

**Joint Meeting of the Dodge County Finance Committee
and the Dodge County Health Facilities Committee**

Minutes of the April 14, 2015

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 10:00 a.m. on Tuesday, April 14, 2015 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following members were present: Frohling, Schaefer, Gohr and Uttke. Adelmeyer was excused.

Also present: Health Facilities Committee members John Fabisch, Larry Bischoff, and Lisa Derr, County Board Chairman Russ Kottke, Supervisors: Donna Maly, MaryAnn Miller, Jeff Berres, and Dennis Schmidt. Others present were Mielke, Kolp, Hilker, Joe Rains, Ken Kamps, Jane Hooper, Bill Wiley, Terri Pederson, Julie Huebner, Janet Wimmer, Kathy Ryan, Scott Smith, Karen Gibson, Lifke, Johnson^Block and Company representatives Jim Block and Kevin Krysinski, and Specialized Medical Services Inc. representative Mary Petersen.

Julie Kolp, Finance Director certified the public notice given for this meeting complies with the requirements of Wisconsin's open meetings law.

Jim Mielke, Administrator presented to committee members, information he received from an April 9, 2015 City of Beaver Dam Mayor meeting. According to Mielke, discussion continues at the municipal level regarding shared Sales and Use Tax revenue. Mielke anticipates more meetings and discussion. He will keep committee members informed.

Motion by Gohr and 2nd by Schaefer to allow the chair to deviate from the agenda at his discretion. Motion carried with unanimous approval.

Motion by Schaefer and 2nd by Gohr to approve March 10, 2015 regular committee meeting minutes as presented with the "Transcript of Telephone Conference By and Between Jim Block and the Dodge County Finance Committee Which Took Place At a Meeting of the Finance Committee" included as an attachment. Motion carried with unanimous approval.

Jim Block and Kevin Krysinski from Johnson^Block and Company and Mary Petersen from Specialized Medical Services Inc. appeared before joint committee members to discuss Clearview's 2014 audit. Supervisor Jeff Duchac was available by phone. Block started the discussion with clarification and additional information regarding questions from March 10, 2015's telephone. According to Block, Johnson^Block started meeting with Jane Hooper, Clearview Administrator in January regarding Clearview's Write-off for Bad Debt and Allowance for Doubtful Accounts. In previous years, an attempt was made to develop an estimation process for both Bad Debt and Doubtful Accounts with an understanding the policy would be reviewed annually to determine if adjustments to the policy need to be made. In 2012, there was a significant adjustment and in 2013 it was determined the posted amounts weren't sufficient. Johnson^Block was contacted by Clearview to address the Bad Debt and Doubtful Account concerns.

Clearview contracted the services of Specialized Medical Services Inc.'s representative, Mary Peterson to assist with identifying Accounts Receivable (A/R) problems, organize and train staff in the A/R process and attempt to recover previously denied collection request. Clearview staff were able to obtain client authorization for charges but fell short on the follow-up steps.

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According to Peterson, billing is complete through March 31, 2015. A work plan has been developed and reviewed with staff. Based on the work plan, it's been determined there isn't enough staff to fully implement an effective and efficient A/R processing system. Estimated Write-off of Bad Debt and Allowance for Doubtful Accounts policies have been drafted. Monitoring processes and review of aging accounts have been established. A monthly calendar of duties is currently being worked on. In 2013, Clearview's A/R software went through a conversion that wasn't setup correctly and resulted in the need to make numerous manual entries. Peterson has made and will continue to make recommendations to Hooper and Bill Wiley to improve processes and efficiencies. A "SMS Specialized Medical Services" document providing information presented by Petersen to the committee is attached to the minutes.

Block continued with information on Accrual Financial reports presented during the March 10th telephone conference. For 2014's Financial Statements, the accrual statements will be presented in draft form for evaluation of usefulness. If they're determined to be useful, accrual statements could be added in future years as supplemental information.

Kevin Krysinski from Johnson^Block and Company appeared before committee members to present information on the 2014 audit. According to Krysinski, the auditors will be on sight the week of April 20th to do their final field work. An internal control questionnaire was sent out to all financial areas and follow up will take place. Auditors will be meeting with Clearview to review changes A/R processes. Additional follow-ups by auditors may be needed to complete the 2014 audit and financial statements. A document titled "Dodge County Audit Update from Johnson Block & Company, Inc." and dated April 14, 2015 is attached to the minutes.

Mielke addressed a proposal to contract for additional time for the general 2014 county audit to perform expanded audit procedures in Human Services and Health. Johnson^Block estimated additional costs to the county would be between \$1,500 and \$2,000. Motion by Schaefer and 2nd by Uttke to proceed with a more in depth audit of Human Services and Health for an additional estimate costs of \$1,500 to \$2,000. Motion carried with unanimous approval.

Resolution No. 15-1 – County Board Rules Pertaining to Taxation Committee – Taxation Committee. The Fiscal Note set forth in Resolution No. 15-1 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$1,000 on 2015's adopted Budget. According to Supervisor Jeff Berres, the Taxation Committee activity has increased. Current committee membership is 4 with 3 voting members and one alternate member. With increased activity, it was suggested to have 2 alternate members present for all meetings. Motion by Schaefer and 2nd by Gohr to approve the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution No. 15-1 to the County Clerk. Motion carried with unanimous approval.

Resolution No. 15-2 – Abolish Payroll Specialist Position and Create Accounting Specialist – Accounts Receivable Position – Health Facilities Committee. The Fiscal Note set forth in Resolution No. 15-2 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$0 on 2015's adopted Budget. According to Hooper, a part-time Payroll Specialist position was budgeted but has remained vacant for 2015. Hooper is requesting to replace the part-time Payroll Specialist position with a full-time, benefited Specialist – Accounts Receivable position. Hooper stated there wouldn't be an impact to the current budget due to a combined savings from the

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vacant Payroll Specialist and an unfilled rehabilitation position in brain injury. Motion by Uttke and 2nd by Schaefer to approve the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution No. 15-2 to the County Clerk. Motion carried with unanimous approval.

Resolution No. 15-3 – General Fund Transfer - \$30,000 – Approve Purchase of Operational Review Consulting Services from Baker Tilly Virchow Krause LLP – Executive Committee. The Fiscal Note set forth in Resolution No. 15-3 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$30,000 on 2015's adopted Budget. Mielke proposed Executive and Finance Committees have oversight of the project. Motion by Uttke and 2nd by Schaefer to approve the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution No. 15-3 to the County Clerk. Motion carried with unanimous approval.

Chief Deputy Sheriff, Scott Smith appeared to present information on a purchase request for Special Weapons and Tactic Team (SWAT) rifles. According to Smith, these are new rifles for SWAT officers who don't have a rifle assignment and the amount was budgeted for 2015. Motion by Gohr and 2nd by Schaefer to approve the purchase of 2 SWAT rifles for \$4,272 from BU 2041 – SWAT Team and process vouchers when received. Motion carried with unanimous approval.

Smith present information on a purchase order request for tactical body armor. According to Smith, the tactical vests Sheriff Dale Schmidt is soliciting through community fund raisers aren't the same type of equipment. This equipment is full body armor and one size doesn't fit all. This equipment has a lifetime of 4-5 years. Motion by Schaefer and 2nd by Uttke to approve the purchase of 4 tactical body armor with accessories for \$7,155.80 from BU 2041 – SWAT and process vouchers when received. Motion carried with unanimous approval.

Smith present information on a request to establish a new non-lapsing Law Enforcement business unit (BU) and transfer funds from non-lapsing BU 2035 to the new BU. According to Smith, this BU was established for Crime Preventions funds assessed by the Courts and designated for specific intents. That was discontinued in 2008 and the BU has since been used for donations, rebates and fund raising revenues. Smith requested a new non-lapsing BU be created for donations, rebates and fund raising revenues and leave BU 2035 dormant for potential reinstatement of court assessed fees. Motion by Uttke and 2nd by Gohr to approve the establishment of a new business unit for vendor rebates, donations and other miscellaneous revenues and transfer \$6,310 from BU 2035 to the new BU. Motion carried with unanimous approval.

Smith present information on processing payment requests from Mead & Hunt for Phase 2, 3 and 4 of the security system upgrade project. Smith requested advance approval to pay invoices as received up to the budgeted amount in place of appearing before the committee every month. Motion by Uttke and 2nd by Gohr to approve advance appropriation up to the budgeted amount of \$91,000 from Business Unit (BU) 2061 - Jail for payment of phase 2, 3 and 4 of the security system upgrade project. Motion carried with unanimous approval.

Patti Hilker, Treasurer appeared before committee members to request a discharge of outstanding county checks from the Treasurer's Petty Cash Account. These checks represent overpayments of taxes and

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treasure's fees charged for In Rem parcels (General Receipts) or overpayment of taxes. According to Hilker, these checks are outstanding checks from Hartford Savings Bank. Motion by Schaefer and 2nd by Uttke to discharge listed outstanding county checks totaling \$438.99. Motion carried with unanimous approval.

The County Treasurer provided committee members copies of February 2015's report of working cash account and March 2015 county investment holdings for review. Hilker continues to evaluate short term investment options other than the Local Government Investment Pool.

Hilker reported the Farm Drainage Loan has been repaid.

The monthly county state sales tax remittance reports were reviewed. March 2015's remittance for January was \$399,718 compared to \$346,135 from the same period in 2014. The fiscal year remittance to date is \$1,280,737 compared to \$1,297,949 the same time period in 2014.

Julie Kolp, Finance Director presented information on the 1st Quarter Financial Reports. Kolp explained to committee members various fund makeup and information presented on the reports. Kolp requested committee members look at the various reports and randomly choose areas they would like to see additional information. Kolp suggest request for more detail be placed at the subsequent Finance Committee meeting.

Janet Wimmer, Human Services and Health Director and Ken Kamps, Division Manager for Fiscal Support Services provided committee members with a comparison between 2014 and 2015 out-of-home placement. Total adult mental Health Institution placements for January through March is down 17 placements compared to the same time period in 2014. Wimmer attributed the decline to new processes put into place last fall. According to Kamps, initial inpatient costs are over but it's anticipated to change throughout the year.

Amy Nehls, Emergency Management Director presented a memorandum to committee members requesting a contingent appropriation for repairs to Fox Lake tower. Motion by Uttke and 2nd by Gohr to approve a contingent appropriation transfer to BU 2801 – Central Communication of \$8,169.95 to cover repair costs to the Fox Lake tower. Motion carried with unanimous approval.

Mielke reported the Executive Committee met with Representatives Born and Ripp. Adult Disability Resource Center and County Assessment are anticipated to be removed from the Budget and presented as stand-alone proposals. The Joint Committee on Finance will be meeting March 10th and 11th. The Wisconsin Counties Association will be holding weekly Monday morning webinars at 9:00. A bed tax is also being discussed.

Kolp presented a draft Budget Amendment Policy to the committee. Kolp requested committee members review it and provide thoughts. It will also be presented at the April Management Council meeting for department head input. Kolp stated the intention of this policy is to provide authority for budget adjustments and allow department heads flexibility in managing their budgets. Committee members requested Corporation Counsel also voice an opinion on the policy. The policy was tabled until the May 11th Finance Committee meeting.

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Kolp continued with a draft Vehicle Deductible Policy. It was suggested to add verbiage to the guidelines identifying costs between \$2,500 and \$5,000 to be applied to BU 803 – Vehicle Deductible, cost up to but not including \$2,500 be applied to the vehicle-assigned BU and costs in excess of \$5,000 be submitted to the insurance company. The policy was tabled until the May 11th Finance Committee meeting.

Kolp presented a draft US Bank Purchase Card Rebate Allocation Policy. According to Kolp, rebates are calculated at different levels depending on State Contract level, Speed of Pay, and size of Ticket Transaction. Determining rebate based on different levels of calculation would be very tedious so Kolp suggested a net rebate percentage based on the above information. Committee members suggested the entire rebate be deposited in the General Fund, however the purchase card was presented with implications the rebate would be returned back to departments based on dollar use. The policy will be presented to Management Council for input and tabled until the May 11th Finance Committee meeting.

Kolp presented committee members with an updated on the Kronos project. According to Kolp, the project is moving forward with Clearview's Advance Scheduler going live on April 9th. Accruals are still being worked on. Sheriff's department's Telestaff is soft-live (Kronos is live but department still maintain timesheets that are compared to Kronos). Highway Activities implementation is scheduled to begin at the end of April. Human Resources Talent Acquisition and Performance Evaluation will eventually be implemented.

Kolp provided an update on the Office of Management and Budget (OMB) Uniform Grant Guidance (UGG) project. A draft from Baker Tilley was presented to Dodge County on April 6th. It will be reviewed by Mielke, Janet Wimmer, Eileen Lifke and Ken Kamps by April 24th and then reviewed with the original group on a future date. The results will be presented to the Finance Committee at the June meeting.

Next regular meeting is scheduled for Monday May 11, 2015 at 9:00 a.m. at the Clearview building, 198 County DF, Juneau, Wisconsin.

With no other business on the agenda, Chairman Frohling declared the meeting adjourned at 12:20 p.m.

Gerald Adelmeyer,



Secretary



Specialized Medical Services, Inc. became involved in late January 2015. Prior SMS had been used for questions.

Lead Consultant: Mary Petersen

Step one:

- There was a call with Jane and team to discuss what they needed help with that could return payments.
- Bill Medicare A, Medicare B and Medicaid that could be done from remote in early February.
- Access other payers: Co insurance, Continuous and Medicare Advantage and bill (this done onsite)
- Established system to follow up on billed items

Step Two:

- Developed a work plan with the staff
- Review staff and duties (staff completed in early Feb)
- Establish write off numbers and reserve estimates
- Continue to work third party accounts
- Appeal to Continuous
- Set up cash and accounts receivable monitoring steps
 - A/R over 90 days and percent of total
 - A/R break down by month
 - Cash collected monthly
- Working on monthly calendar to include aging reviews monthly
- Work with software NTT to determine what can we fix to stop so much manual work
- Changed cash posting to work remits real time. Clearview staff is providing this data to me via scan or on site.

Dodge County Audit Update from Johnson Block & Company, Inc.
April 14, 2015

Clearview accounts receivable and allowance for uncollectible accounts

- Allowance should be recorded throughout the year
- Allowance was too low for 2013
- No allowance recorded during 2014
- Adjustments made in 2015 reducing 2014 net revenue by \$1.8 million

Clearview financial statements

- Management letter recommendation to consider accrual basis
- JBC to draft accrual financial statements for 2014
- Accrual financial statements included as supplemental information in county's 2015 report

Audit of 2014 county financial statements

- Preliminary work in January
 - Internal control questionnaire sent
 - Walk-throughs of major transaction areas
 - Preliminary analytical review
- Fieldwork next week
 - Substantive testing on account balances
 - This will include Clearview and receivables
- Questions
- Additional procedures at DHHS
 1. Review 2014 budget to actual comparisons at the program and line item level of detail with an emphasis on areas with budget overruns.
 2. Make inquiries of staff at DHS and Finance about variances from budget and other operational issues.
 3. Make inquiries of county management and board supervisors about their concerns regarding DHS.
 4. Conduct further tests of selected transactions for compliance with county policies and state requirements.
 5. Report to the Dodge County Finance Committee on the results of these additional audit procedures.