

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

MINUTES OF TUESDAY, MARCH 10, 2009

Committee Chairman Marc Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto; Scott Breeden; Mary Donner; Lyn Orphal and Daniel Ryan. John Hammerand arrived at 8:32 am. Tina Hill was absent. Also in attendance: John Labaj, Deputy County Administrator; Peter Austin, County Administrator; Jane Wacker and Bob Lesser, Mental Health Board; Cindy Kozlowski, Financial Analyst; Donna Mayberry, Supervisor of Assessments; 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 February 24, 2009 Finance and Audit Committee minutes. The minutes were approved as submitted with a unanimous voice vote of all ayes.

PUBLIC COMMENT: None.

PRESENTATION: None.

NEW BUSINESS

*Resolution authorizing the assignment of Tax Sale Certificate of Purchase Number 06-00414:* Mr. Ryan made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing the assignment of Tax Sale Certificate of Purchase Number 06-00414. On a roll call vote, the motion carried with all members present voting aye (Breeden, Donner, Ryan, Orphal and Munaretto).

Mr. Hammerand arrived at 8:32 am.

Resolution authorizing expenditures from the General Fund Contingency FY 09 budget for the updating of the office building located on the Klehm property: Ms. Orphal made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing expenditures from the General Fund Contingency FY 09 budget for the updating of the office building located on the Klehm property. This resolution will provide the budget to update the facility to provide space for the County Clerk's election processing and storage. On a roll call vote, the motion carried with all members present voting aye (Breeden, Hammerand, Donner, Ryan, Orphal and Munaretto).

Resolution authorizing a budget line item transfer in the RTA Sales Tax-County FY 08/09 budget and a Resolution authorizing an emergency appropriation in the Division of Transportation Highway Fund/RTA Sales Tax Projects FY 09/09 budget: Mr. Breeden made a motion, seconded by Mr. Ryan, to recommend the County Board approve the following two Resolutions: (1) Resolution authorizing a budget line item transfer in the RTA Sales Tax-County FY 08/09 budget and (2) Resolution authorizing an emergency appropriation in the Division of Transportation Highway Fund/RTA Sales Tax Projects FY 09/09 budget. After discussion a roll call vote was called. The motion passed with all members present voting aye (Breeden, Hammerand, Donner, Ryan, Orphal and Munaretto).

Resolution authorizing entering into a contract with Performance Food Group/Thoms Proestler Company: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing entering into a contract with Performance Food Group/Thoms Proestler Company. On a roll call vote, the motion carried with all members present voting aye (Breeden, Hammerand, Donner, Ryan, Orphal and Munaretto).

Resolution authorizing a short term allocation from the General Fund to the Mental Health 708 Board Fund in FY 09: Ms. Donner made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing a short term allocation from the General Fund to the Mental Health 708 Board Fund in FY 09. This is a precautionary measure should there be a shortage of funds for operation of the Mental Health

Board prior to the first distribution of real estate property tax revenue. After discussion a roll call vote was called. The motion passed with all members present voting aye (Breedon, Hammerand, Donner, Ryan, Orphal and Munaretto).

Resolution authorizing the reclassification of the Americorps Coordinator position (025091807) on the McHenry County Mental Health Board Roster: Mr. Ryan made a motion, seconded by Ms. Donner, to recommend the County Board approve a Resolution authorizing the reclassification of the Americorps Coordinator position (025091807) on the McHenry County Mental Health Board Roster. It was noted that the Mental Health Board is readjusting and reassigning some positions to make additional resources available through the Family CARE grant. On a roll call vote, the motion carried with all members present voting aye (Ryan, Orphal, Breedon, Hammerand, Donner and Munaretto).

Debt Policy – Revisited: Chairman Munaretto reviewed the proposed rewording to the Debt Policy that was approved by the County Board on February 3, 2009. He stated that the State's Attorney had reviewed the document and recommended the amendments. After discussion, Ms. Orphal made a motion, seconded by Mr. Breedon, to recommend the County Board approve the amendments to the debt policy as presented. On a roll call vote, the motion carried with all members present voting aye (Ryan, Orphal, Breedon, Hammerand, Donner and Munaretto).

*Review of 2008 Liability Summary:* Mr. Labaj provided an overview to the County's estimated potential outstanding liability. He noted that Risk Management prepares an Incurred But Not Reported (IBNR) analysis of all outstanding insurance claims, which include casualty and workers' compensation claims. He reviewed how the IBNR is determined and provided a comparison chart of past outstanding liability estimates. Members thanked Mr. Labaj for this report.

*McHenry County Loan Fund Request:* Mr. Labaj reported that a loan fund application from Heartland Computers has been received and the credit analysis and underwriting have been prepared. The loan request is for \$350,000. Heartland Computers was founded in 1991 and is currently located in Wauconda Illinois but will be relocating to McHenry. They have purchased a facility that will be rehabbed to fit their needs. The loan request is for 10% (or \$350,000) of the project. Prior to approving the loan it is recommended that a copy of the lease agreement and an updated financial report be provided. Chairman Munaretto noted that the request of \$350,000 is the upper limit of the loan amount (the limit being \$400,000). After discussion, Ms. Donner made a motion, seconded by Mr. Ryan, to approve the loan request for Heartland Computers subject to a copy of the lease agreement between Heartland Computers and GX2 and a copy and review of an updated financial report. The motion carried with all members present voting aye (Ryan, Orphal, Breedon, Hammerand, Donner and Munaretto).

Chairman Munaretto announced that he will be out of town for the next Finance and Audit Committee meeting on the 24<sup>th</sup>. Vice-chairman Orphal will chair this meeting in his absence. Chairman Munaretto reported that the Law and Justice Committee Chairman has asked that the Committees meet jointly on April 6<sup>th</sup> to discuss the integrated justice system. Members agreed to this joint meeting and would like it scheduled for 9am on the 6<sup>th</sup> which would allow the L&J Committee to conduct its regular business prior to this meeting.

*Discussion of proposed presentation to the County Board regarding County Finances:* Mr. Austin provided an outline for the upcoming Financial Status update that will be provided to the County Board on March 17<sup>th</sup>. The presentation will include a review of FY 08 and the first quarter of FY 09, a budget plan for monitoring of expenditures vs. revenues and scheduled reviews with all departments. Budget concerns for FY 2010 will be presented along with future costs savings options.

OLD BUSINESS: None.

REPORTS TO COMMITTEE:

*Auditor:* None.

*Contingency:* None. It was noted that the sales tax continue to weaken, with local car dealerships closing and a decline in consumer consumption.

EXECUTIVE SESSION: None.

ADJOURNMENT

Noting no further business, Ms. Orphal made a motion, seconded by Mr. Ryan, to adjourn the meeting at 10:26 a.m. The motion carried with a unanimous voice vote.

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**RECOMMENDED FOR BOARD ACTION:**

- Resolution authorizing the assignment of Tax Sale Certificate of Purchase Number 06-00414
- Resolution authorizing expenditures from the General Fund Contingency FY 09 budget for the updating of the office building located on the Klehm property
- Resolution authorizing a budget line item transfer in the RTA Sales Tax-County FY 08/09 budget
- Resolution authorizing an emergency appropriation in the Division of Transportation Highway Fund/RTA Sales Tax Projects FY 09/09 budget
- Resolution authorizing entering into a contract with Performance Food Group/Thoms Proestler Company
- Resolution authorizing a short term allocation from the General Fund to the Mental Health 708 Board Fund in FY 09
- Resolution authorizing the reclassification of the Americorps Coordinator position (025091807) on the McHenry County Mental Health Board Roster
- Resolution adopting amendments to the McHenry County Debt Policy

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