

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

MINUTES OF TUESDAY, JULY 13, 2010

Chairman Munaretto called the meeting to order at 9:30 a.m. The following Committee members were present: Marc Munaretto, Chairman; Lyn Orphal; John Hammerand; Scott Breeden; Mary Donner; and Daniel Ryan. Tina Hill was absent. Also in attendance: Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; John Labaj, Deputy County Administrator; Marlene Lantz, Coroner; Jim Bernier, Auditor's Office; Pat McNulty, Health Department; Jeff Young and Jason Osborn, McHenry County Division of Transportation; Mark Phipps, Planning & Development; Tom Sullivan; I.T.; Kathie Schultz, County Clerk; Angela Zuzevich, McHenry County Sheriff's Department; Bob Bless, Barb Wheeler and Kathleen Bergan-Schmidt, County Board; interested public; and press.

Marc Munaretto, Chairman	
Scott Breeden	Mary L. Donner
John Hammerand	Tina Hill
Lyn Orphal	Daniel P. Ryan

MINUTES: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend approval of the minutes of the Finance & Audit Committee meeting of June 22, 2010. Chairman Munaretto corrected a typographical error to remove the word "administerial" and replace with the word "ministerial." The minutes were approved as corrected with all members present voting aye on a voice vote.

PUBLIC COMMENT: None.

PRESENTATION: None.

NEW BUSINESS:

McHenry County Division of Transportation (MCDOT) - TIGER II Grant Application: Mr. Young joined Committee members and provided information concerning a TIGER II Planning Grant Program funding opportunity. McHenry County Division of Transportation (MCDOT) has an opportunity for funding offered by the United States Department of Transportation (USDOT) called the TIGER II Discretionary Grant Program. Tiger II is broken down into two types of pools. Pool No. 1 category is related to major construction with a criterion of at least \$10 million in construction. Pool No. 2 category is related to community planning and has a criterion of \$3 million in funding. MCDOT would like to apply for the maximum of \$3 million to assist with the engineering of Randall Road. MCDOT feels that by applying for TIGER II, bicycle and pedestrian improvements can be included along Rakow Road. With Phase I well underway, and the anticipation of the start of Phase II, they would be able to obligate those dollars and use them per the requirements of the grant. It was discussed that they would not be committing any more funds than what has been approved by MCDOT, they are just leveraging those dollars. These funds are designated to be spent within a short period of time and the deadline for submission of applications is July 16, 2010. After discussion, the consensus of all Committee members present agreed that the TIGER II Planning Grant should move forward.

Resolution Authorizing Line Item Transfers in the Series 2010A Capital Projects Fund Fiscal Year 2009-2010 Budget for the Construction of a New County Archive Facility: Ms. Donner made a motion, seconded by Mr. Breeden, to recommend the County Board approve a Resolution Authorizing Line Item Transfers in the Series 2010A Capital Projects Fund Fiscal Year 2009-2010 Budget for the Construction of a New County Archive Facility. Mr. Sarbaugh stated the County Board previously approved an Ordinance establishing a Capital Projects Fund for the new Archive Facility Project. This Resolution will assist in the tracking of expenditures and payments to the vendors working on the project. After discussion, the motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Donner and Munaretto.)

Resolution Authorizing an Emergency Appropriation in the Fiscal Year 2009-2010 Budget for the Mental Health Building Expansion Project Fund: Mr. Ryan made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution Authorizing an Emergency Appropriation in the Fiscal Year 2009-2010 Budget for the Mental Health Building Expansion Project Fund. This is for an emergency appropriation of expenditures to allow for the payment of costs incurred in FY2010 related to the expansion and enhancement of the current Mental Health Building. The groundbreaking for this project is to take place at the end of August, 2010. The expenditures include costs for insurance, bond issuance, professional services, capital construction, land improvements and fund balance enhancements. The motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Donner and Munaretto.)

Resolution Authorizing a Network Infrastructure Equipment Refresh Purchase and Budget Line Item Transfers in the Series 2010A Capital Projects Fund Fiscal Year 2009-2010 Budget: Mr. Breeden made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution Authorizing a Network Infrastructure Equipment Refresh Purchase and Budget Line Item Transfers in the Series 2010A Capital Projects Fund Fiscal Year 2009-2010 Budget. Mr. Sullivan informed the Committee that this Resolution allows for the purchase of two core and 79 network switches, 130 wireless switches, and software to manage and support the Storage Area Network. This will enable I.T. to add software and provide wireless capabilities within County buildings. After a brief discussion, the motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Donner and Munaretto.)

Ordinance Implementing the Wetland Restoration Fund: Mr. Breeden made a motion, seconded by Ms. Donner, to recommend the County Board approve an Ordinance Implementing the Wetland Restoration Fund. Mr. Phipps joined Committee members and informed them that the McHenry County Stormwater Management Ordinance currently provides for the mitigation of impacts to isolated waters of McHenry County by a fee-in-lieu payment into a Wetland Restoration Fund (WRF). Currently two WRF's are established for McHenry County, those being a Fox River WRF and a Kishwaukee River WRF. This proposed Ordinance offers a third WRF option wherein it would allow the County to accept a fee, find a suitable spot within the watershed as close as possible, and create/restore a wetland. The fees would also include some long-term maintenance of the wetland. The Ordinance is for the collection of fees for the dispersal of funds from the WRF. He informed the Committee that this Ordinance has been approved by the Natural and Environmental Resources Committee. After a brief discussion, the motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Donner and Munaretto.)

Resolution Authorizing the Reclassification of the Animal Control Division Manager and Budget Line Item Transfers in the Health Department's Fiscal Year 2009-2010 Budget: Ms. Donner made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution Authorizing the Reclassification of the Animal Control Division Manager and Budget Line Item Transfers in the Health Department's Fiscal Year 2009-2010 Budget. Mr. McNulty stated he is requesting this change after considering these changes for the past few years and informed the Committee that the Animal Control Manager will be retiring. Mr. McNulty stated he would like permission to change the Animal Control Manager position to a Vet/Manager position. This would be financed within the existing budget and would use funds from personnel and the vet line items. When the facility was originally built, they had hoped to do some medical services internally. The Friends of the Animal Control, a 501c(3) organization, have agreed to raise funds to purchase the needed medical equipment for the facility. There are currently several veterinarians in the area interested in this position. The only possible other change would be for the Animal Control Administrator and this position is appointed by the County Board. This position can continue as is, or could be included as part of the duties for the Vet/Manager. This could result in some savings for the Department and create more efficiency within the Department. They would like to increase the duties of other personnel but, because of labor contract issues, they are unable to make these changes at this time. Spay and neutering services are being handled outside the facility at this time. The current Animal Control Administrator's contract is being handled month-to-month and Dr. Mehanovic has stated he would like a contract with a scaled-back salary with a per-service contract. If a new vet is put in place, we can see if this person would be able to take over the duties of the Administrator as well and could create a more efficient operation. The facility continues to work with the shelters in the area and Animal Control is mandated to spay/neuter and microchip the strays. There is an Animal Control Advisory Committee in place to address the operations of the

facility. The salary for the Vet could be up to \$90,000 which fits into their current budget. He mentioned that this Resolution was approved at the Human Resources Committee meeting on July 12, 2010. Chairman Munaretto requested the Health Department provide a copy of a cost analysis to Committee members. After discussion, the motion carried on a roll call vote with five aye votes (Orphal, Breeden, Ryan, Donner and Munaretto) and one nay vote (Hammerand.)

Resolution Authorizing Workers' Compensation Claim Settlement No. 09-6100-26: Ms. Orphal made a motion, seconded by Mr. Breeden, to recommend the County Board approve a Resolution Authorizing Workers' Compensation Claim Settlement No. 09-6100-26. Mr. Labaj stated that this claim is for a CNA from Valley Hi that was injured while assisting with the dressing of a resident. The employee was kneeling and when she went to stand she felt a pop and pain in her knee. An MRI showed a medial meniscus tear. The employee underwent surgery and has now reached maximum medical improvement and has been released from medical care and is back to work on full duty. Committee members were informed that Valley Hi has a very active Safety and Security Committee and they are confident that Valley Hi takes all claims very seriously. The motion carried on a roll call vote with five aye votes (Orphal, Ryan, Donner, Hammerand and Munaretto) and one nay vote (Breeden.)

Ms. Donner requested that 5.8 and 5.10 be heard at the end of New Business. Chairman Munaretto agreed and moved the items as requested.

Resolution Authorizing a Reclassification in the Information Technology Department: Ms. Donner made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution Authorizing a Reclassification in the Information Technology Department. Mr. Sullivan informed the Committee that the Telecom Manager recently retired and he would like to realign the duties in his department. This employee managed the Help Desk and the Personal Computer Specialist positions, in addition to providing maintenance and support for the telephony system. They will be realigning and splitting the duties of some of the employees, as well as increasing the duties of the PC Technician. They will save approximately \$20,000 with these recommended changes. The motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Donner and Munaretto.)

Chairman Munaretto requested that 5.11 and 5.12 be reviewed at the same time.

Resolution Authorizing Acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #10-653002 and Authorizing an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2009 Budget, and Resolution Authorizing Acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #10-071002 and Authorizing an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2009 Budget: Ms. Orphal made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution Authorizing Acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #10-653002 and Authorizing an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2009 Budget and a Resolution Authorizing Acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #10-071002 and Authorizing an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2009 Budget. The first Resolution will allow the funds to be used to provide case managers to work with dislocated workers from various companies and two job counselor positions may be added due to this funding. The second Resolution is a grant from the Department of Human Services (DHS) and will allow funds for a youth summer employment program. The funds will be used to pay for work experience wages for the youth that are eligible for this program. The motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Donner and Munaretto.)

Resolution Authorizing the Appointment of Judges of Election: Mr. Ryan made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution Authorizing the Appointment of Judges of Election. There was a question as to whether or not Committee members could vote on this Resolution if they, or their family members served as election judges. Chairman Munaretto stated that it would have to be

investigated by the State's Attorney's Office. Mr. Hammerand and Mr. Breeden recused themselves from the vote. After discussion, the motion carried on a roll call vote with four aye votes (Orphal, Ryan, Donner and Munaretto.)

Review and Approval of a McHenry County Loan Fund Request for Blue Ribbon Millwork: Mr. Labaj joined the Committee to discuss a loan fund request from Blue Ribbon Millwork. The County currently has approximately \$878,000 in the loan fund account. Blue Ribbon Millwork has had good credit in the past and they are feeling the effects of the downturn in both residential and commercial business. The company sees the downturn in the economy as an opportunity to hire more employees and expand their business. The company markets Marvin Windows & Doors, and they also provide cabinets and high-grade millwork. It was stated that some other Marvin Window representatives have recently gone out of business due to the economy. It is Blue Ribbon Millwork's business plan to grow their company. Mr. Labaj received their updated financial reports yesterday and it reported that June, 2010 was a great month for the company. They are on track to increase sales by 16% over 2009. He believes this figure is attainable based on the sales figures through June, 2010. 90% of their business is from rehab work which has been fairly steady and constant. They employ 19 people and will hire additional employees if they receive the loan. This is a 5-year loan and staff recommends the loan be approved as requested. After discussion, Ms. Donner made a motion, seconded by Mr. Ryan, to recommend the County Board approve a \$200,000 McHenry County Loan Fund Request for Blue Ribbon Millwork. The motion carried with all members present voting aye on a roll call vote (Orphal, Breeden, Hammerand, Ryan, Donner and Munaretto.)

Resolution Authorizing a Contract Agreement Between the Service Employees International Union, Local 73, County Coroner, and the County of McHenry, and Resolution Authorizing a Contract Agreement Between the Service Employees International Union, Local 73, Division of Veterinary Public Health, and the County of McHenry: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution Authorizing a Contract Agreement Between the Service Employees International Union, Local 73, County Coroner, and the County of McHenry, and Resolution Authorizing a Contract Agreement Between the Service Employees International Union, Local 73, Division of Veterinary Public Health, and the County of McHenry. Mr. Ivetic joined the Committee and informed members that the initial contract negotiations have been going on for almost two years between SEIU and the County. There have been three mediation sessions with the Federal Mediator. The County extended their last, best and final offer and asked that the SEIU negotiators bring the contract proposal to members for a vote. The SEIU stated they would not take the contract to their membership. This leaves a stalemate and two options at this time. The County can do nothing and keep maintaining the "status quo" indefinitely, or "impose" the contract. This means that the County would unilaterally implement the contract. The contract is fair and equitable. They would maintain the status quo on all benefit time, group health insurance, hours of work, etc. Wage adjustments would be the same as all other County employees: 3% on December 1, 2008; 2% on December 1, 2009; and a percentage increase the same as granted by the County Board for December 1, 2010.. Wage adjustments will be retroactive. The SEIU could request the County renegotiate the contract. He stated that he does not know why it has taken so long to get this contract approved. The employees could "strike" if they don't accept this contract. He stated he would have liked to see both groups agree to the terms. Mr. Austin stated that he has been in contact with labor attorney John Kelley and Mr. Kelley will be at the County Board meeting on July 20, 2010. County Board members will have an opportunity to discuss the advantages and disadvantages of both of these contracts with him at that meeting. After a lengthy discussion, the motion failed on a roll call vote with three ayes (Ryan, Orphal, Munaretto) and three nays (Breeden, Donner and Hammerand.)

Ms. Donner left at 11:00 a.m.

OLD BUSINESS: None.

REPORTS TO COMMITTEE:

Auditors Report: Mr. Bernier presented the finalized version of the FY2009 Single Audit for the year ended November 30, 2009. This report was prepared by the County's outside auditors, Baker Tilly Virchow Krause, LLP. He provided the Committee with a summary of the audit. The Audit is in two sections, those being the Financial Statement Findings and the Federal Findings. He mentioned that the Neighborhood Stabilization Program (NSP) Audit has been completed and will be forthcoming.

Contingency Reports: Mr. Sarbaugh presented his Contingency Report as of July 7, 2010. Mr. Austin informed the Committee that they recently had a good meeting regarding the FY2010 budget and they are tracking the revenues as predicted.

FUTURE TOPICS: None.

EXECUTIVE SESSION: None.

ADJOURNMENT:

Noting no further business, Mr. Hammerand made a motion, seconded by Mr. Breeden, to adjourn the meeting at 11:10 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution Authorizing Line Item Transfers in the Series 2010A Capital Projects Fund Fiscal Year 2009-2010 Budget for the Construction of a New County Archive Facility
- Resolution Authorizing an Emergency Appropriation in the Fiscal Year 2009-2010 Budget for the Mental Health Building Expansion Project Fund
- Resolution Authorizing a Network Infrastructure Equipment Refresh Purchase and Budget Line Item Transfers in the Series 2010A Capital Projects Fund Fiscal Year 2009-2010 Budget
- Ordinance Implementing the Wetland Restoration Fund
- Resolution Authorizing the Reclassification of the Animal Control Division Manager and Budget Line Item Transfers in the Health Department's Fiscal Year 2009-2010 Budget
- Resolution Authorizing Workers' Compensation Claim Settlement No. 09-6100-26
- Resolution Authorizing a Reclassification in the Information Technology Department
- Resolution Authorizing Acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #10-653002 and Authorizing an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2009 Budget
- Resolution Authorizing Acceptance of the Illinois Department of Commerce and Economic Opportunity Grant #10-071002 and Authorizing an Emergency Appropriation to the McHenry County Workforce Network Fiscal Year 2009 Budget
- Resolution Authorizing the Appointment of Judges of Election

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