Minutes of the February 10, 2014

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 9:30 a.m. on Monday February 10, 2014 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following members were present: Frohling, Borchardt, Schaefer, and Adelmeyer. Member absent was Gohr.

Also present: County Board Chairman Russ Kottke, Supervisors Larry Bischoff and Jeff Berres, Mielke, Kolp, PJ Schoebel, Scott Smith, Joyce Fiacco, Tony Marchese, Jane Hooper, Ruth Otto, Bill Ehlenbeck, Karen Boyd, Lori Fett, Jeff Hoffman, Karen Gibson, Diane Dahl, John Veling, Kelly Lepple, Brian Field, Janet Wimmer, Russ Freber, Phil McAleer, Amy Nehls, Lifke and US Bank representative, Andrew Smith.

Julie Kolp, Finance Director certified the public notice given for this meeting complies with the requirements of Wisconsin's open meetings law.

Motion by Schaefer and 2<sup>nd</sup> by Adelmeyer to allow the chair to deviate from the agenda at his discretion. Motion Carried.

Motion by Borchardt and 2<sup>nd</sup> by Schaefer to approve January 14, 2014 regular committee meeting minutes as presented. Motion Carried.

Patrick Schoebel, Medical Examiner appeared before committee members requesting a Contingent Appropriation transfer of not-to-exceed \$35,000 to Business Unit (BU) 2501 – Medical Examiner. According to Schoebel, 2013 experienced higher than budgeted expenditures as a result of increased cases and autopsies. According to Kolp, the requested \$35,000 is less than 10% of budgeted expenditures for 2013. Motion by Borchardt and 2<sup>nd</sup> by Schaefer to approve a Contingent Appropriation transfer of not-to-exceed \$35,000 to BU 2501 – Medical Examiner to cover additional costs related to increased cases and autopsy services. Motion Carried.

In a telephone conference, Dawn Gunderson, representative from Ehlers presented committee members with information on 2010's Build American Bonds (BAB) rebate change. At the time of the original \$30,000,000 funding, the Build American Bonds (BAB) were the best option with a 35% rebate. BAB rebates are subject to change at the government's discretion so the bond document was written with an extraordinary call feature on the condition BAB rebates were discontinued or reduced. As a result of government sequestration in 2013, the BAB rebate dropped to 8.7% and there's no indication of its future. As Financial Advisors, Ehler's thought it was important to bring the refinancing option to Dodge County's attention. Refinancing would be \$24,335,000 for par amount of bonds and \$141,315.42 for prior issue Debt Service Fund for a total of \$24,476,315.42. According to Gunderson, estimated savings between the new and old debt service would be \$33,000 - \$37,000 annually, based on the 35% BAB rebate. Discussion continued regarding sale parameter options and considerations and consequences if parameters aren't met. March's Finance Committee meeting date and time were changed to March 3, 2014 at 11:00 a.m. for adequate preparation time to further investigate refinancing the BABs and the option of a parameter sale.

Andrew Smith, V.P. – US Bank Government Banking Division representative presented information on US Bank's Purchase Cards. The purchase card considered by Dodge County would be piggy backed with the State and associated municipality purchase cards resulting in a larger rebate for Dodge County. Purchase cards will reduce paperwork since approval and account assignment can be done online.

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According to Smith, US Bank is the largest issuer of purchasing cards to Federal Government, State Wholesale Banking and Commercial Real Estate Government and is accepted by any business that accepts VISA credit cards. Management will be able to audit, review and approve transactions on-line in real time and US Bank's system will integrate with JD Edward's General Ledger to enable a seamless transition of information. Electronic management and payment reduces procure-to-pay transaction costs and cycle time, maximizes rebates and incentive, and improves employee convenience and productivity. Purchase cards reduce paper, potential risk of payment fraud, and overall payment costs. According to Smith, estimated costs for labor and material to issue a check are \$90 - \$100. The same costs with a purchase card are \$20. Use of purchase cards will assist in monitoring regulation compliance and can improve cash management. Purchase cards provide immediate and widespread visibility of all transactions and 24X7 dedicated fraud monitoring. The county would have zero liability for fraudulent transactions and a \$100,000 per cardholder VISA Misuse Liability Waiver. US Bank's purchase cards are a proprietary system; not a 3<sup>rd</sup> party vendor. Discussion continued with ability to increase rebates using the Payment Plus option and vehicle restricted Voyager cards. US Bank purchase cards can be designed with Dodge County's logo and will include employee name and Dodge County's tax exempt number. Cards can be deactivated or re-activated at will by management. If Dodge County decides to proceed with US Bank's purchase card, a dedicated relationship manager would be assigned and it would take 4-8 weeks to implement. Motion by Schaefer and  $2^{nd}$  by Adelmeyer to proceed with the US Bank's purchase card option. Motion Carried.

Chief Deputy Sheriff, Scott Smith appeared to present information on purchasing surveillance equipment for the Metro Drug Task Force. According to Smith, the current equipment is dated, problematic and costly to repair. Motion by Borchardt and 2<sup>nd</sup> by Schaefer to approve the purchase of 3 digital video recorders, 1 Lite Transcorder with internal battery and 1 antenna for portable repeater for \$3,852 from BU 2036 – Metro Drug Investigation. Motion Carried.

Motion by Borchardt and 2<sup>nd</sup> by Schaefer to approve appropriation of \$3,852 from Business Unit (BU) 2036 – Metro Drug Investigation fund balance to cover the approved purchase of 3 digital video recorders, 1 Lite Transcorder with internal battery and 1 antenna for portable repeater. Motion Carried.

Jim Mielke, Administrator presented a preliminary 2013 year-end budget review. Primarily due to decreased revenue in inmate boarding, Sheriff's Department will have a proposed budget overage of \$714,973. Actual loss of revenue for decrease inmate numbers was around \$1.2 million but savings in other BUs decreased the overall budget shortfall. Emergency Management also experienced revenue shortfalls and additional expenditures cause an estimated \$18,627 over budget. Other departments commented on by Mielke included:

- Child Support, a revenue BU, is proposed to return \$73,683 to the General Fund
- Clerk of Courts is proposed to return \$44,493, partially due to not filling 1 vacant position
- UW Extension had vacancies which added to a proposed savings of \$48,452
- Health and Human Services propose returning \$250,000

Total proposed return to the General Fund is \$266,528 which is less than prior years but better than expected considering the decreased revenue from prisoner boarding. Mielke stated he is pleased with the proposed fiscal end to 2013.

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Ruth Otto, Information Technology (IT) Director appeared before committee members to request a reappropriation of \$3,740 from BU 1814 – Information Technology Enterprise Systems to BU 1812 – Workstation. This re-appropriation will cover additional expenditures to accommodate the Health and Human Services computer upgrades and Henry Dodge move.

Otto continued with requests to carryover \$16,352 in BU 1813 – Computer Equipment for completion of 2013's imaging project, \$15,820 in BU 1811 – Computer Equipment for completion of 2013's storage project and \$24,000 in BU 1814 – Enterprise System for purpose of supporting 2014's Enterprise System upgrade.

Motion by Schaefer and 2<sup>nd</sup> by Adelmeyer to approve re-appropriation of \$3,740 from BU 1814 – Information Technology Enterprise Systems to BU 1812 – Workstation for purpose of covering additional Health and Human Services computer upgrade and Henry Dodge move and carry forward of \$16,352 in BU 1813 – Computer Equipment, \$15,820 in BU 1811 – Network and \$24,000 in BU 1814 – Enterprise System. Motion Carried.

Joyce Fiacco, Land Resources and Parks Director appeared before committee members to request a reappropriate of unexpended funds and unanticipated revenue between accounts and business units within the Land Resources and Parks Department. Overdrafts within BUs were as follows:

BU 1101 – Survey--Payout for retiring employee not included in 2013's budget (\$3,017)

BU 1104 – Mapping--Small increases in operational expenditures (\$90)

BU 7860 – Recreation Administration -- Small Increases in operational fuel expenditures (\$587)

BU 7868 – Wild Goose State Trail--Increased personnel expenditures (\$1,362)

BU 7879 – Tourism--Increased mailings of material (\$117)

Fiacco continued with a request to carryover \$289,000 in BU 7863 – Harnischfeger Park to complete Harnischfeger Park's Shower/Bathroom facility and associated access and parking areas, and electric work on the Clubhouse and grounds. Breakdown of the requested \$289,000 include \$174,000 projected budget funds, \$100,000 unspent funds and additional \$15,000 for construction consultant services (\$6,000 each for 2013 services and rebidding in 2014) and Clubhouse and grounds electrical work (\$3,000).

In addition, Fiacco requested a carryover for \$6,000 in BU – Nitschke Mounds Park to complete a Vegetation Management Plan and \$40,000 in BU – Ledge Park to complete the campsite reconfiguration (\$38,000) and associated project shelter electrical work and road repairs (\$2,000).

Motion by Schaefer and 2<sup>nd</sup> by Borchardt to approve re-appropriation of unexpended funds and unanticipated revenue between accounts and business units within Land Resources and Parks, carryover requests for \$289,000 in BU 7863 – Harnischfeger Park, \$6,000 in BU – Nitschke Mounds Park and \$40,000 in BU – Ledge Park for completion of 2013 projects. Motion Carried.

Chief Deputy Sheriff Smith requested a \$3,900 carryover of 2013 budgeted funds for backordered fire arm supplies. Motion by Borchardt and 2<sup>nd</sup> by Adelmeyer to carryover a total of \$3,900 to BU 2031 – Criminal Investigation (\$2,810), BU 2061 – Jail (\$841) and BU 2021 – Traffic Patrol (\$249) for the purchase of backordered fire arm supplies. Motion Carried.

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Russ Freber, Physical Facilities Director submitted a memorandum and invoices requesting approval to repair the Sally Port floor grates at the Dodge County Detention Facility. Motion by Borchardt and 2<sup>nd</sup> by Schaefer to approve appropriation of \$1,372 of Jail Improvement Funds from BU 1326 – Jail Improvement Fund to repair the Sally Port floor grates at Dodge County's Detention Facility and authorize payment of vouchers when they are received. Motion Carried.

Russ Freber, Physical Facilities Director submitted a memorandum requesting approval to purchase additional carpet for an area in Law Enforcement Center's master control area where a wall was removed. Motion by Borchardt and 2<sup>nd</sup> by Schaefer to approve appropriation of \$737.00 of Jail Improvement Funds from BU 1326 – Jail Improvement Fund to purchase additional carpet to cover an area where a wall was removed in the Law Enforcement Center master control center and authorize payment of vouchers when they are received. Motion Carried.

Chief Deputy Sheriff presented information on un-collected Civil Process fees recorded in the Tiburon Information Management System. According to Smith, it was a collaborative effort between the Sheriff and Finance departments to identify and address problems with Tiburon's recording and reporting of Civil Process fees and payments.

In 2012, it came to Smith's attention there was a problem with reconciling outstanding fee payments. It was later identified that reports created in Tiburon weren't pulling information from the correct fields resulting in fee reporting and collections to be incorrect. Inconsistent entering of information and failure to develop an accurate outstanding fee report added to the problem.

Information in Tiburon has accumulated over twelve years and an attempt to correct the misinformation would involve individual reconciliation of thousands of entries. In 2012, the Sheriff's Department asked for assistance from the Finance Department. Finance implemented Account Receivables and managed Civil Process fee recording, payment and billing until the New World Information Management Civil Process system was implemented. The New World Civil Process system was implemented in September 2013 and a reconciliation process has been established.

Smith also identified problems with collection efforts in the Sheriff's Department. As a result, the Sheriff's Department is considering a pre-pay process for services. Civil Process payment options used by surrounding counties are being analyzed and Smith would like to have a pre-pay resolution ready for March's County Board meeting.

Smith concluded with a requested to write-off the un-collected Civil Process fees as recorded in Tiburon's Information Management System. When time permits, Smith stated the Sheriff's Department will try to follow-up with some of the larger Tiburon write-offs and determine if Tiburon's reported amount is actually outstanding. Motion by Borchardt and 2<sup>nd</sup> by Schaefer to write-off \$116,441.84 of un-collected Civil Process fees. Motion Carried.

Kolp informed committee members of a less than \$3,000 Sheriff's Department appropriation request from Federal Forfeiture Fund Balance. The Finance Director has the authority to appropriate less than \$3,000. The appropriation will be used to purchase 10 radio batteries for the Task Force. Kolp presented the information for committee awareness.

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Kolp continued with information on an appropriation resulting from a KONDEX donation for SWAT equipment. A purchase request for less than \$3,000 is being formulated by the SWAT Team. This information was presented as awareness for committee members.

The County Treasurer provided committee members copies of December 2013's report of working cash account and January 2014 county investment holdings for review. Patti Hilker, Treasurer noted the amount of State Investment Pool deposits and informed committee members that with the potential refunding 2010's GO Bond, she's checking into some short-term Certificates of Deposits until Ehler's has a chance to revised the Financial Forecast.

Kolp informed committee members that Dana's Investment cap for Dodge County was set at \$20 million on April 19, 2013.

The monthly reports on county and state sales tax remittance were reviewed. January 2014's remittance for November was \$486,170 compared to \$395,130 from the same period in 2013. The fiscal year remittance to date is \$486,170 compared to \$395,130 the same time period in 2013.

Mielke reviewed the Sales Tax Data for Counties with Tax report.

Dean Perlick, Manager of Planning and Economic Development presented a status report on Dodge County's Revolving Loan Fund. County Funds available for new loans are \$673,468. This has been provided for committee member information.

Next regular meeting is scheduled for Tuesday, March 3, 2014 at 11:00 a.m. in Room H & I - Auditorium on the 1<sup>st</sup> floor of the Dodge County Administration Building.

With no other business on the agenda, Chairman Frohling declared the meeting adjourned at 12:00 p.m.

Gerald Adelmeyer,

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Secretary