

Finance Committee Regular Meeting
Minutes of the November 8, 2016

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 8:00 a.m. on Tuesday, November 8, 2016 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following members were present: Frohling, Schaefer, Benter, Fink and Guckenberger.

Also present: County Board Chairman Russ Kottke, Supervisors Jeff Berres, Jeff Caine, Ed Nelson, and Donna Maly, Mielke, Kolp, Brian Field, Becky Bell, Scott Smith, Ken Kamps, John Haase, Lifke and Watertown Daily Times reporter Ed Zagorski.

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

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

Motion by Schaefer and 2nd by Benter to approve October 11, 2016 regular committee meeting minutes as presented and October 25, 2016 special committee meeting minutes with amendments:

- Page 8, first bullet, first sentence to read "Becky Bell, Human Services and Health Director and Ken Kamps, Division Manager of Fiscal Support provided information on Human Services and Health's (HSH) budget."
- Page 9, second primary bullet, third sentence to read "Wiley reported an anticipated \$1.9 million increase from Medicaid supplemental insurance for 2 of the 8 licenses."

Motion carried with unanimous approval.

Supervisor Ed Nelson addressed a proposed amendment presented at October's Finance Committee Budget Review meeting. The amendment wouldn't cause a change in levy dollar but would reduce levy allocation for new vehicles by \$885,000 and increase road repair or replacement by \$885,000. According to Nelson's proposal, six of the vehicles scheduled for replacement in 2017 would be kept in service for an additional year.

Brian Field, Highway Commissioner addressed the proposed amendment by stating his appreciation for supervisors' concern regarding road conditions but also stating his concern regarding vehicle replacement. According to Field, these vehicles are unsafe and will be very costly to maintain and make safe for an additional year of operation. Supervisor Jeff Caine supported Field's truck safety assessment. Field thought the miles affected by an additional \$885,000 for improvement of road surface would be minimal and this money would be better spent on replacing vehicles. Field commented that vehicles not replace in 2017 will be on 2018's replacement schedule along with 7 additional international trucks and a \$350,000 paint truck. The paint truck is in excess of 20 years old and was purchased used.

Supervisor Jeff Berres commented that he thought the trucks discussed are considered reserved trucks and may not be required for the plow circuit. Field stated the trucks under consideration are used to plow parking lots and the airport.

Frohling asked committee members if there was a request to amend 2017's Budget to remove \$885,000 from capital asset acquisition and add \$885,000 to county road construction. An

Finance Committee Regular Meeting
Minutes of the November 8, 2016

amendment by committee members wasn't presented so Frohling informed Supervisors' Nelson and Berres if they wanted their amendment to be considered, it would have to be presented at the November County Board meeting.

Field continued with a 2016 budget adjustment for highway. According to Field, the line item went over budget as a result of additional services performed on state highways. The additional costs will be reimbursed however it won't be recorded until reimbursement is received. Field requested funds be transferred from Business Unit (BU) 3321.5493 – STHS Maintenance – Machinery & Equipment to BU 3321.5494 – STHS Maintenance – Materials & Supplies. When reimbursement is received, it will be applied to BU 3321. It was suggested that in the future, Highway post accrual entries for these type of funds.

Julie Kolp, Finance Director provided information on additional funding for the NetSmart software project. According to Kolp, Order Connect/CareConnect, a third party product wasn't purchased as part of the County Board approved NetSmart purchase. This feature will ensure NetSmart is in-line with Meaningful Use data for Medicare. The original resolution request for \$48,680 was updated to \$40,680. Kolp verified \$40,680 of Contingent Appropriation funds are available and this purchase is not in 2016's HSH budget causing a \$40,680 impact. Supervisor Guckenberger requested if a consultant was used during the NetSmart purchase process to determine if the interface was needed. According to Mielke, this information wasn't known when NetSmart was purchased but even if it was, the need to purchase the interface would still exist. Supervisor Guckenberger inquired about delaying the purchase until 2017. According to Becky Bell, Human Services and Health Director, delaying this will also delay HSH efforts to meet HIPAA (Health Insurance Portability and Accountability Act) compliance standards and addressed 2015's audit findings. The estimated 1st quarter 2017 go-live goal for NetSmart will be hampered. Ken Kamps, Division Manager of Fiscal/Support Services added that NetSmart's implementation also addresses the External Audit Operation findings. Implementation addresses about 10 of those concerns. Motion by Schaefer and 2nd by Benter to approve the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send the resolution to the County Clerk. Motion carried with unanimous approval.

Kamps continued with information on Clinical Services' 2015 Audit material weaknesses for Billing and Receivables. According to Kamps, progress has been made in monthly billing and collection processes. Staff has been putting in extra hours to get billing to its current state. In April, the process was 6-8 months behind and now billing is current to the prior month. In October, there was a meeting with Clearview regarding Clearview's process for write-offs and uncollectible accounts. There continues to be problems with Accounts Receivable (AR) because the current software wasn't designed for AR. NetSmart is a more robust software and is designed for both AR and billing. Frohling did request that write-offs be reviewed before they are written off. Kamps clarified there are write-offs (adjustments) for insurance agreement contracts and write-offs when clients don't pay. Kamps assured write-offs for client not paying are being reviewed. Kolp expressed concern about these weaknesses being repeat findings in 2016's Audit. It was also noted that this agenda item should read "Consider and discuss" and not "Consider, discuss and take action." No action was taken.

Motion by Guckenberger and 2nd by Benter approved a \$300 petty cash account for Corporation Council. Motion carried with unanimous approval.

Finance Committee Regular Meeting
Minutes of the November 8, 2016

Scott Smith, Chief Deputy Sheriff appeared to present information on a Sheriff's Office budget transfer request. Smith anticipates a savings in fuel usage costs and requests to transfer \$22,000 from BU 2021.5351 – Traffic Patrol – Fuel to BU 2021.5819 –Traffic Patrol – Other Capital Equipment to purchase capital equipment. Capital equipment would include:

- Automated license plate readers – Currently system uses a server connection. The automatic reader will be connected to the server and automatically entered information into the system. The process will improve efficiency for law enforcement in quickly identifying problem vehicles as well as streamline current officer duties. The Sheriff's Office will purchase one reader to evaluate its performance and intended benefits before purchasing additional readers.
- Gun cleaning station – This will allow officers to clean and service weapons. Currently, officers are sending their weapons to a service provider.

According to Smith, both of these items were in 2017's budget request but removed to meet budget constraints.

Mielke provided information on HSH's Intra-Department fund transfer. HSH requested \$10,000 transfer from Computer Maintenance & Repair to Professional Liability Insurance. There was an increase in liability insurance for Dr. Roy Eenigenburg when his status changed from consultant to employee. As an employee, insurance rates are based on caseload and Dr. Roy's caseload has increased since he's become an employee. Computer Maintenance & Repair includes maintenance fees for TCM's software. With implementation of NetSmart, these funds won't be needed for TCM maintenance. According to Mielke, additional insurance coverage is budgeted in 2017.

Kamp addressed the Aging and Disability Resource Center (ADRC) Unbudgeted/Excess Revenue Appropriation request. According to Kamps, additional signage and changes to ADRC's reception area were required for compliance with ADRC's contractual agreement. These expenditures weren't budgeted and are eligible for grant reimbursement. It's anticipated the overall impact to ADRC's budget would be \$0.

Kamps continued with a MI-Inpatient Institution Unbudgeted/Excess Revenue Appropriation request. HSH has been seeking less expensive alternative to Winnebago and Mendota for out of home placements. Fond du Lac County Mental Health acute unit is an alternative for these placements thus exceeding its budgeted amount. HSH requested to transfer \$13,000 from Mendota (4812.5291.426), \$20,000 from St. Agnes Hospital (4812.5291.430), and \$12,000 from Winnebago (4812.5291.425) to Fond du Lac Mental Health (4812.5291.428). The transfer request is for a total of \$45,000.

Kamps concluded with budget adjustments resulting from modifications to the Coordinated Service Team (CST) program. This program is used for troubled youth and is funded with grant money. Expenditures for this program were more than originally budgeted because State allocations required a higher portion of county funding. Also, state allocations received were less than originally budgeted due to changes in caseload. According to Kamps, additional funds are available in BU 5019 – Electronic Monitoring (\$33,000) due to decreased participation and BU 5031 – Children Severe Disability (8,664). BU 5010 – Child Care Institutions revenues will increase (\$19,664) and Sundry Contractual Services expenditures will increase (\$44,000).

Finance Committee Regular Meeting

Minutes of the November 8, 2016

Kolp presented UW-Extension's Dog Project Unbudgeted/Excess Revenue Appropriation request. According to Kolp, the request is to appropriate \$400 from the Dog Project fund balance to BU 6814 – Youth Educational Activities to cover increased activities costs.

Kamps shared information provided to the External Audit Committee at their last meeting. According to Kamps, 10 of the 33 items noted in the 2015 Baker Tilly report will be addressed with implementation of NetSmart software. The noted budgeting process has been delegated to the respective division manager and supervisors. In addition, division managers and supervisors are also monitoring their actual to budget values monthly. It was noted that new committee members were unaware of 2015's material weaknesses and/or the External Audit Review findings so further discussion was tabled until December. Information regarding these areas will be in December's Finance Committee packet.

The County Treasurer provided committee members copies of September 2016's statement of cash and September 2016's county investment holdings for review. Committee members requested identification of the \$1,671,066.61 amount on September's statement of cash and requested internal borrowing information to appear on the investment report. Patti Hilker, Treasurer will be notified.

The monthly county state sales tax remittance reports were reviewed. October 2016's remittance for August was \$522,952 compared to \$580,603 from the same period in 2015. The fiscal year remittance to date is \$4,878,192 compared to \$4,765,966 the same time period in 2015. Kolp noted that collections are delayed 2 months and the highlighted number (\$321,749) includes a payback to the state regarding a contested sales tax case the state lost. Mielke stated that budgets are based on collections in arrears. Currently, the county doesn't budget sales tax based on actual year of collection. Budgeted Sales Tax has conservatively been increased 1% annually since the base year.

Kolp informed committee members that Mary Muskovitz, one of her staff is retiring after 18 years of service to the county with 14 of those years being in Finance. There were 24 applicants for her position and 5 of them have the qualifications required. The position will stay in the same class with overlap for training.

Kolp reported on Moody's "Issuer Comment." According to the report, the county's credit position remains very high quality with our Aa2 rating equal to the nationwide county median. The county's finances, economy and tax base remain strong. Debt is manageable but slightly over Moody's other rated nationwide counties. According to Kolp, Dodge County's median income and limited equalized value growth prevents us from moving to the next rating level. Overall, the county's credit standing is good.

Kolp updated committee members on the Enterprise Resource Planning (ERP) project. The monthly ERP Project Publication will be included all County Board packet's beginning with November. October's ERP Project Progress and Status Report was included in the Finance packet. This report provides a visible representation of the project's status compared to the projected state. For overall status, Project Planning is rated "Caution" due to an incomplete project charter. It's anticipated that this will be finalized soon. Government Finance Officers' Association (GFOA) will continue working on ERP requirements and components for contract negotiations. Business Process Improvement, Contract Negotiations and Project Oversight/Implantation is on scheduled

Finance Committee Regular Meeting
Minutes of the November 8, 2016


and classified as "Controlled." Guckenberger questioned the project timeline to which Kolp responded that the current process is taking longer to analyze and document than what was originally estimated. As the ERP team analyzes current processes, they have been discovering additional areas to take into consideration. Once actual implementation begins, there will be a defined timeline. Full implementation is anticipated in 2018. Fink questioned the open status of "Communication" under "Issues, Risks, Challenges and discussion items." Kolp stated this will be an ongoing project risk and will include communication with the vendor.

Report of \$10,000 or more was reviewed. A committee member questioned the location of St. Rose Youth & Family Center, Inc. This information will be provided at the next meeting.

Next regular meeting is scheduled for Tuesday December 13, 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 9:40 a.m.

Edward Benter


Secretary