

Finance Committee Special Meeting
Minutes of the September 26, 2017

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 4:00 p.m. on Tuesday, September 26, 2017 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: Lisa Derr, Donna Maly, MaryAnn Miller, Larry Bischoff, Dennis Schmidt, and Larry Schraufnagel, Jim Mielke, Julie Kolp, Ruth Otto, Becky Bell, Brook Bittner, PJ Schoebel, Lynn Hron, Judge Steve Bauer, Bill Wiley, Makenzie Drays, Scott Mittelstadt, Sheriff Dale Schmidt, Scott Smith, Monica Hooper, and Eileen Lifke, Watertown Daily Times reporter Ed Zagorski and WBEV reporter Kevin Hougen.

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

Chairman Frohling opened the meeting requesting any proposed amendment be presented during these meetings for Finance Committee awareness; however, no action will take place during these meetings.

Jim Mielke, County Administrator presented his memorandum Re: Update - Preliminary 2018 Budget. Mielke include information on the Net County Tax Levy along with the Gross County Tax Levy.

Preliminary budget changes from 2017's budget include:

- Appropriations increased \$276,139 to \$111,969,691
- Revenues increased \$2,655,435 to \$67,599,247
- Gross and Net County Tax Levy increased \$523,062 due to change in net new construction. Gross Levy is \$33,879,377 and Net Levy is \$33,804,377
- County Property Tax Mill Rate decreased \$0.138 to \$5.498
- Use of Applied Fund Balance decreased \$74,403 to \$1,116,105

Mielke continued with the Proposed Budget Summary (commonly known as the Rainbow Sheet.) According to Mielke, the expenditures (appropriations) are broken down by funds. Within the General Fund, the major reduction of \$2.7 million in Public Safety was due to the Jail pipe replacement project. Human Services and Health Fund projects to have a \$1.3 million increase to \$22 million; Clearview Fund has a \$1.3 million increase to \$27.6 million; and Transportation Fund (Highway) has a \$1.5 million increase to \$18.1 million. Contingent Appropriation decreased \$75,000 to \$150,000. Excluding Debt Service, total preliminary expenditures for the county are \$108,725,697; a \$914,661 increase from 2017. Including Debt Service, total preliminary appropriations are \$111,969,691. This is a \$276,139 increase from 2017.

Mielke noted the preliminary budget presented, incorporates the proposed change to the compensation plan along with a 5% increase to health insurance. Wages and benefits are a \$2.7 million increase from 2017 with health insurance being just short of a \$600,000 increase. Mielke gave credit to departments for their help in making the proposed compensation plan work within the proposed budget.

Proposed revenues from fees for services, grants, outside source and miscellaneous revenues are \$67.6 million; a \$2.7 million increase from 2017.

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Julie Kolp, Finance Director explained the County Levy Limit Worksheet. According to Kolp, the calculation begins with the 2017 levy amount. Charitable and Penal tax, Library Aid and County Bridge Aid are removed from this for the Actual County Levy. Tax Increment Districts (TID) and change in net new construction for 2017 are added for 2018's Potential Actual Levy. Terminated TIDs for 2017 is \$0. The Net Tax Levy or 2017 payable 2018 Allowable Levy allows use of a Debt Adjustment and/or previous year's Unused Levy. Proposed 2018 Levy or Gross Tax Levy includes Charitable and Penal Tax, Library aid and County Bridge Aid.

Kolp continued with possible options that use Net New Construction, Debt Adjustment and /or Unused Levy from Previous Year. A passing 2/3 vote of the County Board would be required to use the Previous Year's Unused Levy (Option D). Kolp stated the Proposed Budget was balanced with Option E – \$63,425 Debt Capacity (\$2.3 million available). Kolp will check with the Department of Revenue if Unused Levy rolls forward. If Unused Levy is used, the Base Levy will increase. If Debt Adjustment is used, the base will remain unchanged.

Mielke reviewed the Net County Property Tax Levy and County Tax Rate Comparison graphs. The bar graphs show changes and trends for levies and tax rates since 2005.

Ruth Otto, Information Technology Director appeared to present the Information Technology (IT) budget. Otto was asked to keep the IT budget request the same as 2017 (\$2.3 million). Otto was able to reduce \$11,000 for 2018's budget. Otto noted the budget was revised since the completion of her memorandum so numbers presented in the memorandum are not consistent with the attached budget sheet. Otto's comments on IT's budget included:

- Business Unit (BU) 1801 – Information Technology is the operational business unit and the increase is mostly due to wages and benefits. There was also a slight increase for cell phone costs and training costs for department members. These increases were offset by a decrease in consulting hours and file director licenses.
- BU 1811 – Desktop and Network Infrastructure contains charges for maintenance, licenses and capital network and desktop purchases. Some of the maintenance and capital charges increased but there was an overall decrease in this business unit.
- BU 1814 – Enterprise Systems include JD Edwards and Kronos. Increase is due to maintenance because of additional Kronos modules. Elimination of systems no longer used by the county such as Citrix and Oracle allowed a decrease in maintenance costs for this business unit.
- BU 1819 – Department Systems covers systems used by a few select departments such as Human Resources. There was a reduction to maintenance costs for the systems in this business unit.
- Purchases addressed in the Capital Improvement Plan included switches for the administration building and additional storage. Court switches are still needed and will be budgeted in following years. Edge Switches are \$74,000 and fiber switches are \$19,500. Storage is \$65,000.
- The Enterprise Resource Planning (ERP) budgeted in BU 1814 is carryover dollar from 2017.

Andy Miller, Veterans Service Director presented the Veterans Service budget. According to Miller, BU 5301 – Veterans Relief has no change with the use of \$4,000 of existing fund balance and \$4,000 levy dollars. BU 5302 – Veterans Service Officer is the operations business unit. The change in requested levy is mostly reflective of changing the secretary position to full-time on April 1, 2018. Other expenditures in this business unit were reduced by \$800. Postage contributed to the bulk of the reduction. Miller closed stating he trimmed his budget as much as possible.

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Lynn Hron, Clerk of Courts appeared to present the Clerk of Courts' budget. Hron noted there are only two business units in her department: Clerk of Courts and Jury. Wages and benefit account for the majority of the expenditures. This limits the ability to reduce her levy request. According to Hron, revenues are limited by the Department of Corrections and State. Revenues are fines, forfeitures, fees and copies. Jury's costs are based on the number of cases that proceed to trials and is very difficult to budget for. For 2017, jury trials are currently down. The Clerk of Courts continues to work hard on the criminal collection process. The increase in collections is most noticeable in victim compensation and money collected for the State. This is because of the order of allocation established by the State.

Judge Steve Bauer appeared to presented the Courts' budget. Things noted by Judge Bauer included:

- BU 301 – Circuit Court's major increase is due to wages and benefits. Along with the compensation plan increase, there will also be an increase for bailiff's pay. According to Bauer, the Courts' are replacing bailiffs as they retire and they are trying to hire retired law enforcement officers because they are better at keeping order in the courtroom. The bailiff's wages were increased in order to achieve this goal. There was also an increase in transcript expenditures, primarily for telephonic operating-while-intoxicated search warrants.
- BU 307 – Indigent Counselors provide lawyers for defendants that do not qualify for the public defender and cannot afford to hire their own attorney. Current attorney costs are \$2,500 for typical misdemeanors. The county does try to recover these costs and are successful at getting about half back. If the person goes to prison, the county is unable to collect. Indigent counselor pay was increased to recruit competent counselors.
- BU 308 – Guardian Ad Litem (GAL) look out for the best interest of juveniles. In 1993, GAL was designed to operate at an effective hourly rate of \$62.50 but an increase in cases caused the effective hourly rate to drop. The Courts increased reimbursement for the GAL to an effective hourly rate of \$53.63. The Courts expect to recover about half of this increase in collections.
- BU 309 – Restorative Justice may be disbanding so nothing was budgeted.
- BU 401 – Register in Probate revenues are based on the number of estates cases. Expenditure increase is due to increased wages and benefits.
- BU 601 – Family Court Commissioner has an increase to wages and benefits. This business unit also hires substitute court commissioners when the Court Commissioner is off. The Judges are committed to helping out with the Court Commissioner workload instead of hiring substitute commissioners. This helped to lower this expenditure.
- BU 5201 – Family Court Counseling does custody evaluations and adoption studies. Wages and benefits are the only change.

Sheriff Dale Schmidt and Chief Deputy Scott Smith appeared to present the Sheriff's Office budget. According to Smith, overall payroll increase were \$370,971 with a slight overall budget increase for 2018. Increased wages and benefits were related to collective bargaining agreement and proposed compensation plans. Other business unit items noted in the Sheriff's budget included:

- BU 2021 – Patrol increased pending approval of squad cameras. Recreational officer wages and benefits were moved to Patrol instead of staying in the recreation patrol business units. Wages and benefits relating to recreation patrol will be allocated as incurred and requested for reimbursement. Seven squads will be prepaid with 2017 unbudgeted revenues. Total costs will be \$196,605. Outfitting will stay the same. Prepaying will enable 2017 pricing and a savings of roughly \$6,500. MCDs are on a replacement plan and will be purchased with levy dollars. Fund raising will assist to cover costs of firearm replacement, radar and other necessity costs. Replacements will be made based on funds raised.

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- BU 2031 – Criminal Investigation increase is from wages and benefits, a single squad replacement and computer replacement for 8 detectives. Two computers will be replaced by 1 mobile computer with a desk docking station.
- BU 2051 – Civil Process increased due to a correction in projected revenues.
- BU 2056 – Radio Communications increase is from wages and benefits including a new administrative coordinator position.
- BU 2061 – Jail revenues increased due to an anticipated increase in daily detainee census. Probation bed holds were increased due to a better relationship between Dodge County and immigration marshals. Sheriff Schmidt stated the relationship is more stable than in past years. Jail expenditures increased due to a projected increase to jail census and replacement of Information Technology (IT) equipment. Budgeted daily detainee population was increased 23 inmate to 258. Current daily population averages 260 per day. To facilitate the increased population, additional Nurse Practitioner hours and dietary services costs were increased. IT equipment to be replaced includes 59 computers, 1 image runner and 3 encrypted network switches. Reduction to jail expenditures resulted from the dishwasher replacement in 2017.

P.J. Schoebel, Medical Examiner presented the Medical Examiner's budget. According to Schoebel, the Medical Examiner's budget decreased \$28,335 due to replacement of the Medical Examiner van in 2017. Schoebel noted that there is a great deal of fluctuation in his department. According to Schoebel, activity in 2016 was down but 2017 has been there busiest year yet.

Becky Bell, Human Service and Health Director and Monica Hooper, Human Services and Health Fiscal Support Services Division Manager presented Human Services and Health's (HSH) budget. According to Hooper, the Public Health Division – Department 48 will experience a reduction in state allocation for Maternal Child (BU4043) and Women, Infant and Children (BU 4047). The Unified Services Division – Department 48 notable changes included:

- MI-Outpatient (BU 4801) increased expenditures are due to contract increase for child psychologist, Advanced Practice Nurse Prescriber and drug screening costs. An image runner is also needed. Increased revenues are from an opioid grant.
- Comprehensive Community Services (BU 4807) has increased revenues and expenditures due to substantial program expansion.
- MI-CBRF (BU 4809) and MI-Inpatient Institution (BU4812) were both decreased due to exploring the use of alternate less expensive options.
- CD-CBRF (BU4842) increased from additional utilization of these facilities resulting from Heroin issues.

Hooper continued with anticipated changes in the Social Services Division – Department 50. Business units noted were:

- Children's Sheltered Care (BU 5004) will experience an increased State rate as well as increased placements.
- Foster Home Care (BU 5008) also has increased placements. These costs tend to fluctuate from year to year.
- Aging and Disability Resource Center (BU 5035) has increased Personnel costs due to the addition of a Community Education Coordinator. There are additional State grant dollars and Federal matching funds available for these costs.
- Dementia Innovation Grant (BU 5040) revenues and expenditures are the second part of the 2017 awarded grant.

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The Aging and Disability Resource Center Division – Department 56 will have changes as a result of increased Personnel Services and a needed image runner that will be shared with other areas. The Senior Dinning/Nutrition Division – Department 57 will increase from a combination of increased meal costs and decreased donations. This department will analyze possibilities to increase donations and promote marketing of the program.

Overall, HSH's proposed budget will decrease \$27,368. Six new positions were created causing Personnel Services costs to increase. The departments are also anticipating additional child and family age allocations with the passing of the 2017-2019 State budget but they have not been factored into the presented budget. According to Hooper, the governor approved startup costs for these programs and HSH will be seeking them out once they are available. Additional revenues are anticipated, however the amount allocated to the counties is unknown at this time.

Bill Wiley, Clearview Finance Director appeared to present Clearview's budget. According to Wiley, Other Revenues (BU 4519), MCHA – Marsh Country Health (BU 4520), MCHA – IID (BU 4521), Behavioral Health Facility (BU 4525) and Brain Injury Center (BU 4528) are revenue producing business units and the revenues generated from these business units are used to fund other business units and helps to keep the overall costs for Clearview operations down. Clearview has 140 beds with a current census of 130. Areas noted by Wiley included:

- Nursing home beds will be decreasing by 20 and behavioral health beds will be increasing from 20 to 40 beds.
- Medicaid rate increase was not included in the budget since the State budget was not final during Clearview's budgeting process.
- Individuals with Intellectual Disabilities (IID) is becoming more complex causing an increase to nursing supplies for the residents.
- Northview CBRF (Community Based Residential Facility), the assisted living facility is holding steady. According to Wiley, this area is the most difficult to negotiate rates due to many options in the market place. Currently, this unit's census is above the 2017 budgeted amount.
- Behavioral Health Facility is anticipating more revenues from other counties and managed care groups.
- Brain Injury Center is experiencing more Medicaid residents than commercial or private pay residents. Current trend is for these residents to come on board with one month of private pay and then switch to Medicaid.
- In-house doctors and staff are being added to these units to increase Medicaid reimbursement rates and cost report calculations. Clearview will also be adding a part-time Psychiatric Nurse Practitioner.
- There was an increase to budgeted Workers' Compensation charges as a result of higher claim costs in 2017.
- A clinical billing software system (MatrixCare) will be implemented in 2017 and subscription costs for 2018 will be \$90,000. Other systems will be eliminated causing a \$55,000 per year savings.
- Capital purchases have decreased because of lower census. When census is low, capital purchases are delayed to save costs. The delay is starting to cause problems with items outlasting their useful life. Some of the building items are also in need of replacement such as an air handler motor that is not functioning.
- Bond interest has decreased due to the annual payment of interest and the refunding.

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In conclusion, Wiley noted the relicensing of beds will allow for more diverse revenue sources. In the past, 70% of the licensing was under two licenses. Now 50% is under the two licenses, which allows more flexibility with the other licenses. Clearview is currently waiting for the government credentialing of the new licenses to start billing. In the past, some of the revenues were recorded in overhead business units but Wiley is in the process of re-classing them to the associated business units. Wiley will continue to budget conservatively for Behavioral Health but is optimistic that the re-classing of revenue along with the doubling of beds will cause revenues in this business unit to increase. In 2018, Clearview will be replacing a van. Beds will be replaced only if affordable.

Next special meeting is scheduled for Wednesday, September 27, 2017 at 4:00 p.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 5:50 p.m.



Ed Benter,
Secretary