

SPECIAL MEETING OF THE DODGE COUNTY FINANCE COMMITTEE

Wednesday September 18, 2019 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, Benter, Schaefer, and Guckenberger.

Excused: Caine

Others Present: County Board Chairman Russ Kottke, Supervisors: Cathy Houchin, Kira Sheahan-Malloy, Mary Bobholz, Larry Bischoff, Joe Marsik, Naomi Kriewald, MaryAnn Miller, Donna Maly, Dennis Schmidt, Thomas Nickel, Jeff Berres, and Jeffrey Schmidt; County Administrator Jim Mielke, Department Heads: Dave Ehlinger, Sarah Hinze, Chris Planasch, Patti Hilker, Becky Bell, Justin Reynolds, Russ Freber, Amy Nehls, Karen Gibson, Dale Schmidt, Staff: Makenzie Drays, Monica Hooper, Scott Mittelstadt, and Eileen Lifke and Watertown Daily Times Reporter Ed Zagorski and WBEV reporter Kevin Haugen.

Non-Member Supervisor Attendance: Kira Sheahan-Malloy, Mary Bobholz, Larry Bischoff, Joe Marsik, Naomi Kriewald, MaryAnn Miller, Donna Maly, Dennis Schmidt, and Thomas Nickel.

Public Comment – none

Jim Mielke, County Administrator presented an overview of the Preliminary 2020 Dodge County Budget. Mielke announce that with the help of the department heads, the projected 2020 Fund Balance and/or Debt Levy Applied was lowered to an estimated \$1 million. Department programs and goals were retained with the intent of moving the county forward and maintaining services to its citizens. Mielke recognized Directors, Deanna Wilson (Clearview), Justin Reynolds (Information Technology) and Dave Ehlinger (Finance) as being new to the Dodge County Budgetary process. Lastly, he complimented Ehlinger on his Department Summary worksheet which helps readers understand Dodge County's 2020 Budget and levy requirements. According to Mielke, the spreadsheet is very straightforward with revenues, expenditures, sales tax, fund balance and borrowing identified by department.

Dave Ehlinger, Finance Director presented the 2020 budget breakdown. According to Ehlinger, expenditures are broken down by Operational, Depreciation (Actuarial) and Transfers Outs. In the spreadsheet presented by Ehlinger, depreciation is included for Clearview and Highway because it is recognized for reimbursement. Depreciation was not included as an expense in the past. Included in the spreadsheet is the transfer out of General Fund to Highway for the internal borrowing and the transfer out of Sales Tax Fund to cover county projects.

Revenues are broken down by Operational, Sales Tax, Internal Borrowing, Fund Balance, and Debt Service or Fund Balance. The Sales Tax revenue column shows payback of sales tax by Physical Facilities and Information Technology and the amount of sales tax applied to Land Resources and Parks, Physical Facilities, Debt Service and Highway projects. Revenue received by Physical Facilities for the proposed Law Enforcement Center repurposing and Highway's proposed Reeseville shop are represented in Internal Borrowing. According to Ehlinger, Sales Tax, Internal Borrowing and Fund Balance ties out to the second page which identifies each amount according to department and intended use.

Ehlinger concluded with comparisons between 2019 and 2020 budget numbers. A Fund Balance of \$2,096,779 was applied to 2019's budget. The current proposed 2020 budget levy request without

applying Fund Balance is \$1,156,260 higher than 2019. The resulting Mill Rate for the proposed budget is 5.1452 compared to 2019's Mill Rate of 5.4002. On a \$175,000 home, the tax would decrease \$44.63 (\$900.41 – 2020, \$945.04 – 2019). If \$952,439 of Debt was levied instead of using Fund Balance, the Mill Rate would be 5.2868 and taxes on a \$175,000 home would be \$925.20; a decrease of \$19.84 from 2019. No decision was made regarding Fund Balance or Debt to balance 2020's budget.

Becky Bell, Human Services and Health Director and Monica Hooper, Human Services and Health Fiscal Support Services Division Manager presented Human Services and Health Department (HSHD) 2020 Budget request. According to Hooper, the department consists of 5 divisions. Hooper provided a budgetary summary by division.

- Public Health
 - o Increase due to more community outreach
 - o Increase in prevention grant funding from \$50,000 to \$60,000. Funding is scheduled to end August 31, 2021.
- Unified Services
 - o Opioid prevention grant of \$666,666 is a joint effort with Fond du Lac County and is funded annually for up to five years. The 2020 Budget will be the second year of this grant.
 - o Increase in Birth to 3 program to meet county citizen needs
 - o Increase in the 85.21 grant from Wisconsin Department of Transportation 20/80 grant to replace two transportation vans. There will also be an increase to volunteer routes to better meet the needs of Dodge County residents.
 - o TAP (Treatment Alternative Program) and TAD (Treatment, Alternatives and Diversion) grant programs will maintain funding for 2020 but TAP funding will end at the end of 2020 and TAD grant funding will end at the end of 2021. HSHD will reapply for future funding at the end of current funding periods.
 - o Medical Assisted Treatment (MAT) grant funding is through June 2020.
 - o Cost savings for CBRF (Community-based Residential Facility) units by selecting appropriate facilities to better meet resident's needs.
- Social Services
 - o Great Watertown Community Health Foundation grant funding is anticipated through calendar 2021.
 - o Youth Justice Innovation Grant is new for 2020 and is anticipated through calendar year 2020.
 - o Overall increase is to fund rapid re-housing programs and increased foster home costs. In addition, there is a child in an out-of-state institution which is more costly than in-state institutions.
- Aging and Disability Resource Center
 - o Status quo for 2020
- Senior Dining/Nutrition
 - o Increase due to increase cost per meal (\$4.69 to \$4.85)

New positions approved at August County Board meeting include an Emergency Preparedness position which is funded through state contract. There will not be any levy dollars for this position. There will not be any levy dollars for the Counselor I position in CCS program. This is funded by Medicaid. Foster Care Coordinator Social Worker was added to meet the increase time requirement needed to certified foster homes. Overall, the department was able to reduce its 2020 levy \$250,000 below 2019's.

Mielke noted that all department budgets were prepared with a 3% cost of living adjustment (COLA) increase. According to Mielke, Department Heads realized the importance of this COLA and worked hard to minimize their levy request.

Patti Hilker, Treasurer presented Treasurer's Budget. Hilker updated committee members on changes to accounts and business units (BU) within her budget. Business units outside of the Treasurer's control were moved to other funds and/or departments. These include property and sales tax, transfer to and from General Fund, General Funds Applied, County Aid Shared revenue and other General Revenues/Expenditures. Other comments included:

- Operations (BU 1401) decrease due to investment expenditures moving to Investment Earnings (BU 1493)
- In Rem Property Revenue/Expenses (BU 1415) had a net revenue increase of \$11,308 due to Taxation Committee doing a good job at selling properties
- Prior Year Property Taxes (BU 1419) increased \$12,348 due to personal property charge backs and Assessor errors along with written off property taxes
- Taxes, Interest & Penalty (BU 1491) net decrease of \$3,026 revenue with the removal of property and sales tax revenue. In addition Use – Value Conversion fees and Federal Taxes and Aid in Lieu of Taxes are anticipated to go down
- Investment Earnings (BU1493) anticipates a \$178,063 increase in revenue. Hilker noted that account 1493.4811.08 – Interest – Ehlers could be adjusted from \$40,000 to \$70,000

Overall change to Treasurer's operational budget for 2020 is \$174,585. Hilker reported no new initiatives for 2020 and Tyler systems will aid in managing Treasure operations.

Karen Gibson, County Clerk reported on County Clerk's budget. BU 1201 – County Clerk levy request is anticipated to decrease \$7,482 due to increase revenue from Marriage license fees. BU 1204 – Elections is expected to have a \$53,260 increase due to four scheduled elections in 2020 compared to two in 2019. BU 1217 – Maps and Plat Books is anticipating a levy decrease of \$1,292. A new Plat Book is expected mid-June/July of 2020. BU 1262 – Historical Societies is status quo with libraries receiving a \$600 annual payment if reports are turned in by the historical society. Overall department levy increase for 2020 is \$44,486. Ehlinger also noted that due to a governmental accounting change, the Dog License Fund will be moved to County Clerk's department but it will have a zero effect. Due to time constraints, Ehlinger did not have time to complete it for this report but it will be completed before the budget is final.

Gibson continued by reporting on the Library levy. A Wisconsin State Statute requires a county library plan to include payment to each library in the county and each adjacent county library an amount equal to at least 70% of the cost of library services provided to county residents that do not maintain a public library. Currently, there are seventeen in-county libraries that will receive 88.75% of cost and thirty-two adjacent counties that will receive 70% of costs. In the past, in-county libraries cost reimbursements were increase 5% and for 2020 it would have been 90%. It was decided to reimburse at 88.75%. Juneau Library received an additional \$1,000 because they have a higher volume of large print books for Clearview residents. It was decided to transfer this additional cost to the Clearview Fund.

Mielke presented County Board's budget. In BU 101 – County Board, meeting pay is anticipated to increase \$3,145. This is usually an estimated number and is dependent on county activity. Membership dues is for Wisconsin Counties Association (WCA) and National Association of Counties (NACO). NACO lobbies for utility tax reimbursement. Registration and Tuition increased slightly. WCA does waive registration fees for newly seated county board members. Lodging is the responsibility of the county for all county board members. Lodging is expected to increase \$1,000. New to the County Board

department is the Clean Sweep program. In the past, this program was managed by UW Extension. Since it is not funded through Tax Levy, it was decided to move it to the County Board. Grant revenue is anticipated for 2020 and the goal is to hold a Clean Sweep program annually with rotating locations.

Chris Planasch, Register of Deeds presented the Register of Deeds' budget. According to Planasch, the overall change is a \$323 reduction of revenues. Budgeted revenues will increase through LandShark subscriptions and escrow accounts but decrease for document recording fees. The increase in revenues will offset the increase in wages and benefits. BU 1002 – Register of Deeds – Redaction SSN will be discontinued at the end of 2019 since all funds will be used.

Mielke presented the Veterans Service Office budget in the absence of Andy Miller, Veterans Services Director. According to Mielke, BU 5301 – Veterans Service Commission Relief Fund is a zero levy business unit and overall revenues and expenditures has not changed for 2020. BU 5301 – Veterans Service Officer's increase is a result of the 3% cost-of-living increase to wages and benefits. There hasn't been any changes in staffing.

Sarah Hinze, Human Resource Director presented the Human Resource budget. The biggest change to the Human Resource budget is the Compensation Study. A cost study was completed in 2012, a health insurance study in 2015 and market study in 2017. According to Hinze, not many compensation plans include benefits. They are normally based on positions. The basis for the compensation study is from information obtained from exit interviews. Wages is the main reason for employees to terminate followed by flexibility and vacation time. Hinze is anticipating the Request for Proposal back next and will confirm the budgeted amount needed when received. BU 904 – Education and Training is reduced by \$1,000. If training is for the specific need of the department, they are charged to that department causing a decrease to this business unit. Wages and benefits increased for BU 913 – Health Insurance due to increase employee time spent managing the current health insurance after switching from the State Plan. To account for the increase need in BU 913, employee time was reduced from BU 915 – Dental Insurance. Not including the compensation plan, Human Resources budget request increased by \$577,324.

Russ Freber, Physical Facilities Director presented the Physical Facilities budget. According to Freber, the requested levies for five of the six building business unit decreased. Bu 1901 – Administration increased \$55. Building's levy request decreased due to lower electric and natural gas costs. Freber budgeted a little tighter based on the past five year's usage and also because he was able to lock in a lower 3-year natural gas price for transported natural gas. BU 1911 – Maintenance Administration increased \$124,913 due to wage and benefit increase. In addition to the cost of living increase, there were employees who didn't have health insurance budgeted for 2019. For 202 these employees either picked up family health insurance or went from single plans to family plans.

Freber concluded by identifying a new project that needs to be completed in 2020 but was not included in the 2020 Budget Review book. The jail doors, cell windows and louvers are in need of caulking. It was last completed in 2012 and is deteriorating. The current quote for repair is \$70,000 and includes removing the old caulk and backer rod and replacing with urethane caulking. Ehlinger noted that according to a new state statue, jail improvement funds could be used for this project. Mielke commented that this project will be included to the propose budget presented at the October Budget meeting.

Dave Ehlinger, Finance Director presented Finance's budget request. Ehlinger increased the budgeted amount for County Auditor to East Wisconsin Counties Railroad Consortium to be consistent with actual amounts received in past years. The amount directly charged to other departments for auditing services

will be discontinued and will be handled through the Indirect Cost Allocation Plan. Beginning 2015, Deferred Inflows and Outflows of Resources are required to be included in the counties financial statements. This information was not include in the General Ledger but instead, the county relied on the auditors to include it in the Financial Statements. In 2017, Deferred Loss on Debt Refunding was added and in 2018, OPEB (Other Post-Employment Benefit) was added. The OPEBs are related to the Health and Life Insurance plans. ETF (Employee Trust Fund) provides the Life Insurance OPEB value and there will not be a cost to the county. The Health Insurance OPEB value is the responsibility of the county so the related actuarial study was budgeted in 2020. This study was not budgeted for 2019. For 2019 Financial Statements, the Clearview and Highway will assume their portion of liabilities in their own funds since they are Enterprise Funds. Human Services and Health OPEBs will be recognized in the General Fund since they are Governmental Funds.

For clarity, BU 1325 – Donations – Clearview Amenities and BU 1326 – Jail Improvements are zero levy business units and will become Special Revenue Funds in Tyler Munis. State statue now allows jail improvement funds to cover inmate medical expenses. For 2020, Jail Improvement budgeted \$50,000 for inmate medical expenses. BU 1337 – PECFA- Highway and Airport Sites was moved to County Board and is a zero levy. BU 1340 – County Patients – Other Institutions was moved to Human Services and Health and BU 1390 – Contingency was moved to General Revenues. The Contingency amount of \$100,000 will remain unchanged for 2020. Excluding the removal of Contingency and County Patient – Other Institutions, the Finance levy request increase roughly \$27,000.

Ehlinger continued with the newly created General Revenues department. The business units in this department were previously contained in the Treasurer’s and Finance departments. BU 1350 – General Revenues contains Property Tax, State Shared Revenue, Aid Exempt Computers, Personal Property Aid, and Utility Shared Revenues. In the past, State Shared Revenue and Utility Shared Revenues were combined in the General Ledger. State Shared Revenues remains the same throughout the years but the Utility Shared Revenues decrease unless utilities are updated. For clarity, Ehlinger is separating them for 2020’s budget. City of Juneau closed two TID (Tax Incremental Districts) in 2019 and no activity is anticipated for 2020 so there will be less revenue for 2020’s budget. Personal Property Aid is an estimated amount provided by the Wisconsin Department of Revenue. Two other items added to General Revenue are Vending Machine revenues (formally in the Treasurer’s department) and a holding account for Wages Permanent Regular pending sworn officer labor contract.

For additional clarity, BU 1360 – Internal Borrowing and BU 1370 – Contingency were added for additional General Ledger clarity. BU 1360 contains line items for each of the internal borrowings. It includes incoming revenues from Neosho Shop (completed in 2019), Detention Facility (pipe project) and Information Technology borrowings. Expenditure line items include 2020’s internal borrowings for repurposing the Law Enforcement Center (formerly J Pod) and Reeseville Shop. Ehlinger noted that additional details for the internal borrowings can be found in Fund 250 – Sales Tax Fund.

Ehlinger continued with information on the newly developed Sales Tax Fund. Activity for Sales Tax was previously accounted for in multiple areas within the Treasurer’s budget. Due to the high level of interest in Sales Tax revenue, a new fund was created to track Sales Tax activity. Advances, or internal borrowings covered by future sales tax revenue will be recorded on the Balance Sheets and Statement of Net Position as Due From Other Funds by the General Fund and Due to Other Funds by the Sales Tax Fund. This will allow the reader of financial statements to see how much future Sales Tax revenue has been committed. This fund contains Sales Tax Fund Balance and Sales and Use Tax receipts from the Wisconsin Department of Revenue. On the *2020 Department Budget Report Analysis*, \$2,952,453 in the 6 Mo. Act. 2019 column is the current 1/1/19 Sales Tax Fund Balance. Each the projects that will be

using sales tax dollars are listed as separate line items in expenditures so application of Sales Tax funds are clearly visible within the fund. The \$6 million budgeted Sales and Use Tax remittance is a conservative estimate. WCA estimated \$7.3 million.

Ehlinger provided information on the Debt Service Fund. Only external borrowing is included in the Debt Service Fund. Sales Tax covers the principal amount of debt which is budgeted in this account. The interest is paid by the borrowing department and is included in the department's budget. In the past, interest was budgeted in Debt Service but it should be budgeted in the departments. For 2020, interest is budgeted in the related department.

Amy Nehls, Emergency Management Director presented Emergency Management's budget. BU 2801 – Central Communications is for the communication tower equipment. This includes \$67,457 funding for a proposed contract to provide 24/7/365 service. Currently this service is provided in-house but the employee who provides this service will be retiring at the end of 2019. Currently, a replacement is not anticipated. Due to the employee's retirement, Co. Radio Maint & Repair will decrease \$17,787. Overall, this business unit is requesting a \$46,838 increase in levy. BU 2811 – Emergency Management is requesting an increase of \$4,048. Increased wages and benefits were offset by removal of the water rescue boat which the county will not be funding for 2020. BU 2813 – Hazard Mitigation is used to update the county-wide Hazard Mitigation plan. The county is currently in the process of updating the plan and it may run into 2020. This business unit is not funded by the levy. BU 2819 – Emergency Disaster is used only for emergency disasters and currently has a zero levy request. BU 2821 – Local Emergency Planning Committee is requesting an additional \$10,149. The increase is mainly from wages and benefits. BU 2824 – Exercise and Training is grant funded and requires zero levy dollars.

Scott Mittelstadt, Chief Deputy presented the Sheriff Office's budget. According to Mittelstadt, overall the Sheriff's 2020 budget request increased \$120,688. Overall wages and benefits increased \$141,711 which was offset by reductions in other areas. BU 2021 – Patrol increased \$335,930 overall. Increase in wage and benefits is \$74,327 which includes already vacant positions. Reimbursement revenues from police training are no longer applicable for Dodge County causing a \$30,650 reduction in training reimbursement. Other operating supplies increased \$63,295. In 2019, six squads were budgeted opposed to seven. This caused an additional squad to be added to the replacement plan for 2020. In 2020, nine squads were budgeted causing a \$170,823 increase to automotive equipment. BU 2051 – Civil Process decreased \$110,359 overall. This is partially due to two vacant deputy positions which will not be filled until later 2020. In addition, the projected revenue is anticipated to decrease \$13,480 based on an improved process for calculating actual revenues. BU 2056 – Radio Communications anticipates a \$172,301 levy increase. This business unit will experience decreased intragovernmental revenue as a result of the retirement of radio technician. Expenditures are expected to increase \$144,591 due to several annual service agreement updates. Also included is \$37,000 for twelve cameras as part of the Accurate Control project and \$22,500 for replacing aged portable radios. There are fifty-eight radios at end of life and the number was reduced to five for this budget. BU 2061 – Jail decreased \$126,736. Federal inmate boarding revenue was increased \$467,300 based on a predicted average daily population and updated rate per day (\$86/day/inmate). Expenditures for this business unit increased \$340,564 mostly due to wages and benefits. In 2019, BU 2062 – Work Release was combined with BU 2061. The cost for Huber Inmate electronic monitoring was not transferred to BU 2061. It is included in 2020 and resulted in 39,200 increase for software. A replacement jail van was budgeted for \$40,000.

Mielke concluded the meeting by requesting a Finance Committee meeting the week of September 22nd to determine what should be included or removed from the presented budgets and direction regarding the use of Fund Balance or Debt to balance the 2020 budget.

Next special meeting is scheduled for Thursday, September 19, 2019 at 5:00 p.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 7:12 p.m.



Ed Benter,
Secretary