

SPECIAL MEETING OF THE DODGE COUNTY FINANCE COMMITTEE

Wednesday, September 5, 2018 at 5:00 p.m. in Room 1H & 1I Located on the ground Floor of the Dodge County Administration Building, 127 E. Oak Street, Juneau, Wisconsin.

Members Present: Frohling, Schaefer, Caine, Guckenberger and Benter. Benter arrived at approximately 5:10 p.m.

Absent: None

Others Present: County Board Chairman Russ Kottke, Supervisors: Kira Sheahan-Malloy, Jeff Berres, Joe Marsik, Larry Bischoff, Jeff Schmitt, Dennis Schmidt, William Hoekstra, MaryAnn Miller, Dan Hilbert, Kevin Burnett, and Cathy Houchin, County Administrator: Jim Mielke, Department Heads: Julie Kolp, Jane Hooper, Becky Bell, Sheriff Schmidt, Russ Freber, Sarah Hinze, Brian Field, and Patti Hilker, Staff: Monica Hooper, Dustin Beck, Pete Thompson, Tony Brugger, Jason Hundt, Scott Mittelstadt, Lori Fett, and Eileen Lifke and Watertown Daily Times Reporter, Ed Zagorski.

Non-Member Supervisor Attendance: Jeff Schmitt, Dennis Schmidt, William Hoekstra, Dan Hilbert, Kevin Burnett, and Cathy Houchin.

Public Comment - none

Jim Mielke, County Administrator presented the revised Proposed 2019 Dodge County Budget. After consultation with Supervisors Dave Frohling and Joe Marsik and the assistance of Finance Director, Julie Kolp and Human Resource Director, Sarah Hinze adjustments were made to 2019's wages and benefit across the county. With the help of Department Heads and staff, additional reductions were made to Highway, Human Services and Health, and Sheriff's Office operating budgets to achieve the \$986,067 budget reduction directive from September 29, 2018's Special Finance Committee meeting. The presented revision was reduced an additional \$261,731 for a total reduction of \$1,247,798. The across-the-county adjustment exceeds the directive and reduces additional funding needed for a balanced budget to \$788,269.

Mielke reviewed changes made to the previously presented Preliminary Proposed 2019 – 2023 Capital Improvement Plan (CIP). Mielke stated the CIP is a plan and Department Heads understand that without funding, projects on the plan will not proceed. The plan is presented and adopted annually by County Board. Mielke proceeded with a focus on 2019's projects. Items noted were:

- Highway will rehab/resurface 8.36 miles of roads with \$2.3 million Sales Tax. In addition, an itemized list of the \$1.46 million equipment replacement will be provided and dollars were included for potential land acquisition for future Reeseville Shop replacement.
- Land Resources and Parks will replace a tractor mower in 2019.
- Nothing was included in 2019 for Physical Facilities regarding J Pod but razing costs were included in 2020.
- Information Technology Infrastructure increased as a result of the internal borrowing. The Treasurer proposed an interest rate of 1.9% for this borrowing.

Mielke reviewed the Adopted Budget Summary (aka Rainbow Sheet). From an operations standpoint, the proposed 2019 Budget falls short of \$109 million. The reductions collectively met the goal of reducing the budget by \$986,067. The overall Net County Property Tax Levy would be \$34,990,568; a \$1.15 million increase over 2018's adopted budget. Mielke continued with a request on how to fund the remaining \$788,269. Three options were presented to committee members.

Option 1: Unassigned General Funds would stay at \$1,100,000. The maximum \$1,050,000 of Debt Service Adjustment would be applied. However, using the maximum of Debt Service Adjustment is not encouraged by Financial Advisors, Ehlers. For this option, the Net County Property Tax Levy would be \$35,252,299 with a tax rate of \$5.594 per \$1,000 Equalized Value, a \$0.090 increase from 2018.

Option 2: Unassigned General Funds would stay at \$1,100,000. A Debt Service Adjustment of \$788,269 would be applied to balance the budget. This would result in a Net County Property Tax Levy of \$34,990,568 with a tax rate of \$5.552 per \$1,000 Equalized Value, a \$0.048 increase from 2018.

Option 3: Unassigned General Funds would increase to \$1,888,269 and no Debt Service Adjustment would be needed. This would result in a Net County Property Tax Levy of \$34,202,299 with a tax rate of \$5.427 per \$1,000 Equalized Value, a \$0.077 decrease from 2018. In reference to a question, Mielke thought the Applied Fund Balance of \$1,888,269 could be recovered within a year. He also added that the goal is not to apply more than what could be recovered in the year.

Mielke provided information on the history of Fund Balance Applied. Kolp provided information on the current Fund Balance. In summary, the current Fund Balance is the Unassigned January 1, 2018 Fund Balance (\$15,048,183) minus the amount applied to 2018's Budget (\$1,153,202), minus the amount applied during 2018 (\$0), plus the amount of Highway (\$666,667) and Pipe Project (\$540,000) borrowing payback. From this amount (\$15,101,648), 10% of 2018's total appropriations less debt and Capital Projects (\$10,830,729) is removed to comply with the Fund Balance Policy. Adjustment for General Fund borrowings (\$2,793,090) would bring the amount available while maintaining minimum fund balance to \$7,064,009. When factoring in the Adjustment for General Fund Borrowings, the actual available Fund Balance is \$4,270,919.

Mielke requested clarification on how to handle the additional \$788,269 funding needed to balance 2019's Budget and if it is acceptable to proceed with the revised proposed budget as presented. Mielke state two resolutions are being prepared for next Tuesday's Finance Committee and September 18, 2019 County Board meetings. One is the Proposed Financial Plan for 2019 County Budget which currently includes \$6,553,090 Sales Tax dollars (\$2.3 million for Highway and \$735,000 for Courts and county buildings) and a not-to-exceed \$1.1 million Unassigned General Funds. The other resolution is the Proposed 2019 – 2023 Capital Improvement Plan presented.

Motion made by Benter to fund the additional \$788,269 with Option B (Debt Service Adjustment) of the 2019 Budget Tax Levy/Rate Options – updated 08/31/18. There was not a second so the motion failed.

Motion by Schaefer, seconded by Caine to fund the additional \$788,269 with Option C (additional Unassigned General Funds) of the 2019 Budget Tax Levy/Rate Options – updated 08/31/18. Motion carried with unanimous approval.

The next regular meeting is scheduled for Tuesday, September 11, 2018, at 8:00 a.m., in the Auditorium, located on the first floor of the Administration Building.

With no other business on the agenda, Chairman Frohling declared the meeting adjourned at 5:37 pm.

Ed Benter



Secretary