

Finance Committee Regular Meeting
Minutes of the October 8, 2013

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 7:30 a.m. on Tuesday October 8 2013 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following members were present: Frohling, Borchardt, Schaefer, Adelmeyer and Gohr.

Also present: County Board Chairman Russ Kottke, Mielke, Kolp, Patti Hilker, Tony Marchese, Jane Hooper, Jennifer Welch, David Dorn, Nicholas Hraban 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 Gohr and 2nd by Borchardt to allow the chair to deviate from the agenda at his discretion. Motion Carried.

Motion by Borchardt and 2nd by Gohr to approve September 10, 2013 regular committee and September 30, 2013 special committee meeting minutes as presented. Motion Carried.

The Committee reviewed and discussed Resolution No. 13-33 that provides for an increase in compensation in the amount of \$10.00 to be paid to members of the County Board for attendance at meetings of the County Board and for attendance at meetings of Committees of the County Board, effective April 15, 2014, the first day of the next 2-year term of the County Board, and the Fiscal Note set forth therein. The Resolution is sponsored by the Executive Committee. On October 7, 2013, the Executive Committee approved the Resolution and forwarded it to the County Board for consideration by the County Board at the October 15, 2013, meeting of the County Board. It was the consensus of the Executive Committee that the County Board should be given the opportunity to fully discuss and vote on the matter of the proposed increase in compensation for attendance at meetings of the County Board and for attendance at meetings of Committees of the County Board.

Resolution No. 13-33 is timely because (1) the County Board has no authority to increase compensation of its members during their present term of office, although the County Board has authority to increase compensation of members of the County Board to be elected in the future, provided that it is done before the earliest time for filing nomination papers for the office of County Board Supervisor; and, (2) the earliest time for filing nomination papers for the office of County Board Supervisor for the next 2-year term of the County Board is December 1, 2013.

The Fiscal Note set forth in Resolution No. 13-33 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$14,700 on the adopted 2014 Budget. Motion by Schaefer and 2nd by Adelmeyer to approve the Fiscal Note as presented and to authorize and direct the Chairman of the Finance Committee to sign the Fiscal Note and to send Resolution No. 13-33 to the County Clerk.

Tony Marchese, Clearview Director of Finance presented information on Clearview's receivable write-offs. Marchese distributed a report to committee members showing breakdowns of write-offs based on age and payer source. According to Marchese, estimated write-off amount for 2012 demonstrated in the audit report was \$800,000. After further analysis, it was determined 2012's write-off amount is

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\$664,598. It was suggested to budget for write-offs and beginning with 2014, Clearview will budget 1% of total operations for write-off allowance. Nothing was budgeted for 2013. Jim Mielke, Administrator informed committee members that Health and Human Services will begin to bring Health and Human Services receivables to the Finance Committee for approval to write-off. According to Mielke, the county will work on implementing internal controls to audit write-offs county-wide. Motion by Schaefer and 2nd by Borchardt to approve \$664,598 of write-off for Clearview's receivables. Motion Carried.

Funding for Harnischfeger Park facilities will be tabled until November. The Parks Committee is in the process of going out for bid in early November for proposed bathroom/shower facility. More information will be available in November.

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

The County Treasurer provided committee members with the Human Service North Project Note Proceeds Performance Summary from September 2013's Ehler's Investment Report. Mielke reported construction should be complete later in October with occupancy in November.

The monthly and 3rd quarter State reports on county sales tax remittance were reviewed. September 2013's remittance for July was \$413,028 compared to \$402,754 from the same period in 2012. The fiscal year remittance to date is \$3,975,868 compared to \$3,727,926 the same time period in 2012.

Julie Kolp, Finance Director provided information from Ehler's Inc. on pending changes to municipal rating criteria. This information was provided for awareness even though no borrowing plans are in the future for Dodge County.

Kolp presented the Schedules of Expenditures of Federal and State Awards. This is also known as the Single Audit. Not all Federal or State awards such as Shared Revenue are included in this audit. Kolp discussed the annual changes in awards. Changes brought to the committee's attention were:

	2012	2011
Federal allowable expenditures	\$6,616,604	\$6,800,557
State allowable expenditures	\$11,397,221	\$11,861,594
Federal Cash received	\$5,333,316	\$5,944,934
State Cash received	\$4,479,950	\$4,765,614

According to Kolp, changes could relate to discontinued programs and/or decreased funding.

Kolp continued with Audit Findings. Included in the findings was Clearview's procedure for estimating uncollectables and failure to reconcile account receivables on a regular basis. Findings related to Health and Human Services included failure to reconcile federal and state awards to the general ledger. Health and Human Services also had findings regarding monitoring subrecipient activities but according to Kolp, many times this results from time restrictions between Dodge County's audit finalization and subrecipient audit finalization. Kolp reported a Health and Human Services finding relating to Aging and Disability Resource Center

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(ADRC) funding. Compliance is being questioned and Dodge County is working with the State to resolve the issue. Since it wasn't resolved at the time Dodge County's audit was finalized, it resulted in a finding. Mielke is confident the problem will be resolved since the state helped implement the program and the county is following their guidelines.

Kolp continued with the Management Letter. This letter is required to accompany the Schedule of Expenditures of Federal and State Awards and it's required by the Governmental Accounting Standards Board (GASB). It provides more detail on areas in need of improvement. The letter included discussion on Clearview's allocation process for personnel costs among business units and the presentation of Clearview operations on the County's financial statements. Currently, Clearview is classified as a governmental fund and Johnson Block & Co. recommended consideration of changing Clearview's financial statement presentation from governmental to propriety. There was discussion on fund terminology but no decisions were made by committee members. Weaknesses in the payroll system were addressed. The auditor recommended:

- Use of time clocks
- Perform reconciliations of paid time-off balances
- Test employee time cards to ensure controls are effective
- Review supervisors timesheets
- Require time to be entered daily.

Mielke is confident the implementation of electronic timesheets in 2014 will improve some of these concerns. He also emphasized the importance of managers and department heads being responsible and reviewing employee timesheets.

Strategic Planning and Financial Planning Model will be kept on the agenda. Mielke informed committee members that some of 2013's budgeted funding for Strategic Planning will be carried over to 2014.

Mielke continued with 2014 Budget discussion. Mielke handed out 2014 budget books to Finance Committee members and the County Board Chairman. Mielke review the budget with committee members and noted additional information included in this budget book. New for 2014 are the listing of County Board Supervisors, Finance Committee members and individuals involved with developing and assembling the budget book. Also new for 2014 is a document which shows where your property tax goes. Mielke continued highlighting other areas within the budget book. This included:

- Levy by Department
 - No levy dollars for Clearview and Highway's levy decreased \$350,000 however they both are receiving Sales and Use Tax dollars.
 - Sheriff's levy request is up mostly due to decreased Federal inmate revenue.
 - Health and Human Services levy increased \$100,000 as a result of expanding services.
 - Building and Maintenance's levy dollars have increased due to the addition of the Henry Dodge Office Building and additional maintenance staff need.

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- Information Technology's (IT) levy requirement is up due to implementation of the Kronos Workforce Management system.
- Breakdown of Revenues and Expenditures on the "Rainbow Sheet".
- Significant Increases and Decreases by Department.

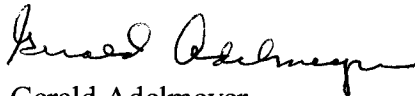
Mielke and Kolp shared information on a LEAN Conference they attended with Supervisor Donna Maly. The conference contained testimony on governmental organizations who implemented LEAN. Mielke and Kolp described LEAN as analyzing current processes and eliminating waste in order to provide value to the organization. Kolp also emphasized the importance of employee involvement and bottom-up thinking. Kolp believes it will tie into the pay-for-performance program the county will be implementing in 2014.

Mielke mentioned the employee mileage reimbursement policy being brought to the Human Resource committee meeting this month as an awareness for Finance Committee members. Mielke is requesting clarification from the Human Resource Committee regarding employee reimbursement for mileage between county buildings in the city of Juneau and recommending no employee reimbursement for this type of mileage.

Next special meeting is scheduled for Thursday, October 24, 2013 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 5, 2013 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 9:10 a.m.



Gerald Adelmeyer,
Secretary