

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

MINUTES OF TUESDAY, JULY 28, 2006

Chairman Munaretto called the meeting to order at 9:15 a.m. The following Committee Members were present: Marc Munaretto, Chairman; Ann Gilman; Blake Hobson; Marie Chmiel; and Don Brewer. John Hammerand arrived at 9:19a.m. Perry Moy was absent. Also in attendance: Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator – Finance; Dave Stone and Kevin Chrzanowski, States Attorney's Office; Pam Palmer and Jim Bernier, Auditor Department; John Labaj, Deputy County Administrator; Pat McNulty, Health Department; Tina Hill, Richard Klasen and Virginia Peschke, County Board Members; interested public; and the press.

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

MINUTES

Committee members reviewed the minutes of July 25, 2006. Ms. Gilman noted a typographical error on page 2 stating the word should be "technically" not "technology". Mr. Hobson made a motion, seconded by Ms. Gilman, to approve the Finance and Audit Committee July 25, 2006 minutes as corrected. The minutes were approved as corrected with a unanimous voice vote.

PUBLIC PARTICIPATION: None

PRESENTATION: None.

NEW BUSINESS

Discussion with State's Attorney on matters pertaining to the proposed Animal Control Facility in Crystal Lake: Chairman Munaretto reminded committee members that part of the purpose of this meeting was to take the time to evaluate questions surrounding the Resolution passed at the County Board meeting regarding the purchase of the State Farm building and to get answers of what are the consequences of passing this Resolution. He questioned whether the Resolution approved was valid. He stated that the Finance Committee was not a participant in the financing decisions for the new Animal Control Facility. He questioned why the Resolution was for the purchase of the facility only, when over \$2 millions dollars would be needed to remodel the facility. Chairman Munaretto opened the floor for questions to the State's Attorney. Mr. Brewer stated that it appears the Resolution approved by the County Board, the wording did not require a 2/3rd vote, but, an additional Resolution would now be needed to identify a funding source. Ms. Chmiel raised concern regarding the absence of environmental protections in the agreement as suggested by the States Attorney. She noted in the report that "some of the ceiling tiles may contain asbestos" and questioned how the lack of the environmental protections could affect the county. It was noted that because of the newness of the building, it was past the time when asbestos tiles were used. Committee members were also informed that a box of ceiling tiles was found and they stated on the box "does not contain asbestos". Ms. Chmiel was informed that nothing was found during the "phase 1" inspection and it would be up to the County to decide if the contract is good enough. Mr. Stone stated if there was an issue, the County would have to "prove" that it is an innocent land owner. He noted that a phase 2 inspection does not guarantee the county as an innocent land owner. Mr. Brewer suggested that the County might want to have the title company provide an environmental endorsement to the title policy. Mr. Hammerand noted concern over the size of the sewer pipes. He noted the report stated that there were 4" pipes and he feels these should be at least 6 to 8" pipes for use by Animal Control. He noted that the report also shows brick work damage. Mr. Austin stated that the damage has been addressed. Chairman Munaretto asked if there were any other questions for the States Attorney.

Resolution authorizing an emergency appropriation for the purchase and remodeling of an animal control facility: Committee members reviewed a Resolution authorizing an emergency appropriation in the Fiscal Year 2006 budget for the purchase and remodel of a new Animal Control Facility. Mr. Brewer made a motion, seconded by Ms. Chmiel to recommend approval of the Resolution authorizing an emergency appropriation in the Fiscal Year 2006 budget for the purchase and remodel of a new Animal Control Facility. Ms. Chmiel noted her second was to allow for discussion of the resolution only. Committee members questioned Mr. Sarbaugh about how much the county currently has in the General Fund. He noted that there is currently 5.8 months reserve, which equates to \$36 million dollars. He noted .8 months reserve equals approximately \$4 – 5 million dollars.

He noted that this amount does not take into account any other commitments of the County. Ms. Gilman reviewed an adoption report she had received with committee members. She questioned how adoptions fees would pay for this debt with approximately 22 animals being adopted on a monthly basis. Mr. McNulty stated that the adoption report does not take into account any animals transferred out or reclaimed. Ms. Gilman stated the figures do not justify the costs.

Committee members noted that at a past meeting it was mentioned that the Health Department would be funding a portion of the new facility and requested these funds be included in the Resolution. Committee members questioned how much taxes would be taken away from other units of government with the purchase. They were informed that the taxes were about \$60,000 per year with approximately \$42,000 of the \$60,000 going to the schools. Mr. Sarbaugh questioned when construction would begin and whether funds should be encumbered from this year's budget. It was noted that the funds would need to be encumbered from this year's budget. Mr. Brewer made a motion, seconded by Ms. Gilman to amend the Resolution, to include the financing from the Health Department's Veterinary Fund for Animal Control purposes. The motion carried with all members present voting aye. Committee members were informed that the general fund would take a double hit as they would have to come up with approximately \$100,000 for personnel as well. They questioned the timing to rebuild a new facility on the campus and were informed it could take up to 5 years for completion though some members felt this could be accomplished much sooner than 5 years. Mr. Brewer called the question. Chairman Munaretto noted that the Resolution would be on the County Board agenda no matter what the outcome of the vote is. If the Resolution passes it would be placed on the consent agenda, if it fails it would appear under "New and Unfinished Business". Chairman Munaretto requested a roll call vote. The motion failed with 5 nays (Brewer, Chmiel, Gilman, Hammerand, Munaretto) and one aye (Hobson). Chairman Munaretto stated that this would now go before the County Board under "New and Unfinished Business". Committee members questioned what would happen if this Resolution fails at the County Board. Chairman Munaretto stated that Management Services would then review other options for the facility.

EXECUTIVE SESSION: None.

OLD BUSINESS: None

REPORTS TO COMMITTEE: None

ADJOURNMENT

Noting no further business, Ms. Gilman made a motion, seconded by Mr. Brewer, to adjourn the meeting at 10:05 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

Resolution authorizing an emergency appropriation in the fiscal year 2006 budget for the purchase and remodel of a new Animal Control Facility

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