

**Members Present**

Mr. Bossert, Mr. Tripp, Mr. Arseneau, Ms. McBride, Mr. LaGesse, Mr. Hess, Mr. Mulcahy, Mr. Stauffenberg, Mr. James, Mr. Vickery, Mr. Whitis, Ms. Bernard, and Mr. Washington

**Members Absent**

Mr. Olthoff and Mr. Tholen

**In Attendance**

• **Board Members**

Mr. McConnell, Mr. Enz, Mr. Nixon, and Dr. Pagast

**Department Heads**

Kevin Duval, Mark Frechette, Bob McElroy, and Bonnie Schaafsma

**Others**

• **Media**

Laura McElroy

**1. Call to Order**

The meeting was called to order by the Chairman, Mr. Bossert, at 10:20 a.m. Quorum present.

**2. Public Comment**

**3. Approval of Minutes – October 27, 2011**

**A motion to approve the minutes was made by Mr. Vickery and seconded by Mr. Hess. Motion carried with a voice vote.**

**4. Presentations**

**5. Legislative**

Mr. Bossert stated that UCCI met yesterday and they talked at length about the biggest issue that occurred in the veto session which was the personal property replacement tax diversion. In the end, the legislature forced the use of that fund to be used to pay for our regional superintendent of school's salary and the assistant superintendent of schools. They say that at the last it appeared that there was going to be an override that was ready to go and they had the votes ready to override the Governor's veto and would force the funding as it has been in the past but at the last minute the Governor sent the word that he would withhold the money whether the override passed or not. He would not release it so in the interest of moving ahead and getting at least the matter reconciled for the year legislature went ahead with the diversion of that money for a one year period. It would be those individuals only not some of the other stipends and situations that they were considering. There is a number of upset people involved with counties, municipalities, and townships who view this as the first step in the process of raiding the corporate personal property fund. In total that is about a \$1.4 billion pot of money that is collected at the state level and is distributed back to locals. He is sure the legislature and Governor are all looking at that as an available resource to use for funding that otherwise the state would be responsible for. The other half of the story is that while that happened they pledged to form a commission and study the regional office structure as to future situations and whether there could be mergers, streamlining, and that type of thing. There is also this big discussion over the tax situation with the Chicago Board of Trade, the Mercantile Exchange, and what kind of package can be assembled to keep them from leaving the state. It was said that the chairman of the board of trade is not very diplomatic and was demanding action that day of the hearings but was politely told that that was not how they operate and that they would move in due course. There is a proposal to offer a \$100 million of tax break to CME as far as income tax. CME protests that they pay 6% of the entire corporate income tax bill for the State of Illinois out of their shop only and that by sourcing all

revenue to Illinois that is generated in their business is an unfair burden on that one particular organization and they are seeking some relief. This all comes around to the corporate personal property tax because one source of funding to help with the \$100 million tax break to the CME is using a break on the corporate personal property tax of \$30 some million. The portion that is being diverted to the superintendent of schools is about \$13 million. The tax break is not a diversion of the funds; it is not putting the money in the account in the first place. It is a tax break given to that organization and there would be that much less money in the till. That discussion is not done; there will still be continued discussions with CME as to what kind of break they would be giving that particular organization. At the same time there is ongoing discussion with Sears and a number of large entities that are looking for particular help. There is rather pointed discussions in Springfield as to whether these types of breaks should be given or should there be general tax relief to business entities statewide.

Mr. Bossert stated that the legislature will meet again next week in an extended session of the veto session so a couple of these last minute issues will be debated particularly these tax breaks and possibly the pension reform measures.

Mr. Bossert stated that he had a brief discussion on some issues surrounding the county code. He will bring it up later in the meeting.

## **6. Information Services**

Mr. Duval did not have anything to report to the committee.

## **7. Health Department**

### **• Approval of Collective Bargaining Agreement**

Ms. Schaafsma stated that she is happy to report that they have a tentative bargaining agreement with their union. The board of health approved the agreement last Thursday night and she was told that the union approved the agreement at their meeting last night. It does need full county board approval, as well. It has been submitted to the State's Attorney's office for review. This is their second contract; their first contract was negotiated in 2007 and went through 2010. This is another four year contract. The biggest changes from the original contract were a new policy on attendance and a change in how they grant sick time which is in keeping in line with county policy and with the other 1874 contract. Their employees are in the same local with the circuit clerk's office. They have changed to that policy. As far as salaries go, they did negotiate for four years going back to December 1, 2010 with a 2% raise retro active for 2010 starting December 1, 2010, 2% for 2011, 2.5% for 2012, and 2.5% for 2013. Those were the biggest changes to the current contract.

Mr. Bossert stated that he will not ask the committee for a vote on this as we don't have a document to look at and react to. At this point, Ms. Schaafsma is just giving us information and they will take it to the full board. The health board has voted on this and outside counsel was involved in negotiations.

Mr. James asked how much money is involved in the retro pay for 2010.

Ms. Schaafsma stated that it is about \$19,000. They have 32 staff that are covered by the union.

Mr. Bossert stated that they will take this to the full board and will have a document to the board members. Because there is a separately appointed board, this is somewhat of a formality on that approval.

Mr. LaGesse asked if the \$19,000 affects our general fund.

Ms. Bossert stated that it is an enterprise fund that is totally separate.

Ms. Schaafsma stated that they only get property tax funding. They were able to do a balanced budget with these projections.

## **8. Pledge for Life**

## **9. Schools**

## **10. Veterans Assistance Commission**

- **Monthly Report**

There was no monthly report to approve.

## **11. Personnel/HR Issues**

There was nothing to report to the committee.

## **12. Administrative Issues**

### **a. Reappointments/Appointments**

- Reappointment of Michael Lambert to the Exline Creek Drainage District
- Reappointment of Harold McQueen to the Manteno Drainage District #3

**Mr. Stauffenberg made a motion to approve the above reappointments and Mr. James seconded it. Motion carried with a voice vote. Motion carried with a voice vote.**

## **13. Information Items**

## **14. Old Business/New Business**

- **Finance Department/Auditor/Treasurer Restructuring – Referred from Finance Committee**

Mr. Bossert stated that this is a matter that was referred from the Finance Committee concerning the position and realignment of the auditor, finance department, and treasurer.

Mr. Bossert stated that after the discussion last week at Finance Committee he did a little more research and collected some data which he handed out to the committee today.

Mr. Bossert stated that he wanted to give the committee a little bit of history concerning the position of elected auditor. The county code requires that the position of auditor be created once a county's population crosses a certain threshold, that being 75,000 in population. Statewide there are 21 counties in the state with population in excess of that number. Cook County is one of those but we will not include it in today's discussion because they have rules that apply to them only. Because of the statutory requirements, there are 81 counties that do not have elected auditors and in addition among that top 20 there are 3 counties that do not have elected auditors. At some point, Lake County voted to abolish the office or never established it in the first place. DeKalb County has 105,000 in population and they did have a referendum to abolish the office so they do not have that position. Kendall County does not have an auditor. This year they crossed the 75,000 line and they are faced with the question of the auditor as well as the recorder's office. The recorder's office has similar language. There is a certain population threshold at which an office of a recorder is created and is separated from the county clerk. Kendall County because they are faced with the question has elected to put a question on the ballot and determine whether or not they want to eliminate the office. The opinion that they have gotten from their state's attorney is that the fact that the population of the county crosses a certain line creates the office so whether or not the office is funded and

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whether or not anybody is in office the office is created. Their question on their ballot will address that and ask whether the office be eliminated as an elected position. Also, attached in today's handout is a map indicating which counties have the elected office of auditor and which do not. The first page in the handout points out that each county shall have a sheriff, county clerk, and treasurer and all the rest may be elected, appointed, or duties combined with other offices in some cases. For example, even though statutorily a number of counties have created circuit clerk as an elected position that office also could become an appointed position rather than elected. Recently, Champaign County had a big debate about whether or not to take their auditor's office and make it an appointed position rather than an elected. It ended up on the ballot but the question failed. They still are maintaining the office of elected auditor. They also had an extensive debate about the office of coroner whether that should be a separate department or rolled into the sheriff's office. The recorder's office also was discussed in Champaign County but they did not choose to put that on the ballot. There is precedent in the state about this topic; it is not an unusual topic. Other counties have addressed the issue and many counties deal with fiscal matters without having an elected auditor position. Many municipalities are of equal size to our county or close to it and many school districts and many other units of government have very extensive financial affairs and operate basically with a very streamline financial operation. Mr. Whitis was chairing the Finance Committee the other day when this came up and as he explained the issue arose and has been discussed in the past from time to time as to whether an elected auditor is necessary or could we come up with a more streamline financial system in our county. It was thrown out as a discussion point for this committee and the question today is whether we would be willing to pass this on to the full board in December for a real thorough discussion and ask the question whether we want to put it on the ballot as a public question and let the public have some input.

Mr. Stauffenberg stated that since becoming the finance chairman he thought he saw some duplication in work being done which is what brought it to his attention. That fact and the fact that money is so tight these days; although, he is not sure how much money this would save us. He asked Mr. Bossert if he checked to see how many departments that do or don't have an auditor have a finance director, also.

Mr. Bossert stated that one thing that he has learned in the last few years is that every county handles things differently. There is no consistent way that they handle things but obviously if there is no auditor's office there has to be a central point where somebody is making data entries, running reports, and working on budget. In our case, with a finance department, we have created a situation where we have centralized the budgetary process along with data entry so the controls of that process are all in one spot.

Mr. Stauffenberg stated that in our process in trying to get a balance budget and turning over every rock they could he just looked at this too and thought it looked like there was some duplication being done. He was curious whether we were or were not and started investigating that which is probably partly why this came before us. He was looking for ways to save some money and it is nothing against Ms. Woodruff because he thinks that she does a good job at what she does. We are looking at ways that we can possibly save some money. If we are doing duplicate work that doesn't make any sense to him at all.

Mr. Bossert stated that the question might be whether it is duplicate work or necessary work. We might solicit some comments from our outside auditors on that question at some point. They have to be careful about what they say. They can't be helping us design our system but they could offer some comments perhaps on things that they look for in their outside audit and what reports and process they rely in the outside audit.

Mr. LaGessee stated that back in 2003 the general accounting office required us to establish the office of finance director. What makes it ok now to go back to the way it was back before 2003?

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Mr. Bossert stated that that is probably a topic that we need to bring in Mr. McCarty and get some background on the decision process that happened at that point and revisit that whole discussion. That is a valid question – Our we just going back to where we were in terms of having one office handling the accounting functions as well as the internal audit? Again, if we talk to our outside auditors they may tell us that they don't rely on the internal audit very much in their process. They look at their own documents and at our process.

Mr. LaGesse stated that it cost us a huge amount of money to establish a finance department and now we are saying that we really didn't have to do that but at the time they said that we had to do it.

Mr. Bossert stated that is an issue that we probably need to revisit some history on and get some background on that. It would be good to do that at a full board meeting. How that process would fit together now would have to be discussed and established.

Mr. Washington stated that we are also looking at the very obvious thought that an auditor's office is established to keep a balanced check and balances between offices. If you combine the auditor's responsibilities with the finance office which is an appointed position then you don't have an elected official overlooking anything.

Mr. Bossert stated that that is a good point.

Mr. Vickery stated he remembers when in one of the finance committee meetings Mr. Clark was a little frustrated with the timeframe it took to get his election judges paid because of the flow of paperwork. He thinks that would be an issue that we would take a look at during the full board meeting and interview our department heads as to how this paperwork trail goes. One thing that he thinks is different today is that almost everything that we do is online so that anyone can take a look at the bills. We are more transparent today than ever.

Ms. Bernard stated that she will be blunt and say that she thinks that this whole thing is a gimmick. Within the last 90 minutes a county committee voted to give away money to a company because they are the good guys and are wearing the white hats but it is the auditor's office that wears the white hat. The auditor doesn't have to worry whether the chairman is going to fire or reprimand them. The auditor does not have to fear for his or her job if they expose some questionable spending or misspending. The person who is in our finance department lobbied very heavily to create this finance department and that person was the auditor at the time. That person's salary was probably about \$50,000 at the time now that person is making \$93,000. If you want to talk about saving money why not take a 10% to 20% pay cut. Almost 40% of this country are living at or barely above the poverty line right now and we are talking about eliminating a watchdog while we have somebody making \$93,000 a year. We need that watchdog. It wasn't the finance department that informed the board members that public tax dollars was being spent on questionable items. No matter what side of the political fence that person is on we need an outside auditor. Even with everything online, not everyone is going go get online and spend hours combing through every detail. We need to keep the auditor's office to keep everybody straight and honest. If somebody wants to get business from a company they are going to temper their words. We need to keep that independence and we need to have a watchdog. We have seen too many questionable things being spent.

Mr. Arseneau stated that if we had an outside person we could probably do outside audits on a quarterly basis with someone. We are already paying someone to do audits right now. He thinks that it would be easier for everyone to have someone from the outside come in and streamline everything.

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Mr. Bossert stated if we went to a unified finance department and we absorbed personnel to carry out other functions and there were particular audit issues that the finance committee would like to have examined we could privatize that. We could hire an outside firm to do a particular job or we could direct an internal auditor to report directly back to the finance committee. Those kinds of things can be dealt with and keep some separation between the department and reporting to the committee.

Mr. Enz asked what kind of timeline he is talking about. It seems like we are rushing this really fast for some reason.

Mr. Bossert stated that in order to put a question on the ballot for March 20 the governing body would have to act and pass a resolution to that effect by the end of December.

Mr. Enz asked why we would want to have this that affects all the voters on a primary election rather than a general election when as a rule primary election probably brings up about 20% of the voters. It doesn't seem like you are getting a true vote of the people because not a lot of people vote in primary elections. Why would we want to eliminate the auditor who he feels is an important check and balance of the taxpayer's money and has several times pointed out some inappropriate things that the finance department passed on. If anything, his opinion is that the finance department should be where we should be cutting and place the budgeting and grants where they should be. Actually, in most counties the budgeting and grants are in the administration and done by the board chairman and the vice-chairman. It only makes sense that if you are looking to save money and the finance director makes \$93,900 versus an auditor that makes \$63,000 it makes sense to him to review the finance director. Two of his people equal the whole audit department which seems ridiculous to him. The financial director is responsible to a political party because he is appointed which is not a good idea. The auditor is responsible to the public and at the least he thinks that this should be drug out a little more and have more discussion, possibly a public hearing. He definitely does not think that it should be at a primary election where the vote count is so low.

Mr. Bossert stated that at the UCCI meeting yesterday they did talk about county code. There is a movement to perhaps mobilize the county organizations and the interested party to review the county code because it in many ways, particularly in finance areas, is very antiquated. People who work with county code in the auditing world will say that the municipal code has become much more streamlined. County code has not moved at all in the last number of years. In that discussion, the budgetary process, the amendment process to budgets, and some of the mandatory steps in just getting bills paid that are dictated through the county code are cumbersome and outdated in the opinion of many. The office of auditor may well be in that discussion in modernizing our county code. We have municipal governments that operate very cleanly and smoothly without all these extra steps of departments and elected officials a part of the process. What is the committee's pleasure?

Ms. Bernard stated that she thinks that we revamped the code five or six years ago.

Mr. Bossert stated that was our code. He is talking about state statute which hasn't been revisited for at least 20 years. Even then, it was very hit and miss depending on what county had some issue. Cook County is constantly updating their portion of the county code because there are many, many rules in statute that only apply to counties in excess of three million which includes Cook County.

Ms. Bernard stated that she heard that if the auditor's office is eliminated we can have somebody come in privately and audit every quarter. It is not cheap and may not be more cost effective. This whole thing reminds her of when the sheriff presented a proposal to create the office of inspector general. The inspector general was to report to either the chairman or the undersheriff. She did some research and it

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turns out that there is actually a national association for inspector generals that has standards and protocols. When asked at the meeting if his proposal follows those protocols, it didn't. The whole thing just kind of disappeared. The whole point was that inspector general position that they attempted to create would not have been accountable to the public. She sees that happening here if the auditor's office is eliminated and just go to the finance director reporting. The sheriff has his own personal accountant which is costing the county probably about \$80,000. Let's not say that we are broke and have to get rid of this department when there is that kind of service going on out there. The bottom line is that if you eliminate the office of an elected auditor who is accountable to the public it is not killing the messenger it is euthanizing the watchdog. She thinks it is a bad idea.

Mr. Vickery stated that this committee nor the county board is trying to eliminate anything. What they are asking is "Should they put it on the ballot for the people to decide?" That is the point – let the people decide. Regardless of what election it is done at, he thinks that the people who feel strongly about it will be there and will voice their point-of-view.

**Mr. Vickery made a motion to send it to the full county board to have a good discussion about it and include possible language if the full board wants to move ahead with a referendum question and Mr. Tripp seconded it.**

Mr. LaGesse stated that this seems like a rush to judgment. We don't even have all the answers. We don't know what an outside auditor is going to cost to come in quarterly. He thinks that we may be creating more problems that we got. How can we rush through this so fast. He agrees with Mr. Enz that not everybody votes in the primary and if you put it on the general election the people are going to be voting for an auditor on one section and in another section being asked whether or not to eliminate it. He thinks that is going to cause a lot of confusion. He doesn't think that we have all the answers to even put it before the board. He thinks that we need more discussion at the committee level.

Mr. Bossert stated that he thinks that the context of that comment was that if there are particular things to come in and spot check. We could hire that economically if there is concern about travel, meals, entertainment, etc.

Mr. LaGesse stated that he is still very confused about why we had to create the office of the finance director back in 2003 and now we seem to say that it is ok to eliminate the auditor and go back to a finance department. He thinks that we need answers to that from the general accounting office, also. He thinks that there are a lot of questions here and it seems like we are pushing it before the board and he doesn't know if they are going to have all the data to make a decision.

Ms. McBride asked how often our auditor audits now.

Mr. Bossert stated that we need to make sure that we have accurate statements before we say what they do or do not do. There are a number of off-line accounts with checkbooks and activities not within our centralized accounting system. Our outside auditors who does the annual audit do not look at those off-line accounts. They tend to be small special purpose accounts. We don't want to spend the money on a full blown audit on every one of those accounts. They spend their time on the main accounts of the county. At the same time, it would probably be a good idea to have somebody internally look at those accounts. That to a large extent has not been happening in our county. That is a function that we may look at either assigning somebody internally because we can assign them if it is not part of an elected officials office where we cannot dictate what they do.

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Ms. McBride stated that the document that was handed out says that offices other than sheriff, county clerk, treasurer, coroner, recorder, assessor, and auditor may be eliminated.

Mr. Bossert stated that it means that those particular offices cannot be changed by the county board only. It takes referenda to change any of those.

Mr. Enz stated that he just doesn't see where we are going to save any money here. He doesn't see what the rush is that we have to get something done in 10 days that just doesn't seem necessary. He still feels that if this does come up and the board does decide to do that it needs to be at a general election, not a primary election. It is not fair to the taxpayers. That is who this board is obligated to protect and he thinks by removing an auditor we are shunning our duty as board members. We are taking away checks and balances that we sincerely need and putting it into the hands of a political appointee is not right.

Mr. Stauffenberg stated that this is exactly what he was hoping for – some good dialog. There were a lot of good points brought up here. He personally sees no reason why not to send it on to the county board because we are just a few members of that board. Let the full board hash it out. Mr. Enz's points are very good. He needs to bring them up with more people to make those decisions.

**Original motion carried with a roll call vote of 9 ayes and 4 nays. Voting aye were Mr. Tripp, Mr. Stauffenberg, Mr. James, Mr. Vickery, Mr. Hess, Mr. Whitis, Mr. Arseneau, Mr. Mulcahy, and Mr. Bossert. Voting nay were Mr. Washington, Mr. LaGessee, Ms. Bernard, and Ms. McBride.**

Mr. Hess asked if this was going to be discussed at the special board meeting.

Mr. Bossert stated that it would be discussed at the regular board meeting on December 13. He reminded the committee of the Special Board meeting on Tuesday, November 29, at 9:00 to adopt our final budget; as well as, name an acting highway engineer.

Mr. LaGessee stated that today's agenda also had restructuring of treasurer on it. Are we going to discuss that today?

Mr. Bossert stated that the treasurer is the third of the fiscal offices and there may be some duties that overlap in the process of reorganizing if we end of doing that. Perhaps we can take some duties off of the treasurer and pull it back to the finance department.

Mr. Bossert stated that they are getting notices out for Mr. Piekarczyk's retirement party. It will be after the special board meeting on November 29. It will probably be a luncheon and the current board, the former board members, and whoever else is interested will be invited.

Mr. James stated that with the discussion regarding the auditor's office he thinks that we better be prepared and have someone who has the answers to all the questions. He would suggest that we have the State's Attorney be prepared to discuss with us exactly what we are going to be getting involved in. He agrees with Mr. Enz that it should not go on a primary election.

### 15. Adjournment

**A motion to adjourn at 11:10 was made by Mr. LaGessee and seconded by Mr. Mulcahy. Motion carried with a voice vote.**