

Finance Committee Regular Meeting

Minutes of the March 8, 2016

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 8:00 a.m. on Tuesday, March 8, 2016 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, Supervisor Jeff Berres, Mielke, Kolp, Bill Wiley, Joyce Fiacco, Janet Wimmer, Scott Smith, Ruth Otto, Jane Hooper, Brian Field, Ken Kamps, Russ Freber, Lifke and Greg LeCaptain, Farmers & Merchants Union Bank Assistant VP, Ag/Commercial Loans.

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

Motion by Uttke and 2nd Schaefer to allow the chair to deviate from the agenda at his discretion. Motion carried with unanimous approval.

Motion by Uttke and 2nd by Adelmeyer to approve February 9, 2016 regular committee meeting minutes as presented. Motion carried with unanimous approval.

Resolution No. 15-92 – Sheriff Patrol/Rescue Boat. The Fiscal Note set forth in Resolution No. 15-92 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$0 on 2016's adopted Budget. Chief Deputy Sheriff Scott Smith appeared to present information. According to Smith, this is a budgeted-recreation program with the DNR. Over a five year period, the DNR will reimburse Dodge County 75% of the cost for the boat and related equipment. There are problems with the current boat motor and needed maintenance and repair is estimated to be in excess of \$3,000. According to Smith, trade-in value for the current boat isn't very high. Selling it at auction to obtain a better value is being considered. Committee members approved by consensus the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution 15-92 to the County Clerk.

Resolution No. 15-90 Mobile Radios. The Fiscal Note set forth in Resolution No. 15-90 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$0 on 2016's adopted Budget. According to Smith, current equipment is over 15 years old and the mobile radios have been budgeted. . Committee members approved by consensus the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution 15-90 to the County Clerk.

Resolution No. 15-91 – Jail Transport Van. The Fiscal Note set forth in Resolution No. 15-91 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$0 on 2016's Budget. According to Smith, the van is used to transport federal inmates around the state and the van was budgeted for 2016. Committee members approved by consensus the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution 15-91 to the County Clerk.

Resolution to purchase Alto Schaam Oven for Jail Kitchen. The Fiscal Note set forth in Alto Schaam Oven Resolution was presented to the Finance Committee for its review and approval. The

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Fiscal Note sets forth a Fiscal Impact in the amount of \$34,233 on 2016's adopted Budget. Smith reported the replacement wasn't budgeted and is used for prisoner meals. Jail Improvement funds from Business Unit (BU) 1326 – Jail Improvements were requested. Motion by Schaefer and 2nd by Adelmeyer to approve the purchase of Alto Schaam Oven for \$ 34,233 from Boelter Foodservice Design Equipment & Supply with Jail Improvement funds from Business Unit (BU) 1326 – Jail Improvements and approve the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution to purchase Alto Schamm Oven to the County Clerk. Motion carried with unanimous approval.

Smith presented a request to appropriation Metro Federal Forfeiture funds. According to Smith, the funds will be contributed to Beaver Dam's K9 fund. Beaver Dam's K9 unit is part of Dodge County's drug task force and Dodge County is in charge of the task force's funds. Committee members approved by consensus.

Smith presented a request to purchase replacement portable radios for the Jail with Jail Improvement funds. Funds are available and has been budgeted. Current equipment is over 15 years old. Motion by Uttke and 2nd by Gohr to approve the purchase of replacement portable jail radios for \$24,937.33 from BU 1326.5819 – Other Capital Equipment and authorize payment of vouchers when received. Motion carried with unanimous approval.

Smith presented a request for Jail Improvement funds to upgrade J Pod's door control System. This is in preparation for the security electronics project. The current system is around 20 years old and didn't meet the level of standards required. Accurate Controls Inc. gave the best quote at \$25,070. Motion by Gohr and 2nd by Uttke to approve expenditure of \$25,070 of Jail Improvement funds from BU 1326.5819 – Other Capital Equipment and process vouchers when received. Motion carried with unanimous approval.

Resolution to establish Dodge County Board Chairman Salary and Compensation. The Fiscal Note set forth in Resolution to establish Dodge County Board Chairmen was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$0 on 2016's Budget. Committee members approved by consensus the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution establish Dodge County Board Chairman Salary and Compensation to the County Clerk.

Resolution to Carryover and Appropriate Astico Park Insurance Recovery. The Fiscal Note set forth in Resolution to Carryover and appropriate Astico Park Insurance Recovery was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$0 [\$26,245.27 (Revenue)-\$26,245.67(Expenditure)] on 2016's adopted Budget. Joyce Fiacco, Land Resources and Parks Director acknowledge receipt of \$46,275 from insurance recovery. A statement of loss was submitted to the insurance company following a July 13, 2015 storm. At the time of 2016's budget preparation, \$20,000 was budgeted to complete storm damage work but actual cost was unknown. Additional storm recovery work needs to be completed to make the park safe and fully functional. Fiacco requested carryover of \$46,245.27 insurance recovery funds from 2015 to 2016 and appropriation of \$26,245.27 to complete repair work resulting from July 13's storm. Committee members approved by consensus the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution Carryover and Appropriate Astico Park Insurance Recovery to the County Clerk.

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Resolution No. 15-88 – Highway Neosho Project. The Fiscal Note set forth in Resolution No. 15-88 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$0 on 2016's adopted Budget. Committee members approved by consensus the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution 15-88 to the County Clerk.

Resolution to Borrow for Constructing and Equipping a New Highway Department Satellite Shop Facility. Seven external quotes were received. Top three selected were Farmers & Merchants Union Bank, Horicon Bank and US Bank. Julie Kolp, Finance Director also compiled information and included Dodge County as a fourth lender. Borrowing information for the selected external quotes and Dodge County lending at 1% interest rate was completed for 3 and 5 years, along with a 7 year amortization schedule for the three lenders. According to Kolp, US Bank presented the borrowing as a bond resulting in additional cost. Kolp verified with Moody's that borrowing from Dodge County won't affect the county's AA2 bond rating because of the fund reimbursement plan. Kolp added that Moody's has the ability to override ratings with notches which take into consideration other factors including revenue and long term spending. Dependent on how 2015 closes with moneys returning to the General Fund, borrowing from Dodge County may result in the General Fund falling below the balance established in the Fund Balance Policy. Brian Field, Highway Commissioner was in favor of borrowing from Dodge County's General Fund however the Highway Committee hasn't had a chance to discuss it. Motion by Gohr and 2nd by Schaefer to approve a not-to-exceed \$2 million borrowing from Dodge County's General Fund at 1% for 3 years. Motion carried with unanimous approval.

Kolp and Ruth Otto presented information on the Enterprise Resource Planning (ERP) system. Kolp and Otto showed a Power Point presentation which will contain more details at for the County Board presentation. According to Otto the ERP will run the county's financial operations. The current ERP, JD Edwards is a very old system and its supporting hardware is also very old. Kolp and Otto proposed to partner with an outside consultant, Government Finance Officers Association (GFOA) for implementation. GFOA specializes in government activity but also has a long history in business. It networks with government agencies across US, Canada and South Africa. According to Kolp, prior and during implementation, the county will be exposed to new concepts and a need for standardization. The importance of a consultant wasn't realized during the budgeting process but became apparent during system demonstrations. GFOA will assist with project readiness, business process improvement and project oversight. Consulting fees will be based on milestone accomplishments with \$114,000 for 2016 and \$82,125 for 2017. GFOA will also review contracts, assist with quality assurance, provide monthly status reports, and risk assessments. They will hold the leading role in training and ensuring that project goals are accomplished. Implementation of a new ERP will be a 24 month project.

Discussion continued with the February proposed ERP resolution. Item# 5 of the 10th "WHEREAS" refers to an ERP Project Oversight Committee. There was concern that an assigned Oversight Committee would have to meet the open meeting rules with agendas and minutes and Corporation Counsel advised that if the committee is created by County Board, it's subject to open meeting requirements. Another question arose regarding per diem pay. Mielke expressed concern about additional time required of County Clerk staff time to post agendas and minutes. Committee members were uncertain on how to structure Item# 5 but an Oversight Committee was viewed

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favorably. All meetings will have agenda, minutes and documentation but will try to avoid additional time spent to formally present agendas and minutes. Uttke anticipates many plan changes because of many unknown. He proposed establishing a Gant chart with milestones and due dates to help keep the project on track. He also suggested implementing a recovery plan for things that don't go as expected. Uttke cautioned to expect expenses to go up dramatically if due dates changes. A revised resolution was presented that eliminated Item# 5 and changed Item# 4 to "Appoint the Dodge County Finance Director as the Dodge County ERP Project Manager, assisted by the Dodge County Information Technology Director, with guidance and support of the Dodge County Administrator."

Russ Freber, Physical Facilities Director presented a Contingent Appropriation request to remove and replace tiles in the Law Enforcement Building. According to Freber, the floor tiles in the lobby are popping up and curling. They contain asbestos and can't be reapplied. The costs for asbestos abatement and replacement tiles are \$5,585. Regular flooring would be done by maintenance. Freber presented a second request for \$6,400 Contingent Appropriation to remove and electrostatic paint hand rails and stairwells at the Detention Facility. Freber reported work will begin after next week's Jail inspection. Freber's total Contingent Appropriation request is for \$12,000. Motion by Uttke and 2nd by Schaefer to approve the \$12,000 Contingent Appropriation request to cover \$5,585 Law Enforcement tile removal and replacement and \$6,400 Detention Facility hand rail and stairwell painting. Motion carried with unanimous approval.

Freber reported on his request to purchase 10 portable radios for Physical Facilities. According to Freber, current radios are non-digital and lack reception in some areas of the courthouse. The radios were budgeted for 2016. Motion by Schaefer and 2nd by Adelmeyer to approve \$8,500 Radio purchase for Bus 1905.5819 – Other Capital Equipment (Henry Dodge Office Building), 2901.5819 – Other Capital Equipment (Courts Building), 2902.5819 – Other Capital Equipment (Corrections Building), 2903.5819 – Other Capital Equipment (Legal Services Building). Motion carried with unanimous approval.

Kolp reported follow-up action taken regarding a letter from the Wisconsin Department of Health Services. The letter was generated as a result of Findings identified by Johnson^Block and Company during 2014's financial audit. Kolp felt the findings questioned have been address, however requested a follow-up and implementation plan to ensure these material weaknesses don't occur in the future for both Human Services and Health and Clearview. The year-end audit will also look at the internal changes which supports the action taken and resolution. The county's waiting to hear back from the Wisconsin Department of Health Services.

Ken Kamps, Human Services and Health's Division Manager for Clinical and Family Service reported on follow up to Human Services and Health's Significant Deficiencies Findings identified in 2014's financial audit. According to Kamps, 2 of the 6 findings have implemented corrective action plans. Kamps reported that the other 4 findings have been addressed, resolved and should not reoccur. Committee members requested documentation supporting resolution of each of the findings be presented and reviewed at the next Finance Committee meeting.

Kolp presented a Contingent Appropriation request for \$25,375 for the Finance Department. According to Kolp, the Finance Department did a reorganization of staff in 2015. The hire date for a senior accountant wasn't determined until a later date and therefore not budgeted. A limited term

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employee was also extended through July 31, 2016. Motion by Schaefer and 2nd by Uttke to approve the \$25,375 Contingent Appropriation request to cover costs of additional staff. Motion carried with unanimous approval.

The County Treasurer provided committee members copies of January 2016 report of working cash account and February 2016 county investment holdings for review.

The monthly county state sales tax remittance reports were reviewed. Feb 2016's remittance for December was \$440,663 compared to \$419,112 from the same period in 2015. The fiscal year remittance to date is \$952,965 compared to \$881,018.80 the same time period in 2015.

Kolp presented claims \$10,000 or more and reviewed the Finance Department's approval process. It was reported that Clearview submitted a 2015 voucher to pay for an unbudgeted \$29,616 Ford F250 truck with plow. Clearview's 2015 budget did include \$45,000 for a transportation van. The Health Facilities Committee approved the payment prior to submission to the Finance Department. According to Kolp, 2015's approval criteria prevented substituting capital items. The Finance Department didn't approve the invoice because approval criteria was not met. It was presented to and approved by Jim Mielke, County Administrator. Receipt of truck and action taken by Health Facilities motivated Mielke to sign off regardless of substitution. Uttke questioned how the need for a van changed to the need for a truck. Jane Hooper, Clearview Administrator stated it was determined the van wasn't needed but the pickup truck was getting old so it was decided to purchase the truck instead. According to Hooper, even though the van was approved through the budget process, the truck became a bigger priority. For future reference, Chairman Frohling suggested the minutes document the reason for the changes to the plan.

Frohling reported on the County Sales Tax Municipal Sharing Proposal submitted by the Dodge County City Leaders Consortium (DCCLC). DCCLC shared a resolution approved by the Common Councils from the cities of Beaver Dam, Fox Lake, Horicon, Juneau, Mayville, Watertown and Waupun showing support of the collaboration between the City of Beaver Dam and Dodge County's Board of Supervisors related to County Sales Tax Funds and other topics of mutual interest. Mayor Kennedy would like to see a committee of 12 people formed.

Inspired by department head discussions and varying interpretation, Mielke request input from the Finance Committee regarding County Board Rule # 30. Mielke and Kolp would like to see a more simplified rule for the new County Board term that streamlines the limit for all departments. Currently, there are different parameters for Highway, Maintenance and Information Technology. Mielke suggested \$35,000 but departments currently at a \$50,000 threshold thought it was a step backward. It was questioned if Capital Improvement project amounts should change from \$25,000 to \$50,000. Mielke suggested a consistent threshold is needed along with County Board awareness and opportunity to weigh in for larger expenditures. Frohling supported simplifying the rule because all purchases \$10,000 and over will still be reviewed by the Finance Committee and department heads will continue to inform individual committees of purchases. Frohling suggested Clearview Administrator continue to have the authority to make decision regarding \$10,000 and over purchases for emergency situation. Kolp would like to see a higher threshold set and the same threshold used for Capital Improvement projects. Consensus by committee members to recommend a \$50,000 threshold to the Executive Committee with Capital Improvement projects at the same level.

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Discussion continued on the sanitary sewer pipe at the Detention Facility. Frohling commented on the information presented to the Executive Committee. The Building Committee will be providing recommendations. Supervisor Jeff Berres commented that firms can realign pipes. It is speculated that the problem may be with the pitch of the pipes. Berres also suggested evaluating the economic life of the building before proceeding. If the building is at the end of its economic life, Berres suggested maintaining pipes until building life cycle has been exhausted or replace the pipes if a longer life cycle is anticipated. Berres commented that specific-use buildings are very limited in their economic lifespan. It may be more beneficial to repair the pipes in another manner such as realignment.

Kolp provided an update on Kronos. The Sheriff's Department is moving from Telestaff to Advance Scheduler. Human Resources is looking at the Talent Acquisition and Hiring module with department heads being able to access information in the system instead of physically going to the Human Resource Department. The Pay for Performance module is on hold for now.

It was reported the External Audit Committee sent out agendas today and will meet next Tuesday.

Kolp reported there hasn't been a response from the IRS regarding the payroll penalty.

Next regular meeting is scheduled for Tuesday April 12, 2016 at 8:00 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 9:53 a.m.

Gerald Adelmeyer,



Secretary