

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

MINUTES OF TUESDAY, OCTOBER 14, 2008

Committee Chairman Marc Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto; Marie Chmiel; John Hammerand; Tina Hill; Lyn Orphal; Daniel Ryan; and Barbara Wheeler. Also in attendance: John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator – Finance; Cindy Kozlowski, Budget Analyst; Peter Austin, County Administrator; Pat McNulty, Health; Julie Courtney, Workforce Network; John Hadley, Facilities Management; Sandy Lewis, Lee Ellis and Jane Wacker, Mental Health Board; Bob Ivetic, Human Resources; Jim Bernier, Auditor's Department; Angela Wod-Zuzevick, Sheriff's Department; Kenneth D. Koehler, County Board Chairman; Virginia Peschke, County Board; interested public; and the press.

Marc Munaretto, Chairman

Marie M. Chmiel

John Hammerand

Tina Hill

Lyn Orphal

Daniel P. Ryan

Barbara Wheeler

MINUTES: Mr. Hammerand made a motion, seconded by Ms. Orphal, to recommend approval of the September 23, 2008 Finance and Audit Committee minutes. The minutes were approved as submitted with a unanimous voice vote of all ayes.

PUBLIC COMMENT: Ms. Jane Collins addressed the Committee and questioned when the McHenry County Economic Development Corporation's (MCEDC) contract would be on the agenda for consideration. She also asked when the MCEDC would be presenting their annual report to the County Board. In response, it was noted that the contract would be considered on the 28<sup>th</sup> by the Finance and Audit Committee. It was also noted that the MCEDC provides quarterly reports to the County Board.

**TRUTH IN TAXATION HEARING**

Chairman Munaretto opened the Truth in Taxation hearing at 9:35 a.m. He explained the reason for holding the hearing and that proper notice of the hearing was published in a local paper. Chairman Munaretto then read the following Truth in Taxation 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 2008-2009 that will require aggregate property taxes to be extended that will exceed 5% of the amount of property taxes extended for the FY 2007-2008 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 2008-2009 in an amount which is not more than 6.37% for the amount extended or estimated to be extended for FY 2007-2008 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 18, 2008. Reasonable time limits shall be imposed for all presentations."

Chairman Munaretto opened the hearing for public comment. Ms. Collins stated that with the current financial state, citizens are wondering why property taxes continue to increase even though their home value has decreased. She asked what efforts at "belt tightening" have been implemented by County Board. She also suggested that consideration be given to holding the Truth in Taxation Hearing in the evening so more public could attend. Chairman Munaretto responded that the County continues their commitment to providing the community with the highest level of services at the lowest cost. It is challenged with being able to reduce expenditures and continue to provide services as necessary. He added that the meeting time will be taken under advisement.

With no additional comments, Chairman Munaretto closed the Truth in Taxation Hearing at 9:45 a.m.

## NEW BUSINESS

*Resolution authorizing acceptance of the Illinois Emergency Services Management Association EOC Grant Program Grant Agreement and an emergency appropriation in the Emergency Management Agency's FY 08/09 budget:* Ms. Chmiel made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing acceptance of the Illinois Emergency Services Management Association EOC Grant Program Grant Agreement and an emergency appropriation in the Emergency Management Agency's FY 08/09 budget. It was noted that this grant does not require a local match. On a roll call vote, the motion carried with all members present voting aye (Chmiel, Hill, Orphal, Ryan, Hammerand, Wheeler and Munaretto).

*Resolution authorizing a budget line item transfer in the Law Library Fund FY 08 budget:* Ms. Hill made a motion, seconded by Ms. Wheeler, to recommend the County Board approve a Resolution authorizing a budget line item transfer in the Law Library Fund FY 08 budget. On a roll call vote, the motion carried with all members present voting aye (Chmiel, Hill, Orphal, Ryan, Hammerand, Wheeler and Munaretto).

*Resolution authorizing budget line item transfer in the State Criminal Alien Assistance Program (SCAAP) grant FY 08 budget:* Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing budget line item transfer in the State Criminal Alien Assistance Program (SCAAP) grant FY 08 budget. On a roll call vote, the motion carried with all members present voting aye (Chmiel, Hill, Orphal, Ryan, Hammerand, Wheeler and Munaretto).

*Resolution authorizing budget line item transfers in the Workforce Network FY 08 budget:* Mr. Ryan made a motion, seconded by Ms. Chmiel, to recommend the County Board approve a Resolution authorizing budget line item transfers in the Workforce Network FY 08 budget. On a roll call vote, the motion carried with all members present voting aye (Chmiel, Hill, Orphal, Ryan, Hammerand, Wheeler and Munaretto).

*Resolution authorizing building automation system upgrade FY 08/09 budget requests:* Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing building automation system upgrade FY 08/09 budget requests. On a roll call vote, the motion carried with all members present voting aye (Chmiel, Hill, Orphal, Ryan, Hammerand, Wheeler and Munaretto).

*FY 08/09 budget and supplemental requests:* Mr. Sarbaugh distributed the following: General Fund Budget Reconciliation FY 08/09; FY 08/09 Supplemental Budget Requests – recommended and non-recommended; Special Funds FY 08/09 Supplemental Budget Requests – recommended and non-recommended; and FY 08/09 Supplemental Budget Requests recommended by Administration after the Chairman's Advisory Legislative Forum meeting on September 29, 2008. He reminded members that since the personnel costs (IMRF, merit, health, etc.) have a natural growth they are not considered as part of the maintenance budget. He reported that any increase to contractual, commodities or capital budgets must be submitted as supplement requests. The members reviewed and discussed the proposed documents.

Chairman Munaretto asked that the Committee keep in mind the budget allowed for supplemental requests has been set at \$500,000. He noted that both the Mental Health Board and the Health Department are asking for reconsideration of some supplemental requests. He stated although members should be open to such consideration, the budget process which has worked for the past six years should not be changed or compromised at this point. Ms. Lewis, Mr. Ellis and Ms. Wacker, from the Mental Health Board, then joined the Committee to ask for re-consideration of three supplemental requests that were not recommended. Ms. Lewis noted that this is only the second year for her department to be involved in the budget process as the funds for the Mental Health Board are separate from County funds. She reviewed the requests which included moving a part-time ICG coordinator position to a full-time position and adjusting salaries for an Accountant I position and two Administrative Specialist II positions. Mr. Sarbaugh reported that the reclassification of the ICG position was approved after the CALF and is being recommended at this time. Ms. Lewis then reviewed the three salary adjustment requests, noting that the Mental Health Board did adopt the County's wage/salary process. Mr. Sarbaugh noted that many new position requests were not approved, but five such requests for the Mental Health Board were recommended. He stated that any salary adjustment requests must be justified. Chairman Munaretto stated that the Mental Health funds are not separate and they exist to meet the needs of all McHenry County. Ms. Hill stated that Mental Health funds are special funds and if the Mental Health Board can fit adjustment requests into their accounting such requests should be allowed. Mr. Ivetic stated that all departments were involved in the wage and salary process and in reviewing classifications. There were many

opportunities to address concerns. Ms. Hill questioned if these requests were among those considered for salary adjustments. Ms. Lewis stated she did not believe they were as they were hired during the first round of addressing compression. The adjustments being requested are to address more responsibilities that have been taken on by the positions. Ms. Hill stated she had no problem with supporting the requests. Ms. Chmiel stated before she could make a decision she would need more information, especially regarding the accounting position and how the salary relates to other such positions in the County. Mr. Ivetic stated that any Accountant position must hold a degree. The word "accounting" was deleted from such positions that did not require a degree. He went on to note that phase 2 of the process looked at current employees and, some positions were adjusted and others were not. Mr. Sarbaugh urged members to be careful in their decisions, noting that other departments will be looking at this closely. Chairman Munaretto stated that it is important to follow the process which allows for administrative review of all requests. Ms. Hill raised concerns that it appears the process does not allow a complete review of supplemental request by committees. Mr. Austin agreed that the process is difficult and perhaps there should be more dialogue, but the position on the supplement recommendations have not changed at this time. Chairman Munaretto stated the importance of listening to all requests and asked that no decision be made until the next meeting which would give members time to review documents and information. Other committee chairs noted they were unaware of the complete process which included time to review supplement requests and made their recommendations. Chairman Munaretto stated that there has been some confusion and that all committee chairs may not have been fully informed as to their options. Mr. Sarbaugh stated that committees were informed and provided supplemental requests, although no action was to be taken they could review the requests, discuss and ask question, The Chairman Advisory Legislative Committee provided another opportunity to discuss recommendations. Ms. Chmiel stated it would be helpful to have documents and information prior to a meeting so they could be reviewed for discussion. Chairman Koehler stated that the process in general is good, but added that all committee chairman should participate in discussions with department heads and be more engaged in the process. Chairman Munaretto agreed that committee chairs should be involved in the supplemental process.

Mr. McNulty joined the Committee to discuss the Solid Waste Manager position which will be moved from the Planning and Development Department to the Health Department. He stated that he supports this position although it was not a high priority in the department. He also questioned funding for this position. Members questioned if the re-locating of the position could wait until next year. Mr. Austin stated after reviewing this position it was determined that it would be better placed in the Environmental Health Division. He stated the position in the P&D Department only addressed licensing of haulers. The position would take on more responsibilities in the Health Department and work to pull municipalities together. Chairman Munaretto asked that this be included for further discussion during the next meeting.

Mr. McNulty also asked to discuss other concerns including a reclassification request and the Dental Clinic Funds. Chairman Munaretto stated such discussions would be included at the next meeting.

Ms. Wheeler asked that consideration be given to various contributions/donations including the University of Illinois Extension, the Soil and Water Conservation District and the Convention Visitors Bureau.

Noting a County Board Meeting was scheduled for 11 am, Chairman Munaretto asked that the Finance and Audit Committee recess until 11:30 am or until the County Board meeting has adjourned. The meeting recessed at 11 am on a motion by Ms. Hill, seconded by Ms. Orphal, with all members present voting aye on a voice vote.

Chairman Munaretto reconvened the Finance and Audit Committee at 12:15 pm. The following members were present: Marc Munaretto, John Hammerand, Lyn Orphal, Marie Chmiel, Barbara Wheeler and Dan Ryan. Tina Hill was absent.

County Board Chairman Koehler addressed the Committee and asked for the Committee's consideration of reducing the County's contribution to the McHenry County's Visitor's Bureau, which is currently \$120,000. He noted that recently the State certified the Visitor's Bureau which allows them to receive State grants. He suggested that with state funding now available, perhaps the County's contribution could be reduced to allow for an increase in the contributions to the University of Illinois Extension and to the Soil and Water Conservation District. Chairman Munaretto noted that perhaps the contribution to the Visitor's Bureau could be reduced which would open an avenue for additional funding. Chairman Koehler and Ms. Wheeler noted that both services offer unique programs and a re-evaluation of funding should be considered. After a discussion, Chairman Munaretto

stated that he would address the issue with the Visitor's Bureau and will report back to the Committee at the October 28<sup>th</sup> meeting.

*2009 Committee meeting dates/times:* Mr. Hammerand made a motion, seconded by Ms. Orphal, to keep the same meeting schedule for the Finance and Audit Committee for 2009 – the second and fourth Tuesday at 9:30 am. The motion carried with a unanimous voice vote of all ayes.

OLD BUSINESS

REPORTS TO COMMITTEE:

*Auditor's Report:* None

*Contingency Reports:* None.

EXECUTIVE SESSION: None.

ADJOURNMENT

Noting no further business, Mr. Hammerand made a motion, seconded by Ms. Orphal, to adjourn the meeting at 12:30 p.m. The motion carried with a unanimous voice vote.

\* \* \* \* \*

**RECOMMENDED FOR BOARD ACTION:**

Resolution authorizing acceptance of the Illinois Emergency Services Management Association EOC Grant Program Grant Agreement and an emergency appropriation in the Emergency Management Agency's FY 08/09 budget

Resolution authorizing a budget line item transfer in the Law Library Fund FY 08 budget

Resolution authorizing budget line item transfer in the State Criminal Alien Assistance Program (SCAAP) grant FY 08 budget

Resolution authorizing budget line item transfers in the Workforce Network FY 08 budget

Resolution authorizing building automation system upgrade FY 08/09 supplemental budget requests

:bjt