

Finance Committee Regular Meeting
Minutes of the September 8, 2015

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 10:00 a.m. on Tuesday, September 8, 2015 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following members were present: Frohling, Schaefer, Adelmeyer, and Gohr. Uttke was excused.

Also present: County Board Chairman Russ Kottke, Supervisors Jeff Berres, and MaryAnn Miller, Mielke, Kolp, Hilker, Ken Kamps, Russ Freber, Scott Smith, Sheriff Schmidt, Bill Wiley, Karen Gibson, Lynn Hron, Pam Knapp, Ruth Otto, Janet Wimmer, Amy Nehls, Jane Hooper, and Lifke.

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

Motion by Gohr and 2nd by Adelmeyer to allow the chair to deviate from the agenda at his discretion. Motion carried 4-0. Uttke was excused.

Motion by Schaefer and 2nd by Adelmeyer to approve August 11, 2015 regular committee meeting minutes as presented. Motion carried 4-0. Uttke was excused.

Resolution No. 15-40 – 2015 Budget Amendments. The Fiscal Note set forth in Resolution No. 15-40 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$166,807 on 2015's adopted Budget. Julie Kolp, Finance Director reported an available Unassigned Fund Balance of \$4.4 million and a Contingent Appropriation balance of \$85,220 after approval of \$10,924 appropriation for Tower Rental. The Contingent Appropriation request was a result of an AT&T rental contract that was budgeted but not initiated. Human Services and Health requested an appropriation of \$166,807 of Unassigned Fund Balance to cover increased expenditures and revenue shortfalls. Motion by Schaefer and 2nd by Adelmeyer to approve the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution No. 15-40 to the County Clerk and approve the Contingent Appropriation of \$10,924 to cover unrealized tower revenue. Motion carried 4-0. Uttke was excused.

Resolution No. 15-__ Capital Improvement Projects (CIP) for 2016-2020 was presented by Jim Mielke, Administrator. Changes made since September 2, 2015's meeting include:

- Highway moved Reeseville Shop project from 2016 to 2017.
- Highway increased Rehabilitate and Repave Highways to be determined from \$1.55 million to \$2.5 million.
- Physical Facilities/Maintenance moved Refurbish 400 Ton Trane Air Conditioner Detention Facility from 2016 to 2017.
- Physical Facilities/Maintenance moved Refurbish 215 Ton Trane Air Conditioner Detention Facility from 2016 to 2018.
- Physical Facilities/Maintenance moved Add Air Conditioning Law Enforcement Center (South Side) from 2016 to 2017.
- Physical Facilities/Maintenance moved Pave Boulevard Administration Building (North Main St. and Center St.) from 2016 to 2017.
- Physical Facilities/Maintenance moved Addition to Storage Shed Henry Dodge Office Building from 2016 to 2018.

Finance Committee Regular Meeting
Minutes of the September 8, 2015

Mielke informed committee members the proposed funding option for Highway's Neosho Shop is \$1.0 million Highway Retained Earnings and \$1.9 million borrowing. Mielke encouraged input from Committee members regarding additional changes prior to the resolution going to County Board. Clarification was also made that approval of this resolution is approval to include these projects in 2016's budget and doesn't guarantee expenditure. Motion by Schaefer and 2nd by Adelmeyer 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-___ Capital Improvement Projects (CIP) to the County Clerk. Motion carried 3-1. Gohr opposed. Uttke was excused.

Resolution No. 15-___ – Financial Plan for 2016 Dodge County Budget was presented. Mielke informed committee members that there was a change in letter F from the Draft plan. Additional Storage – (SAN) for \$100,000 was replaced with Unitrends Backup System Upgrade for 111,000. Mielke stated Sales and Use Tax has two components. The first part is Sales and Use Tax base remittance for 2016. The second part is accumulated Sales Tax Unassigned Fund Balance. The second part of the financial plan is the use of Unassigned General Fund in 2016's budget. Motion by Adelmeyer and 2nd by Schaefer to apply \$4,365,993 of Sales and Use Tax, \$1,523,257 of accumulated Sales Tax Unassigned Fund Balance and an amount not-to-exceed \$1,443 million of Unassigned General Fund Balance to 2016's Budget. Motion carried 4-0. Uttke was excused.

Mielke updated committee members on the 2016 budget process. Budgets were due September 1, 2015. Mielke has met with some department heads. Once the information has been compiled, it will be analyzed and deficits addressed. He will meet with department heads and recommendations will be made to address the deficit. Mielke also informed committee members that Health Insurance was originally budgeted at a 9% increase for 2016. The new rates came out and it was a 6% increase for the PO4 plan which included dental. Insurance rate for P14 which doesn't include dental is a 2% increase. Human Resources will meet September 9th to set Dodge County's employee/employer rates for health insurance.

Bill Wiley, Clearview Director of Financial Services appear before committee members to provide an update on material weaknesses noted by Johnson^Block and Company in 2014-2013's Independent Auditor's Report. Wiley reported that he reviewed the findings and drafted a procedure for Estimate for Allowance for Doubtful Accounts with Kolp and Kevin Krysinski. Wiley anticipates using a similar format to address other compliance concerns. Wiley is writing two procedures; one for Allowance of Doubtful Accounts and the other for Write-offs. He anticipates to complete it in September with information for October's Finance Committee packet. Upon completion of the audit, Jim Block will be doing a presentation at a Joint Finance Committee and Health Facilities Committee meeting in October.

Wiley continued with information on action taken for Clearview's write-offs. Jane Hooper, Clearview Administrator authorized write off of uncollectible receivables in the amount of \$132,818.34. Some reasons these charges were written off were:

- No estate for deceased resident
- Indigent
- No prior authorization for services
- Untimely filing of bills.

Finance Committee Regular Meeting
Minutes of the September 8, 2015

This information was presented to the Finance Committee for awareness. Clearview's Write-Off Policy will be reviewed and if the Finance Committee needs to take action, it will be brought back to October's meeting.

The County Treasurer provided committee members copies of July 2015's report of working cash account and August 2015 county investment holdings for review.

The monthly county and August state sales tax remittance reports were reviewed. August 2015's remittance for June was \$500,849 compared to \$672,406 from the same period in 2014. The fiscal year remittance to date is \$3,699,311 compared to \$3,951,222 the same time period in 2014.

Lynn Hron, Clerk of Courts and Pam Knapp, Clerk of Courts' Account Clerk provided an update on Clerk of Courts (COC) declining revenues and collection procedure. According to Hron, citations are down resulting in decreased revenue for the county. Tax Intercept collections for 2015 were down considerably. COC is implementing new procedures for collection court costs and restitution associated with criminal cases by eliminating Department of Corrections as the "middle man". COC is also considering using the State Debt Collection Program as the county collection agency. John Corey of Corporation Counsel is reviewing the Wisconsin Department of Revenue contract. Hron hopes to have this implemented before the next Tax Intercept season and anticipates it will improve collections.

Kolp presented information on 2016's budget levy limit. According to Kolp, the levy limit sets county levies at 0% or the percentage increase in valuation due to net new construction plus TID closeouts. The Equalized Value less TID for Dodge County is \$5,814,842,400, an increase of \$50,253,400. The Change in Net New Construction is 0.81% allowing a preliminary 2016 levy increase of \$258,510. This could increase or decrease depending on the TID closeouts. TID information was not available for the meeting. Kolp also reported that Equalized Valuation did go up and will improve the mill rate.

Ruth Otto, Information Technology (IT) Director provided an update on the Kronos project. According to Otto, IT is working on Telestaff issues and Sheriff's Department is evaluating Clearview's Advance Scheduler for potential use. If Telestaff issues aren't resolved, Sheriff's Department may be moving to Advance Scheduler software for time entry. Online application and performance product implementation are beginning next month with Activities implementation for Maintenance scheduled around month-end.

Mielke reported the Baker Tilly Operational Review oversight committee will be meeting with Baker Tilly representatives and Human Services and Health staff to discuss the draft operational review report. Baker Tilly will issue a final report and present to County Board in October.

Otto provided information on Financial Suite software demonstrations from the prior week. According to Otto, the top three choices were BS&A, SunGard and Tyler. The committee was impressed with different capabilities of the software but hasn't met to discuss results. Committee members will meet to pick the top two software packages. Client sight visits will be scheduled before making a final decision. Due to implementation time and anticipated work prior to implementation, Otto recommended implementing the software to begin in fourth quarter 2016 with \$87,500 for 2016's budget.

Finance Committee Regular Meeting
Minutes of the September 8, 2015

Sheriff Schmidt provided an update on jail's contract beds. Sheriff informed committee members that decreased numbers of detainees will have an impact on year-end numbers. For 2015, 240 beds were budgeted but occupancy averaged 226. Revenue shortfalls are anticipated to be around \$340,000. The Sheriff's department continues to work with the Federal program to improve numbers. The Sheriff's department decided not to fill six vacant positions in the Sheriff's department to offset revenue decreases. Schmidt proceeded with other 2015 budget shortfalls. A combination of employee contract increases, increased payouts of \$25,000 and decreased Civil Process and Jail revenue will potentially cause an overall department shortfall of \$300,000.

Kolp reported a change in the US Bank Purchase Cards. Kolp was notified by US Bank that they are now part of the Wisconsin Plan. With the larger buying group, it's anticipated the rebates will increase. This was presented for committee awareness.

Kolp presented information on an IRS penalty as a result of payroll reporting. According to Kolp, during Kronos implementation, the county was incorrectly advised to make IRS withholding deposits on Monday's following pay dates in the event there were any on-demand checks. Due to the dollar amount of county payrolls, IRS requires the county to make deposits on the pay date. This incorrect advice resulted in late payments and penalties for 1st and 2nd quarter. First quarter's penalty was abated since the county didn't have any other penalty abatements for at least three years but it's doubtful if second quarters will be abated. Kolp reported the 2nd quarter penalty is accruing interest so it was paid but Kolp will continue with the appeal process for second quarter's penalty.

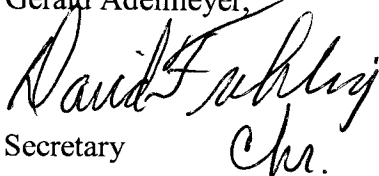
Special 2016 Budget review meetings are set for September 28, 2015 through October 1, 2015 at 3:00 p.m. in Room H & I - Auditorium on the 1st floor of the Dodge County Administration Building.

Special Finance Committee meeting is set for September 15, 2015 to review bids for Security System and Administration Building roof and consider amendment of Exhibit A for Resolution 15-44 - Financial Plan for 2016 Budget.

The next regular meeting is scheduled for Tuesday October 13, 2015 at 8:30 a.m. in Room H & I - Auditorium on the 1st floor of the Dodge County Administration Building.

With no other business on the agenda, Chairman Frohling declared the meeting adjourned at 11:37 a.m.

Gerald Adelmeyer,


Secretary *Chr.*