JOINT MEETING OF THE DODGE COUNTY FINANCE COMMITTEE AND THE HIGHWAY COMMITEE
JULY 13, 2020, 8:00 A.M.
FIRST FLOOR AUDITORIUM – ROOMS H & I
DODGE COUNTY ADMINISTRATION BUILDING, JUNEAU WI 53039

The Finance Committee meeting was called to order by Dodge County Finance Committee Chairman, Dave Frohling, at 8:00 a.m.

Members present from the Finance Committee: Benter, Caine, Frohling, Schmitt (arrived at 8:04 a.m.), and Sheahan-Malloy.

Member(s) absent from the Finance Committee: None.

Others present: Finance Director David Ehlinger; Deputy County Clerk Christine Kjornes; County Administrator Jim Mielke; Corporation Counsel Kimberly Nass; Human Resources Director Sarah Hinze; Dodge County Treasurer Patti Hilker; Dodge County Clerk Karen Gibson; Information Technology Director Justin Reynolds; Veteran Service Officer Andrew Miller; Human Services and Health Director Becky Bell; Human Services and Health Fiscal Supervisor Anne Conners; Dodge County Highway Commissioner Brian Field; Dodge County Assistant Highway Commissioner Nathan Kempke; Dodge County Sheriff Dale Schmidt; Dodge County Chief Deputy Sheriff Scott Mittelstadt; Clearview Director of Financial Services Nicole Grossman; Assistant Clearview Administrator Lori Kurutz; Ehlers Financial Advisors Senior Municipal Advisor Phil Cosson; McGrath Human Resources Group Consultant Dr. Victoria McGrath (by phone); McGrath Human Resources Group Consultant Malayna Halvorson Maes (by phone); County Board Chairman Russell Kottke; Citizen Member Dan Siegmann; and Watertown Daily Times Reporter Ed Zagorski.

There were no Non-Committee Member County Board Supervisors requesting payment for attending the meeting.

There was no public comment.

Motion by Caine, seconded by Benter to approve the June 8, 2020 minutes, and the June 16, 2020 minutes, as presented. Motion carried.

McGrath Human Resources Group Consultant Dr. Victoria McGrath, and McGrath Human Resources Group Consultant Malayna Halvorson Maes appeared electronically before the Committee to provide an update on the compensation and benefits study. Dr. McGrath reviewed the PowerPoint presentation entitled *Classification and Compensation Study for Dodge County Human Resources & Finance Committees* that was included in the packet materials. Dr. McGrath highlighted the following:

- Objectives of Study – Confirm Dodge County's pay philosophy; collect and analyze comparable markets; conduct job audit; integrate external and internal data; review and recommend a compensation policy.
- Methodology to Date – Employee surveys are completed; the compensation schedule is in its final completion; benefits results are completed.
- Identified Issues – Issues with the compensation schedule - insufficient distance between pay grades, therefore, additional pay grades have been added; high turnover rate, especially within the first year of employment; government job saturation.
- Employee Survey Results – Step-range system is working; issues with evaluations not being done in a timely manner, employees struggle with the merit/points system, and there are concerns with health benefits and vacation schedule.

- Compensation Philosophy – Recommend implementing the updated compensation plan in the year 2022 because of the uncertain times related to the Coronavirus (COVID-19). Performance evaluations forms should be updated.
- Salary Schedule Recommendation – Recommend maintaining the step-range system; increase the number of pay grades; review position placements with Directors.

McGrath Human Resources Group Consultant Malayna Halvorson Maes highlighted the following:

- Compensation Exchange Program – An option to "purchase" other benefits in lieu of a pay increase, such as Time Off, Professional Development, Student Loan Payment, and Retirement Savings.
- Benefit Summary – Health Insurance is very competitive against comparable organizations.

Dr. McGrath highlighted the following recommendations:

- Maintain health insurance, and Health Savings Account (HSA) contributions.
- Revisit the calculation of part-time employee coverage.
- Align vacation accrual with earlier years of service or implement Paid-Time-Off (PTO).

Dr. McGrath commented that the compensation benefit study report will be presented to the County Board at the August 18, 2020 meeting.

The Committee continued with questions for Dr. McGrath and Ms. Halvorson Maes. County Administrator Jim Mielke commented that it is tentatively planned to have the compensation and benefits report be mailed to the County Board Supervisors on August 4, 2020 to provide an adequate amount of time for review.

At 8:37 a.m., the joint meeting of the Finance and Highway Committees began.

The Highway Committee meeting was called to order by Dodge County Highway Committee Chairman, Jeffrey Caine, at 8:37 a.m.

Members present from the Highway Committee: Berres, Caine, Fink, Frohling, and Macheel.

Member(s) absent from the Highway Committee: None.

Ehlers Financial Advisors Senior Municipal Advisor Phil Cosson provided a PowerPoint presentation to the Committees' regarding Debt Issues and Related Topics. Mr. Cosson highlighted the following:

- The COVID-19 pandemic has not been too detrimental for the municipal market.
- Comparison between General Obligation Notes and Bonds:
    - Notes – ten (10) year or less amortization; allow funds to be spent on any public purpose project.
    - Bonds – over ten (10) year amortization; tied to specific purposes in the statutes; require a thirty (30) day petition period.

- There is an opportunity to grow the operating levy based on the level of net new construction, as well as using the debt service levy to legally increase the tax levy above net new construction levy limits.
- The 1992 debt levy rate limits still apply in relation to debt levy mill rates.
- Debt or Debt Service refers to the gross principal and interest payment due. Debt Service Levy refers to the portion of the debt payment that is actually paid from the tax levy.
- The recommendation is to claim only what you need, and what will actually be levied. Otherwise, this could potentially adversely affect future budget years.
- Various federal regulations have to be adhered to regarding arbitrage, bank qualification status, and reimbursement of past capital expenditures.
- In addition, there are federal regulations spend down rules. Most local governments use the twenty-four (24) Month Exemption Schedule.
- Material events require notification within ten (10) business days of the occurrence. Dodge County currently contracts with Ehlers for these required notifications.
- Phil Cosson reminded the County to notify your financial advisor if contacted by a rating agency.

The Committees' continued with questions for Mr. Cosson.

The Committees' continued with a discussion regarding the condition of roads in Dodge County, and the importance of compiling a list of the roads in need of repair, and prioritizing that list. Dodge County Highway Commissioner Brian Field commented that the Highway Department has an extensive list of roads in need of repair. The Committees' continued with a discussion regarding adding an additional revenue source to dedicate to road projects. Supervisor Sheahan-Malloy voiced her concerns with adding an additional revenue source. Mr. Mielke commented that the net new construction is expected the week of August 1, 2020. It was a consensus of the Committee to have Finance Director David Ehlinger draft scenarios of funding sources, and the effect of the funding sources on the mill rate.

Supervisor Caine adjourned the Highway Committee meeting at 9:49 a.m.

The Finance Committee resumed their meeting.

Supervisor Frohling provided an oral report to the Committee regarding Resolution 20-01 Authorizing the Decrease in Per Diem Compensation Paid to Members of the Dodge County Board of Supervisors. Supervisor Frohling reported that the County Board, at the May 19, 2020 meeting, referred Resolution 20-01 back to the Finance Committee to review the fiscal impact. Supervisor Frohling further reported that at the June 8, 2020 Finance Committee, it was a consensus of the Committee to move Resolution 20-01 to indefinitely postponed at the June 16, 2020 County Board meeting. Supervisor Frohling asked to indefinitely postpone the Resolution. Corporation Counsel Kimberly Nass explained that when a Resolution is referred back to a Committee, that Committee has the authority to take action. Supervisor Schmitt commented that the Resolution should be referred to the Executive Committee. Motion by Benter, seconded by Sheahan-Malloy to indefinitely postpone Resolution 20-01. Motion carried 6-1. Schmitt opposed.

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Supervisor Frohling provided an oral report to the Committee regarding Resolution 20-05 to Reduce Salary and Compensation for the Dodge County Board Chairman for the Remaining April 2020 through April 2022 Term. Supervisor Frohling reported that the County Board, at the June 16, 2020 meeting, referred Resolution 20-05 back to the Finance Committee to review the fiscal impact. Supervisor Frohling commented that the Resolution cannot be amended, but the potential fiscal impact on the budget can be calculated. Mr. Ehlinger commented that the annual fiscal impact would be approximately $5,000.00, plus FICA tax. The Committee had a brief discussion regarding the intent of meeting mileage. Mr. Ehlinger commented that if the Resolution is adopted by the County Board at the July 21, 2020 meeting, clarification will need to be made regarding the effective date. Ms. Nass suggested that a memo be included in the County Board packet materials for the July 21, 2020, and the memo should provide the fiscal impact through the end of the year 2020, and request clarification of meeting mileage. Motion by Caine, seconded by Sheahan-Malloy to include a memo in the County Board packet materials, and this memo shall include the total annual fiscal impact, and a request to clarify meeting mileage. Motion carried.

There was no discussion on the following Resolutions:

- 2020 Dodge County Human Services and Health Department Budget Amendment (Title III – Coronavirus Aid, Relief, and Economic Security (CARES) Act).
- 2020 Dodge County Human Services and Health Department Budget Amendment (Title III – Family First Coronavirus Response Act (FFCRA)).
- 2020 Dodge County Human Services and Health Department Budget Amendment (Public Health Emergency Preparedness – COVID-19).

It was a consensus of the Committee to direct Chairman Frohling to sign the fiscal notes, and forward the Resolutions to the County Board for consideration at the July 21, 2020 meeting.

Supervisor Caine provided an oral report to the Committee regarding the Resolution Authorizing the Airport Hangar Roof Replacement. Supervisor Caine reported that the Highway Committee approved the bid, in the amount of $63,900.00, that was submitted by Badgerland Commercial Roofing, Inc., from Watertown, Wisconsin, to replace the roof on the main hangar building, located at the Dodge County Airport. It was a consensus of the Committee to direct Chairman Frohling to sign the fiscal note, and forward the Resolution to the County Board for consideration at the July 21, 2020 meeting.

Dodge County Sheriff Dale Schmidt provided an oral report to the Committee regarding jail revenue. Sheriff Schmidt reported there has been a decrease in revenues for jail transports, and there are no issues with inmate population. Sheriff Schmidt further reported that the Sheriff's Office budget is good. Sheriff Schmidt commented that COVID-19 expenses are being tracked.

Mr. Ehlinger provided an oral report to the Committee regarding Jail Assessment Fund expenditures. Mr. Ehlinger reported that he is requesting the approval of recording $50,000 in jail medical expenditures in the Jail Assessment Fund as already included in the adopted 2020 budget. Mr. Ehlinger further reported that this type of expenditure is allowed in the Wisconsin Statutes and that budget year 2020 is the first year that Dodge County has elected to budget for this. Motion by

Schmitt, seconded by Caine to approve the recording of $50,000 of inmate medical expenditures in the Jail Assessment Fund. Motion carried.

Dodge County Clerk Karen Gibson provided an overview of the 2020 County Clerk and Election Budget. Ms. Gibson reported the following:

- Marriage license revenues are down.
- The County Clerk budget is over budget in legal notices.
- The Election budget is over budget in Office Supplies/Small Equipment because of having to purchase more absentee envelopes to accommodate the increase in absentee voting during the COVID-19 pandemic. A back-up lap top was purchased to be used on Election Day in case of an emergency. COVID-19 expenses are being tracked.

Veteran Service Officer Andrew Miller provided an overview of the 2020 Veteran Services Budget. Mr. Miller reported the following:

- There has been a decrease in mileage due to not being able to visit nursing homes or facilities.
- The spring conference was cancelled, which resulted in a savings of approximately $2,000.00.
- In the year 2019, Dodge County Veterans received $17 million for disability compensation or wartime pension, and $23 million in medical care.
- Due to COVID-19, the Veteran Service Office provides more information through phone calls, emails, and snail-mail, which is more time consuming.
- Veterans Benefit Specialist Benji Terrell has been a great addition to the department.

Dodge County Treasurer Patti Hilker provided an overview of the 2020 Treasurers Office Budget. Ms. Hilker reported the following:

- Interest income is down.
- Interest and penalty on taxes is down from the year 2019.
- Collected $10,000.00 more than what was budgeted for In Rem properties.
- An employee in the Treasurer's Office took the federal COVID-19 leave.
- The Treasurer's spring conference was cancelled.

Mr. Ehlinger provided an overview of the 2020 Finance Department Budget. Mr. Ehlinger reported the following:

- The Finance Department budget shows a surplus because the Purchasing Agent position has not been filled.
- The spring and fall WGFOA conferences were cancelled.
- The indirect cost plan was not budgeted for in budget year 2020, but will be done so in budget year 2021

Mr. Ehlinger provided an oral report to the Committee regarding allocating the Indirect Cost Allocation Plan to respective departments in the 2021 budget. Mr. Ehlinger provided a background on the Indirect Cost Allocation Plan to the new members of the Finance Committee. Mr. Ehlinger commented that an increase in one department budget will be a decrease in another department's budget. Mr. Ehlinger asked the Committee if they were in favor of building the 2021 budget with

indirect costs. Mr. Ehlinger explained that an outside consultant has calculated indirect costs by evaluating financial activity involved in each department.

Supervisor Benter left the meeting at 10:35 a.m.

It was a consensus of the Committee to build the 2021 budget with indirect costs. Mr. Ehlinger indicated that these costs will be reflected in the County Administrator's column rather than the departmental requested column.

There was no discussion on the following Unbudgeted/Excess Revenue Appropriation Requests, and Intra-Department Fund Transfer Request. Motion by Caine, seconded by Schmitt to approve the Requests. Motion carried.

i. Reclass IV-E Activity – Human Services and Health Department.
ii. Additional Preparedness Funding – Human Services and Health Department.
iii. Additional Funding from Wisconsin Home Energy Assistance Program (WHEAP) – Human Services and Health Department.
iv. Additional WIC Supplemental Funding – Human Services and Health Department.
v. Adjustment for unanticipated collections – District Attorney.

Mr. Mielke provided an oral report to the Committee regarding the financial impact of COVID-19. Mr. Mielke reported that the document entitled *Routes to Recovery, Program Guidance for Local Governments*, was included in the packet materials. Mr. Mielke further reported that an estimated $129,000 will be submitted through the Department of Administration (DOA) for reimbursement for COVID-19 related expenses. The first application deadline to submit a request is July 15, 2020, and Dodge County will submit a more extensive application to the DOA in September of 2020.

Mr. Mielke provided an oral report to the Committee regarding the 2020-2024 Capital Improvement Project (CIP). Mr. Mielke anticipates that an updated draft of the 2020-2024 CIP will be presented to the Finance Committee at the August 10, 2020 meeting, and presented to the County Board in October of 2020.

Mr. Mielke reported that there have been meetings with departments regarding the 2021 budget, and the deadline to submit department budgets is August 21, 2020.

Mr. Mielke provided an oral report to the Committee regarding 2021 Health Insurance. Mr. Mielke reported that the Human Resources and Labor Negotiations Committee met on July 7, 2020, and reviewed, and decided on three (3) health insurance plan options for the year 2021. Mr. Mielke reviewed the following health insurance plan options:

- Low Deductible Plan – An existing plan option.
- Plan 2-0 High Deductible Health Savings Account (H.S.A.) – An existing plan option..
  - Contribution percentages - 85% Employer/15% Employee (currently 88% Employer/12% Employee).
  - H.S.A. – Employer contributions will be $750.00 for single/$1,500.00 for family (currently $1,000.00 single/$2,000 family).
- Plan 2-3 High Deductible H.S.A. $2,000.00/$4,000.00 Plan – A new plan option.

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- Contribution percentages - 86% Employer/14% Employee.
- H.S.A. – Employer contributions will be $1,000.00 for single/$2,000.00 for family.

Mr. Mielke reported that the 2021 budget will be built using Plan 2-3. Mr. Mielke further reported that open enrollment will occur in October of 2020, and employees will be able to choose a health insurance plan option.

Mr. Mielke reported that the Wisconsin Retirement System Contribution Rates will be the same for the year 2021 for general and elected employees. Protective class employees will have a small increase in the rates for 2021

Mr. Mielke reported that the new compensation and benefit plan is tentatively scheduled to be implemented on July 1, 2021, and there will be no cost of living (COLA) increase in January of 2021.

Ms. Hilker provided an oral report to the Committee regarding the Statement of the Dodge County Treasurer. Ms. Hilker reported that she has been working with Senior Accountant Makenzie Drays on balancing the monthly bank statements. Ms. Hilker further reported that all bank statements are balanced through the month of June, except for general checking. Ms. Hilker commented that Tyler Munis is not working properly for balancing general checking, and Tyler Technologies is currently working to resolve the issues.

There was no discussion on the County Investments, and the County Sales and Use Tax Report.

There was no discussion on the Dodge County Checks over $10,000 Report.

The Committee continued with a brief discussion regarding the External Audit Review Oversight Committee reviewing the compensation and benefit study report.

Mr. Mielke commented that a high level summary of the 2020 budget will be presented to the County Board at the July 21, 2020 meeting.

The next regular meeting is scheduled for **Monday, August 10, 2020**, at **8:00 a.m.**, in the Auditorium, located on the first floor of the Administration Building.

With no other business on the agenda, Chairman Frohling declared the meeting adjourned at 10:57 a.m.

Ed Benter

Ed Benter,
Secretary – Finance Committee

Dale Macheel

Dale Macheel,
Secretary – Highway Committee – for Highway Committee meeting portion only

Disclaimer: The above minutes may be approved, amended or corrected at the next committee meeting.