

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

MINUTES OF TUESDAY, SEPTEMBER 26, 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; John Hammerand; and Perry Moy. Also in attendance: Ralph Sarbaugh, Associate County Administrator – Finance; Donna Mayberry, Supervisor of Assessments; Pam Palmer and Jim Bernier, Auditor; John Labaj, Deputy County Administrator; Tom Sullivan, I.T. Department; Peter Austin, County Administrator; Jane Wacker, Mental Health Board; interested public; and the press.

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

MINUTES

Mr. Brewer made a motion, seconded by Mr. Hobson, to approve the minutes of the September 12, 2006 Finance and Audit Committee meeting. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION: None

PRESENTATION: None

NEW BUSINESS

Resolution authorizing a cost of living adjustment to the State's Attorney's salary and an emergency appropriation in the State's Attorney's FY 06 budget and a Resolution authorizing an adjustment to the Public Defender's annual salary and an emergency appropriation in the Public Defender's FY 06 budget: Mr. Brewer made a motion, seconded by Ms. Gilman to recommend the County Board approve a Resolution authorizing a cost of living adjustment to the State's Attorney's salary and an emergency appropriation in the State's Attorney's FY 06 budget and a Resolution authorizing an adjustment to the Public Defender's annual salary and an emergency appropriation in the Public Defender's 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 to the Senior Services Grant Fund FY 06 budget for funding for Valley-Hi Soil Investigation: Mr. Moy made a motion, seconded by Mr. Hobson to recommend the County Board approve a Resolution authorizing an emergency appropriation to the Senior Services Grant Fund FY 06 budget for funding for Valley-Hi Soil Investigation. Ms. Chmiel commented that this item was not a priority on the Strategic Plan and questioned how many people would benefit from the proposed soil investigation. She asked for additional information on the Resolution and the project it would fund. Mr. Labaj responded that a vision of the County includes a campus plan and noted that some senior service groups have expressed an interest in providing a senior community living center at the Valley-Hi location. He stated that a soil investigation would need to be conducted before proceeding with any kind of campus plan at that site. Chairman Munaretto stated that it may be premature to spend any money on additional projects prior to completing the current construction projects. Mr. Hobson stated that the proposed project is being funded with grant dollars and should not impact other projects. Mr. Brewer agreed with Mr. Hobson noting that the funds would be segregated. Chairman Munaretto pointed out that there is no consensus among County Board members to proceed with a campus plan and also noted such a project would need a State's Attorney's opinion regarding the leasing of County property. Mr. Austin agreed that there were numerous questions yet to be answered and commented that the soil investigation was driven by Pioneer Center with some funding made available by Congressman Manzullo. Mr. Moy stated that the Valley-Hi Committee had discussed exploring the soil conditions. Mr. Moy also noted that our former County Board Chairman and currently State Representative Michael Tryon supports a senior residential community at the Valley-Hi location and is also working to secure funding. Ms. Gilman stated she supported this endeavor since it would be funded by a Senior Services Grant and the soil study would benefit the County for any future project at that location. Chairman Munaretto recommend asking for a State's Attorney's opinion regarding if this land could be used by another entity, stating he was uncomfortable spending the \$7,000 if the County does not have the power to lease or share this land. Mr. Labaj noted that a land lease to a not for profit organization is different and although there are many questions, the site analysis of soil conditions would need to be conducted prior to any development on that site. After discussion, Mr. Brewer made a motion, seconded by Ms. Chmiel, to postpone the motion and further discussion until the October 24,

2006 Finance and Audit Committee meeting. The motion carried with all members present voting aye on a voice vote.

Resolution authorizing the acceptance of the pay-out of a 2006 stipend for three positions on the McHenry County Mental Health Board 06 roster: Mr. Moy made a motion, seconded by Ms. Gilman to recommend the County Board approve Resolution authorizing the acceptance of the pay-out of a 2006 stipend for three positions on the McHenry County Mental Health Board 06 roster. It was reported that the salary increase for these positions is included in the 2007 budget of the Mental Health Board. On a roll call vote, the motion carried with all members present voting aye (Moy, Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

Resolution authorizing a purchase in the Geographic Info Systems (GIS) for the FY 05/06 budget: Ms. Mayberry explained the request noting that the Resolution will authorize funding for four computer workstations as part of a project to upgrade computer hardware and software to provide a secure environment in the GIS system. After discussion, Ms. Gilman made a motion, seconded by Ms. Chmiel to recommend the County Board approve a Resolution authorizing a purchase in the Geographic Info Systems (GIS) for the FY 05/06 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 a purchase and implementation of a new tax system: Ms. Mayberry stated the current tax system was purchased approximately ten years ago. The proposed new tax system would provide enhanced functions and controls that unavailable in the current system. She noted that a meeting this coming Wednesday will firm up the contract, that will include a liquidated damages section and itemized functionality requirements. She asked that this Resolution authorize the Chairman to execute the contract so this request can move forward. She stated conversion from the current system to the proposed system will take a few months, but must be completed before certification in February by the County Clerk. There will be some overlapping of systems. She noted she was comfortable with the proposed system and felt most "bugs" had been worked-out. After discussion, Mr. Moy made a motion, seconded by Ms. Chmiel to recommend the County Board approve the Resolution as amended. 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 budget line item transfer in the Department of Information Technology FY 06 budget: Mr. Hobson made a motion, seconded by Mr. Brewer to recommend the County Board approve a Resolution authorizing a budget line item transfer in the Department of Information Technology FY 06 budget. Mr. Sullivan reported that the transfer of funds would allow for contractual services to fill a void created by a vacancy in the department. The Committee suggested Mr. Sullivan revisit compensation issues if it presents a problem in finding someone to fill the vacant Network Engineer position. The Committee also asked that the Resolution be amended to indicate the correct amount to be transferred is \$22,500 not \$12,500. On a roll call vote, the motion carried with all members present voting aye (Moy, Chmiel, Gilman, Brewer, Hammerand, Hobson and Munaretto).

Discussion – Update on document management system enhancement: Ms. Mayberry reported that the Supervisor of Assessments Department is part of a pilot project that will scan documents and archive records. She stated that Carl Wright (a member of her staff) had been working on this project and could provide additional information. Mr. Wright stated he had met with I.T. and Risetime to discuss converting to a paperless workflow. He reported that tasks were identified that would be a part of the pilot project and a cost analysis was conducted, which indicated a cost benefit in time, paper volume, postage and supplies. Ms. Mayberry noted that scanning would allow systems to connect electrically and should cut down on staff time and copy expense. Members expressed their support of the project and asked to be kept up-to-date as the project moves forward.

EXECUTIVE SESSION: None.

OLD BUSINESS: None.

REPORTS TO COMMITTEE:

Auditor's Report: Ms. Palmer provided the following update to comments/recommendations noted in the FY 05 Internal Control Report by Virchow Krause & Co.: The Division of Transportation had two items noted, (1) a spreadsheet was developed to identify engineering and construction phases for infrastructure projects. The

spreadsheet will be used for all year-end entries of payables and retainages which address the details requested by the outside auditors. The second item raised concern with highway permit fees receivables. A procedure has been implemented to produce a detailed monthly reconciled listing which should resolve this issue. Ms. Palmer reported that Valley-Hi has made outstanding progress in tracking their receivables and reviewing and pursuing outstanding collections. The Auditor's department has been overseeing the infrastructure process and will track and make entries for building construction and general fixed asset activity. The payroll issue is being resolved and the process has begun for arbitrage monitoring. Former outside Auditor Comments are being resolved and will continue to be monitored. Members thanked Ms. Palmer for her update.

Contingency Reports: No report provided.

Chairman Munaretto reported that the rating process was completed and Moody's gave the County a Aa2 rating with a positive outlook. In a year to 18 months, the County should request another rating from Moody. No negatives were cited and the representatives were very impressed with McHenry County and the way business is conducted.

ADJOURNMENT

Noting no further business, Mr. Moy made a motion, seconded by Ms. Chmiel, to adjourn the meeting at 10:49 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution authorizing a cost of living adjustment to the State's Attorney's salary and an emergency appropriation in the State's Attorney's FY 06 budget
- Resolution authorizing an adjustment to the Public Defender's annual salary and an emergency appropriation in the Public Defender's FY 06 budget
- Resolution authorizing the acceptance of the pay-out of a 2006 stipend for three positions on the McHenry County Mental Health Board 06 roster
- Resolution authorizing a purchase in the Geographic Info Systems (GIS) for the FY 05/06 budget
- Resolution authorizing a purchase and implementation of a new tax system
- Resolution authorizing a budget line item transfer in the Department of Information Technology FY 06 budget

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