Minutes of the Finance Committee

Wednesday, November 9, 2011

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

Present: Supervisor Pat Haukohl, Pamela Meyer, Bill Zaborowski, Dave Falstad, and Jim Heinrich. **Absent**: Rob Hutton and Ted Rolfs.

Also Present: Chief of Staff Mark Mader, *Journal/Sentinel* Reporter Laurel Walker, Information Systems Manager Mike Biagioli, Accounting Services Manager Larry Dahl, Budget Manager Keith Swartz, Principal Financial Projects Analyst Cindy Behrens, Senior Financial Analyst Clara Daniels, and Administration Director Norm Cummings. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of Previous Meeting(s)
MOTION: Heinrich moved, second by Falstad to approve the minutes of October 5, 11, 12, 19 (two sets), 20, 25, and 31. Motion carried 5-0.

Schedule Next Meeting Dates
- November 16, 2011

State Legislative Update
Spaeth advised last Thursday was the legislature's last day of their regular session where they wrapped up a lot of Gov. Walker's jobs initiatives. Many issues are still pending including pothole liability. Rep. Leah Vukmir-R whose district includes Waukesha County did not support the pothole liability bill authored by Sen. Glenn Grothman-R which the County supports. County staff lobbied heavily explaining how it would benefit the County but Vukmir is adamant about her "no" vote. Spaeth said she is hopeful the Assembly will approve it. The legislature will be back in session mid-January and will break again mid-March. Spaeth noted that she has not seen anything on mining or NR115. Regarding a bill to increase the fee for small claims, she is waiting for data from Clerk of Courts Kathy Madden at which time Spaeth said she will begin lobbying on behalf of the County on the adverse impacts the budget change made to small claims revenues.

Contract Procurement Process for Financial Management Information Systems (FMIS) – Capital Project #200619
Haukohl noted that Meyer was a member of the FMIS evaluation committee. Biagioli and Dahl were present to discuss this item. Biagioli advised the contract was awarded to The Azimuth Group, the highest rated proposer, for a total of $150,000. This one-year contract is within budget. The contract amount is estimated and may change based on actual amount of hours of services required. A total of seven vendors submitted RFPs for consideration.

MOTION: Meyer moved, second by Zaborowski to approve the contract procurement process for Financial Management Information Systems (FMIS). Motion carried 5-0.

Review Estimated 2011 Governmental Fund Balances (General, Special Revenue, Capital, Debt)
Cummings and Swartz were present to discuss this item whereby information on general and special revenue funds (expenditures, undesignated fund balance) was distributed. The County maintains unrestricted fund balance to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the County's Aaa/AAA bond ratings. The unrestricted governmental (general and special revenue) fund balance to governmental expenditures ratios will be maintained at a minimum of 11%. The current target is 15% or about eight weeks of working capital for operations. Fund balance reserves are not used to offset continuous operation costs. To the extent possible, reserves will be used to provide operating efficiencies over the long-term.

Cummings indicated that estimated 2011 expenditures total $184,540,174 with an unassigned fund balance of $30,650,343. This results in a ratio of 16.6%, well within target. The 2012 budgeted ratio is estimated at 15.4% and the 2010 actual ratio was 18.9%. Responding to Heinrich's comment regarding perceptions of taxpayers that fund balances are too high, Cummings said they are conscious not to levy too much in taxes to keep fund balances in line with county policy.

Cummings distributed copies of "Combining Balance Sheet – All Non-Major Capital Project Funds – December 31, 2010" which included information for capital project fund balances for 2001 through 2011. Cummings advised that the total non-major capital projects fund balance is $41,462,806 which is sufficient to fund our capital projects.

Cummings went on to discuss the Materials Recycling Fund (MRF) as requested by Rolfs at a previous meeting. The MRF's fund balance has $8.7 million in cash. It increased $400,000 and that is exclusive of the $4 million borrowed to the general fund for capital borrowing. Cummings said this was done because the fund balance was getting so large. There are three criteria in which the funds will be paid back: 1) if we did not have enough fund balance to pay three-years worth of payments to municipalities; 2) if State aid ceased altogether; and 3) in a ten-year period. Cummings believes the funds will be paid back once the money is needed for a new MRF. He said "we won't have to scamper to get it; we have it reserved and all the investment income is going for the good of the taxpayers". To answer Haukohl's question, this was submitted in an ordinance and approved by the County Board. Haukohl asked that this be footnoted in the budget book. Swartz noted the Comprehensive Annual Financial Report (CAFR) would be a likely place for the related footnote.

MOTION: Falstad moved, second by Zaborowski to accept the report on estimated 2011 governmental fund balances (general, special revenue, capital, debt). Motion carried 5-0.

Review Correspondence
Information on department fees provided by Parks & Land Use Department staff as requested by Haukohl was distributed. The full list was emailed to committee members last week.

Discuss and Consider Additional Individual Supervisor Amendments
No additional amendments were submitted by the November 8 deadline. Three amendments were discussed and considered at the last Finance Committee meeting and will be forwarded to the full County Board for consideration.

Ordinance 166-O-065: Adopt 2012 Waukesha County Budget
Copies of "2012 Budget Summary" were distributed, an outline of the final numbers. Swartz advised the proposed 2012 budget, which will be considered by the full County Board next Tuesday, includes two amendments approved by this committee last week. The 2012 budget increased $644,965 or 0.6% from the 2010 adopted budget. The 2012 budget includes $170,400 of additional expenditure authority and offsetting revenues for the operating portion of the budget due to incoming grant funds for the Criminal Justice Collaborating Council and UW-Extension.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 166-O-065. Motion carried 5-0.

MOTION: Meyer moved, second by Falstad to adjourn at 9:25 a.m. Motion carried 5-0.

Respectfully submitted,

Pamela Meyer
Secretary