* Mr. Moy made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing modifications to the Economic Development Loan Fund Committee. Mr. Labaj provided background information to this fund which began in 1984 with seed money from the Illinois Department of Economic Opportunity. A Loan Review Committee was implemented to reduce the time for the loan approval process. This was done through the Planning and Development Department. The internal responsibility for management was then transferred to the Administration Department. The Finance and Audit Committee has asked that the Revolving Loan Committee be dissolved and that oversight be reassigned. The proposed Resolution formally assigned responsibility of the Revolving Loan Fund to the Finance and Audit Committee. On a voice vote, the motion carried with all members present voting aye.

*Vacation Buy-out request:* Mr. Austin reported that the Chief County Assessor has requested a vacation buy-out for an amount over \$10,000. Ms. Mayberry explained that when she was hired she worked close to 100 hours per week for the first 3 years and overtime that time the vacation accrual. She agreed that a policy needs to be developed to address these concerns and noted that staff is working on such a procedure. Mr. Austin confirmed that employee vacation and sick leave amounts are one of the biggest concerns. He stated that he is meeting with ADP this week to look at possibilities to tracking such time automatically when doing

payroll. He wanted the Committee to be aware of these concerns, noting that a Resolution will be drafted to address Ms. Mayberry's request.

EXECUTIVE SESSION: None.

OLD BUSINESS: None.

REPORTS TO COMMITTEE:  
*Contingency Reports:* None

*Valley-Hi Building Project:* Ms. Link distributed a sheet of the costs for the Valley-Hi building project to date. Mr. Austin reported that there are a few remaining outstanding issues, with soil being one. The original soil analysis was part of the bid package. The County hired a firm to do the borings and also specified how many should be done at the site. In addition, there could be additional costs for FFE once the move is completed. Ms. Link stated a better understanding of these concerns will be known after a meeting tomorrow.

Mr. Austin reported that concern has been raised with the rights courts and the safety of judges. He noted he would be meeting to discuss these concerns this afternoon and there may be additional costs to redo this area. Ms. Chmiel stated she would like a better understanding of this issue and the corrections that are needed. She suggested working with Prime Hoffman. Mr. Austin asked if she was suggesting working with Prime Hoffman rather and Camosey and she responded "yes." Chairman Munaretto suggested that this discussion be handled by the Building Projects Committee.

ADJOURNMENT

Noting no further business, Mr. Hammerand made a motion, seconded by Mr. Moy, to adjourn the meeting at 10:50 a.m. The motion carried with a unanimous voice vote.

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**RECOMMENDED FOR BOARD ACTION:**

Resolution authorizing adoption of the Annual Budget and Appropriation for the McHenry County Conservation District

Resolution authorizing modification to the Workforce Boards of Metropolitan Chicago Subgrant #008 and an emergency appropriation in the McHenry County Workforce Network FY 06 budget

Resolution authorizing acceptance of an Illinois Department of Commerce & Economic Opportunity Grant #06-681002

Resolution authorizing acceptance of a modification to the Illinois Department of Commerce and Economic Opportunity Grant #05-651002 and an emergency appropriation in the Mchenry County Workforce Network FY 06 budget

Resolution authorizing a mid-year position reclassification and adjustment to the hourly rate of position #010-7-017-05 in the P & D Department for FY 06

Resolution authorizing modifications to the Economic Development Revolving Loan Fund Committee

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