

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

MINUTES OF TUESDAY, DECEMBER 12, 2006

Chairman Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto, Chairman; Yvonne M. Barnes; Marie Chmiel; Mary L. Donner; James P. Kennedy; and Daniel P. Ryan. John Hammerand was absent. Also in attendance: Ralph Sarbaugh, Associate County Administrator – Finance; Pam Palmer, Auditor; John Labaj, Deputy County Administrator; Peter Austin, County Administrator; Rich Weinhandl, Sheriff's Department; Bob Ivetic, Human Resources; Julie Courtney, Workforce Network; interested public; and the press.

Marc Munaretto, Chairman	
Yvonne M. Barnes	Marie Chmiel
Mary L. Donner	John Hammerand
James P. Kennedy	Daniel P. Ryan

Chairman Munaretto welcomed the new members to the Committee. He stated that most committee business ends up in the Finance and Audit Committee after going through various other committees. He noted that the Committee had previously viewed a power point presentation on finances that may be informative for new members and felt a future presentation can be done once the Committee has been established through the Committee on Committees and the County Board. Committee members were asked to contact Chairman Munaretto if they would like a hard copy of this presentation.

MINUTES

Ms. Chmiel made a motion, seconded by Mr. Ryan, to approve the Finance and Audit Committee minutes of November 14, 2006. Ms. Chmiel asked that a typo be corrected on page 2. The minutes were approved as corrected with five members voting aye. Ms. Barnes abstained from the vote.

PUBLIC PARTICIPATION: None

PRESENTATION: None

NEW BUSINESS

*Three Resolutions to accept grants for the Workforce Network: (1) authorizing acceptance of the IL Department of Commerce and Economic Opportunity Grant #06-651002 in the McHenry County Workforce Network FY 06 budget; (2) authorizing acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #06-661002 and an emergency appropriation to the McHenry County Workforce Network FY 06 budget; and (3) authorizing acceptance of State of a modification to the Illinois Department of Commerce and Economic Opportunity Grant #06-681002 in the McHenry County Workforce Network FY 06 budget:* Ms. Chmiel made a motion, seconded by Mr. Ryan to recommend the County Board approve the three Resolutions as presented. Ms. Courtney provided addressed the Committee and provided a summary to the resources available at the Workforce Network offices located on Russel Court. She noted that the three grants will provide funding for dislocated workers from Brake Parts; trade adjustment assistance; and funding for regular assistance in job search activities. The motion carried with all members present voting aye on a roll call vote (Barnes, Ryan, Chmiel, Kennedy, Donner, and Munaretto).

*Resolution authorizing acceptance of the Illinois Criminal Justice Information Authority Grant funds for continuance of the Multi-Jurisdictional Drug Prosecution Program #405024:* Ms. Chmiel made a motion, seconded by Mr. Kennedy to recommend the County Board approve a Resolution authorizing acceptance of the Illinois Criminal Justice Information Authority Grant funds for continuance of the Multi-Jurisdictional Drug Prosecution Program #405024. Mr. Sarbaugh stated that this grant has been awarded to the County for the past several years. It provides funding to pay for the multi-jurisdictional drug prosecution program. He noted that the reporting period for this program has changed to October 1 to September 30, which will be helpful during the budget process. The motion carried with all members present voting aye on a roll call vote (Barnes, Ryan, Chmiel, Kennedy, Donner, and Munaretto).

*Resolution authorizing acceptance of the Juvenile Accountability Incentive Block Grant from the Illinois Criminal Justice Information Authority and emergency appropriations to the Sheriff's FY 07 budget:* Mr. Ryan made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing acceptance of the Juvenile Accountability Incentive Block Grant from the IL Criminal Justice Information

Authority and emergency appropriations to the Sheriff's FY 07 budget. Mr. Weinhandl provided a summary to the Resolution and noted that these grant funds are used to enhance the juvenile information gathering and sharing program. The funds awarded this year will be used to purchase a laptop and a mobile camera. The laptop will be used to investigate internet activities and the mobile camera can be set-up in various locations to record such things as gang related activities. Mr. Sarbaugh noted that this grant has a local cash match requirement of \$1,185.00 and as noted in the proposed Resolution the match will come from reserves of the General Fund. Chairman Munaretto raised concerns that the General Fund would be used and noted that although it is not a policy, the Board has customarily asked that matching funds be taken from the requesting department's budget. Chairman Munaretto stated he felt it was inappropriate to use the General Fund as the resource for such a match. Mr. Sarbaugh confirmed that typically local match requests do come out of the requesting department's budget. Mr. Weinhandl stated that it has been the Sheriff's position to aggressively pursue grant funding and most grants do not require a local match. He stated that when a local match is required, the Sheriff feels the County should provide those funds. Chairman Munaretto stated that this could be a complicated discussion that perhaps should be done at another meeting. He noted that the Committee has discussed this issue in the past but was unsuccessful in establishing a policy or procedure to address these concerns. Ms. Chmiel stated that this is just the beginning of the budget year and the Committee should plan a discussion of an allocation policy to address future requests. Mr. Weinhandl suggested that the County Board may want to consider establishing a line item for matching funds in the budget. Chairman Munaretto noted this is a good idea, but the budget for 07 has been established and absent a written policy, the Committee can only send a message at this point that matching funds should come from the requesting department. Mr. Ryan pointed out that the funds all come from the same source and the County should take advantage of available grants. Chairman Munaretto stated that may be an over-simplification of the issue. He stated that the Sheriff receives the largest budget of which about 97% of that budget is expended and it appears that a local grant match could come from those un-used budget dollars. Members agreed that a policy or procedure should be established for future grants. With no future discussion, a roll call vote on the motion was taken. The motion carried with all members present voting aye (Kennedy, Donner, Chmiel, Ryan, Barnes and Munaretto).

*Resolution authorizing the purchase of two administrative vehicles for Court Services:* Mr. Kennedy made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing the purchase of two administrative vehicles for Court Services. It was noted that this was part of a State bidding process and the vehicles will be purchased from a dealer in Decatur. Chairman Munaretto stated he was not pleased with the purchase being made out of McHenry County. Mr. Kennedy asked what type of vehicles would be purchased and why the price appeared higher than vehicles being purchased for the Sheriff. In response, it was noted the vehicles will be Chevrolet Impalas and will be equipped differently than a police pursuit vehicle. The motion carried with all members present voting aye on a roll call vote (Kennedy, Donner, Chmiel, Ryan, Barnes and Munaretto).

*Resolution authorizing a contract agreement between the International Union of Operating Engineers, Local 150, Facilities Management Department and the County of McHenry:* Ms. Chmiel made a motion, seconded by Ms. Barnes, to recommend the County Board approve a Resolution authorizing a contract agreement between the International Union of Operating Engineers, Local 150, Facilities Management Department and the County of McHenry. Mr. Ivetic reported that negotiation take place over the past 2.5 years. The proposed contract agreement has been ratified by the Union. Retro-pay has been budgeted. The motion carried with all members present voting aye on a roll call vote (Kennedy, Donner, Chmiel, Ryan, Barnes and Munaretto).

*Resolution authorizing a contract agreement between the International Union of Operating Engineers, Local 150, Division of Transportation and the County of McHenry:* Ms. Donner made a motion, seconded by Mr. Ryan to recommend the County Board approve a Resolution authorizing a contract agreement between the International Union of Operating Engineers, Local 150, Division of Transportation and the County of McHenry. The motion carried with all members present voting aye on a roll call vote (Kennedy, Donner, Chmiel, Ryan, Barnes and Munaretto).

*Resolution authorizing approval of the County of McHenry's Property and Casualty Insurance Amended Program for 06-07:* Mr. Kennedy made a motion, seconded by Ms. Barnes, to recommend the County Board approve a Resolution authorizing approval of the County of McHenry's Property and Casualty Insurance Amended Program for 06-07. Mr. Labaj provided a brief summary to the proposed Resolution. He noted that the premiums increased due to an underwriter who had misread the operation at Valley-Hi; a change in the concentration of assets on an industrial appraisal of all property; and, the addition of professional liability

insurance for Judge Sullivan. The motion carried with all members present voting aye on a roll call vote (Kennedy, Donner, Chmiel, Ryan, Barnes and Munaretto).

*Resolution authorizing the purchase of police vehicles:* Ms. Chmiel made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing the purchase of seven police vehicles. These vehicles will replace other such vehicles that have been deemed unsuitable for use as pursuit vehicles. The criteria for making a determination to replace a vehicle could be due to high mileage or maintenance problems. Mr. Austin stated the County relies on our mechanic's expertise to make the final determination. Those vehicles being replaced may still be able to be used by another department that does not have the requirements of a pursuit vehicle or they can be sold at the County's auction. Mr. Labaj also stated that some vehicles are replaced due to accidents and noted that last year there were four such accidents. A roll call vote was called and the motion carried with all members present voting aye (Kennedy, Donner, Chmiel, Ryan, Barnes and Munaretto).

*Resolution authorizing a base salary for the Maintenance Supervisor in the Facilities Management Department:* Ms. Chmiel made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing a base salary for the Maintenance Supervisor in the Facilities Management Department. Mr. Ivetic stated this request goes hand-in-hand with the labor agreements and will be consistent with other unionized departments. Chairman Munaretto noted that the system has worked well. The motion carried with all members present voting aye on a roll call vote (Kennedy, Donner, Chmiel, Ryan, Barnes and Munaretto).

*Finance & Audit Committee meetings for 2007:* Chairman Munaretto stated that Committee would confirm meeting dates and times once the membership has been established for the next two years. He stated that there has been an ongoing problem with the Management Services Committee meeting just prior to the Finance and Audit Committee. He noted that perhaps consideration should be given to holding these meeting on separate dates, such as Management Services meeting on Tuesday and Finance/Audit meeting on Wednesday. Members will address this issue once the Committees are re-organized.

Mr. Sarbaugh addressed the Committee with end of the year budget issues. He reported that due to an increase for autopsies and toxicology services the Coroner's budget has been reduced to levels below what is needed to pay the remainder of bills for 2006. He stated he would like authorization to take a Resolution to the County Board on December 19<sup>th</sup> to resolve this issue and make it possible to meet the 2006 payment deadline of January 7, 2007. An additional \$9,125 is necessary to meet the projected shortfall in the Coroner's Department. Mr. Sarbaugh noted that the County Clerk was able to cover costs of election equipment from grant funds and stated that the Coroner's shortfall could be funded from the Non-Departmental Election Contingency fund. After a discussion, the Committee directed Mr. Sarbaugh to take this Resolution to the County Board under "New and Unfinished Business."

Mr. Sarbaugh next reported that there will also be a need to increase the Facilities Management Natural Gas budget before the close-out of 2006. He noted that the Committee did set aside \$130,000 to be used to meet billing costs or which \$95,000 remains. Billings have been with held and costs are estimated at \$140,000. He asked for Committee direction on how to address this concern. Chairman Munaretto stated the Committee has always tried to be flexible in meeting emergency concerns and noted that the Committee could hold a meeting just prior to the Board meeting or this could also be taken to the County Board under "New and Unfinished Business." Members agreed and directed Mr. Sarbaugh to take a Resolution to the County Board as noted above.

Mr. Sarbaugh stated at this point he is unsure, but felt there may be a need to increase funds for payroll and the Merit Pool allotment could be used as a funding source. The Committee directed Mr. Sarbaugh to take whatever action would be necessary and provide an update at the next regularly scheduled meeting.

Mr. Sarbaugh went on to report that the mileage reimbursement policy currently uses the IRS mileage rate that is in effect at the time the budget is approved. That amount is currently 44.5. However as of January 1, 2007 the IRS rate will be 48.5. Members supported increasing the mileage rate as of January 1, 2007 to match the IRS rate of 48.5 and agreed this would make the rate simpler to understand for all involved.

EXECUTIVE SESSION: None

OLD BUSINESS: None

REPORTS TO COMMITTEE:

*Auditor's Report:* Ms. Palmer addressed the Committee and introduced the newly hired Internal Auditor, Cheryl Walsh, to the Committee. Ms. Palmer then provided a brief review of the responsibilities and duties of the Auditor Department. She noted that those duties include the following: the department is the general accountant for the County, works with the outside auditor, produces the CAFR, and cuts checks to all vendors. She stated that over the past year the department ran a risk assessment of all departments and from that list an annual audit plan was developed. When an internal audit is completed the report is given to the Finance & Audit Committee along with the department's liaison committee. The internal audit program has enhanced and strengthened departments. Chairman Munaretto invited members to visit the various departments to get a better understanding of their duties and responsibilities.

*Contingency Reports:* Mr. Sarbaugh distributed the current sales tax analysis summary along with the Contingency Report.

Chairman Munaretto announced that the December 26, 2006 Finance and Audit Committee would be canceled.

ADJOURNMENT

Noting no further business, Ms. Barnes made a motion, seconded by Mr. Kennedy, to adjourn the meeting at 10:43 a.m. The motion carried with a unanimous voice vote.

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**RECOMMENDED FOR BOARD ACTION:**

Resolution authorizing acceptance of the IL Department of Commerce and Economic Opportunity Grant #06-651002 in the McHenry County Workforce Network FY 06 budget

Resolution authorizing acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #06-661002 and an emergency appropriation to the McHenry County Workforce Network FY 06 budget

Resolution authorizing acceptance of State of a modification to the Illinois Department of Commerce and Economic Opportunity Grant #06-681002 in the McHenry County Workforce Network FY 06 budget

Resolution authorizing acceptance of the Illinois Criminal Justice Information Authority Grant funds for continuance of the Multi-Jurisdictional Drug Prosecution Program #405024

Resolution authorizing acceptance of the Juvenile Accountability Incentive Block Grant from the Illinois Criminal Justice Information Authority and emergency appropriations to the Sheriff's FY 07 budget

Resolution authorizing the purchase of two administrative vehicles for Court Services

Resolution authorizing a contract agreement between the International Union of Operating Engineers, Local 150, Facilities Management Department and the County of McHenry:

Resolution authorizing a contract agreement between the International Union of Operating Engineers, Local 150, Division of Transportation and the County of McHenry:

Resolution authorizing approval of the County of McHenry's Property and Casualty Insurance Amended Program for 06-07

Resolution authorizing a base salary for the Maintenance Supervisor in the Facilities Management Department:

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