

## **Minutes of the Finance Committee**

**Wednesday, May 7, 2008**

Chair Haukohl called the meeting to order at 8:30 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Bill Zaborowski, Pamela Meyer, Jean Tortomasi, Jim Heinrich, and Steven Wimmer. Rob Hutton arrived at 9:30 a.m.

**Also Present:** Legislative Policy Advisor Mark Mader, Citizens Steve Ottman and Jim Snead, Financial Analyst Bill Duckwitz, Accounting Services Manager Larry Dahl, Administration Director Norm Cummings, Treasurer Pam Reeves, Senior Financial Analyst Linda Hein, Senior Buyer Karen Bollinger, Budget Manager Keith Swartz, and Budget Specialist Linda Witkowski. Recorded by Mary Pedersen, County Board Office.

### **Committee Welcome and Opening Remarks by Chair Haukohl**

Haukohl said while the Finance Committee is very time consuming, it is very important. It is rare that a Finance Committee meeting is canceled and for the most part, we are scheduled to meet twice each month. This committee provides the checks and balances to the administrative branch of government. This committee has a great fiscal responsibility which spans all departments. We provide oversight, we monitor, review, evaluate and investigate programs, services, infrastructure, and fiscal policies. Any issues or concerns by committee members can be added to the Future Agenda Items list and they will be agendaized when time permits. A blanket meeting approval will be done today which allows committee members to attend other standing committee meetings. She encouraged committee members to attend Executive Committee meetings in the fall when they review capital projects. The Finance Committee will review Department of Administration capital projects. Haukohl said besides checks and balances, we facilitate good fiscal management through fund transfers and other financial transactions in the County. She thanked each committee member for being here and she will try to streamline the meetings the best she can. Haukohl noted that Finance Committee meetings could be held offsite and tours and demonstrations can be scheduled, e.g., Jail, Human Services Center, Canine Unit, etc.

### **Schedule Next Meeting Dates**

Haukohl said the next meeting is scheduled for May 21. Also, she would like the July 30<sup>th</sup> meeting to be rescheduled to August 6.

### **Chair's Executive Committee Report of 5-5-08**

Haukohl said Information Systems Manager Mike Biagioli gave a report on information technology. With the dissolution of the Information Management Panel, this will become a regular, and very important, report at the Executive Committee. Haukohl noted that Information Systems capital projects are very costly and the Finance Committee should continue to keep tabs on them. The Executive Committee also heard a legislative update by Legislative Policy Advisor Dave Krahn. The State budget still hasn't been repaired.

### **Meeting Approvals**

**MOTION:** Tortomasi moved, second Wimmer to approve mileage for any committee members wanting to attend other standing committee meetings during this two-year term. Motion carried 6-0.

### **Nomination and Election of Vice Chair and Secretary**

MOTION: Wimmer moved, second by Zaborowski to elect Heinrich as vice chair. Motion carried 6-0.

MOTION: Tortomasi moved, second by Wimmer to elect Meyer as secretary. Motion carried 6-0.

### **Discuss Committee Duties and Responsibilities as Contained in the Code of Ordinances**

Mader explained the committee's duties and responsibilities as outlined in the County Code which also included information on County Board operating procedures and rules, actions and procedures. Mader said this committee needs to be vigilant and avoid legislation that would set bad precedents. It is important to always look at the long term cost/benefit and invest now to save later in terms of services, etc. To avoid quorum issues, Mader said it is important to let Haukohl or the County Board Office know if you cannot attend a meeting (or if you will arrive late or need to leave early).

### **Financial Management and Fund Balance Policies and Bond Ratings**

Cummings distributed information on changes in general and special revenue funds, expenditures and undesignated fund balance, policy and practice, and the County's rating agencies. Cummings said undesignated fund balance includes those dollars that are not appropriated in our budget. It's not all cash but they are dollars more immediately available to us and help us in our cash flow. Often this is considered emergency money and is held in the Contingency Fund. If the fund balance gets too high, it may be used for one-time expenditures whereby Cummings gave examples of such.

It is the County's policy and practice to maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the County's triple A bond ratings. Cummings reviewed our Triple A bond ratings at length. He said the amount of unrestricted governmental (general and special revenue) fund balance we try to maintain would be enough to fund County operations for eight weeks of expenditures without any revenues. Fund balance reserves are not used to offset continuous operation costs. To the extent possible, reserves will be invested to provide operating efficiencies over the long term.

Cummings advised that the Aging & Disabilities Resources Center will have a major impact on our budget and fund balance projections next year. He requested a full overview with this committee in August or September.

Hutton arrived at 9:30 a.m.

Cummings discussed, as outlined in his handout, population growth trends, employment diversification, number of County employees, unemployment rate comparison, trends in equalized value, and projected debt service. Regarding population growth, Cummings said increases over the last couple of years have been down although we still see healthy increases. The County has seen population increases since 2000 of 5.8% versus the State of Wisconsin at 5.3%. Manufacturing was the employment leader until around 2000 when retail trade, transportation, and utilities jumped ahead. Financial activities are up, professional and business services are up, and public administration is down. Cummings said the County's unemployment rate is below national and

state averages even though the Midwest has been hit particularly harder than some other areas of the country. Cummings expects new construction to go down this year, probably below 2%.

**Contract Procurement Process for Integrated Cashiering System**

Sander advised the contract was awarded to The Active Network, Inc., the highest rated proposer, for a total contract cost of \$370,983.90. The budgeted amount was \$400,000. A total of five vendors submitted RFP's for consideration.

MOTION: Tortomasi moved, second by Heinrich to approve the contract procurement process for the integrated cashiering system. Motion carried 7-0.

**Year-End Proprietary Funds Report**

Sander and Hein reviewed their report as outlined for the County's various enterprise and internal service funds. Those funds that showed a net income at year-end were the Naga-Waukee Golf Course (\$155,603); Eble Park Ice Arena (\$2,427); Materials Recycling (\$1,150,494); Vehicle/Equipment Replacement (\$256,668); Central Fleet (\$12,378); Radio Services (\$55,474); and Collections (\$7,106). Those funds that showed a net income loss at year-end were the Wanaki Golf Course (-\$64,070); Moor Downs Golf Course (-\$181,466); Naga-Waukee Ice Arena (-\$67,242); Airport (-\$158,078); Records Management (-\$1,063,546); Communication (-\$3,791); Risk Management/Worker's Compensation (-\$328,578); and End User Technology (-\$611,602).

**Year-End Special Revenues Funds Report**

Swartz and Witkowski reviewed the 2007 year-end budget monitoring summary report on Special Revenue Fund operations. Year-end favorable results (excluding the Tarmann Fund and Community Development Block Grant) include under budget spending by \$2.7 million or 2.6%, revenues under achieved by \$2.3 million or 2.8% based on lower spending levels, and overall favorable budget variance results (end year in black) by \$404,700 (0.3% of expenditures). Also, some of the year-end favorable balances are re-appropriated in future years for specific one-time investments as allowed by the revenue source. Staff went on to review the department highlights and budget variances per department/fund.

**Future Agenda Items**

- Discuss the Aging & Disabilities Resource Center (ADRC) including Fiscal Impact (Haukohl)
- Explanation of How Investment Income is Utilized (Haukohl)

MOTION: Heinrich moved, second by Tortomasi to adjourn at 11:55 a.m. Motion carried 7-0.

Respectfully submitted,

Approved on: \_\_\_\_\_

Pamela Meyer  
Secretary