

**Minutes of the Executive Committee  
Monday, January 14, 2008**

Chair Dwyer called the meeting to order at 8:32 a.m. and led the committee in the Pledge of Allegiance.

**Committee Members Present:** County Board Supervisors Jim Dwyer, Jim Behrend, Pat Haukohl, Ken Herro (arrived at 8:37 a.m.), Bill Mitchell, Bonnie Morris and Duane Paulson.

**Also Present:** Internal Audit Manager Lori Schubert, Legislative Policy Advisor Dave Krahn, Legislative Policy Advisor Mark Mader, Legislative Associate Karen Phillips, Director of Administration Norm Cummings, Accounting Services Manager Larry Dahl and Financial Analyst Bill Duckworth.

**Correspondence**

Dwyer distributed and reviewed the list of correspondence. He said supervisors should request copies of listed items from Phillips.

**Approve Minutes of December 17, 2007**

MOTION: Paulson moved, Behrend second, to approve the minutes of December 17, 2007. Motion carried 6-0.

**Meeting Approval**

Dwyer stated for anyone interested in attending the 2008 Legislative Exchange in Madison, the registration deadline is Monday, January 21, so all paperwork should be turned in by the end of this week.

**Legislative Update**

Krahn distributed handouts listing 2007 State Legislation and noted the following highlights:

SB 321 (AB 576): Krahn stated the public defender legislation does not fund the new SPD attorneys in the current biennium, but it would act as a placeholder with regard to the next State budget per future funding of at least 54 new SPD attorneys. Krahn stated there still is time to get these bills to the floor for a vote, and then on to the governor before the current session ends in mid-March.

Herro arrived at 8:37 a.m.

AB 582 (SB 335): Krahn stated this legislation would allow local governments to publish summaries of an ordinance, rather than the entire ordinance. Dwyer asked if there is any opposition to this legislation. Krahn stated he did not believe there would be, especially since they have the support of the newspaper association.

SB 13 (AB 39): Krahn stated a hearing was held by the Senate Committee and then it will go to the Senate floor in the next week or two. This legislation would allow child support workers access to paternity information on CCAP.

Krahn added that Richard Tuma and others, as part of a taskforce, are working to effect legislation for total upgrade of the 911 system. The current surcharge sunsets in November of this year, and if not addressed, could have an effect on property taxes in the future.

Krahn also stated there will be legislation introduced by which 17 year olds will be moved from adult supervision to juvenile supervision. The sponsoring senator's proposed legislation includes funding which would come from a 1% fee on the sale of gross receipts of video games and gaming devices. This money would then be funneled from DOC to counties for juvenile justice / delinquency related services.

Krahn distributed a complete listing of 2007 legislation items. Krahn stated that as far as having legislators come in, there is not much time between now and the end of the session, but we certainly could invite them to meet with the Executive Committee to discuss key issues. Dwyer suggested trying to schedule such meetings once a month. He also encouraged the Committee members to contact Krahn with any questions or concerns on any of the legislation items.

### **Discuss and Consider the Non -Departmental Audit**

Schubert stated the scope of the audit was to perform a financial and compliance audit of Non-Departmental and the Contingency Funds, including the following:

- Analysis of the expenditures in the funds
- Determination of compliance with County policy
- Determination of the appropriateness of classifying expenditures within this fund
- Determination of the appropriateness and consistency of the approval process for Contingency Fund expenditures, and
- Analysis of any expenditures reflected in the Non-Departmental Fund (NDF) which would be more appropriately charged to operating departments.

Schubert continued by reviewing the purpose of the NDF, which was established to account for the following types of transactions:

- Revenues and expenditures that are not directly associated with or controlled by a specific department, or
- One-time or short-term (less than 5 years) program appropriation,
- Miscellaneous accounting adjustments (recognition of revenues or expenditures) that are not explainable in the budget in a single year.

Schubert reviewed the highlights of the activity of the NDF from 2000 through the 2008 approved budget and answered the questions raised by the Committee members.

Schubert summarized five recommendations intended to improve the administration of the fund and to improve compliance with County polices. Schubert and Cummings answered the questions of the Committee members during the course of discussion of the recommendations.

Historical Society Contract Compliance: The audit recommendation is that DOA implement procedures to ensure that the Historical Society provides annual documentation regarding achievement of performance standards, as required in the contract.

The contract which transferred the old courthouse building to the Historical Society for the Museum included performance standards related to attendance and days of services. It does not appear that DOA has ensured that the Historical Society has complied with the provisions of the contract relating to the performance standards.

Cummings replied that Carroll College developed methodology that the Museum is required to use to track attendance that was easily verifiable, which is why they recommended that third-party verification was unnecessary. He agreed that the museum will be contacted to have them verify again.

County Board Approval for Release of Funds: The recommendation is that Administration implement procedures to ensure that all requirements requiring county Board approval for disbursement of funds are satisfied.

The 2006 approved budget required County Board approval of a cooperative agreement with the Milwaukee 7 prior to disbursement of any funds. DOA staff were unable to provide any documentation the County Board approval was obtained prior to disbursement of the funds.

Cummings replied that the procedure will be followed.

Payment of Interest on Invoices: Audit recommends that DOA review procedures regarding entering payment terms in BAS, as well as review procedures regarding review and approval of invoices to ensure that the issue is not repeated on a larger scale.

Audit revealed that interest in the form of late payment fees was paid on employment advertising invoices for a 9 month period in 2006 in the amount of \$305.00, representing a weakness in the review and approval of invoices. Haukohl asked about paying interest on invoices which are late, if there is a late fee in addition to interest. Schubert stated it is termed a late fee, but is calculated as interest.

Cummings stated though there are procedures in place, this issue had resulted from a vendor changing its payment terms, which was not noted by the department user. He stated DOA will communicate the importance of periodically reviewing payment terms with their system users.

Expenditure Account Coding: Audit recommended that DOA review procedures to ensure that the costs are billed to the appropriate operating department in accordance with the approved budget.

Audit found that in 2006, the budget amount for employee health insurance plan consulting was moved from the NDF to the DOA budget. However, costs continued to be charged to the NDF in 2006 in the amount of \$16,026.

Cummings stated DOA agreed with this recommendation and will revise their procedure.

Reallocation of Ongoing Expenditures: Audit recommended that DOA consider reclassifying the expenditures listed to operating departments in future budgets Audit identified \$219,059 of expenditures in 2006 which may be more appropriately transferred to operating departments as they are ongoing expenditures which meet the objectives of the recommended departments. Cummings stated that DOA agreed with portions of the recommendations and disagreed with other portions as follows:

- **Printing of budget and CAFR to DOA:** Cummings rationalized that the printing of the budget books should remain in NDF, as it is a product of both the County Executive and the County Board. Cummings did agree, however, that DOA will recommend moving the CAFR printing to the DOA budget.
- **Credit card charges and related revenues to DOA:** Cummings replied the DOA credit transactions are a small fraction of the county-wide use. The county-wide credit card fees meet a major objective of the NDF budget in limiting administrative work for small budget amounts in most departments.
- **CBOSS Website hosting to DOA or Treasurer:** Cummings explained the website hosting and related revenues were budgeted in Non-Departmental because it was intended to serve as a portal for all County fees collected via the internet. Though presently it is utilized to collect property taxes and ROD fees, it is expected to be expanded in the future.

- Courthouse controlled access to Sheriff: Cummings explained this was budgeted in Non-Departmental during the policy development and phase-in period of this program, and it is expected that appropriate funding will be budgeted in the Sheriff and possibly a portion in the Public Works budget in 2009. Dwyer asked how the real cost of this is tracked, in that it seems at times there are a larger than necessary number of deputies around the front entrance screening area. Cummings stated it is not tracked, but it was established in the budget that it would be paid for by a set dollar amount. Cummings stated he thought Tom Koth tracks it. Discussion continued as to whether some costs may be cut in this area with appropriate staffing.
- Employment advertising to DOA/Human Resources: Cummings stated that while advertising costs have stabilized in recent years, a period of tight labor markets may return at some point and moving the funding to DOA does not provide the flexibility of the Non-Departmental budget. Dwyer stated that advertising is a DOA/HR function and Mitchell agreed.
- Smoking cessation / physical fitness employee programs to DOA/Human Resources: Cummings explained that with County Board approval, DOA will be submitting an Ordinance to establish a Health Insurance Internal Service Fund in 2008 and begin budgeting in 2009. This would be the appropriate cost center for the wellness programs beginning in 2009.
- Invoice imaging to DOA: Cummings explained that these costs are appropriately budgeted in Non-Departmental because it would be administratively burdensome for departments to budget for these relatively small costs. Invoices attributed to DOA are a small fraction of the total.
- Credit Card Revenues to DOA: Cummings reasoned that since credit card revenues are associated with the CBOSS program and reflect user fees for internet use, they are appropriate in Non-Departmental with the expenditures.

Haukohl stated that maybe some of the reclassifications into DOA will give a sense of responsibility for them as an expenditure in their budget versus having them being out there as expenses considered in a separate division. Now, if DOA's budget looks good at the end of the year, it may be because of some of its expenses are listed in Non-Departmental. Cummings replied that DOA's budget would look bad if a lot of credit cards were taken in Clerk of Courts and Sheriff and DOA would be the one paying it out. He stated DOA budget should not be made to look bad because there is more activity in other departments.

Haukohl also expressed concerns of the budget book being cut back if DOA would have to take on the expense. She agreed it should be a shared expense and kept in the Non-Departmental.

Schubert then reviewed the Contingency Fund, which is administered by the Department of Administration (DOA) staff. The purpose of this fund is to provide for emergency situations which may arise during the budget year, or to provide funding for non-emergency situations which could not have been anticipated at the time of the budget's preparation. She stated that any transfers from the Contingency Fund must be approved either by the County Board, in the form of an ordinance, or by the Finance Committee, in the form of a fund transfer. Schubert continued by noting the highlights of the activity within the contingency Fund from 2000 through November 30, 2007.

Mader stated as an example of an issue which will come up relatively soon is the extra use of road salt and fuel at the end of the year, exceeding the average amount budgeted for.

Haukohl stated Schubert was very consistent in the presentation of revenues versus expenditures. She suggested that for next year's budget book perhaps that revenues should be listed on top and the expenditures listed under for consistency.

Cummings commended Schubert on a very good, comprehensive job done on this audit and the Committee for requesting this audit to be done .

Dwyer thanked Schubert for the excellent work on the audit.

MOTION: Haukohl moved, Behrend second, to accept the Non-Departmental Audit and to refer it to the Finance Committee. Motion carried 7-0.

### **Discuss and Consider the Proposed Scope of Audit for Health and Human Services**

#### **Intake/Shared Services Division**

Schubert reviewed the topics to be included in the audit, as requested by the Executive Committee at the December 17, 2007 meeting:

- An examination of the trends of the populations served, including determination of the forces driving the population numbers.
- Comparison of caseload and staffing statistics to other, similar counties in Wisconsin.
- An evaluation of the effectiveness of prevention / intervention programs. This item may be dependent on the availability of historical and data related to these programs.

Mitchell asked if HIPPA regulations would be a hindrance. Schubert stated she does have access to County records, but cannot get records of other entities. Schubert said she can track it as long as they stay in the Waukesha County system, but may be limited in the data she has access to outside of County systems. Dwyer asked if the number of people who left the system will be able to be tracked, if numbers can be quantified. Schubert stated once she begins looking at the records it may be better able to be determined at that time. Dwyer stated it may be found that once the process begins there may be a need to add to or enhance the scope of the audit based on the information available, and other parts may need to be changed because the information cannot be tracked. If the Committee agrees with this basic premise, the scope can be adjusted based on available information.

Dwyer asked about the Transportation/Mass Transit audit. Schubert stated the Finance Committee approved the contract process. She stated there was some type of issue with the insurance documentation, so that needs to be cleared up. Once that is done she will be ready to begin.

### **Discuss and Consider the County Board and Committee Calendar**

Dwyer stated a draft calendar was put together with tentatively scheduled meetings. He stated only one County Board meeting a month has been scheduled. One issue is that after the April organizational meeting, there is no Board meeting scheduled until May 27, which is almost 8 weeks. Dwyer stated any changes or ideas for the calendar should be given to Phillips. He stated that possibly referral dates for board action could be filled in on the calendar. In closing, Dwyer stated ultimately the new County Board will bring forth a new calendar and make the decisions when the Board and Committees are to meet.

### **Committee Reports by Committee Chairs for the Following Meetings:**

December 18, 2007 – Personnel – Paulson said they are presently in bargaining with all units except the Master Unit for AFSCME.

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January 8, 2008 – Land Use – Mitchell stated one ordinance was handled and there was public comment from one County Board candidate.

January 8, 2008 – Finance – Haukohl stated the ordinance regarding the electrician and the contract procurement on the transit audit was handled.

January 11, 2008 – Judiciary – Morris stated Mike Sturdevant and Pat Voss presented the Annual Inspection of the Juvenile Center and Richard Tuma presented a status update on the Spillman system.

MOTION: Herro moved, Behrend second, to adjourn the meeting at 10:36 a.m. Motion carried 7-0.

Respectfully submitted,

Bonnie J. Morris  
Secretary