

AGENDA
FINANCE AND AUDIT COMMITTEE
TUESDAY, OCTOBER 11, 2011 – 9:30 A.M.
McHenry County Government Center – Administration Building
667 Ware Road – County Board Conference Room
Woodstock, IL 60098

- 1.0 Call to Order
- 2.0 Minute Approval
- 3.0 Public Comment
- 4.0 Presentation
- 5.0 New Business
 - 5.05 Resolution Approving the Purchase of Maintenance Equipment
 - 5.10 Resolution Authorizing the Purchase of One (1) New Vehicle and an Emergency Appropriation and Budget Line Item Transfer in the Coroner's Fund Fiscal Year 2011 Budget
 - 5.15 Resolution Authorizing Monthly Transactions for the Delinquent Tax Program
 - 5.20 Resolution Authorizing Nunc Pro Tunc the Acceptance of the Illinois Department of Transportation IL Child Passenger Safety Program Grant and an Emergency Appropriation to the Sheriffs Fiscal Year 2011 Budget
 - 5.25 Resolution Authorizing Acceptance of an IDOT Sustained Traffic Enforcement Program (STEP) Grant Award and an Emergency Appropriation to the Sheriff's FY11 Budget
 - 5.30 Resolution Authorizing a Contract with New Dawn Technologies, Inc. for JustWare Case Management Software and an Emergency Appropriation to the Non-Departmental Fiscal Year 2011 Budget
 - 5.35 Resolution Authorizing an Amendment to Resolution R-200708-10-208 Authorizing Adoption of Housing Investment Partnership (HOME) Program Funding for the 2007 Program Year and Authorizing an Amendment to Resolution R-201104-10-093 Authorizing Adoption of Housing Investment Partnership (HOME) Program Funding for the 2010 Program Year and an Emergency Appropriation to the CDBG-HOME FY2011 Budget and the Submittal of Amended Action Plans as Applicable to HUD
 - 5.40 Resolution Authorizing Entering into a Contract with Verisight (Formerly RSM McGladrey) for Professional Services to Review and Update the County's Current Comprehensive Job Evaluation/Classification System and Corresponding Compensation Program
 - 5.45 Review of Revolving Loan Fund Request from Duraflex, Inc. (not in packet)
 - 5.50 Review of Revolving Loan Fund Request from General Assembly and Manufacturing Corp. (not in packet)
 - 5.55 Ordinance Authorizing the Annual Appropriations for FY11-12 Budget (not in packet)
 - 5.60 Ordinance Providing for the Levy of Taxes for McHenry County for Fiscal Year December 1, 2011 through November 30, 2012 (not in packet)
- 6.0 Old Business
- 7.0 Reports to Committee, as applicable
 - 7.05 Auditor's Report
 - 7.10 Contingency Reports
- 8.0 Future Topics
- 9.0 Executive Session (as necessary)
- 10.0 Adjournment

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

MINUTES OF TUESDAY, SEPTEMBER 27, 2011

Mr. Breeden, Chairman called the meeting to order at 9:30 a.m. The following Committee members were present: Scott Breeden; John Hammerand; Jim Heisler; Mary McCann; Mary Donner and Tina Hill. Bob Bless was absent. Also in attendance: Pete Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; John Labaj, Deputy County Administrator; Pam Palmer and Shannon Teresi, Auditor; Cindy Kozlowski, Financial Analyst; Bob Lessor, Mental Health; Phil Dailing, Court Services; Dennis Sandquist, Planning and Development; Bob Ellsworth, Emergency Management Agency; Tom Sullivan, IT; Ersel Schuster, County Board Member; Pam Cumpata, EDC; and the press.

Scott Breeden, Chairman	
Bob Bless	Mary L. Donner
John Hammerand	James Heisler
Tina Hill	Mary McCann

MINUTES

Committee members reviewed the committee minutes of September 13, 2011 and Joint Meeting of Finance and Audit and Law and Justice Committees of September 20th. Mr. Heisler made a motion, seconded by Ms. Donner to recommend approval of the above minutes as presented. The motion carried with all members present voting aye on a voice vote.

PUBLIC COMMENT

None

PRESENTATION

FY2012 Budget Development: Mr. Austin and Mr. Sarbaugh joined committee members regarding discussion that took place with Chairman Breeden on how the committee would like to present the FY2012 budget to the full County Board. They would like to present what the impact would be to the County by making various decisions with both the tax levy and pay down of the County's reserve. Committee members were provided with a budget program that balances the budget today, and restores funding to budgets, that were previously taken away. The 1.5% levy increase that is allowed by law protects the County against inflation. The new question arises, do we take the increase, which the County has always done to protect from inflation, and commit some of the reserve to the debt payments. That is the question before the committee today. In order to bring a balanced budget before the board, they discussed various scenarios. As a County they need to decide which direction to take, based on these options. Mr. Hammerand stated that he thought the board was clear when they stated they did not want to see an increase to the levy of 1.5%. He stated that they were also clear that they expected to see some other changes within the budget as well. Especially concerning increases and changes to some funding commitments. Some of these expenditures include lobbyist costs and optional expenditures. Committee members were reminded that the biggest expense in the budget is for personnel. It was stated that the extra "fringes" need to be eliminated to the budget in order to decrease the budget by the 1.5 million as discussed at the County Board meeting. Committee members were reminded that there are only a few optional "fringes" within the budget. These involve five or six items, including but not limited to the EDC, Convention and Visitors Bureau, Cooperative Extension Service, the Lobbyist and Soil and Water. This would only remove about \$500,000 from the budget. The budget still would not be balanced, even if all these items were removed.

Committee members were reminded that there were no raises provided to the non-union employees last year. Ms. Donner stated that she feels it is important to prioritize raises for these non-union employees. She stated that she feels it would be totally inappropriate to consider no raises for the employees. As a trustee she found out that it could cause major issues if the employees are not taken care of. She stated there could be unexpected consequences if these are zeroed out. While reviewing what the costs would be to the taxpayers it was found that this would result in 75 cents or less to each tax bill. If you give raises to employees this helps to grow the economy. She stated there would be a higher cost to replace trained personnel than to pay the employees their worth. Committee members were reminded that the Departments have reduced their budgets the past few years. Last year this resulted in \$6.5 million being taken out of the budget. The departments have reduced their budgets as much as they can. Committee members reviewed the affect on the future of the County if the 1.5% CPI is not taken. Over 10 years the County would lose about \$15,000,000. Not taking these funds would have a minor impact to a person's tax bill, but would have a dramatic effect to the County's budget if not taken. McHenry County has not run a "fat" organization. It was stated that they would like a consensus from the committee on the 1.5% tax levy. Committee members stated that this should be a discussion for the whole County Board. They were questioned if they don't go with the 1.5%, how is the budget to be balanced. Time is running out in order to make these decisions. Some of the debts can be retired. The debts were reviewed with the underwriter and he raised some valid issues that need to be considered. The economy is currently in a flux right now. It is unknown

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whether we are headed for another recession or if the economy will get even worse. If we pay down the whole debt, how will the county build up its reserves? But, if we slowly draw down the debt over the next seven to ten years, it would keep the reserves solid and allow for a conservative approach for future boards. Committee members voiced concern. They stated that as long as we keep the current good credit rating there is no reason to keep these funds in the bank. Committee members were reminded that as a County we have control over one income and that is the levy. Many of the accounts in the County are suffering and need to be built back up. The County Board has previously elected to keep a 5 to 6 month reserve and with 6.8 month reserve there are funds available to pay down the debts. We don't want to use these reserves for our operating costs and the County needs a certain amount of funds in order to pay for our costs of doing business. This is an opportunity to discuss what the role of County Government is. Staff questioned what the decision of the committee is as they need direction on this issue. Ms. Hill recommended that we keep the levy in place at 1.5% and only use the reserve in order to pay down the debt. This way the budget can be balanced and some supplemental requests can be accomplished. Mr. Austin noted that as the budget stands, there are millions of dollars of supplemental requests, with only \$100,000 to spend for a few of these requests. Within these requests are some unavoidable new expenses. Committee members were reminded that they need some options in place, especially if we don't take the 1.5%. Committee members stated that this is an issue that needs discussion by all of the County Board. They stated they do not find it effective to discuss these issues at a County Board meeting. It was suggested that a workshop be held to discuss all of the options surrounding the budget. Mr. Sarbaugh stated that they need to understand that the County Clerk has no choice but to strike the 1.5% levy. If the committee members wanted to see how the levy was "struck", they would have to look at the prior year to show how the 1.5% was offset. If for some reason it was -0-, he questioned what fund should the 1.5% come from? Committee members noted that this is the reason this workshop is needed. They stated that they would need a list of the programs and the funding tied to the programs in order to see where and if there are funds available. Committee members were reminded that the budget is identical to what it has been the past two years. The only items in the budget that has grown is for the cost of benefits and supplemental costs. Committee members requested a breakdown of the budgets for each of the departments. Mr. Sarbaugh reminded committee members that merit increases are not built into the General Fund department budgets. These funds are only awarded if the department should run out of personnel dollars. It was suggested that a memo be prepared from the Finance and Audit Chairman informing the County Board Members what was discussed today and informing them that a budget workshop will be scheduled for discussion within the next 10 days. Committee members were informed that additional meetings for Finance and Audit may be needed. Mr. Austin voiced concern regarding where to cut the budget and how to find funding for some of the critical needs. Committee members were reminded that we have requested the departments to give back to the County what they could and in return, when the economy started to bounce back we would address this issue. In 2009 they gave \$1.4 million dollars back. The last two years they have had more give back. There is no fat in these budgets and the departments are running thin. The County Board Members need to be aware of how these cuts have affected the departments. They will need to discuss the path to take with and without funding for these requests. Committee members stated that the whole county board needs to have the information that was passed out to the committee members today. It was suggested that a COW be scheduled after the Public Health and Human Services Committee meeting scheduled on October 7th. Committee members stated that the board needs to review some of the items that are funded by the County that is not required and a list of the services that could be impacted if funding was cut. This will be an opportunity for input from all of the County Board Members. They stated it would be nice if they could receive information prior to this meeting. The County Board has some large principle questions that need to be answered in order to move this budget forward.

NEW BUSINESS

Resolution Authorizing the Adoption of Senior Services Grant Fund Funding Allocations for Program Year 2012: Ms. Hill made a motion, seconded by Ms. McCann recommending approval of the above Resolution as presented. Ms. Donner stated that she would be recuse herself on any vote or discussion for transportation as she is an employee of PACE. The motion carried with a majority of members present voting aye on a roll call vote (Hammerand, Heisler, Hill, McCann, Breedon) abstain Donner. Committee members noted that some of the programs were not funded and questioned why. Mr. Labaj noted that the commission did not want to use any of the funds where the programs may be duplicated or for programs that were already funded or similar to current programs. The request by the Village of Cary was for an upgrade to one of their facilities and the grant commission felt that this was a responsibility of the Village through their capital improvement program

Ms. Donner left committee at 10:30a.m.

Resolution Authorizing an Emergency Appropriation of \$40,000 from the General Fund Reserves to Restore Funding to the Breast and Cervical Cancer Program (IBCCP) for FY2011: Mr. Heisler made a motion, seconded by Ms. McCann recommending approval of the above Resolution as presented. Mr. McNulty joined committee members to request that the funding for the Breast and Cervical Cancer program that was removed during the previous budget process be

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restored in order to allow the continuation of services for this program. Committee members asked if they were to stay within the parameters of the grant. They were informed that a portion of the funding was removed during the previous budget cuts. Chairman Breeden stated he would be unable to support this request because when the County is having budget issues the County Board Members need to stand by their decisions. They previously reduced this budget because of this issue and now they are putting the funding back while we are still having budget problems. The motion carried with a majority of members present voting aye on a roll call vote (Heisler, Hill, McCann) nay (Hammerand, Breeden)

Resolution Authorizing Acceptance of an Illinois Breast and Cervical Cancer Program (IBCCP) funding in the Amount of \$402,960 and Committing County Financial Support for FY2012: Ms. McCann made a motion, seconded by Ms. Hill to recommend approval of the above Resolution as presented. Committee members were informed that this is an increase in funding from the previous year. During the year if another entity returns their funding, these funds get reallocated by the State. The increase in funding is from this reallocation. This was awarded because of the increased case load in our area. The motion carried with all members present voting aye on a roll call vote (Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Authorizing a Budget Line Item Transfer in the Planning and Development Departments FY2011 Budget: Mr. Sandquist joined committee members for presentation of the above Resolution. Ms. McCann made a motion, seconded by Ms. Hill recommending approval of the above Resolution as presented. Mr. Sandquist stated that this is a request to transfer funds from within the budget. These funds will be moved from ZBA per diems into Stormwater Consulting. Because of a medical issue, they will be short staffed in the Stormwater area. The Department is requesting the line item transfer to allow the department to utilize a consulting engineer to review the stormwater permits and engineering plans during this period. The motion carried with all members present voting aye on a roll call vote (Hammerand, Heisler, Hill, McCann, Breeden)

Discussion of Revolving Loan Fund Request from Millennium Electronics International, Inc.: Mr. Labaj joined committee members to provide an update on the above Revolving Loan request. He stated that Millennium Electronics packet is not complete at this time so they will need to review this request at a future meeting. He stated that he has two other groups that will be putting in applications as well. Three requests will come before the committee at its next committee meeting. There is currently \$600,000 in the Revolving Loan Account.

REPORTS TO COMMITTEE, AS APPLICABLE

Auditor's Report: Ms. Teresi joined committee members to discuss Division of Transportation's internal control report. She stated that she will review some of their procedures and sources of revenue as well as two internal control recommendations. She stated that she met with Mr. Korpalski, Mr. Young and Margie Newman to discuss and document their procedures for receiving, recording, depositing and reconciling revenue sources and their department specific procedures related to processing payables. They understood the reason for the need for their documentation to be accurate. This will also assist the outside auditors when they inquire about internal controls as well.

Ten main sources of revenue were identified for the Division of Transportation in comparison the original documentation only identified six revenue sources. The review process was effective in making sure that most of the department's financial procedures were documented.

During the review several internal controls were found that were not documented. Currently they have 22 controls documented. The original documentation only identified ten internal controls. The County's internal control documentation is constantly updated as procedures change. During future audits, they will look to see if any revisions or updates can be made to any of the internal control documentation. If controls are not in place correctly it could cause funds to be recorded incorrectly or misappropriated, funds could not be used for approved projects, invoices could be processed inaccurately or not approved, or a journal entry could be posted without adequate support or may be calculated incorrectly. Two internal control recommendations were suggested as well. One was that checks were being kept in an envelope at the employee's desk prior to a deposit being made. It was suggested that the checks and cash received be stored in a locked desk or safe. The department has already implemented this recommendation. The remaining control was the lack of segregation of duties between the custody of checks received, depositing of the checks and who performs the recoding and reconciling of the funds. It was recommended that these duties be separated, if possible. If they cannot be separated, a detailed supervisory review of related activities is required as a compensating control activity. The duties should also be rotated when an employee is on vacation or sick. They are still reviewing these duties and figuring out how they will address this recommendation. Ms. Teresi developed a spreadsheet to document the findings with suggested controls. She does provide follow-ups on all of the findings. This document is beneficial to the outside auditors as well. Committee members requested that these findings be presented to the

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Chairman of the standing committees. She stated that she does bring the audits to the department heads in order to address issues within the departments.

Ms. Palmer presented the recent financial audit from Baker Tilly Virchow Krause for the year ended November 30, 2010. During the audit, certain IT functions were recommended. Because these recommendations do not rise to the level of a significant deficiency or material weakness, they were not included in the report. The auditors found 14 items with recommendations in the report. Three issues were addressed and will be removed from next year's audit. The biggest risk found is for the Finance System. Each of the findings and the department's response were reviewed by the Committee. Ms. Palmer stated that there will be an additional audit for 2011 in the future for review.

Contingency Report: Committee members reviewed the Contingency Report as of 9/21/2011.

Mr. Sarbaugh stated that during last year's budget cycle he was directed to remove \$40,000 from the Health Departments budget for the Illinois Breast and Cervical Cancer Program funding. Now the committee has voted to put these funds back into the budget. The committee also directed the funding for FY2012 be put back into the department's budget as well. He questioned how this funding should be shown? Committee members suggested this be shown as an option for the COW. He stated that the \$40,000 would come from the reserves.

Mr. Sarbaugh reminded committee members that we are heading into the end of the fiscal year. As this occurs, budgets start getting tight. Resolutions will be brought forward for those budgets that may run short.

Economic Development Corporation: Ms. Cumpata stated that things are going well at the EDC. The manufacturers in the County are currently very busy. They are currently working on a labor study. Chairman Breeden stated that Ms. Cumpata has been spending a lot of time with a company in the county trying to keep this business running. He stated that he appreciates the attention being provided.

FUTURE TOPICS

EXECUTIVE SESSION

None

ADJOURNMENT

Noting no further business, Mr. Hammerand made a motion, seconded by Mr. Heisler to adjourn the meeting 11:20 a.m. The motion carried with all ayes on a voice vote.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION:

- Resolution Authorizing the Adoption of Senior Services Grant Fund Funding Allocations for Program Year 2012
- Resolution Authorizing an Emergency Appropriation of \$40,000 from the General Fund Reserves to Restore Funding to the Breast and Cervical Cancer Program (IBCCP) for FY2011
- Resolution Authorizing Acceptance of an Illinois Breast and Cervical Cancer Program for FY2012
- Resolution Authorizing a Budget Line Item Transfer in the Planning and Development Department's FY2012 Budget

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RESOLUTION APPROVING THE PURCHASE OF MAINTENANCE EQUIPMENT

WHEREAS, the McHenry County Division of Transportation annually budgets for new and replacement equipment; and

WHEREAS, the FY 2011 budget contains adequate budget for equipment purchase; and

WHEREAS, the McHenry County Division of Transportation has been recognized as an industry leader in snow and ice removal nationwide; and

WHEREAS, the McHenry County Division of Transportation has competed testing of a new and innovative piece of brine making and blending equipment; and

WHEREAS, the Transportation Committee has reviewed the proposal for purchase of the following piece of equipment from BrineXtreme of Noblesville, Indiana in the amount of \$51,000:

One (1) - Automated Brine Production and Three Product Blending System

WHEREAS, the Transportation Committee and the Finance Committee of the County Board concur in the purchase; and

WHEREAS, the purchase of the Automated Brine Production and Three Product Blending System greatly improves the ability for the McHenry County Division of Transportation to make liquid brine and other anti-icing products through automation giving staff the ability to spend more time on essential winter plowing duties.

NOW, THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois, that the Chairman of the Board is hereby authorized to execute the necessary documentation to purchase the above item; and

BE IT FURTHER RESOLVED, by this County Board of McHenry County, Illinois that there is hereby appropriated the sum of fifty-one thousand dollars (\$51,000.00) from the Highway Fund, OCA code 820005-6040 for said purchases; and

BE IT FURTHER RESOLVED, that the Director of Purchasing is hereby authorized and directed to negotiate the final document to purchase said equipment; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby requested to distribute a certified copy of this resolution to the Auditor, the County Administrator, the Director of Purchasing, and the Director of Transportation/County Engineer.

DATED at Woodstock, Illinois this 18th day of October, A.D., 2011.

KENNETH D. KOEHLER, Chairman
McHenry County Board

ATTEST:

KATHERINE C. SCHULTZ, County Clerk

BrineXtreme

11366 Park Meadows Ct
Noblesville, IN 46060
U.S.A.

Voice: (317) 919-1733
Fax:

PROPOSAL

Proposal Number: 110001
Proposal Date: May 20, 2011
Complete By: Aug 31, 2011
Page: 1

To:
McHenry County IL 2200 N. Seminary Ave Woodstock, IL 60098-2637 U.S.A.

Ship To:
McHenry County 2200 N. Seminary Ave Woodstock, IL 60098-2637 U.S.A.

Customer ID	PO Number	Sales Rep Name
McHenry County		
Customer Contact	Shipping Method	Payment Terms
	Airborne	Net 30 Days

Quantity	Item	Description	Unit Price	Amount
1.00		Automated Brine Production and 3 product blending system BrineXtreme will furnish and deliver to the county brine production and anti-ice blending equipment for evaluation. The county may test the system over the summer months of 2011 to evaluate the performance of the equipment, Upon completion of the evaluation period not to extend past 10/1/11 the county may elect to purchase the equipment at a price of \$51,000. If equipment is not desired the manufacture may remove the equipment from the property. In the event of a purchase there will be a full 1 year warranty from time of purchase	51,000.00	51,000.00
Subtotal				51,000.00
Sales Tax				
Freight				0.00
TOTAL PROPOSAL AMOUNT				51,000.00

RESOLUTION**AUTHORIZING THE PURCHASE OF ONE (1) NEW VEHICLE AND AN EMERGENCY APPROPRIATION AND BUDGET LINE ITEM TRANSFER IN THE CORONER'S FUND FISCAL YEAR 2011 BUDGET**

WHEREAS, on October 19, 2010 the County Board of McHenry County, Illinois approved resolution R-201010-31-270 authorizing the establishment of Fund 56 to be known as the Coroner's Fund based on the passage of Public Act 96-1161 by the State of Illinois which states: "*all fees under this section collected by or on behalf of the coroner's office shall be paid over to the county treasurer and deposited into a special account in the county treasury. Moneys in the special account shall be used solely for the purchase of electronic and forensic identification equipment or other related supplies and the operating expenses of the coroner's office*"; and

WHEREAS, over the past few budget processes, the County Coroner has stated the need for and requested budget to purchase one (1) additional 4-wheel drive vehicle to assist in the operations of the department due to the additional demands placed upon the department; and

WHEREAS, because the fiscal year 2011 budget projections were tight, and the Coroner's Fund had not yet built enough reserves to cover the cost of a new vehicle, County Administration committed to reviewing this request during fiscal year 2011 to see if the fund balance could provide for the purchase of an additional vehicle; and

WHEREAS, the Coroner's Fund as of September 19, 2011 has been elevated to the point of covering the cost of a new 4-wheel drive vehicle without depleting the fund balance; and

WHEREAS, the Coroner working in concert with the Director of Purchasing found the County could purchase a 2011 Chevrolet Tahoe 4WD 5W4 Vehicle through the State Bid at a cost of \$30,896.75, the lowest pricing available; and

WHEREAS, the Coroner is now requesting an emergency appropriation in the amount \$19,800.00 and a budget line item transfer in the amount of \$12,200.00 in order to purchase a 2011 Chevrolet Tahoe 4WD 5W4 vehicle, and to outfit the vehicle with the special equipment required.

NOW THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois, that the Director of Purchasing is hereby authorized to enter into a contract for \$30,896.75 with Miles Chevrolet, Decatur, IL for one (1) new 2011 Chevrolet Tahoe 4WD 5W4 vehicle as purchased off the State bid; and

BE IT FURTHER RESOLVED, by this County Board of McHenry County, Illinois that an emergency appropriation of \$19,800.00 to OCA 310050-6020 (Coroner's Fund – Vehicles) is also hereby authorized for said purchase of the above named vehicle with an offsetting budget line item entry to OCA 310050-9990 (Coroner's Fund – Utilization of Fund Balance); and

BE IT FURTHER RESOLVED, by this County Board of McHenry County, Illinois that a budget line item transfer in the amount of \$12,200.00 from OCA 310050-6810 (Coroner's Fund – Fund Balance Enhancement) to OCA 310050-6020 (Coroner's Fund – Vehicle) for \$11,097.00 and to OCA 310050-5099 (Coroner's Fund – Miscellaneous Commodities) for \$1,103.00 is also hereby authorized for the purchase of the new vehicle and for supplies and equipment needed to outfit said vehicle properly; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby directed to distribute one certified copy of this resolution to the County Coroner; the Director of Purchasing; the County Auditor; the Associate County Administrator-Finance, and the County Administrator.

DATED at Woodstock, Illinois, this 18th of October, A.D., 2011.

KENNETH D. KOEHLER, Chairman
McHenry County Board

ATTEST:

KATHERINE C. SCHULTZ, County Clerk



OFFICE OF

Marlene A. Lantz
McHenry County Coroner

DEPUTY INVESTIGATORS:

Kim Bostic
Curt Bradshaw
Paula Gallas
Robert Locke

AUXILIARY SERVICES BUILDING
2200 N. SEMINARY AVENUE
WOODSTOCK, IL 60098
PHONE 815-338-2144, Ext. 4776
FAX 815-338-1405

DEPUTY SECRETARIES:

Debora Ann E. Sosnowski

TO: Nick Provenzano Chair of Law and Justice

FROM: Marlene A. Lantz McHenry County Coroner

DATE: September 21, 2011

SUBJECT: Purchase of new vehicle for Coroner's Office

Board/Committee Action Requested:

I am requesting that the Committee approve an emergency appropriation from the Coroner's Fund to purchase a new vehicle for the Coroner's Office. The moneys in this fund come from fees collected by the Coroner's office from the issuance of cremation permits. There is no need for any extra funding from the County to make this purchase. A budget line item transfer in the amount of \$12,200.00 from OCA 310050-6020 (Coroner's Fund-Fund Balance Enhancement) to OCA 310050-6020 (Coroner's Fund-Vehicle) for \$11,097.00 and to OCA 310050-5099 (Coroner's Fund-Miscellaneous Commodities) for \$1,103.00 is also hereby authorized for the purchase of the new vehicle and for supplies and equipment needed to outfit said vehicle.

Background:

The office currently has one vehicle that came from the Highway Department to us with 84,461 miles on it. It is the only vehicle the department has. It currently has over 175,000 miles on it. Just this year it underwent repairs to the computer for the engine that cost us over \$2000.00. With more repairs occurring as each year passes, it is becoming more difficult to depend on it as the main call vehicle.

Discussion:

The present vehicle is the only one used by the Coroner's Office for the person who is on Call. In the event we get two calls at the same time, then the Back-up person must drive their own vehicle. They are given mileage, but are not paid for the use of the vehicle itself. We handle approximately 1300 calls a year. As our call response increases, so does the need for a second car. Because of the mileage and wear and tear to the present vehicle, it would become the back up vehicle, with the new vehicle becoming the On Call response vehicle.

R E S O L U T I O N**AUTHORIZING MONTHLY TRANSACTIONS FOR THE DELINQUENT TAX PROGRAM**

WHEREAS, the County of McHenry had undertaken a program to collect delinquent taxes and to perfect titles to real property in cases where the taxes on same have not been paid pursuant to 35 ILCS 205/216d and 205/235a; and

WHEREAS, pursuant to said program, the County of McHenry has acquired an interest in the real estate described in the attached information; and

WHEREAS, it appears to your Finance Committee that it would be in the best interest of the County to dispose of its interest in said property; and

WHEREAS, the parties in the attached information, have offered the amounts shown and the distribution of these amounts have been determined as stated; and

WHEREAS, your Finance and Audit Committee recommends the adoption of this Resolution.

NOW, THEREFORE BE IT RESOLVED, by the County Board of McHenry County, Illinois, that the Chairman is hereby authorized to either execute a deed of conveyance of the County's interest or authorize a cancellation of the appropriate certificates of purchase, whatever the case may be, relative to the real estate described in the attached information for the amounts shown, to be disbursed according to law (said information sheets attached hereto and made part hereof); and

BE IT FURTHER RESOLVED, that the County Clerk is hereby requested to distribute a certified copy of this Resolution to the County Administrator; Treasurer; and the State's Attorney; and the McHenry County Delinquent Tax Agent.

DATED at Woodstock, Illinois, this 18th day of October, A.D., 2011.

KENNETH D. KOEHLER, Chairman
McHenry County Board

ATTEST:

KATHERINE C. SCHULTZ, County Clerk

RES#	Account	Type	Account Name	Total Collected	County Clerk	Auctioneer	Recorder/ Sec of State	Agent	Treasurer
10-11-001	0911020D	SAL	ERIC M. DAVIS	667.00	173.45	0.00	50.00	350.00	93.55
10-11-002	0911214D	SAL	SIEGFRIED LECHNER	701.00	98.92	0.00	50.00	350.00	202.08
10-11-003	0911217D	SAL	CHARLES A. HIGHTOWER	700.00	76.76	0.00	50.00	350.00	223.24
10-11-004	0911257D	SAL	JAMES KARR	1,800.00	76.76	0.00	50.00	437.50	1,235.74
Totals				\$3,868.00	\$425.89	\$0.00	\$200.00	\$1,487.50	\$1,754.61

Clerk Fees **\$425.89**
Recorder/Sec of State Fees **\$200.00**
Total to County \$2,380.50

Committee Members

RESOLUTION

AUTHORIZING NUNC PRO TUNC THE ACCEPTANCE OF THE ILLINOIS DEPARTMENT OF TRANSPORTATION IL CHILD PASSENGER SAFETY PROGRAM GRANT AND AN EMERGENCY APPROPRIATION TO THE SHERIFFS FISCAL YEAR 2011 BUDGET

WHEREAS, the McHenry County Sheriff was awarded an Illinois Child Passenger Safety Program grant from the Illinois Department of Transportation in the amount of \$10,810.00; and

WHEREAS, funds for this grant are to be used to provide targeted community with much needed education of proper use and installation of safety seats, proper use of seat belts, and distribute needed safety seats to the community, along with providing the entire community (county) with several car seat check points throughout the county and educational materials at community events, expos and presentations; and

WHEREAS, it was brought to the attention of the Sheriff's business manager that a resolution was never brought forward to accept and adjust the Sheriff's fiscal year 2011 budget to expend the grant funds in the time frame allowed by the grant award, which was from October 1, 2010 through September 30, 2011; and

WHEREAS, the Sheriff's fiscal year 2011 budget had enough budgeted funds to allow for the program to be implemented until a resolution could be approved by the County Board for the acceptance of and emergency appropriation to the Sheriff's budget.

NOW, THEREFORE BE IT RESOLVED, *nunc pro tunc*, by this County Board of McHenry County, Illinois that the Sheriff is hereby authorized to accept the Child Passenger Safety Program grant from the Illinois Department of Transportation in the amount of \$10,810.00 to ensure the proper usage of child seats, seat belts, and distribute needed safety seats to the community, along with providing the entire community (county) with several car seat check points; and

BE IT FURTHER RESOLVED, that an emergency appropriation of \$10,810.00 to the following budget line items is also hereby authorized as follows:

OCA 321040-4055	Contractual Printing	\$360.00
OCA 321040-5070	Miscellaneous Commodities	\$10,450.00
		\$10,810.00
 OCA 321040-9406	 Federal Pass Through Grant	 \$10,810.00

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized to distribute a certified copy of this Resolution to the McHenry County Sheriff; the County Auditor; the Associate County Administrator – Finance; and the County Administrator.

DATED at Woodstock, Illinois, this 18th day of October, A.D., 2011.

 KENNETH D. KOEHLER, Chairman
 McHenry County Board

ATTEST:

 KATHERINE C. SCHULTZ, County Clerk

COVER MEMORANDUM

TO: Nick Provenzano, Chairman Law and Justice Committee
Members: Sue Draffkorn, Bob Bless, John Jung Jr., Randy Donley,
Jim Heisler and Bob Nowak.

FROM: Angela Wood-Zuzevich, Business Manager
McHenry County Sheriff's Office

SUBJECT: Authorizing the acceptance and emergency appropriation to the Sheriff's Office Budget for funds awarded through an IDOT Child Passenger Safety Grant.

Board/Committee Action Requested: Authorizing the acceptance and emergency appropriation to the Sheriff's Budget for the Illinois Department of Transportation (IDOT) Child Passenger Safety Grant.

Background and Discussion: The McHenry County Sheriff's Office was awarded an IDOT Step Grant in the amount of \$10,810.00. The funds from this grant are intended for the distribution and installation of safety seats from October 1, 2010 through September 30, 2011.

Impact on Human Resources: None

Impact on Budget (Revenue; Expenses, Fringe Benefits): \$10,810.00 in Revenue.

Impact on Capital Expenditures: None

Impact on Physical Space: None

Impact on Other County Departments or Outside Agencies: None

Attachments/Appendices: None

RESOLUTION**AUTHORIZING ACCEPTANCE OF AN IDOT SUSTAINED TRAFFIC ENFORCEMENT PROGRAM (STEP) GRANT AWARD AND AN EMERGENCY APPROPRIATION TO THE SHERIFF'S FY11 BUDGET**

WHEREAS, the McHenry County Sheriff's Office Patrol Division has been recognized by the Illinois Department of Transportation for their effective work implementing traffic safety campaigns; and

WHEREAS, the funds will allow the McHenry County Sheriff's Office to conduct special enforcement for impaired driving mobilizations and/or occupant protection mobilizations; and,

WHEREAS, the McHenry County Sheriff's Office has been awarded a STEP grant award in the amount of \$54,260.00 from the Illinois Department of Transportation which requires no local match by the County; and

WHEREAS, an emergency appropriation is now needed in the Sheriff's fiscal year 2011 budget to allow for proper recording and expending of the grant award.

NOW, THEREFORE BE IT RESOLVED by this County Board of McHenry County, Illinois, that the McHenry County Sheriff is hereby authorized to accept the IDOT Sustained Traffic Enforcement Program Grant (STEP) award for \$54,260.00; and

BE IT FURTHER RESOLVED, by this County Board of McHenry County, Illinois, that an emergency appropriation to the following budget line items in the Sheriff's fiscal year 2011 budget is also hereby authorized as follows:

OCA 321120-3040	\$46,865.00
OCA 321120-5160 Vehicle Fuel	\$ 7,395.00
OCA 321120-9406 (Federal Flow Through)	\$ 54,260.00

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized to distribute a certified copy of this Resolution to the McHenry County Sheriff; the Auditor; the Associate County Administrator – Finance; and the County Administrator.

DATED at Woodstock, Illinois, this 18th day of October, A.D., 2011.

KENNETH D. KOEHLER
County Board Chairman

Attest:

KATHERINE C. SCHULTZ, County Clerk

COVER MEMORANDUM

TO: Nick Provenzano, Chairman Law and Justice Committee
Members: Sue Draffkorn, Bob Bless, John Jung Jr., Randy Donley,
Jim Heisler and Bob Nowak.

FROM: Angela Wood-Zuzevich, Business Manager
McHenry County Sheriff's Office

SUBJECT: Authorizing the acceptance and emergency appropriation to the
Sheriff's Office Budget for funds awarded through an IDOT
Sustained Traffic Enforcement Program (Step) Grant.

Board/Committee Action Requested: Authorizing the acceptance and emergency appropriation to the Sheriff's Budget for the Illinois Department of Transportation (IDOT) STEP Grant.

Background and Discussion: The McHenry County Sheriff's Office was awarded an IDOT Step Grant in the amount of \$54,259.87. The grant is for impaired driving and occupant safety enforcement campaigns from October 1, 2011 through September 30, 2012.

Impact on Human Resources: None

Impact on Budget (Revenue; Expenses, Fringe Benefits): \$54,259.87 in Revenue.

Impact on Capital Expenditures: None

Impact on Physical Space: None

Impact on Other County Departments or Outside Agencies: None

Attachments/Appendices: None

RESOLUTION

AUTHORIZING A CONTRACT WITH NEW DAWN TECHNOLOGIES, INC. FOR JUSTWARE CASE MANAGEMENT SOFTWARE AND AN EMERGENCY APPROPRIATION TO THE NON-DEPARTMENTAL FISCAL YEAR 2011 BUDGET

WHEREAS, on July 17, 2007, the County Board of McHenry County, Illinois approved Resolution R-200707-41-169 approving funding for the Circuit Clerk of Court to begin the process of creating a criminal justice information sharing framework that would allow for complete, accurate, timely and responsive sharing of data to meet the needs of the criminal justice community and those it serves; and

WHEREAS, in May, 2009 the McHenry County Circuit Clerk went live with the new software known as Integrated Court Information System and in February, 2010, Court Services went live with their new portion of the software known as Integrated Court Information System – release 2, bringing the County's criminal justice community that much closer to having a complete criminal justice information sharing framework; and

WHEREAS, under the approved time line created by the County Board and represented in the General Fund Financial Model, Court Administration and Information Technology are now ready to implement the next phase of the criminal justice information sharing framework project which includes the purchase and implementation of departmental software for the State's Attorney, Public Defender; and

WHEREAS, an RFP was issued in the summer of 2010 for this purpose, and New Dawn Technologies, 843 South 100 West, Logan, Utah, 84321 was the successful bidder at a total cost not to exceed \$1,537,500; and

WHEREAS, an emergency appropriation of \$1,537,500.00 from the General Fund reserves as reflected in the County's financial model is now needed to the fiscal year 2011 budget to allow for the posting of the purchase price of said software; and

WHEREAS, the Law and Justice, and Finance and Audit Committees recommend entering into this contract with New Dawn Technologies, Inc. and drawing from the General Fund reserves an amount not to exceed \$1,537,500.00 for said payment.

NOW, THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois, that the Chairman of the Board is hereby authorized to direct the Director of Purchasing to negotiate a contract with New Dawn Technologies, Inc. at a cost not to exceed \$1,537,500.00 with the resultant contract to be reviewed by the States Attorney; and

BE IT FURTHER RESOLVED, by this County Board of McHenry County, Illinois, that an emergency appropriation in the amount of \$1,537,500.00 to OCA 900020-6050 (Non-Departmental – Computer Technology) fiscal year 2011 budget is also hereby authorized and is to be offset by a revenue budget line item entry to OCA 900020-9990 (Non-Departmental – Utilization of Fund Balance); and

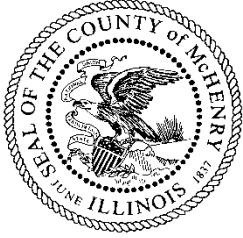
BE IT FURTHER RESOLVED, that the County Clerk is hereby requested to distribute a certified copy of this Resolution and resultant contract to the County Auditor; the County Administrator; the Information Technology Director; the Associate County Administrator - Finance; the States Attorney; the Public Defender; the Court Administrator; and the Director of Purchasing.

DATED at Woodstock, Illinois this 18th day of October, A.D., 2011.

KENNETH D. KOEHLER, Chairman
McHenry County Board

ATTEST:

KATHERINE C. SCHULTZ
McHenry County Clerk



INFORMATION TECHNOLOGY DEPARTMENT

McHENRY COUNTY GOVERNMENT CENTER
2200 NORTH SEMINARY AVENUE
WOODSTOCK IL 60098
815-334-4138 FAX 815-334-4651

COVER MEMORANDUM

TO: Nick Provenzano, Chairman
Law & Justice Committee

FROM: Tom Sullivan, Director
Information Technology Department

DATE: October 3, 2011

SUBJECT: Resolution Authorizing a Contract with New Dawn Technologies, Inc. for JustWare Case Management Software and an Emergency Appropriation to the Non-Departmental Fiscal Year 2011 Budget

Board/Committee Action Requested:

Approve Resolution Authorizing a Contract with New Dawn Technologies, Inc. for JustWare Case Management Software and an Emergency Appropriation to the Information Technology's FY2011 Budget.

Background:

While Integrated Justice had been on the radar for several years prior, the County Board adopted the Strategic Goal of Integrated Justice in May 2009. Much progress has been made toward this goal with the implementation of the Integrated Courts Information System (ICIS) R1, and the Integrated Courts Information System (ICIS) R2. The public safety system VisionAIR is also being implemented at this time.

Discussion:

Implementing departmental software for the States Attorney and the Public Defender are the next steps in the plan to fulfill the County Board Strategic Goal of Integrated Justice. An RFP was issued in summer 2010, with responses received in the fall. The software was evaluated by States Attorney and Public Defender representatives, and determined to be a good fit for their business work flows. Additionally, the software infrastructure works well with the existing County technology infrastructure, and integrates with existing VisionAIR and OnBase software.

New Dawn Technologies, 843 South 100 West, Logan, Utah, 84321 is the successful bidder at a total cost not to exceed \$1,537,500.00. New Dawn is providing the departmental software modules, and partnering with URL Integration, 9780 Mount Pyramid Court, Suite 250, Englewood, Colorado, 80112 to provide integration services.

Impact on Human Resources:

N/A

Impact on Budget (Revenue; Expenses, Fringe Benefits):

This contract will impact the 900020-6050 line item of the FY2011 Budget in the total amount of: \$1,537,500.00 and will be offset by utilization of fund balance.

Impact on Capital Expenditures:

This will be considered a capital expenditure.

Impact on Physical Space:

N/A

Impact on Other County Departments or Outside Agencies:

Significant impact to States Attorney and Public Defender.

Conformity to Board Ordinances and Policies:

This is the next step toward the County Board Strategic Goal of Integrated Justice.

Attachments/Appendices:

N/A

Cc: Peter Austin
Lou Bianchi
Mark Cook
Dan Wallis
Tiki Carlson

RESOLUTION

AUTHORIZING AN AMENDMENT TO RESOLUTION R-200708-10-208 AUTHORIZING ADOPTION OF HOUSING INVESTMENT PARTNERSHIP (HOME) PROGRAM FUNDING FOR THE 2007 PROGRAM, YEAR, AND

AUTHORIZING AN AMENDMENT TO RESOLUTION R-201104-10-093 AUTHORIZING ADOPTION OF HOUSING INVESTMENT PARTNERSHIP (HOME) PROGRAM FUNDING FOR THE 2010 PROGRAM YEAR, AND

AN EMERGENCY APPROPRIATION TO THE CDBG - HOME FY 2011 BUDGET AND THE SUBMITTAL OF AMENDED ACTION PLANS AS APPLICABLE TO HUD

WHEREAS, McHenry County has been designated as an “Entitlement County” by the U.S. Department of Housing and Urban Development (HUD) thereby receiving an annual allocation of Housing Investment Partnership (HOME) funds; and

WHEREAS, McHenry County received notice from HUD of a HOME allocation of \$499,629.00 for the 2007 Program Year and \$532,300.00 for the 2010 Program Year; and

WHEREAS, administration funds were set aside in HUD’s financial accounting system to be expended within five (5) years of agreements, but not recognized or committed through County resolution to allocate \$49,962.90 (PY 2007) and \$53,230.00 (PY 2010) to manage HOME program activities; and

WHEREAS, Resolutions R 200708-10-208 and R-201104-10-093 also did not include appropriations of \$49,962.90 and \$53,230.00 respectively to the County’s budgetary process.

NOW THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois, that the Chairman of the Board is hereby authorized to execute the necessary documentation to accept \$49,962.90 (PY 2007) and \$53,230.00 (PY 2010) in HOME program grant funding from the United States Department of Housing and Urban Development (HUD) to manage HOME program activities; and

BE IT FURTHER RESOLVED, that emergency appropriations in the amounts of \$49,962.90 (PY 2007) and \$53,230.00 (PY 2010) to the CDBG – Fund 2011 fiscal year budget is hereby authorized as follows:

OCA 100047-9405 (HOME – Federal Government Grants):	\$103,192.90
OCA 100047-3010 (HOME – Regular Salaries)	\$ 49,962.90
OCA 100047-3010 (HOME – Regular Salaries)	\$ 53,230.00

BE IT FURTHER RESOLVED, that this County Board approves and authorizes Community Division staff to submit the amended Action Plans for Program Years 2007 and 2010 as applicable; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized to distribute a certified copy of this resolution to the County Administrator; the County Treasurer; the County Auditor; the Associate County Administrator-Finance; and the Planning and Development Director.

DATED at Woodstock, Illinois, this 18th day of October, A.D., 2011.

 KENNETH E. KOEHLER, Chairman
 McHenry County Board

ATTEST:

 KATHERINE C. SCHULTZ, County Clerk

Department of Planning and Development
McHenry County Government Center - Administration Building

2200 North Seminary Avenue
Woodstock, Illinois 60098



815 334-4560 Fax 815 337-3720
www.co.mchenry.il.us

To: Tina Hill, Chairman, and members of the Planning and Development Committee
Scott Breeden, Chairman, and members of the Finance and Audit Committee

From: Maryanne Wanaski
Community Development Division

Date: September 28, 2011

Re: HOME Investment Partnerships Program (HOME) 2007 and 2010 Administration
Allocation

Action Required:

Recommendation to the McHenry County Board approving the attached Resolution to amend Program Years 2007 and 2010 HOME Investment Partnerships Program (HOME) funding to include allocations for administration dollars.

Background:

As noted in the attached Resolution, the 10% allocation for grant administration is reserved in HUD's financial accounting system, but was not committed with the County by resolution.

Discussion:

In order to account for previously set aside administration funds and to evidence proper documentation in the County's budgetary system, the attached Resolution amends each of the 2007 Program Year and the 2010 Program Year funding allocations for the Housing Investment Partnership Program (HOME) to include said administration funds and directs Community Development staff to submit to HUD applicable amended Action Plans for programs years as required.

Attachments:

1. Resolution

R E S O L U T I O N

AUTHORIZING ENTERING INTO A CONTRACT WITH VERISIGHT (FORMERLY RSM MCGLADREY) FOR PROFESSIONAL SERVICES TO REVIEW AND UPDATE THE COUNTY’S CURRENT COMPREHENSIVE JOB EVALUATION /CLASSIFICATION SYSTEM AND CORRESPONDING COMPENSATION PROGRAM

WHEREAS, on April 7, 2007 the County Board of McHenry County, Illinois approved Resolution R-200704-09-079 authorizing a contract with RSM McGladrey (now Verisight) to provide professional services for the implementation of a comprehensive job evaluation/classification system and corresponding compensation program for participating, non-union McHenry County employees; and

WHEREAS, the guiding principles of a compensation program are that it must be externally competitive and internally equitable, while accounting for the shift of talent required and determined by the marketplace; and

WHEREAS, the Human Resources Director and the County Administrator have been requested to have a strategic review of the current comprehensive job evaluation/classification system and corresponding compensation program at the County to ensure that the compensation philosophy is reinforced and supported; and

WHEREAS, the Human Resource Director and the County Administrator are now requesting to enter into the a contract with Verisight (formerly RSM McGladrey, the original firm who created and assisted in implementing the current compensation program) to provide a review approach to establishing internal relationships between positions and point out areas where enhancement opportunity exists; review and benchmark competitive pay levels relative to the external market for 35 positions; update salary ranges in order to be able to manage compensation more effectively; and prepare a model for calculating the human resources investment at a total cost not to exceed \$21,500.00 and

WHEREAS, the above contracted cost for the review of the County’s compensation program can be covered by the Human Resources departmental fiscal year 2011 budget without requiring any budget adjustment.

NOW, THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois, that the Chairman of the Board is hereby authorized to enter into a contract with Verisight at a cost not to exceed \$21,500.00 for the purpose of providing professional services for the review and updating of the County’s current comprehensive job evaluation/classification system and corresponding compensation program for participating, non-union McHenry County employees; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby requested to distribute a certified copy of this Resolution to the Director of Human Resources; the Director of Purchasing; the County Auditor; the Associate County Administrator-Finance; and the County Administrator.

DATED at Woodstock, Illinois, this 18th day of October, A.D., 2011.

KENNETH D. KOEHLER, Chairman
McHenry County Board

ATTEST:

KATHERINE C. SCHULTZ, County Clerk

McHenry County

Proposal for
Compensation Advisory Services

September 30, 2011





VERISIGHT, INC.

411 E. Wisconsin Avenue, Suite 1850
Milwaukee, WI 53202
O 414.298.2800
F 414.298.2810
www.verisightgroup.com

September 30, 2011

Mr. Robert (Bob) Ivetic, SPHR
Director Human Resource
McHenry County
2200 N. Seminary Ave
Woodstock, IL 60098

Dear Bob:

We are enthusiastic about the prospect of serving you and McHenry County. The purpose of this letter is to outline your agreement for Verisight ("Verisight") to consult with and assist McHenry County ("McHenry", "Client" or "County") with reviewing and updating the current compensation program.

Our Understanding of Your Needs

In 2007, McGladrey (now Verisight) assisted McHenry County in the development and implementation of the County's current compensation program. The guiding principles of the compensation program were that it must be externally competitive and internally equitable. The County's marketplace for talent continues to shift. In order to maintain program competitiveness, McHenry would like Verisight to review and update the current compensation program. Consequently, Verisight was requested to submit this proposal.

Objectives

In light of your needs, the objective of this project is to conduct a strategic review of the current compensation program at McHenry County to ensure that the County's compensation philosophy is reinforced and supported. Verisight will assess the extent to which internal equity has been maintained across positions, and will benchmark current pay levels to the competitive marketplace. More specifically, our objectives are to:

- Review approach to establishing internal relationships between positions and point out areas where enhancement opportunity exists
- Review and benchmark competitive pay levels relative to the external market for 35 positions
- Update salary ranges in order to be able to manage compensation more effectively
- Prepare model for calculating the human resources investment

Services and Scope of Work

It is essential that McHenry County's compensation program reflect and support the culture, management style, and County structure. Therefore, the overall success of this project will be greatly enhanced by maximizing the involvement of senior management throughout the project.

With these principles in mind, we will complete the following steps:

1. Verisight initial data request and project planning meeting

Data Request

We will request pertinent information to allow Verisight to become familiar with all relevant business and compensation programs and processes.

Project Planning Meeting

Verisight's approach to this project is characterized by a systematic, logical series of tasks aimed at assuring thoroughness, consistency and objectivity. We believe that project management is critical to the delivery of a project that meets client needs. We will conduct a project planning meeting to address the following issues:

- **Identify Project Sponsor(s) and Project Team**
 - The Project Sponsor(s) should be a member of McHenry County's Leadership Team who, by virtue of his/her authority, will legitimize this project, and make certain that appropriate resources are devoted to its completion. The Project Team will be comprised of the County's key project contacts, designated as resources for facilitating McHenry County's involvement and review of processes and deliverables.
- **Identify and Prioritize Project Objectives**
 - Including clarification of deliverables and outcomes
- **Discuss Overall Project Timing**
 - Including sequencing of key activities

Throughout the course of this project we will revisit the above-stated issues to ensure that your expectations are being fully met and that you are comfortable with the agreed-upon results.

2. Evaluate the internal relationships among jobs

During this step, we will review the current process being used to evaluate internal equity and provide suggestions for improvement, if appropriate. Specifically, we will perform a "desk audit" of the current job hierarchy within the Company. This desk audit will focus solely on the internal relationship among positions within the Company compared to other organizations of similar size and structure to ensure that they are properly aligned. We intend to utilize our proprietary database for comparison and identification of potential areas of concern.

As a result of this step, we will provide our comments regarding the internal evaluations and suggest future enhancements if needed.

3. Determine competitive compensation practices

During this step we will evaluate and select published survey data that accurately reflect competition for talent within established strategies. In collaboration with you, we will propose survey sources (primarily 2011 -12 surveys will be utilized) and update 35 benchmark jobs utilized in 2007 to create the program to be included in the analytical process. Each of the benchmark positions will be matched to compensation survey positions and will be priced by our consulting team. The resulting market consensus is based on weighting the job matches and the relevance of the survey information.

4. Update salary ranges based on internal level and market data

We will utilize regression analysis to translate job values into meaningful salary opportunities. The compensation strategy (for example, to meet the market) will be used to build a pay policy line and serve as a reference around which salary ranges will be established. We will apply salary range design principles to develop revised salary ranges that reflect your competitive strategy.

At the end of this step in the project you will have updated pay ranges that represent **BOTH** internal job values **AND** competitive market-based rates, and reflect the stated compensation philosophy.

5. Develop salary increase tool and determine cost implications

Within this step, we will develop an approach to providing base pay salary increases (such as a matrix or steps) to meet budgetary considerations. There are several critical points in a project such as this, when an organization truly needs the experience of a consulting firm. Typically, it is the point at which key decision makers need to determine:

- What will be the cost to implement this revised program?
- Which employees (if any) should receive a pay adjustment?
- What are the criteria for equitably determining this?

We will provide the technical experience to “cost” the implementation of the program. We can approach this in one of two ways: 1) we can provide a template spreadsheet and give “over the shoulder” consulting and guidance, or 2) conduct the cost impact analysis for you. Either scenario is commonly used by many of our clients, with the decision typically dependent upon their level of sophistication with spreadsheets, the availability of staff, and/or the need for objectivity and guidance. Based upon our last discussion, the fee estimate is provided for the “over the shoulder” guidance approach.

We will work with you in making implementation decisions to ensure all variables are considered. Part of our role as your partner in this process is to help you think through important concepts, while ensuring attention to the details to make this a smooth transition overall.

6. Preparation of final report

Verisight will prepare a final report documenting the methodology, findings and recommendations resulting from our analysis. The final report will also contain the detailed competitive market data used to benchmark each applicable position. If requested, we will be available to present our final results to the Project Team.

Client Acceptance of Work

At the conclusion of each phase of work, we will review with you the intended scope of work and deliverables set out in this document to confirm we have met the defined project expectations. If you believe the deliverables do not conform, you will notify us in writing within 30 business days of receiving the deliverables that they do not conform. We will then have a reasonable period of time, based upon its severity and complexity, to correct the nonconformity. If you use the deliverables before acceptance, or if you fail to notify us of the nonconformance within the 30-day period, the deliverables will be considered accepted.

Our personnel shall observe your confidentiality, code of conduct or other reasonable policies regarding working conditions and business hours to the extent our personnel are made aware of such policies. Verisight will furnish replacement personnel in the unlikely event that assigned personnel refuse to observe said policies. If for any reason, any of our personnel are unable to complete the service period or their performance does not meet your expectations, Verisight will attempt to provide suitable replacements.

Staffing

Steve Sullivan Director, Compensation Advisory Services, will be responsible for overseeing the engagement and the delivery of all services to you. Stephanie Kessler, Manager, Compensation Advisory Services, will coordinate day-to-day project management. Other professionals at the necessary skill and experience levels may be called upon to assist in this project as appropriate. While we will attempt to comply with your requests for certain individuals, we retain the right to assign and reassign our personnel, as appropriate, to perform the services.

During the term of this engagement and for a period of one year following its expiration or termination, neither party will actively solicit, employ or otherwise engage any of the other party's employees (including former employees) who were involved in the engagement. In the event either party breaches this provision, the breaching party agrees to pay to the aggrieved party within 30 days after demand an amount equal to the greater of \$50,000 or 100 percent of the annual base salary of any such employee. For the avoidance of doubt, the foregoing does not prohibit either party from employing individuals who were not involved in the engagement or who apply for positions in response to internal postings, employment advertisements or other general solicitations of employment, whether such applications are during the term of this engagement or thereafter.

Engagement Assumptions and Client Responsibilities

Our services, fees and work schedule are based upon the assumptions, representations and information supplied by you. McHenry County will determine the extent of services it wishes Verisight to provide and ensure our company has access to key people and data.

If circumstances arise relating to the availability of sufficient, competent evidence or information which, in our professional judgment, prevents us from completing the engagement, we retain the unilateral right to take any course of action permitted to us, including withdrawal from the engagement.

In the event we are requested or authorized by McHenry County or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for McHenry County, McHenry County will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, including the fees and expenses of our counsel, incurred in responding to such requests.

You agree to furnish personnel, facilities and resources, and undertake the responsibilities set forth in this proposal. You also agree to cause all levels of your employees and contractors to cooperate fully and timely with us. You will designate an employee or employees within your senior management who will make or obtain all management decisions with respect to this engagement on a timely basis. You also agree that all assumptions set forth in this proposal are accurate and agree to provide us with such further information we may need and which we can rely on to be accurate and complete. We will be entitled to rely on all of your decisions and approvals made independently, and we will not be obligated to evaluate, advise on, confirm, or reject such decision and approvals. You will evaluate the adequacy and results of services and will let us know immediately of any problems or issues you perceive in our personnel, services or deliverables. We will also let you know where we feel we are not getting the appropriate cooperation or direction and advise you of any other issues related to this engagement.

The success of this engagement is dependent upon full openness, communication, cooperation and timely direction. The fulfillment of these responsibilities is critical to the success of this engagement. The successful delivery of our services, and the fees charged, are also dependent on your timely and effective completion of your responsibilities, the accuracy and completeness of the assumptions, and timely decisions and approvals by your management. You will be responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in the assumptions or in carrying out your responsibilities.

In the event we obtain any nonpublic personally identifiable information regarding any of your customers during this engagement, we will use such information, if at all, only for the purposes described in this letter and will keep such information confidential in accordance with the provisions of Section 1 of the attached Verisight, Inc. General Business Terms. We have implemented commercially reasonable safeguards to protect against the loss, misuse, alteration or destruction of or unauthorized access to such information (which safeguards include policies for the disposal/destruction of such information), and will promptly notify you after learning of any security breach that compromises such information.

You also will let us know immediately of any problems or issues you perceive in our personnel or services. We will also let you know where we feel we are not receiving the appropriate cooperation or direction and advise you of any other issues related to this engagement. The success of our engagement is dependent upon full openness, communication, cooperation and timely direction. The fulfillment of these responsibilities is critical to the success of our engagement.

Timing and Fees

Our fees for the services described in this proposal are projected to be:

Project Steps	Fees	Notes
Data Request and Project Planning	\$1,000	(1)
Internal Equity Review and Determine Competitive Practices (35 positions)	\$10,500 - \$12,000	(2)
Design Base Salary Ranges, Investment and Salary Administration Model, Preparation of Final Report	\$7,500 - \$9,000	(3-5)
Total	\$19,000 - \$22,000	
Ongoing Program Maintenance	\$275/hour	

- (1) This includes a one-hour conference call to discuss the project plan and identification of McHenry's internal Project Team and deciding on which benchmarks to market price.
- (2) If additional jobs are market priced, the fee per job would be \$250.
- (3) Includes one onsite meeting to finalize draft salary range development.
- (4) The Investment and Salary Admin Model includes 2 hours of Verisight providing "over-the-shoulder" guidance to McHenry's internal staff.
- (5) To present final results, we anticipate a 2-hour onsite meeting which would be \$2,000 plus travel time and expenses.

In addition to our professional fees, we will bill for unplanned communication time and our expenses related to travel (Approximately \$1800 travel time per trip plus lodging, meals, mileage), communications, report supplies, and any other out-of-pocket expenses (such as delivery services). If we find that additional costs will be incurred, we will immediately inform you and request your approval before proceeding. We will bill you monthly for services provided. Payment is due upon receipt of the invoice.

You acknowledge that this is our good faith estimate based upon our understanding of the engagement assumptions and the facts and circumstances we are aware of at this time. If the basis of our estimates is inaccurate, the fees and expenses may be different from those we each anticipate.

Fees for services of this type are always difficult to estimate. If circumstances are encountered that affect our ability to proceed according to the plan outlined above, such as major scope changes, loss of key McHenry County personnel, unavailable information, or undetermined or requested scope changes during our scoping efforts, we will inform you promptly and seek your approval for any changes in scope, timing or fees that may result from such circumstances.

We will bill our fees and expenses monthly. Those fees and expenses do not include taxes. You will be responsible for and pay all applicable sales, use, excise, value added and other taxes associated with the provision or receipt of the services and deliverables, excluding taxes on our income generally. Our invoices are payable upon presentation and amounts remaining overdue for more than thirty (30) days will be subject to an interest charge of 1.5% per month from the date of invoice. If you object to any portion of an invoice, you will notify us of your objection within ten (10) days of the date of the invoice, and the parties will promptly make a good faith effort to settle the disputed portion of the invoice. No interest will accrue on such disputed portion of the invoice until the dispute is resolved. You will in any event pay the portion of the invoice that is not in dispute within such thirty (30) day period. We reserve the right to suspend or terminate services if our invoices are not timely paid, in which event we will not be liable for any resulting loss, damage or expense connected with such suspension or termination.

General Business Terms and Project Acceptance

McHenry County has determined that Verisight, Inc.'s proposal dated September 30, 2011, is acceptable and authorizes Verisight, Inc. to perform the services listed below:

The attached Verisight, Inc. General Business Terms apply to this engagement and are an integral part of our agreement. This proposal and Verisight, Inc. General Business Terms correctly set forth our understanding and acceptance of this agreement.

Please forward a copy of this signed acceptance to the attention of Stephanie Kessler via email, mail or fax to 414.298.2810.

Acknowledged and Accepted:

Mr. Robert Ivetic
Director – Human Resources
McHenry County
2200 W. Seminary Ave.
Woodstock, IL 60098

Attachments:

Verisight, Inc. General Business Terms

By: _____

Title: _____

Date: _____

Business/Tax ID Number: _____

**2010-2011 FISCAL YEAR
GENERAL FUND CONTINGENCY ACCOUNT
STATEMENT OF ACTIVITY
as of 10/5/11**

DATE	FOLIO NUMBER	VENDOR	DESCRIPTION OF EXPENSE	AMOUNT	BALANCE
			Beginning Balance 12/01/2010		500,000.00
12/20/10	VD268208	Vincent E Solano	Circuit Clerk - Bond Refund to Attorney	9,500.00	490,500.00
12/30/10	VC234338	Rodriguez & Sons	Judge Zopp Courtroom 361 Reconfigure Seating Benches	4,580.00	485,920.00
12/30/10	VC234343	Mayfair Carpet	Judge Zopp Courtroom 361 Carpet and Installation	6,378.00	479,542.00
01/06/11	VD268627	Menards Woodstock	Judge Zopp Courtroom 361 Materials	154.81	479,387.19
01/07/11	VD268629	Grainger	Courtroom Project - wood trim nails	6.29	479,380.90
01/13/11	VC234683	Anderson Rock River Ford	Facilities Management Ford F250 Pickup	21,767.00	457,613.90
01/20/11	ZZ200029		Encumbrance Rollover	(119,150.81)	576,764.71
01/20/11	GN200017	Anmerican Legal Publishers	Codification Services	3,960.00	572,804.71
01/21/11	DP203002	Legal Services	Investigation	56,938.81	515,865.90
01/21/11	VD268962	Legal Services	Investigation	481.25	515,384.65
01/24/11	VC234826	Wauconda Car Care	Plow for Facilities Management Pickup	4,654.00	510,730.65
03/10/11	VD270051	Legal Services	Investigation	7,131.25	503,599.40
04/13/11	CR243588	Hewlett Packard	Overpayment on Computer Monitor	(361.94)	503,961.34
04/14/11	VD270891	Legal Services	Investigation	4,200.00	499,761.34
04/21/11	VD271082	Legal Services	Investigation	743.75	499,017.59
04/21/11	VD271084	Legal Services	Investigation	20,873.00	478,144.59
05/03/11	BD201855	R-201105-90-108	Budget Increase	(250,000.00)	728,144.59
05/27/11	VD272019	Legal Services	Investigation	5,968.97	722,175.62
06/24/11	VD272667	AV Installation Technology	Boardroom Audio System Repair	85.00	722,090.62
07/11/11	DP203278	Gavers Asphalt Paving & Excavating	Demolition and Removal of old Valley Hi Building	169,585.00	552,505.62
07/28/11	VD273375	Legal Services	Investigation	306.25	552,199.37
07/28/11	VD273376	Petroliance LLC	Fuel for Generators due to storm on 7/11 (Animal Control)	367.75	551,831.62
07/28/11	VD273376	Petroliance LLC	Fuel for Generators due to storm on 7/11 (Archive Center)	442.80	551,388.82
07/28/11	DP203295	Kluber, Inc.	Treasurers Building Waterproofing Project	2,562.50	548,826.32
08/05/11	VD273571	A Direske Local Moving Inc	Health Dept. Archive Move	1,538.00	547,288.32
08/02/11	VD273572	Associated Electrical Contractors	Emergency Generator for Animal Control 7/11	426.60	546,861.72
08/25/11	VD273980	Legal Services	Investigation	175.00	546,686.72
08/26/11	VC238696	Nicor Gas	Relocation of Gas Line - Valley Hi	2,699.90	543,986.82
09/08/11	DP203316	McHenry County Federal Credit Union	Treasurers Building Waterproofing Project	1,600.00	542,386.82
09/08/11	DP203317	Carmichael Construction	Treasurers Building Waterproofing Project	93,800.00	448,586.82
09/08/11	DP203318	Brickman Group Ltd	Treasurers Bldg Waterproofing Proj-Replanting following Drainage	1,960.00	446,626.82
09/08/11	DP203319	Diebold Inc.	Treasurers Building Waterproofing Project	3,712.00	442,914.82
09/09/11	VC238856	Kluber, Inc.	Treasurers Building Waterproofing Project	1,957.50	440,957.32
09/29/11	VD274698	Mercuri Frank	Rental of Suite 210	1,000.00	439,957.32
			Reconciliation to the IFMS Accounting System		
			Report Ending Balance	439,957.32	
			IFMS Ending Balance	(439,957.32)	
					0.00