

## **Minutes of the Finance Committee**

**Wednesday, July 18, 2018**

Chair Heinrich called the meeting to order at 10:33 a.m.

**Present:** Supervisors Jim Heinrich (Chair), Tim Dondlinger, Tyler Foti, Tom Michalski, Richard Morris, Duane Paulson (via speaker phone), and Ted Wysocki.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Internal Audit Manager Lori Schubert, County Board Chair Paul Decker, County Board Supervisor Darlene Johnson, Business Manager Lyndsay Johnson, Captain Tracy Lewandowski, Administration Director Norm Cummings, Budget Manager Linda Witkowski, Accounting Services Manager Larry Dahl, Financial Analyst Kayla Kaboskey, Parks & Land Use Director Dale Shaver, Community Development Manager Kristin Silva, Budget Management Specialist Bill Duckwitz, Senior Financial Analysts Mark Yatchak and Danielle Igielski, and Principal Financial Projects Analyst Bob Ries.

### **Approve Minutes of June 20**

MOTION: Dondlinger moved, second by Wysocki to approve the minutes of June 20. Motion carried 6-0.

### **Next Meeting Date**

- August 22

### **Chair's Executive Committee Report of July 16**

Heinrich advised the Executive Committee approved five appointments, heard a legislative update, standing committee reports, and an update by Chair Decker on workforce development and transportation. Emergency Preparedness Director Gary Bell presented the fire department shared service feasibility study.

### **Change in Budget Intent from Jail Equipment to Jail Computer Software**

Johnson and Lewandowski were present to discuss this item. The 2018 adopted budget included \$26,000 in the jail equipment replacement plan to replace a clothes washer and dryer in the jail laundry facility. In October 2017, the units began to fail. The repair would have cost approximately \$4,500 to complete on a machine that was scheduled to be replaced in three months. Due to maintenance issues experienced with the units, the Department replaced the units at the end of 2017 utilizing savings experienced within the fixed asset appropriation instead of making the repair and waiting until 2018 to replace the units.

The Jail's current scheduling program, InTime, is from the late 1990s. The program is outdated and has many functional restrictions. Due to the system's age, it is not compatible with new desktop architecture. There is no back up and no support associated with the system. While the current scheduling system remains operational, it is time and staff intensive especially when multiple users want to utilize the system for scheduling purposes as the system only allows one user at a time. Also, the current system does not interface with payroll.

In an effort to help with supervisory staff efficiency, the Department contacted the company that provides the current program to inquire as to what they had to offer as an improved service or

software platform. A representative from InTime Solutions was able to provide the Department with information on their newest product and its capabilities. The new system is greatly updated and internet based. It has much more functionality than the current system and allows an agency to build the system based on specific needs.

The updated software is anticipated to cost \$16,700. However, the Department is requesting to change the budget intent of the full \$26,000 in case there are unanticipated expenditures associated with implementation. On-going costs associated with the new software totals \$11,160 and these expenses are included in the 2019 budget.

MOTION: Dondlinger moved, second by Michalski to approve the change in budget intent for the Sheriff's Department. Motion carried 6-0.

### **Budget Assumptions/Kick-Off Information**

Cummings, Duckwitz, and Witkowski were present to discuss this item. Cummings covered the external budget environment including projections on delinquent taxes, investment income, state and federal revenues, inflationary increases, fuel prices and tax base growth. The internal environment includes assumptions on salary and benefits, insurance costs, and others. Witkowski reviewed public safety targets. The Sheriff's Department includes three correctional officer positions for the courthouse transition. Health & Human Services, including the Criminal Justice Collaborating Council, reflects a \$150,000 increase. Public Works projections include stable utilities. Parks & Land Use includes revenue growth in parks user fees and fines and licenses. General Administration budgets reflects limited increases. Witkowski elaborated on collaborative efforts to reduce costs as well as other initiatives.

### **Review End User Cost Allocation Plan**

Dahl and Ries were present to discuss this item as outlined in their handout titled "End User Technology Fund (EUTF) Overview" including trends, history, tax levy subsidy shifts to EUTF departments, cost allocation bases, preliminary 2018 EUTF allocations, server point allocations, the budget process, and 2018 highlights. The major objective of this plan is to allocate user costs based on IT resources consumed, providing opportunities for departments and programs to create cost savings through good decisions. The plan is for future budgets to continue to reduce reliance on fund balance usage and utilize cost saving measures such as virtualization and cloud usage. The 2019 proposed budget is limited to a 1.3% increase countywide.

### **Overview of the Comprehensive Annual Financial Report (CAFR)**

Dahl highlighted the Waukesha County CAFR as prepared by Baker Tilly, an outside auditor. This included changes from prior years for the year ending 2017, the auditor's opinion, management analysis and discussion, introductory and financial sections, General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Proprietary Funds, Fiduciary Funds, Long Term Debt and Capital Assets, and the statistical section.

Dahl noted this report serves the same purpose as a corporate financial report and reflects actual County budgetary results. It is utilized by investors and credit rating agencies for bond issue purposes and also regulators, granting agencies, etc. It is prepared in conformity with generally accepted accounting principles set by the Governmental Accounting Standards Board.

Morris left the meeting at 11:50 a.m.

Dahl noted for 2016 and the 30<sup>th</sup> year in a row, the County received the Government Financial Officer's Association (GFOA) award for excellence in financial reporting. He expects this to continue for the 2017 report and beyond.

Wysocki inquired how assets like roads are valued. Dahl explained the asset valuation process.

Dahl said the governance and management document included reference to controls over Community Development Block Grant (CDBG) loans receivable issues. Shaver indicated he was surprised that titles could be transferred at sale without recognizing the lien for the program loans. Schubert recommended reviewing all loans for proper recording and a review of our procedures or that of our loan administrator. She recommends it be completed by the end of 2018 and that results be reported back to the Finance Committee. Otherwise, we may need an internal audit on the issue.

MOTION: Dondlinger moved, second by Wysocki to accept the 2017 CAFR. Motion carried 5-0.

### **State Legislative Update**

Spaeth indicated the challenges and reasons for being careful regarding the use of resolutions with respect to legislative issues. She also covered the specific issues associated with the Just Fix It and Dark Stores resolutions.

### **Future Agenda Items**

- Capital Improvement Plans (Wysocki)

MOTION: Dondlinger moved, second by Foti to adjourn at 12:25 p.m. Motion carried 5-0.

Respectfully submitted,

*Thomas A. Michalski*

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Secretary