

FINANCE COMMITTEE MINUTES

EMBS Meeting Room C128, Courthouse, Baraboo WI

Thursday, February 10, 2011

Members present: Steve Bach, Tommy Lee Bychinski, Joan Fordham, Jason Lane, and William Wenzel
Others present: Kerry Beghin, Cindy Bodendein, Linda Ellen, Jessica Fry, Elizabeth Geoghegan, Lynn Horkan, Tom Kriegl, Marty Krueger, Peter Murray, Kathy Schauf, Jim Scherneck, Mark Steward, and Cathy Warwick

The meeting was called to order by Chairperson Bychinski at 8:30 AM. Certification of open meeting compliance was given. **Motion by Lane to adopt the agenda, second by Bach. Motion carried. Motion by Fordham to adopt the minutes of previous meetings on January 11 and 18, 2011, second by Lane. Motion carried.**

Public Comment: Linda Ellen commented on the Sheriff Department overage. Peter Murray commented on the budget process. Tom Kriegl suggested specific updates to the County Financial Policy 15-95.

Communications: None

Update on possible 2010 budget overrun for Board of Adjustment.

Steward estimated \$2,700 budget overrun due to revenue shortage in the permit process. Fewer permits also resulted in less than budgeted expenses. Beghin confirmed a resolution will be brought at a later date to transfer funds for any County budget overages.

Presentation of jail state prisoners report.

Fry reviewed the December report and current jail population. Department still has some outstanding 2010 items. Ongoing the department will continue to track the cost per inmate.

Update on possible 2010 budget overrun for Sheriff's Department.

Fry shared that Sheriff Meister is not in attendance due to DOC meeting in Stevens Point. Department's current estimate for budget overage is \$119,772, overage as percent of levy is 1.10%, and overage as a percent of total budgeted expenses is 0.82%. Bach noted Huber revenue alone is \$124,571 under budget for which the department had no control.

Consider approval of travel in excess of 300 miles for Sheriff Department staff to attend National Institute of Corrections training in Aurora, Colorado.

Fry stated this training is an overall training for management level corrections staff, June 13-18, 2011. Department of Corrections (DOC) covers most all expenses except car rental and meals outside of the training. Department has requested up to two staff attend; waiting to hear about authorization from DOC. Estimate County cost for two attendees to be about \$500, for one \$360. **Motion by Bach to approve travel in excess of 300 miles for Sheriff Department staff to attend National Institute of Corrections training in Aurora, Colorado June 2011, second by Wenzel. Motion carried.**

Update on financial performance of the Health Care Center (HCC) as of December 31, 2010.

Bach commented 2010 budget was set when still in old facility with no experience to draw from for the new facility. Bach reviewed the budget variances. HCC now has experience in the new facility and continues to maximize revenues and minimize expenses. Maintenance operations overrun is mostly due to the decommissioning of old facility. Beghin confirmed the budget was constructed so that the decommissioning cost will be taken from the HCC enterprise retained earnings. 2010 HCC financials are not yet final, still a lot more revenue accruals and depreciation to account for.

Presentation of quarterly accounts receivable reports as of December 31, 2010.

Bach commented the Board of Trustees pays great attention to HCC accounts receivable. The billing and collection process for the HCC funding streams is lengthy. Additional emphasis has been put on the front end for needed information. Beghin confirmed there is an allowance for doubtful accounts in the HCC ledger. Bodendein commented on Public Health (PH) collections. A billing peer group from the Health and Human Services functional group will begin meeting to share ideas and processes.

Consider resolution approving project Financial Analyst position for Health Departments.

Bodendein spoke of the many staff changes in PH due to retirements and resignations. The Department plans to leave positions vacant, reallocate duties, and use the requested project position as a Financial Analyst. Still investigating overlap with Human Services. Department is looking at software programs with MIS Department. Some Preparedness funding could be used for software purchase. Fordham commented on the need to explore the information in the TMG study.

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Update on possible 2010 budget overrun for Coroner.

Beghin commented the Coroner budget will be over budget in autopsy expenses approximately \$6,200.

Consider update to Financial Policy 15-95, Appropriations.

The Committee agreed written notification to the Oversight and Finance Committees as soon as trouble is on the horizon is very important. The policy is not meant to be a punitive measure against departments; it is to help manage resources and aid the Finance Committee in oversight of the County budget as a whole. The Committee agreed the first line of defense is the department manager. They are the ones with the most intimate knowledge of the threats facing their departments. They are also the ones with the most detailed knowledge of how to mitigate damages. Mitigation can range from simple reallocation of existing resources to working with the Oversight Committee to adjust program offerings. The Committee agreed the Oversight Committees are the backbone of policy-making for the respective departments. In developing a budget, or subsequently seeking to amend it if necessary, very specific policies and service levels are determined. If a budget is in trouble (either by revenue shortfall or expense overrun), the Oversight Committee is the body deciding policy and service level adjustments. Also, the Committee agreed they are tasked with monitoring the big picture. Their role is not to second guess oversight committees. This policy is designed to provide centralized notification of budget troubles. Finance accumulates this information to decide if the cumulative magnitude requires major adjustments and immediate full County Board action. **Motion by Bach to approve update to Financial Policy 15-95 Appropriations, as submitted in the agenda, second by Fordham. Motion carried.**

Consider update to Financial Policy 3-96, Carryforward Funds.

The Committee agreed the use of carryforward fund requests be reviewed with scrutiny. Also to differentiate between continuing grant programs and levy or fund balance funded items. The Committee agreed reviewing longtime items with no progress will be important in light of impending budget adjustments, evaluating on case by case basis. Committee consensus was no change to the policy.

Consider resolution Amending the 2011 Budget and Approving Community Development Block Grants-Revolving Loan Fund.

Schauf reviewed the resolution amending the budget for a new loan. Funding is from Department of Commerce for business development. Bach said Revolving Loan Committee carefully evaluated request and approved. Loan will be a seven year installment repayment plan. **Motion by Bach to approve resolution Amending the 2011 Budget and Approving Community Development Block Grants-Revolving Loan Fund, second by Wenzel. Motion carried.**

Consider resolution Amending the 2011 Budget to Appropriate \$90,259 Pursuant to an Intergovernmental Agreement Between Sauk County, Wisconsin and the Ho-Chunk Nation.

Schauf noted that based on terms of the agreement with the Ho-Chunk Nation, the County needs to notify the Nation concerning the use of funding. 2011 allocation is identical to last year. **Motion by Fordham to approve resolution Amending the 2011 Budget to Appropriate \$90,259 Pursuant to an Intergovernmental Agreement Between Sauk County, Wisconsin and the Ho-Chunk Nation, second by Lane. Motion carried.**

Update on budget-related items from Wisconsin Counties Association Legislative Exchange.

Schauf and Krueger shared information from the recent Wisconsin Counties Association Legislative Exchange. Due to the structural and economic deficit the State will be looking closely at how they allocate funds; counties will see reductions in shared revenue and specific program funding. The State plans to provide tools to help the counties. Schauf stated the County needs to maintain a very responsive attitude. Oversight committees will need to focus on programs and their future. There may be good services that the County is no longer able to provide. The State may change current mandates to the counties and may also address county levy limits.

Presentation of County financial reports.

Beghin reviewed the County financial position. Sales tax is very favorable. Areas such as sales tax and interest on delinquent taxes will offset the reported budget overruns. December financial report is far from final; year-end processes are not yet complete. There are adequate funds in contingency to cover reported budget overruns. Beghin confirmed 2010 looking quite good in the big picture. Beghin commented the Workers Compensation refund to departments was done consistent with policy and the same as over the past 15 years. Beghin reviewed the policy requirements and how the rates are set and charged to the departments.

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Review of 2012 budget process.

Budget policies, priorities and budget timeline were discussed. The Committee discussed oversight committee meetings and timing. Beghin commented that oversight committees can be encouraged, but not forced, to have specific meeting times. Wenzel expressed emphasis on participation of other governmental bodies at the intergovernmental meeting. Dates for intergovernmental meeting are still tentative.

Treasurer's Department Update

Geoghegan updated the Committee on Treasurer Department activity. So far taxes paid at municipal level average is very good, 62%. Geoghegan confirmed delinquent properties published in paper do spur payments; list published contained 169 properties compared to last year's list of 160 properties. Geoghegan confirmed CD rates remain low. **Motion by Bach to approve payment of Treasurer's Department invoices in the amount of \$1,448.88, second by Wenzel. Motion carried.**

Accounting Department Update.

Beghin highlighted the need to consider contracting for bond paying agent services. Service would coordinate paperwork of all seven debt issues. **Motion by Lane to proceed with Associated Wealth Management as paying agent pending Corporation Counsel review of contract, second by Wenzel. Motion carried.**

Beghin highlighted Accounting Department recent activity. Landfill Remediation and Building Funds are the only funds possibly needing resolution concerning GASB 54. Beghin commented that there will need to be a resolution brought to County Board to designate the funds separate from General Fund. **Motion by Lane to approve payment of Accounting Department invoices in the amount of \$910,327.50 and County invoices in the amount of \$4,000,505.47, second by Bach. Motion carried.**

Next Meeting

The next regular Finance meeting will be Tuesday, March 8, 2011 at 8:30 am.

Motion by Wenzel to adjourn the meeting, second by Fordham. Motion carried.

Respectfully submitted,

Joan Fordham
Finance Committee Secretary