

Finance Committee Regular Meeting
Minutes of the October 15, 2014

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 7:30 a.m. on Wednesday, October 15, 2014 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following members were present: Frohling, Schaefer, Adelmeyer, Gohr and Uttke.

Also present: County Board Chairman Russ Kottke, Mielke, Kolp, Scott Smith, Phil McAleer, Tony Marchese, Ruth Otto, Joe Rains, 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.

Matt Bublitz appeared before committee members to ask consideration of payroll deductions to AFSCME employee associations. Bublitz cited employee investment in their job and organization and the employees' community involvement as important factors in consideration of this request.

Motion by Gohr and 2nd by Uttke to allow the chair to deviate from the agenda at his discretion. Motion Carried.

Motion by Adelmeyer and 2nd by Schaefer to approve September 9, 2014 regular committee meeting minutes as presented. Motion Carried.

Joe Rains, Human Resource Director appeared before committee members to address Bublitz's request for employee association payroll deductions. According to Rains, the Finance Committee normally makes recommendations regarding payroll deductions. If action is recommended, Rains will present the recommendation to the Human Resource Committee.

Current payroll deductions acted on by the county are a result of statutory or regulation requirement (back tax, unemployment recoupment, delinquent student loan, etc.), statutorily permitted (Sworn Union), court order judgments or garnishments (Child Support, Spousal Support, bankruptcy, etc.) or County authorized charitable organization (United Way). Unlike the Sworn Union, the employee associations referenced by Bublitz aren't considered labor organizations certified as representing Dodge County employees. Rains asked committee members to take into consideration the potential of other organizations requesting payroll deductions based on the action taken regarding employee associations. Motion by Gohr and 2nd by Uttke to re-confirm and not change the existing Dodge County policy regarding payroll deductions for employee associations not certified to represent Dodge County employees and forward this to the Human Resources and Labor Negotiations Committee to be included in the Dodge County Personnel Policies and Procedures. Motion Carried.

Jim Mielke, Administrator addressed September's Public Comment. Mielke requested this item be brought back to the October meeting for discussion and action. Mielke will have follow up correspondence with Becky Glewen regarding the action taken. By consensus, committee members reaffirmed the commitment of Sales and Use Tax for Debt Service and maintaining county services.

Ruth Otto, Information Technology Director appeared before committee members regarding unbudgeted revenues for Continuity of Operations Plan (COOP). According to Otto, Dodge County received \$10,700 of unallocated EMPG funds from the state. Emergency Management and Information Technology (IT) would like to use this money to implement Continuity of Operations Plan (COOP) software purchased in 2009 but never used and update the COOP for Dodge County. Motion by Uttke and 2nd by Schaefer to approve appropriation of \$10,700 unbudgeted revenue to Business Unit (BU) 2811

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to refine Dodge County's COOP with emphasis on IT, communications and the secondary COOP facility (Mayville Highway Shop). Motion Carried.

Phil McAleer, Physical Facilities Assistant Director appeared to request a Contingent Appropriation transfer for projects at Henry Dodge Office Building (HDOB). According to McAleer, the parking lot lighting is for the Community Based Residential Facility (CBRF) area of HDOB. The majority of the lights will have to be repaired or replaced and repair will be more costly than replacement with more efficient LED lighting. To reduce the initial bid to \$21,500, it was decided to not replace unnecessary lighting.

McAleer continued with information on the back dampers for roof top exhaust fans. The fans can't be turned off because they provide cold air return but don't need to run during off hours. The dampers will close when fans shut off and prevent temperature-controlled air from leaving the building during nonuse. The cost of supply and exhaust fan dampers is \$9,300.

Internal lighting addressed in the request is for the former chapel area in HDOB. This area is currently used as a secondary meeting room. The current lighting is inadequate for the area use. Maintenance will purchase and replace the lighting along with necessary wiring. New efficient fluorescent tubes for 57 fixtures will be installed for \$3,500.

McAleer concluded with information on the expansion joints at HDOB. There were many cracks in the bricks on the east elevation causing leaks in the stairwell. Expansion joints were installed and leaks were repaired to prevent further damage and cracking. This cost was \$11,575.

Motion by Schaefer and 2nd by Gohr to approve a Contingent Appropriation transfer of not-to-exceed \$50,000 to BU 1905 – Henry Dodge Office Building to cover the purchase and installation of back dampers in exhaust fans and parking lot and interior lights, installation of expansion joints and repair leaks in east elevation stairwell. Motion Carried.

Chief Deputy Sheriff, Scott Smith appeared to present information on the Mead & Hunt contract services for the security electronics system upgrade project. According to Smith, in order to stay on schedule with the upgrade project in 2015, this part of the design needs to be completed in 2014. According to Julie Kolp, Finance Director the Jail Improvement Fund Balance is estimated to be \$115,000 at year-end 2014.

Motion by Uttke and 2nd by Adelmeyer to approve \$10,000 from BU 1326 – Jail Improvement be applied to the contracted services of Mead & Hunt for the security electronics system upgraded project and authorization for payment of vouchers when received. Motion Carried.

McAleer continued with a Jail Improvement request for the water heater project at the Justice Facility. During the water heater replacement project, Kunkel Engineering for Architectural Services discovered there weren't any check valves or circuit setters installed to set the flow of return in the hot water loop. To aid in distribution of water to the outer areas of the building, the pump speed was increased causing turbulence and failure of copper lines. The exact cost of this project wasn't presented. A request was made to hold over to November's meeting when an exact cost could be given.

Motion by Uttke and 2nd by Schaefer to approve \$5,937.36 from Skeeter's Construction for BU 1326 – Jail Improvement regarding Criminal Justice Facility kitchen area floor repair and authorization for payment of vouchers when received. Motion Carried.

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Tony Marchese, Director of Financial Services presented information on Clearview's write-offs for October. According to Marchese, \$66,176 will be written off due to inability to collect. The write off amount relates to 2012 and 2013 charges with 10% from Individuals with Intellectual Disability (IID), 10% from Brain Injury and 80% from nursing home. Of the amounts written off, 85% relate to Dodge County residents. Of the \$66,176, 1.1% was from insurance issues and 98.9% from client non-payment. One Dodge County resident made up 45% of the 98.9% non-payment.

Lynn Hron, Clerk of Courts and Pam Knapp, Clerk of Courts' Account Clerk presented information on Clerk of Courts (COC) declining revenue. According to Hron, citations are down resulting in decreased revenue for the county. This is being seen throughout the state. Hron speculated the problem being law enforcement time being used for matters other than citations. Knapp provided handouts showing changes in collections and the allocation of a \$213.10 fine. For a \$213.10 fine, the COC retains \$70, Sheriff receives \$10 and the State receives \$133.10.

Hron and Knapp presented ideas on how to increase collections. One option was to align with Wisconsin Debt Collection Program. There are pros and cons to using this service and COC is evaluating this option. Another option being evaluated is resuming the initiation of warrants for individuals behind in payments. According to Hron, the Judges are on board with this option. Hron emphasized that even though an individual serves time for failure to pay, the payment isn't offset by time serviced.

Information was also provided on the Dept. of Corrections (DOC) role in probation debt collection. Currently, the DOC takes sole responsibility in collecting debt from parolees and as part of the process, they deduct their surcharges first. The remainder is sent to the parties owed. After the parolee is off probation, the DOC's efforts to continue collections are minimal and many times the responsibility falls back on the respective county. By this time, it's difficult for the COC to determine location and employment information on these individuals. The COC is considering taking over collections for Dodge County parolee cases currently handled by the DOC.

The County Treasurer provided committee members copies of August 2014's report of working cash account and September 2014's county investment holdings for review.

Kolp provided information on the Treasurer's History of Tax Collection report. Kolp noted that Treasurer's collection of taxes is increasing which is a good sign for the county. Also noted was the increase of Tax Certificates and Tax Deeds. This was attributed to proactive efforts of the Taxation Committee. A listing of Tax Deed properties was provided to committee members for informational purposes.

The monthly county and quarterly state sales tax remittance reports were reviewed. September 2014's remittance for July was \$461,485 compared to \$413,028 from the same period in 2013. The fiscal year remittance to date is \$4,412,707 compared to \$3,975,868 the same time period in 2013.

Kolp presented the Schedule of Expenditures of Federal and State Awards. Kolp noted that this is often referred to as the Single Audit of information required by Office of Management and Budget (OMB) for certain Federal and State Awards and it also is the document that contains the audit findings. According to Kolp, 2013 was a year of improvement regarding the findings. Of the 7 original findings, 5 have been removed, 2 remain and 1 new finding was added. The 3rd finding regarding reconciliation of Federal and State Awards, Johnson Block and Company recommends the county improve procedures over the preparation of the schedule. Kolp will follow up for clarification on this recommendation.

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Ken Kamps, Division Manager of Fiscal Support for Human Services and Health provided information on the 4th finding – “Human Service Purchase of Service”. The reason for the finding was failure of a former contracted service agency to provide audit information to Johnson Block and Company. The contract with this service provider has been terminated and the finding has been removed.

Kolp continued with the allowable expenditures for Federal and State Awards. Kolp noted that award amounts have been reduced throughout the years and consequently the allowable expenditures have also been reduced. Lastly, Kolp provided information on awards that aren't required to be reported in the Single Audit but are essential to the county. This consists of Shared Revenues, General Transportation Aids and Exempt Computer Aids. Since the amounts of these awarded aren't received early in the budgeting process, the amounts estimated to be received vary from the amounts included in the budget. Kolp provided a document displaying the amounts of these awards since 2010 and the budgeted and estimated amounts for 2015.

Kolp concluded with the Management Letter from Johnson Block and Company. The letter's focus was on internal controls; a portion of auditing standards. Mielke and Kolp would like to give this letter more consideration and requested it be discussed at December's Finance Committee meeting. According to Kolp, no additional concerns were noted in this letter but improvements were made as a result of prior letters. In conclusion, Kolp would like the county to be more proactive in Fraud Risk assessment.

Kolp presented the 2014 Estimate of Continuing Appropriations and Fund Balance. This document depicts how the county's fund balances are estimated to be at 2014 close. Kolp noted the self-insurance fund balances are estimated to increase which is a good thing for the county.

Mielke presented information on 2014's budget status. According to Mielke, outside of the Health and Human Services (HHS) fund, the rest of the county is estimated to come within budget and/or return to the fund balance. Highway continues to have pending concerns regarding the Snow and Ice budget for 2014.

Janet Wimmer, Director of Human Services and Health presented the status of HHS 2014 budget. A report provided by Wimmer estimates Public Health and Aging and Disability to be slightly over budget with a possibly offset of Senior Dining's under budget estimated. Clinical Services and Social Services combined are estimated to be over budget by \$1.3 million. According to Wimmer, factors affecting HHS' budget are the maintenance cost of HDOB, increase retirement payouts and increased crisis management costs for emergency out-of-home placements. Wimmer anticipates reduced expenditures by utilizing CBRFs including the county's Northview Heights for required placement services, improved intervention for emergency placements and improve processes and benchmarks. Wimmer and Kamps will present quarterly status reports to the committee.

Mielke presented committee members with the “County Administrator's Budget to the Dodge County Board of Supervisors – 2015.” Mielke addressed key information in his cover letter. Information noted included:

- Recommended appropriations for Fiscal Year 2015 including debt services, total \$106,824,498. This is a \$5.3 million increase over 2014. The major focus on spending is for highway infrastructure (\$3 million) and employee compensation (\$1.6 million). Even though Highway's spending is \$3 million, most of it is covered by use of fund balance and carryover from 2014. Actual levy required for highways budget is \$15,000.
- Proposed tax levy increased \$650,000 over 2014. Allowable was \$791,724.
- Proposed tax mill rate is \$5.677; a decrease of \$0.025 from 2014.
- Principal payment for debt service is \$2.8 million.

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Mielke continued with discussion on the pages titled "Where Do Your County Property Tax Dollars Go?" and "How Are Sales and Use Tax Dollars Utilized?" For a home assessed at \$150,000, the county tax would be \$851.55 opposed to 2014's \$855.30. As shown on the page, the majority of a home owner's county tax dollars support Sheriff and Human Services and Health services. The sales and use tax page is new for 2015.

Mielke continued with the "2015 and 2014 Comparative Budget Summary Analysis". County-wide, 57% of the budget is for wages and benefits. Health and Human Services which also includes Clearview had the largest budget increase mainly due to additional positions at both facilities. Contingency has been reduced based on history of usage. Other items noted were remediation for Monarch PBCs and rental of the MetalFab property. Monarch PBCs should be known by the end of the month and provide better insight for action needed in 2015. Based on continued rent discussions at MetalFab, the lease with MacFab Metal Products will be ending and uncollected rent payments are anticipated to be collected after MacFab Metal Products liquidate in 2015.

Dave Frohling, Finance Chairman reported he will represent the counties at the Dept. of Finance State and Local Finance Roundtable. In addition, Frohling and County Board Chairman Russ Kottke requested the Wisconsin Counties Association meet with Sen. Fitzgerald regarding budget issues.

Kolp reported that John Corey, Corporation Counsel Director is obtaining information regarding authorization of vouchers. Mielke and Kolp requested "Consider, Discuss and Possible Action Regarding Authorization of Vouchers" be carried over to the November Finance Committee meeting.

Kolp updated committee members on the Kronos project. According to Kolp, the project is moving forward with the second group going live this weekend. The first group payroll closing was successful last week. Telestaff scheduler for Sheriff is moving forward and should go live in November. Discussion regarding Clearview's Advance Scheduler continues with live date predicted in 1st quarter 2015. Kronos training is going well. There's a Kronos hot line staffed by Kronos' core team and specially trained ambassadors throughout the county to address employee questions and concerns.

The Preliminary Budget Review meeting is scheduled for Tuesday, October 28, 2014 at 6:00 p.m. in Room H & I – Auditorium on the 1st floor of the Dodge County Administration Building.

Next regular meeting is scheduled for Tuesday, November 4, 2014 at 7:00 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 10:15 a.m.

Gerald Adelmeyer,



Secretary