

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

MINUTES OF TUESDAY, JULY 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; Blake Hobson; Marie Chmiel; Don Brewer; and John Hammerand. Perry Moy was absent. Also in attendance: Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator – Finance; Jim Bernier, Auditor Department; John Labaj, Deputy County Administrator; Pat McNulty, Health Department; Tom Sullivan, Information Technology; Sandy Lewis, Mental Health Board; interested public; and the press.

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

MINUTES

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

PUBLIC PARTICIPATION: None

PRESENTATION: None.

NEW BUSINESS

*Resolution authorizing a budget line item transfer in the FY 06 Health Department's budget:* Mr. Brewer made a motion, seconded by Mr. Hobson to recommend the County Board approve a Resolution authorizing a budget line item transfer of \$11,044 in the FY 06 Health Department's budget. The motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

*Resolution authorizing acceptance of a \$30,600 grant from the Illinois Department of Public health to conduct a West Niles Virus Mosquito Vector Surveillance Program and an emergency appropriation to the Health Department's FY 06 budget:* Mr. Hammerand made a motion, seconded by Ms. Chmiel to recommend the County Board approve a Resolution authorizing acceptance of a \$30,600 grant from the Illinois Department of Public health to conduct a West Niles Virus Mosquito Vector Surveillance Program and an emergency appropriation to the Health Department's FY 06 budget. The motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

*Resolution accepting the Comprehensive Annual Financial Report for FY ending November 30, 2005:* Ms. Gilman made a motion, seconded by Mr. Brewer, to recommend the County Board approve a Resolution accepting the Comprehensive Annual Financial Report for FY ending November 30, 2005. The motion carried with all members present voting aye on a voice vote.

*Resolution authorizing amendments to the designation of depositories for funds and other public monies in the custody of the County Treasurer:* Ms. Gilman made a motion, seconded by Mr. Brewer, to recommend the County Board approve a Resolution authorizing amendments to the designation of depositories for funds and other public monies in the custody of the County Treasurer subject to the Treasure's confirmation of the proposed Resolution. The motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

*Resolution authorizing a budget line item transfer in the FY 05/06 budget of the Department of P & D in the amount of \$40,000.00:* 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 FY 05/06 budget of the Department of P & D in the amount of \$40,000.00. After a discussion, the motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

*Resolution authorizing a budget line item transfer in the FY 05/06 budget of the Department of P & D in the amount of \$20,000.00:* 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 FY 05/06 budget of the Department of P & D in the amount of \$20,000.00. The motion carried with all members present voting aye on a roll call vote (Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

*Discussion of Financial Resolutions process / procedures:* Chairman Munaretto stated that after the County Board meeting on July 25, 2006, he had some concerns regarding County Board policies and procedures as outlined in the County Board Rules. He noted that it is noted in the Rules that any resolution or ordinance shall be referred to the proper standing committee prior to consideration by the County Board. He reported that this procedure was bypassed with the Animal Control resolution that was presented to and voted on by the County Board. The follow-up letter by Chairman Koehler in which it was stated that the Resolution was approved, but the funds were not. Chairman Munaretto referred to the Resolution and noted that the funds to purchase the property were included with the funding source being the General Fund. He stated that to his understanding the only way this item could be re-addressed by the County Board would be by a motion to reconsider from a member who voted on the prevailing side. Chairman Munaretto asked that the County Administration contact the State's Attorney to ask if there is a method to bring this item back to the County Board and if so under what circumstance. Ms. Chmiel stated that the stated 1.7 million dollars in the Resolution only represents a small portion of the total amount to purchase and renovate the building. She asked how the County Board could approve purchasing the building without determining how to pay for the entire project. Mr. Brewer stated that technically the County Board could approve the purchase of a property after which they could follow-up with a Resolution addressing renovations. Chairman Munaretto stated that it would be disingenuous to purchase the facility without making a determination on how to pay for remodeling. He went on to point out that the County Board is governed by two documents, the County Board Rules and Roberts Rules of Order. He stated by this item being put on the County Board agenda by the County Board Chairman, the Board Rules were ignored which causes a break-down in the procedures and a loss of control. Mr. Hammerand stated without the two-thirds vote, the Resolution should have failed. Mr. Brewer stated that to his knowledge the Resolution as written did not require a two-thirds vote as it did not request an emergency appropriation, but the County Board did approve a Resolution that was not enforceable. Chairman Munaretto stated that the State's Attorney needs to tell us the proper mechanism to address these concerns. In addition, it needs to be reaffirmed that the County Board did not give the authority to the County Board Chairman to sign an agreement. He added that when the County Board gives the Chairman the authority to sign a contract it does not give the Chairman the authority to do whatever he wants or to change a contract. Ms. Chmiel stated she agreed that she would like to see the Animal Control Contract. Ms. Gilman stated the Committee should have this discussion with the State's Attorney present and that the Committee needs to know how to reconsider this item at the next Board meeting. Mr. Hobson stated he was unsure of three things, (1) whether the Committee agrees on where we are; (2) what can be done to fix the error; and (3) the process is broken, what can be done to make sure we operate properly in the future. Mr. Austin stated another issue to answer would be whether the County Board Chairman has the ability to place something on a County Board agenda. The Committee agreed to meet on Friday, July 28, 2006 at 9:15 a.m. to discuss their concerns with the State's Attorney relative to the Animal Control Resolution.

EXECUTIVE SESSION: None.

OLD BUSINESS: None

REPORTS TO COMMITTEE:

*McHenry County Loan Fund:* Mr. Labaj updated the Committee on the current status of the Loan Fund repayments and fund availability as of June 2006. He noted that there are ten outstanding loans. Contempo is in bankruptcy with a meeting of creditors scheduled for third week in August. He stated that Harris Bank of Woodstock currently does the independent underwriting of all loans. He recommended added one or two more banks that could also do the underwriting. The Committee directed Mr. Labaj to find a supplemental source that could provide these services. Mr. Labja stated that he has asked for a State's Attorney's opinion as to if the Committee could go into executive session to discuss private information when considering an application. Chairman Munaretto felt this could be handled by the underwriter who could provide a summary with no personal information. Mr. Labaj also reported that application form is being reviewed to see if language could be changed or added to indicate that loans will only be made to businesses located in McHenry County. Members thanked Mr. Labaj for his update and asked that he provide such reports on a quarterly basis.

*Contingency Reports:* Mr. Sarbaugh provided an update to the General Fund and to Valley-Hi.

*Jail Revenue Report:* This report was provided as requested at the last meeting. Mr. Brewer asked if an internal audit could be conducted to match detainees with revenues.

ADJOURNMENT

Noting no further business, Mr. Brewer made a motion, seconded by Mr. Hammerand, to adjourn the meeting at 10:59 a.m. The motion carried with a unanimous voice vote.

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**RECOMMENDED FOR BOARD ACTION:**

Resolution authorizing a budget line item transfer in the FY 06 Health Department's budget

Resolution authorizing acceptance of a \$30,600 grant from the Illinois Department of Public health to conduct a West Niles Virus Mosquito Vector Surveillance Program and an emergency appropriation to the Health Department's FY 06 budget

Resolution accepting the Comprehensive Annual Financial Report for FY ending November 30, 2005

Resolution authorizing amendments to the designation of depositories for funds and other public monies in the custody of the County Treasurer

Resolution authorizing a budget line item transfer in the FY 05/06 budget of the Department of P & D in the amount of \$52,007.00

Resolution authorizing a budget line item transfer in the FY 05/06 budget of the Department of P & D in the amount of \$20,000.00

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