

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

MINUTES OF TUESDAY, NOVEMBER 10, 2009

Committee Chair Marc Munaretto called the meeting to order at 9:30 a.m. The following Committee Members were present: Marc Munaretto; Tina Hill; Lyn Orphal; Scott Breeden; John Hammerand; and Daniel Ryan. Mary Donner was absent. Also in attendance: John Labaj, Deputy County Administrator; Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator – Finance; Pat McNulty, Health Department; Dennis Sandquist and Maryann Wanaski, Planning & Development; Sandy Lewis, Mental Health Board; Pam Palmer, Auditor; 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. Hammerand, to recommend approval of the minutes of the Finance & Audit Committee meeting on October 27, 2009. Chairman Munaretto stated the minutes have been updated to indicate that he voted during roll call votes at the October 27, 2009 meeting. The minutes were approved as revised with a unanimous voice vote of all ayes.

PUBLIC COMMENT: None

PRESENTATION: None.

NEW BUSINESS:

Resolution authorizing the reclassification of position #010-0029-08 in the Community Development Block Grant Division of the Planning and Development Department: Ms. Hill made a motion, seconded by Mr. Breeden, to recommend the County Board approve a Resolution authorizing the reclassification of position #010-0029-08 in the Community Development Block Grant Division of the Planning and Development Department. On a roll call vote, the motion carried with all members voting aye (Breeden, Hill, Hammerand, Orphal and Munaretto).

Resolution authorizing emergency appropriations in the Community Development Block Grant FY 08/09 budget and a Resolution authorizing the creation of four (4) new funds for the Community Development Block Grant Program: Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing emergency appropriations in the Community Development Block Grant FY 08/09 budget and a Resolution authorizing the creation of four (4) new funds for the Community Development Block Grant Program. These resolutions will provide for CDBG fund tracking within the County's financial system. After discussion a roll call vote was called. The motion carried with all members voting aye (Breeden, Hill, Hammerand, Orphal and Munaretto).

Resolution authorizing budget line item transfers from the General Fund Non-Departmental FY 09 budget to the Facilities Management General Fund FY 09 budget: Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing budget line item transfers from the General Fund Non-Departmental FY 09 budget to the Facilities Management General Fund FY 09 budget. This Resolution is a budget transfer to help supplant the shortage existing in the Facilities Management FY 09 budget. Mr. Sarbaugh reported there may be other departments that will be forthcoming with such requests by the end of the year. The motion carried with all members voting aye (Breeden, Hill, Hammerand, Orphal and Munaretto).

Resolution authorizing the designation of the Office of the State's Attorneys Appellate Prosecutor: Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing the designation of the Office of the State's Attorneys Appellate Prosecutor. This is a continuation of an Appellate Prosecutor program in place through the State's Attorney's department. On a roll call vote, the motion carried with all members voting aye (Breeden, Hill, Hammerand, Orphal and Munaretto).

Resolution authorizing Workers' Compensation Claim Settlement: Ms. Hill made a motion, seconded by Ms. Orphal, to recommend the County Board approve a Resolution authorizing Workers' Compensation Claim Settlement. Mr. Labaj reviewed the proposed settlement in the amount of \$16,094.60. This was a road deputy that sustained injury to the right elbow while participating in training. Mr. Ryan arrived at 9:40 am. After discussion, a roll call vote was called. The motion carried with all members voting aye (Breedon, Hill, Hammerand, Orphal, Ryan and Munaretto).

Resolution authorizing acceptance of a Veterans Lottery Grant and an emergency appropriation to the Veterans Assistance Commission FY 09 budget: Ms. Orphal made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing acceptance of a Veterans Lottery Grant and an emergency appropriation to the Veterans Assistance Commission FY 09 budget. It was noted that this \$10,000 grant will fund a pilot program for prescription eyewear services for veterans through the Veterans Assistance Commission. The motion carried with all members present voting aye (Breedon, Hill, Hammerand, Orphal, Ryan and Munaretto).

Resolution authorizing accepting the IEPA Solid Waste Enforcement Grant: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing accepting the IEPA Solid Waste Enforcement Grant. Mr. McNulty reviewed the proposed Resolution. The grant dollars will assist in supporting solid waste inspection efforts. The program costs were budgeted at \$76,375.00 and the state approved the grant at \$41,624.37 which is 54.50% of the total costs. Ms. Hill commented that the IEPA recently cut the Partners in Paint program and over the last ten years that program has kept 105,000 gallons of paint out of waste sites. Chairman Munaretto agreed with Ms. Hill and added that Partners in Paint is looking at other options to replace those lost dollars to keep the program going. On a roll call vote, the motion carried with all members voting aye (Breedon, Hill, Hammerand, Orphal, Ryan and Munaretto).

Resolution authorizing acceptance of a \$532,180 grant from the Illinois Department of Public for a H1N1 vaccination campaign and an emergency appropriation to the Health Department's FY 09 budget: Ms. Hill made a motion, seconded by Mr. Ryan, to recommend the County Board approve a Resolution authorizing acceptance of a \$532,180 grant from the Illinois Department of Public for a H1N1 vaccination campaign and an emergency appropriation to the Health Department's FY 09 budget. Mr. McNulty submitted an updated budget for this program that adds benefit costs to salaries as requested at the Public Health & Human Services Committee meeting. Mr. McNulty reported that H1N1 cases have not yet peaked for the year and this will be an ongoing concern through the winter and spring months. The County is hosting vaccine clinics and scheduling is done on an appointment basis for those at high risk. After discussion, a roll call vote was called. The motion carried with all members voting aye (Breedon, Hill, Hammerand, Orphal, Ryan and Munaretto).

Resolution authorizing acceptance of a \$5,000 grant from the Illinois Children's Healthcare Foundation: Mr. Ryan made a motion, seconded by Mr. Breedon, to recommend the County Board approve a Resolution authorizing acceptance of a \$5,000 grant from the Illinois Children's Healthcare Foundation. The motion carried with all members voting aye (Breedon, Hill, Hammerand, Orphal, Ryan and Munaretto).

McHenry County Loan Fund request for Buddyz Riverwalk Inc.: Chairman Munaretto provided an update to funds available in the Revolving Loan Fund and the Micro Loan Fund. Currently there is \$187,375 available in the Revolving Loan fund. Pending projects exist in the amount of \$237,500 with proposed projects in the amount of \$275,000 (not yet approved). If all projects proposed and pending are approved the fund will be short by \$325,125. The proposed projects do include the request from Buddyz Riverwalk Inc. in the amount of \$150,000. The Micro Loan fund currently has \$200,000 in available funds. One project has been proposed for \$20,000. If approved the available Micro Loan fund would be at \$180,000. He stated that commercial lending is not getting better and people are learning about the availability of these funds which has led to an increase in proposed projects. Mr. Labaj noted that the current balance includes the recently approved project for Kiddie Campus along with outstanding balances due from Es Bakery and Contempo which is trying to get out of bankruptcy. Chairman Munaretto stated that perhaps a complete analysis can be presented at the November 24th Finance & Audit meeting. Members then discussed the request received from Buddyz Riverwalk. Mr. Labaj stated the request is for a loan of \$150,000 to help fund a 4,000 square foot sit-down restaurant to be located on the City of McHenry's Riverwalk. Collateral would be a first position on equipment. The project has a good location and revenue projections appear reasonable and sufficient to cover the loan request. The liquor license has been issued by the City of McHenry who referred the owner to the County for this loan. The owner currently

has a restaurant on Randall Road which is doing a good business. Chairman Munaretto stated he has concerns when comparing the two locations, Randall Road versus the City of McHenry's Riverwalk. Randall Road is a proven location, while the Riverwalk is just getting started. He also pointed out that restaurants historically have been the number one business to fail in the United States. He commented that parking is non-existent for the new location and although the Riverwalk is a great concept it is not a proven retail destination. He noted with these risks he could not support a loan for this project at this time. Ms. Orphal stated she supported this project, noting the Riverwalk is a nice location and the applicant has provided a good business plan and has been successful in their past endeavor. Ms. Hill agreed with Ms. Orphal and supported the project. Chairman Munaretto noted that there are a lot of good points to the project; however this is not a proven retail area, parking is an issue, boat access is very limited and it must be kept in mind that Snug Harbor recently opened on the river which would be competition to this proposed restaurant. Mr. Hammerand expressed concerns with equipment be used as collateral. Mr. Ryan agreed that this is a risky business during risky economical times and the location is also risky. After discussion, Ms. Hill made a motion, seconded by Ms. Orphal, to approve the Revolving loan request of \$150,000 for Buddyz. On a roll call vote, the motion failed with two ayes (Hill and Orphal) and four nays (Breedon, Hammerand, Ryan and Munaretto). Chairman Munaretto stated that this decision is not based on how we feel towards Buddyz and the issue includes risk factors that are not based on past success. Mr. Austin noted that if the Revolving Loan fund had more available dollars perhaps we would have been more willing to take the risks. Mr. Hammerand stated without a parking plan he would not support the loan request.

REPORTS TO COMMITTEE:

Auditor's Report: Ms. Palmer was moved up on the agenda to give her report at this time. She announced that the County has recently been awarded the GFOA Award for Excellence in Financial Reporting. She also stated she would be e-mailing the quarterly report to members. Staff is also working on a vendor list, automating election judges' expenses and imaging to help accounts payable.

NEW BUSINESS (CONTINUED)

Approval of FY 09/10 budget adjustments: Mr. Sarbaugh presented and reviewed amendments to the preliminary FY 09/10 budget. He stated that most items are just moving budgets from one line item to another and would not impact the total expenditures or revenues. He stated that prior to the November 17, 2009 County Board meeting there will be additional adjustments. He asked the Committee if they would like to meet just prior to the County Board meeting or if they would like these adjustments presented to the County Board without Committee's review. Members asked that a 6:30 pm Finance & Audit Committee meeting be scheduled to consider the proposed adjustments prior to the County Board meeting.

OLD BUSINESS: None.

REPORTS TO COMMITTEE (CONTINUED):

Contingency Reports: The General Fund Contingency Account as of 11/10/09 was distributed along with the Sales Tax summary.

EXECUTIVE SESSION: None.

ADJOURNMENT

Noting no further business, Mr. Breedon made a motion, seconded by Mr. Ryan, to adjourn the meeting at 10:44 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD ACTION:

- Resolution authorizing budget line item transfers from the General Fund Non-Departmental FY 09 budget to the Facilities Management General Fund FY 09 budget
- Resolution authorizing the designation of the Office of the State's Attorneys Appellate Prosecutor
- Resolution authorizing Workers' Compensation Claim Settlement
- Resolution authorizing acceptance of a Veterans Lottery Grant and an emergency appropriation to the Veterans Assistance Commission FY 09 budget
- Resolution authorizing accepting the IEPA Solid Waste Enforcement Grant

Resolution authorizing acceptance of a \$532,180 grant from the Illinois Department of Public for a H1N1 vaccination campaign and an emergency appropriation to the Health Department's FY 09 budget
Resolution authorizing acceptance of a \$5,000 grant from the Illinois Children's healthcare Foundation
Resolution authorizing emergency appropriations in the Community Development Block Grant FY 08/09 budget
Resolution authorizing the reclassification of position #010-0029-08 in the Community Development Block Grant Division of the Planning and Development Department
Resolution authorizing the creation of four (4) new funds for the Community Development Block Grant Program
Approval of FY 09/10 budget adjustments

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