

Minutes of the Finance Committee

Wednesday, October 7, 2009

Chair Haukohl called the meeting to order at 8:01 a.m.

Present: Supervisors Pat Haukohl (Chair), Jean Tortomasi, Bill Zaborowski, Steve Wimmer, Rob Hutton, Jim Heinrich, and Pamela Meyer.

Also Present: Chief of Staff Mark Mader, Treasurer Pam Reeves, Accounting Services Manager Larry Dahl, Administration Director Norm Cummings, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Risk/Purchasing Manager Laura Stauffer, Collections & Business Services Manager Sean Sander, Information Systems Manager Mike Biagioli, County Board Chair Jim Dwyer; and Senior Financial Analysts Linda Hein, Bill Duckwitz, and Clara Daniels.

Discuss and Consider the 2010 Operating Budget for the Treasurer's Office

Reeves reviewed her budget as outlined in the proposed 2010 budget book. Both revenues and expenditures are each budgeted at \$641,420, a decrease of \$12,693 or 1.9% from the 2009 budget. The County tax levy credit is budgeted at \$7,418,719, a credit loss of \$137,721 or 1.8%. The number of positions increased 0.56 from 2009 for a total of 6.10 FTE positions. Reeves went on to review the financial summary, program highlights, and activities.

Haukohl asked that time spent on Treasurer's Office investments by Bob Ries of Administration be listed in the program highlights.

MOTION: Heinrich moved, second by Tortomasi to tentatively approve the 2010 operating budget for the Treasurer's Office. Motion carried 7-0.

Review Five-Year Budget Projections and 2010 Cost to Continue

Staff distributed copies of "Five Year Financial Forecast 2010 – 2014," a PowerPoint presentation. Cummings indicated that revenues aren't sufficient to cover expenditures. He explained how staff will fill those gaps and discussed foreseeable problems in the future. He compared the current economic crisis to the 1980's crisis and said we will see stimulus in the next couple of years as state and federal budgets are balanced.

Cummings discussed the external forecast environment and said state budget impacts include Health & Human Services revenues losses, state cost shifts for mental health institutes, and general transportation aids reductions. Economic recession impacts include loss of real estate fees, investment earning reductions, and reductions in user fees (Sheriff, Parks, Clerk of Courts). Internal environment impacts include personnel salary increases; health insurance increases; energy conservation efforts to reduce utility costs; continuation of existing services, programs, and personnel; and reduced tax levy need in the capital plan (short term). The debt service plan reflects 2009 reduced borrowing of \$8 million vs. budget of \$10 million.

Cummings advised that stimulus dollars in this budget will help us in future years. He went on to review forecast expenditures, revenues, revenue sources, and funding shortfalls (gap) for 2009 through 2014 as outlined in the handout. Long-term strategic planning under shrinking fiscal

resources includes identifying core services and reducing or eliminating non-essential services; prioritizing programs/services; continuing to look for services and organizational efficiencies, collaborations and combinations; investing for future payoffs; and sustainability with cost savings. Witkowski said for 2010 they had predicted a gap of \$5.4 million although with strategic planning, Cummings advised they were able to close that gap. However, these same challenges are anticipated in future years.

Discuss and Consider the 2010 Operating Budget for the Department of Administration

Cummings and staff were present to discuss the proposed 2010 operating budget as outlined in the budget book and their PowerPoint presentation. Total all funds, department-wide, revenues are budgeted at \$11,225,042, an increase of 6.5% or \$685,599 from the 2009 budget; the County tax levy is budgeted at \$5,036,323, a decrease of 6.2% or \$334,022; and expenditures are budgeted at \$16,356,365, an increase of \$351,577 or 2.2%. The positions summary showed an increase of 1.03 for a total of 99.59 FTE positions. Cummings and staff went on to review the financial summaries, program highlights, and activities.

Haukoehl asked that an explanation about the portion of indirects going into non-departmental be included in the budget book. Sander said he would add that verbiage.

MOTION: Wimmer moved, second by Zaborowski to tentatively approve the 2010 operating budget for the Department of Administration. Motion carried 7-0.

2010 Budget Overview

Swartz referred to the summary section of the proposed 2010 budget book. Residential inflation declined 3.2%, therefore, a home valued at \$281,100 last year is now valued at \$272,100. The proposed tax rate for 2010 is \$1.87 with a tax impact of \$508, a \$5 increase from last year's level and \$61 over the last ten years.

Swartz reviewed expenditure and revenue figures for 2010. Total County tax levy is budgeted at \$98,491,357 for 2010, an increase of \$2,652,314 or 2.8% from the 2009 adopted budget. He went on to highlight the 2010 Budget Summary by Functional Area by Agency and referred to the \$2.6 million levy change. Swartz indicated a little more than \$1 million will go towards Justice & Public Safety and about \$1.63 is for Health & Human Services.

MOTION: Wimmer moved, second by Heinrich to adjourn at 11:35 a.m. Motion carried 7-0.

Respectfully submitted,

Pamela Meyer
Secretary