

Finance Committee Regular Meeting

Minutes of the August 13, 2013

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 7:33 a.m. on Tuesday August 13, 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, Russ Freber, Brian Field, Larry Bischoff, Lifke and Johnson & Block Independent Auditor representative, Jim Block .

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 Schaefer to allow the chair to deviate from the agenda at his discretion. Motion Carried.

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

Brian Field, Highway Commissioner presented information regarding the proposed sand/salt storage building and additional paving at the Mayville Highway facility. It was decided to make the storage building one large 80/20 sand/salt storage building. Combined project cost is anticipated at \$350,000, \$50,000 more than initial estimates. According to Field, the additional cost will be covered by the Highway Fund and not requested of the General Fund. Field presented the information for the committee's awareness.

Highway's 2014-2018 Capital Improvement Projects was discussed. For 2014, Sales and Use Tax receipts is proposed for county highway reconstruction and county bridge replacement. Cty C is the major project for 2014 and Cty V from Hwy 33 to the landfill is proposed for 2015.

Russ Freber, Physical Facilities Director present information regarding Resolution 13-18 – Purchase pickup truck with V plow and salter with receiver mount. According to Freber, the truck is needed for day plowing and cleanup at Henry Dodge Office Building. Highway helps with plowing however roads are their main priority. Physical Facilities requested pricing for 2014's budget request and Ewald Ford offered a 2013 left over. Purchasing the vehicle now would ensure it's availability for first snow. According to Freber, waiting until 2014's budget is affective may delay the vehicle's availability until February or March. Total state contract purchase cost of a new 2013 Ford Super Duty F-250 pickup truck with V-plow and salter and receiver installed is \$31,131. Motion by Schaefer and 2nd by Borchardt to report favorable that sufficient funds are available from the source described and expenditures of funds will not impair either the short-term or long-term financial condition of the county. Motion Carried.

Freber continued with information on the heat exchanger for Jail's water heaters. According to Freber, there have been failure problems with the heat exchangers and a different system is being evaluated. Currently, there is a need to replace one of the exchangers with an estimated cost of \$5,600 and \$700- \$800 shipping. According to Julie Kolp, Finance Director, current Jail Improvement Funds are \$177,974. Motion by Borchardt and 2nd by Adelmeyer to approve

Finance Committee Regular Meeting
Minutes of the August 13, 2013

appropriation of Jail Improvement Funds to purchase a heat exchanger for the Jails water heater and authorize payment of vouchers when received. Motion Carried.

Freber continued with information on the Law Enforcement Center (J Pod) roof and chimney. According to Freber, J Pod's roof was leaking and it was determined the leaks were around the chimney. The bricks are beyond repair. Building Committee recommended tearing down and rebuilding the chimney and replacing the surrounding roof prior to heating season. Motion by Schaefer and 2nd by Gohr to appropriate Jail Improvement Funds to replace the chimney and repair the roof at the Law Enforcement Center and authorize payment of vouchers when received. Motion Carried.

Chief Deputy Scott Smith submitted a memorandum requesting appropriation of \$25,339 from Business Unit (BU) 2034 – Federal Forfeiture Fund to purchase rugged laptops (MDCs) and mount docks for the new squads being put into service. Julie Kolp, Finance Director reported BU 2034's Fund Balance to-date is 114,037. Motion by Borchardt and 2nd by Adelmeyer to approve appropriation of \$25,339 from BU 2034 – Federal Forfeiture Fund to purchase 8 rugged laptops (MDCs) and 7 Precision Mount RF Docks. Motion Carried.

Chairman Frohling provided information regarding Wisconsin Counties Association. According to Frohling, investments and sharing services are two seminars being discussed. Sharing services refers to buying Information Technology (IT) time opposed to equipment.

Freber presented information on expenditures not covered under the Henry Dodge renovation budget. Total to date is \$28,623.41. The major expense was a duplex compressor for \$7,494. Two compressors control the Heating, Ventilation, and Air Conditioning units and fire alarm system. Maintenance felt it was important to provide redundancy with the duplex in the event of one compressor failing. Problems still exist with exhaust fans and air handlers. An additional \$5,000 - \$8,000 is anticipated for these. An estimate for the elevators is being sought and utilities are expected to exceed budget. Frohling commented he would like to have these expenditures paid from the project owner's contingency if possible.

Information was presented to purchase a Video Recording System. This is a 2013 budget item. Replacement cost is projected at \$15,000. Sheriff's Department is working with IT for reduced monitor costs. Motion by Borchardt and 2nd by Schaefer to approve expenditure of \$15,000 from BU 1326 – Jail Improvement Funds to replace the video recording system in J Pod and authorize payment of vouchers when received. Motion Carried.

Joe Meagher, Director of Emergency Management submitted a memorandum requesting appropriation of \$11,208.72 excess 2012 Emergency Management Preparedness Grant (EMPG) redistribution. Meagher requested \$9,908.72 to purchase Continuity of Operations Plan (COOP) equipment for the Mayville site and \$1,300 to fund the completion and submission of 2014's Assistance to Firefighter Grant. Motion by Schaefer and 2nd by Borchardt to approve appropriation of \$9,908.72 unbudgeted revenue to BU 2811 – Emergency Management to purchase COOP Equipment and \$1,300 to BU 2801 – Central Communication to fund the completion and submission of 2014's Assistance to Firefighter Grant. Motion Carried.

Finance Committee Regular Meeting
Minutes of the August 13, 2013

The County Treasurer provided committee members copies of June 2013's report of working cash account and July 2013's county investment holdings for review.

The County Treasurer provided committee members with the Human Service North Project Note Proceeds Maturity Expiration from July 2013's Ehler's Investment Report.

Kolp reported that Patti Hilker, Treasurer continues to work on locating the current banking contract with Hartford Savings Bank. Efforts will be made to retain current services and Ehler's Investment Partners will review the final draft. Gohr inquired status of Treasurer's office walking receipts to the bank. Mielke apologized for not addressing yet.

The monthly reports on county and state sales tax remittance were reviewed. July 2013's remittance for May was \$510,392 compared to \$339,517 from the same period in 2012. The fiscal year remittance to date is \$3,010,005 compared to \$2,499,612.78 the same time period in 2012.

Kolp presented the "What if" Preliminary Equalized Value worksheet. According to Kolp, this is the first year the Department of Revenue released values to be reviewed prior to finalizing. The county's total change with Tax Incremental Districts (TIDs) is 1.61% and without TID, it's 0.11%. To maintain the same levy amount, the mill rate would need to be 5.684; a \$0.006 increase. If 2013's mill rate of \$5.678 is used, the levy would need to decrease \$35,219.

Johnson & Block Independent Auditor representative, Jim Block presented the Financial Statements with Independent Auditor's Report for Years Ended December 2012 and 2011. Information highlighted by Block included:

- Changes in reporting standards to include new headings and clarity of management responsibility and role.
- Clean auditor's opinion on financial statements and financial position of government activities.
- Single Audit is being completed and due in September.
- County's net assets increased \$2,432,161 with an End of Year Net Asset value of \$209,766,912. According to Block, this implies the county is keeping up with inflation.
- Housing Authority was removed.
- Health and Human Services returned \$2.3 million to the General Fund and Highway retained \$2.3 million in the Highway fund balance. The Highway amount includes \$2 million for Mayville's Highway shop. Clearview's expended \$1.6 of their fund balance to complete the building project.
- Pages 10-27 are notes to Financial Statements and pages 29 – 60 are Historical Schedules.

Block presented a finding described in the Report on Internal Control over Financial Reporting. The finding identified the failure to perform regular reconciliations of Clearview's detailed accounts receivable records to the general ledger and procedures to estimate uncollectible accounts receivable. This resulted in a material overstatement of the value of accounts

Finance Committee Regular Meeting
Minutes of the August 13, 2013

receivable for 2012. An \$800,000 adjustment was done to correct the overstatement on the financial statements.

Jane Hooper, Clearview Administrator and Tony Marchese, Clearview's Director of Financial Services presented Clearview's response to the auditor's finding. According to Marchese, the \$800,000 is the resulting combination of Accounts Receivable not being reconciled on a regular basis and time needed to review old accounts. Marchese estimates most of the bad debt is from 2007 - 2011. As follow-up, Marchese presented a Bad Debt Write-off procedure to members. Kolp suggested the write-off log include the type of resident/individual, Dodge County resident versus non-resident and reason for uncollection.

Chairman Frohling reported on the proposed financial resolution format change. The proposal was presented to and approved by Executive Committee. It was decided by Executive Committee that final consideration should be made at the Finance Committee level. Motion by Gohr and 2nd by Schaefer to implement the fiscal impact comment on all fiscal related resolutions beginning October 15, 2013. Motion Carried.

The special budget review meeting was set for Thursday, October 24, 2013 at 6:00 p.m.

Kolp reported on the Advanced Government Finance Institute class she attended in July. Information obtained from studies indicates strategic and financial planning provides long-term direction and focus for an organization, its units and members. Benefits cited by Kolp include:

- Keeps focus on mission
- Improves systematic behavior
- Facilitates effective and efficient deployment of organization resources
- Reduces guesswork on decisions
- Drives better decisions with fewer mistakes
- Facilitates organization effectiveness and efficiency.

Kolp stated researched documentation demonstrates an organization will at the very minimum maximize its resources 5%. Frohling suggested Jim Mielke, Administrator facilitate a core group of Central Service employees to evaluate a Strategic and Financial Planning Model. The core group would be led by Mielke and Russ Kottke, County Board Chariman.

Mielke presented a draft financial plan for 2014's budget and requested input from committee members. Projected request for Sales and Use Tax Fund Balance for 2014 is \$5.9 million. Debt Service for 2014 is \$2.8 million. Capital Improvement Projects proposed for Sales and Use Tax Fund Balance includes Highway road construction and bridge replacement for \$2.5 million and Parks and Henry Dodge Roof replacement for \$0.6 million. County Board Chairman cautioned on committing Sales and Use Tax before it was realized. A resolution will be prepared with a final proposal for September's meeting.

Discussion continued on application of General Fund, fund balance to 2014's budget. A recommendation to apply \$800,000 was discussed. Current fund balance over the minimum for fiscal policy compliance is \$6.1 million.


Finance Committee Regular Meeting
Minutes of the August 13, 2013

Other budget discussion items include:

- Preliminary meetings with department heads have begun for Clearview and Sheriff's Department
- Health Insurance is still an unknown and is expected to have an overall impact on 2014's budget. Information on health insurance will be released mid-September.
- Budget book probably won't be available for October's Finance Committee meeting but will be available for October's County Board meeting.

Next regular meeting is scheduled for Tuesday, September 10, 2013 at 7:30 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 9:50 a.m.


Gerald Adelmeyer,
Secretary