

Finance Committee Regular Meeting

Minutes of the May 14, 2013

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 8:00 A.M. on Tuesday May 14, 2013 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following members were present: Frohling, Borchardt, Adelmeyer, Schaefer, and Gohr.

Also present: County Board Chairman Russ Kottke, Mielke, Kolp, Patti Hilker, Ken Kamps, Alyssa Schultz, Janet Wimmer, Sheriff Ninmann, 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 Borchardt and 2nd by Schaefer to allow the chair to deviate from the agenda at his discretion. Motion Carried.

Motion by Borchardt and 2nd by Adelmeyer to approve April 9, 2013 regular committee meeting minutes as presented. Motion Carried.

Sheriff Ninmann presented the purchase request for five ballistic shields. According to Ninmann, these shields are light-weight and foldable. A total of 25 shields were needed and this purchase request will be the final request for shields. Motion by Borchardt and 2nd by Schaefer to approve Sheriff Department's request to purchase five ballistic shields for \$6,025 from Advantage Police Supply Inc. Motion Carried.

Alyssa Schultz, Division Manager at Human Services and Health presented information to re-appropriate funds within Human Services and Health's 2013 Budget. Currently, there is an 18-24 month wait time for Psychiatric Services. Schultz is proposing adding hours to the Psychiatric program to minimize client wait time. The current Psychiatrist is willing to increase hours by one day a week. With 118 people on the wait list, additional time will allow 4-5 new individuals to be seen per week. Schultz believes by addressing the problem at the front end, additional hours will reduce crisis situations and the need for hospitalization. The end result would be cost savings for the county. Schultz requested re-appropriation of \$53,550 from Business Unit (BU) 4812 – MI-Inpatient Institutions to BU 4801 – MI-Outpatient Services. For committee awareness, Schultz included information regarding a potential increase to support staff hours. Increasing physician hours may eventually require increased support staff hours also. Human Services and Health will monitor for physician and support staff hours for 2013. Additional staffing will be re-evaluate for 2014's Budget. Motion by Schaefer and 2nd by Adelmeyer to re-appropriate 53,550 from BU 4812 – MI-Inpatient Institutions to BU 4801 – MI-Outpatient Services to increase Psychiatric hours. Motion Carried.

Dave Frohling, Finance Chairman reported on Wisconsin Counties Association (WCA) Board's meeting. The Marketplace Fairness Act was proposed to the Senate. This Act requires online and catalog retailers to collect sales tax at time of transaction. Frohling encouraged everyone to contact their representatives to support this Act. Supporters estimate that \$80-90 million in sales tax dollars are lost from unreported online and catalog sales. Supporters also feel the Act will help level "the playing field" between street and online/catalog businesses.

Other WCA preliminary budget information reported by Frohling included:

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- An additional .05% Sales Tax dollars dedicated to highway funding.
- Levy limit will stay a 0% but looking at carrying over 0.5% - 1.5% of unused limit to the following year.
- Courts were cut \$10 million but Joint Committee on Finance may reinstate \$6 million of \$10 million cut.
- Land Conservation was cut but it's anticipated some may be reinstated.

Jane Hooper, Clearview Administrator submitted a memorandum requesting re-appropriation of funds from BU 4520 – Marsh Country Health Alliance to BU 4521 – Individual's with Intellectual Disabilities (MCHA-IID). MCHA-IID was created for 2013's Budget but the associated Bed Tax expenditure was budgeted in BU 4520. Motion by Schaefer and 2nd by Borchardt to re-appropriate \$430,980 from BU 4520 – MCHA -Marsh Country Health Alliance to BU 4521 – MCHA - IID. Motion Carried.

Jim Mielke, Administrator presented information for continuing disclosure reporting. Ehlers & Associate, Inc.'s annual fee for the continuing disclosure reporting will increase from \$1,200 to \$1,400 in 2013. According to Mielke, the fee covers Ehler's cost for timely filing of certain financial information and operating data on the Electronic Municipal Market Access (EMMA) website. The fee only applies to years when Dodge County doesn't have a debt issuance. With the possibility of reissuing Clearview's \$30 million Build America Bonds (BAB), Mielke recommended continuing with Ehlers and Associates, Inc. If BABs are reissued, there won't be a fee for the year of reissue. Motion by Schaefer and 2nd by Gohr to retain Ehlers & Associate Inc. for continuing disclosure reporting. Motion Carried.

Patti Hilker, Treasurer presented committee members with a list of outstanding county checks not subject to re-issuance. Hilker assured committee members that each outstanding check listed was thoroughly investigated with related department personnel and payees for a final determination of discharge related expenditures before adding these funds back into the county's working account. Outstanding Accounts Payable checks not subject to re-issuance dated July 2011 through June 2012 totaling \$984.21 were reviewed by committee members. Motion by Borchardt and 2nd by Adelmeyer to discharge listed outstanding county checks totaling \$984.21. Motion Carried.

The County Treasurer provided committee members copies of March 2013's report of working cash account for review. The April 2013's county investment holdings report was unavailable at meeting time. Hilker reported the two county AIM investment accounts were closed out and proceeds were divided between Farm Credit Bureau, Fannie Mae and Certificate of Deposits investments. East Wisconsin County Railroad Consortium (EWCRC) hasn't made a decision at this time regarding their AIM Investment account.

The Human Service North Project Note Proceeds Maturity Expiration from April 2013's Ehler's Investment Report was unavailable at meeting time. Hilker reported as securities matured, they are being deposited in the Local Government Investment Pool (LGIP) to pay Henry Dodge Renovation expenditures.

Hilker continued with discussion on the banking Request For Proposal (RFP). Ehlers Investment Partners, LLC distributed RFP information. According to Hilker, Horicon Bank has been asking

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many questions and is very interested in Dodge County's business. Hilker provided committee members with a timeline with Finance Committee approval for banking at June's Finance Committee meeting and implementation to begin in September.

The monthly report on county sales tax remittance was reviewed. April 2013's remittance for February was \$380,068 compared to \$376,618 from the same period in 2012. The fiscal year remittance to date is \$1,618,740 compared to \$1,530,919 the same time period in 2012.

Mielke provided committee members with a verbal first quarter analysis of expenditures. Areas addressed were:

- Jail continues to have fluctuations in Federal inmate housing. According to Mielke, 2013's budget was based on an average daily rate of 253 inmates. The day before, there were 285 inmates with May's highest at 296 and lowest at 280. Increased inmate numbers contributes to increased over-time. There was also increased over-time in first quarter due to mandatory training and vacant positions. Supervisors will continue to monitor use of over-time. Jail's Federal Inmate contract will be expiring and Sheriff's Department is working with a consultant to set the new daily rate.
- Highway's fuel purchase is up first quarter mostly due to additional snow removal. Cost of fuel is also up. First quarter cost is \$322,000 compared to \$625,000 for all of 2012.
- Building and Maintenance natural gas cost is up an additional \$10,000 on Administration Building compared to 2012.
- Clerk of Courts continues to watch revenues. Revenues are trailing expenditures. Clerk of Courts continues to carry one vacant position.
- Clearview anticipates decreased electric and gas expenditures for first quarter. Brain Injury census is up from 2012 resulting in a \$60,000 increase for first quarter. For 2013, changes were made on how Clearview's over-time is paid with \$300,000 to \$400,000 savings anticipated.

Mielke stated that he feels the county is where it needs to be at this time and will review in six months. Department heads will continue to monitor their activities.

Julie Kolp, Finance Director presented preliminary 2012 General Fund Balance information. Kolp addressed the following areas:

- Inventories & prepaids increased due to Sheriff's compliance with General Accepted Accounting Principles (GAAP).
- Tax Certificates decreased but Tax Deeds increased.
- Land Information made payments on a capital project reducing their fund balance and Register of Deeds continues to increase their fund balance the redaction project.
- The Committed Fund Balances are self-insurances and should be monitored.
- Overall Assigned Fund Balances are typical for a one-year carryover.
 - Subsequent Budget decrease was result of County Board action last fall.
 - County Sales Tax balance doesn't reflect 2013's commitment.
 - Parks-Future Development balance includes \$50,000 that will be applied to Harnischfeger Park.
 - Sheriff's balance is for New World software upgrade.

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- Continuing Appropriation was budgeted at \$275,000 and \$168,000 was expended.

Clearview provided a preliminary closing statement. Kolp reminded committee members that Clearview's closing balance is applied to Clearview's Fund Balance. According to the closing statement provided, Brain Injury experienced a preliminary \$2 million profit. Depreciation is over budget as a result of the Clearview North Building disposal.

Highway provided a December 31, 2012 Balance Sheet. According to Kolp, Fund Equity includes funding for Mayville's satellite Highway shop. Mayville's facility will consume \$1.7 million with reserve amounts being used for a salt storage shed.

In summary, Kolp anticipates the county's overall Fund Balance to increase \$1.8 million (includes the Housing Authority). Kolp also informed committee members the Counties Form A will be submitted by its due date of May 15th.

The Government Finance Professional Development Scholarship letter was presented. Kolp thanked Russ Kottke, County Board Chairman, Dave Frohling and Jim Mielke for their letter of recommendation. Kolp commented on the Government Finance Officer Association's (GFOA) reputation and its impact on government finances. Kolp continued by reading passages from the county's letter of recommendation and letters she received from GFOA and Ottawa University. In conclusion, Kolp renewed her continual goal to improve all financial areas of the county.

The Strategic Planning model was discussed. According to Frohling, the Executive Committee assigned the responsibility to the Finance Committee. Kolp encouraged the use of Lean to incorporate and encourage strategic plan success. Frohling encouraged a plan that wouldn't be dropped due to complexity.

Kolp presented information regarding the US Department of Labor audit on the "127 hours in 28 day" rule. Prior to the audit request, Sheriff's department discovered some employees who worked multiple BUs may not have been compensated correctly because of this rule and were in the process of making the correction. The audit revealed employees who remain to be compensated along with confusion on the rule's interpretation. A thorough analysis revealed \$12,199 of unpaid wages remained and the Labor Department accepted this finding. Employees were compensated and documentation of employee receipt will be submitted to the US Department of Labor Audit by the May 17th deadline. According to Kolp, the Wisconsin Retirement System (WRS) liability and penalties are not known at this time.

Jeff Berres, County Board Supervisor sent an open records request to Kolp requesting wage and benefit information for 15 minutes of time worked for all Dodge County employees. John Corey, Corporation Council, assisted Kolp with the response letter presented to committee members. The request was in response to a scheduled Boston Mutual Whole Life presentation for county employees. Mielke will contact Supervisor Berres regarding the request. Mielke informed committee members the presentation has been included with other mandatory pre-scheduled events such as training and staffing meetings to mitigate costs. According to Mielke, the actual county cost is anticipated to be less than the information requested in the open records request.

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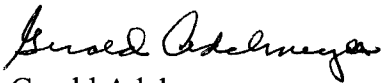
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The meeting continued with preliminary discussion of 2014's Budget. Mielke provided committee members with information on the Compensation Study's projected impact on 2014's Budget. According to Meilke, the Human Resource Committee determined that based on performance, employees will move up one first step of the Compensation Plan on their anniversary date for Steps 1-6. Employees in Steps 7 to Max will move to next higher step as a starting point and with a satisfactory review will move an additional step. These employees have a potential of moving a step and a half with excellent performance. Employees at Max will not be moving a step. Based on the 30% of employees between Control Point and Max, the total compensation increase is estimated at \$385,497. This doesn't include Sheriff's Sworn.

Mielke informed committee members that Capital Improvement Project instructions were distributed to department heads on May 1st and responses are due June 7th. Information will be available in July and presented to County Board in September.

Next regular meeting is scheduled for Tuesday, June 11, 2013 at 8:00 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 10:02 A.M.



Gerald Adelmeyer,
Secretary