

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

MINUTES OF TUESDAY, OCTOBER 10, 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; John Hammerand; and Perry Moy. Don Brewer was absent. Also in attendance: Ralph Sarbaugh, Associate County Administrator – Finance; Pam Palmer and Jim Bernier, Auditor's Office; Peter Austin, County Administrator; interested public; and the press.

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

MINUTES

Mr. Hobson made a motion, seconded by Mr. Moy, to approve the Finance and Audit Committee September 26, 2006 minutes. The minutes were approved as presented with a unanimous voice vote.

PUBLIC PARTICIPATION:

A citizen addressed the Committee and raised concerns with some homes on Kreutzer Road that are in two different Townships. He noted that these homes are not comparable on assessment appeals. He stated that 90% of their taxes go to the same school districts, libraries, etc. He asked that some commonsense be considered to address these issues.

TRUTH IN TAXATION HEARING

Chairman Munaretto called the Truth in Taxation Hearing to order at 9:34 a.m. He stated that the Hearing had been properly posted and noticed in the local newspaper. He opened the Truth and Taxation Hearing and read the following statement:

“In full compliance with the Illinois Truth in Taxation law, the County of McHenry has determined that it is considering a budget and appropriation for FY 2006-2007 that will require aggregate property taxes to be extended that will exceed 5% of the amount of property taxes extended for the FY 2005-2006 budget appropriation.

Upon this determination, and also in compliance with the Truth in Taxation laws, the County of McHenry caused to be published in the appropriate local newspaper, in the prescribed format, and within the required timeframe, a public notice of the County's intent to adopt an aggregate levy for FY 2006-2007 in an amount which is not more than 7.49% for the amount extended or estimated to be extended for FY 2005-2006 and of its intent to hold a public hearing relative thereto. A copy of the notice and publication certification is available for review.

This hearing is open to the public and is being held to explain the County's position and to hear testimony from members of the public regarding the County's intent to adopt such an increase in the aggregate levy at the County Board meeting scheduled for November 21, 2006. Reasonable time limits shall be imposed for all presentations.”

Chairman Munaretto stated that anyone wishing to speak during this hearing was invited to do so at this time. After a brief time period, Chairman Munaretto stated that since there was no one wishing to speak the Truth and Taxation Hearing was formally closed.

PRESENTATION:

None

NEW BUSINESS

Resolution authorizing acceptance of an Image Grant from the Illinois Department of Transportation in the amount of \$48,921 and an emergency appropriation to the Sheriff's FY 06 budget. Ms. Gilman made a motion, seconded by Mr. Moy to recommend the County Board approve Resolution authorizing acceptance of an Image Grant from the Illinois Department of Transportation in the amount of \$48,921 and an emergency appropriation to the Sheriff's FY 06 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Hammerand, Hobson and Munaretto).

Ms. Gilman asked if the committee could consider the next three agenda items together. Chairman Munaretto agreed after which Ms. Gilman made a motion, seconded by Mr. Moy, to recommend the County Board approve the following Resolutions: (1) A Resolution authorizing acceptance of a Speed Enforcement Program Grant from the Illinois Department of Transportation in the amount of \$24,827 and an emergency appropriation to the Sheriff's FY 06 budget; (2) A Resolution authorizing acceptance of an Illinois Department of Natural Resources Award in the amount of \$20,942 and an emergency appropriation to the Sheriff's FY 06 budget; and (3) A Resolution authorizing acceptance of a reimbursement check from the Illinois Law Enforcement Training and Standards Board and an emergency appropriation to the Sheriff's FY 06 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Hammerand, Hobson and Munaretto). Chairman Munaretto commented that the Resolution authorizing acceptance of a reimbursement was money that has already been spent.

Resolution authorizing a budget line item transfer between the Purchasing Department FY 06 budget and the non-departmental FY 06 budget: Ms. Gilman made a motion, seconded by Ms. Chmiel to recommend the County Board approve Resolution authorizing a budget line item transfer between the Purchasing Department FY 06 budget and the non-departmental FY 06 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Hammerand, Hobson and Munaretto).

Resolution authorizing entering into a contract with Automatic Data Processing (ADP) for use of Human Resources and General Ledger Software: Mr. Moy made a motion, seconded by Mr. Hobson to recommend the County Board approve Resolution authorizing entering into a contract with Automatic Data Processing (ADP) for use of Human Resources and General Ledger Software. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Hammerand, Hobson and Munaretto).

Resolution authorizing a budget line item transfer to the Facilities Management FY 06 budget: Mr. Moy made a motion, seconded by Mr. Hobson to recommend the County Board approve Resolution authorizing a budget line item transfer to the Facilities Management FY 06 budget. The motion carried with all members present voting aye on a roll call vote (Moy, Chmiel, Gilman, Hammerand, Hobson and Munaretto).

Resolution authorizing the establishment of a FY 06 budget to enable the recording and tracking of funds for performance contracting/budget refinancing of the new Animal Control facility and an emergency appropriation/budget transfer to said budget: Chairman Munaretto announced that this Resolution will be deferred to a special meeting of the Finance and Audit Committee that will meet on Tuesday, October 17, 2006 at 6:15 a.m. Mr. Sarbaugh was given direction to also place this item on the County Board agenda for consideration on October 17th.

EXECUTIVE SESSION: None

OLD BUSINESS:

Mr. Sarbaugh asked if the Committee could also review and consider the FY 06/07 Supplemental requested that were approved by the Chairman's Advisory Legislative Forum at their meeting on the 17th. He stated this item had inadvertently been left off today's agenda. The Committee directed Mr. Sarbaugh to place this on the Committee and the County Board agendas for consideration on the 17th.

Mr. Hobson asked if the Committee had received a State's Attorney's opinion on the Senior Services Grant funding. Chairman Munaretto responded that the Committee would be addressing this issue at the October 24th meeting.

Mr. Hobson commented that based on the presentation by the County's Lobbyist he is questioning if the County is receiving the full value to their contract. Mr. Austin reported that the County Board had supported hiring a lobbyist, noting that it takes time to build-up a relationship. He also noted that the County has expended \$90,000 for this contract and has to date seen a return of \$300,000 funding for the Miller Road Project. He also stated that the lobbyist has been very helpful in addressing water issues and getting support for amendments to the Water Resources Act. Mr. Hobson thanked Mr. Austin for his update and stated such a report should be provided more often. Mr. Austin stated he had been thinking about doing so through the Management Services Committee. Ms. Gilman suggested scheduling a monthly Chairman Advisory Legislative Forum (CALF) meeting to review legislative issues.

REPORTS TO COMMITTEE:

Auditor's Report: Ms. Palmer provided a review to the Internal Audit Report for the Division of Transportation (DOT). The audit was conducted as a follow-up to Virchow Krause & Company's Internal Control Report. She reported that some weaknesses were found for maintaining permit fee receivables and other revenues on a monthly basis. It was determined that the DOS system the department was using allowed too much room for errors. The Auditor's staff has been working with the DOT bookkeeper to develop the outstanding permit fee receivables. The DOT lacks written procedures for the revenue collection process. It was also noted that checks received by the DOT were not being deposited in a timely manner and it is recommended that deposits be made at least on a weekly basis. All invoices should be mailed not later than the 10th of the month and should include payment terms on each invoice. New software should be implemented that will perform all the steps to the permit process and be capable of producing a receivables outstanding list at the end of each month. Recommended software is QuickBooks, which is supported by the I.T. Department. The DOT has been working with I.T. to secure software for the permit process, pending State's Attorney's approval.

Contingency Reports: Mr. Sarbaugh distributed the General Fund Contingency Statement of Activity Report as of 10/10/06. Members questioned the Smith Engineering site analysis expense of \$15,950. Mr. Austin stated that Smith Engineering conducted an evaluation of a site including the Klehm property to determine where construction would be possible to be able to move forward with a campus plan.

ADJOURNMENT

Noting no further business, Mr. Moy made a motion, seconded by Ms. Chmiel, to adjourn the meeting at 10:15 a.m. The motion carried with a unanimous voice vote.

* * * * *

RECOMMENDED FOR BOARD ACTION:

- Resolution authorizing acceptance of an Image Grant from the Illinois Department of Transportation in the amount of \$48,921 and an emergency appropriation to the Sheriff's FY 06 budget
- Resolution authorizing acceptance of a Speed Enforcement Program Grant from the Illinois Department of Transportation in the amount of \$24,827 and an emergency appropriation to the Sheriff's FY 06 budget
- Resolution authorizing acceptance of an Illinois Department of Natural Resources Award in the amount of \$20,942 and an emergency appropriation to the Sheriff's FY 06 budget
- Resolution authorizing acceptance of a reimbursement check from the Illinois Law Enforcement Training and Standards Board and an emergency appropriation to the Sheriff's FY 06 budget
- Resolution authorizing a budget line item transfer between the Purchasing Department FY 06 budget and the non-departmental FY 06 budget
- Resolution authorizing entering into a contract with Automatic Data Processing (ADP) for use of General Ledger Software
- Resolution authorizing a FY 06 budget line item transfer to the Facilities Management budget