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WASHINGTON COUNTY
FINANCE AND EXECUTIVE JOINT COMMITTEE MEETING

Courthouse - Government Center
West Bend, WI

June 6, 2012
8:00 a.m.

Present for the Finance Committee: Leslie Borman, Ralph Hensel, Marilyn Merten, Robert Milich, and Todd White (arrived at 8:30 a.m.).

Present for the Executive Committee: Herbert Tennies, Mark McCune, Paul Ustruck, Rick Gundrum, and Daniel Stoffel.

Also Present: Administrative Coordinator Doug Johnson, Finance Director Susan Haag, Treasurer Janice Gettelman, Samaritan Campus Administrator Ed Somers, County Attorney Kim Nass, Deputy Finance Director Paul Labonte, Assistant Finance Director Rich Abbott, Sheriff Dale Schmidt, and County Clerk Brenda Jaszewski.

Chairperson Tennies called the Executive Committee meeting to order and read the Affidavit of Posting.

Chairperson Hensel called the Finance Committee meeting to order and read the Affidavit of Posting.

REFINANCING OF STATE TRUST FUND LOAN

Appearance: Brad Viegut, Robert W. Baird

Mr. Viegut informed the Committees the \$4,000,000 State Trust Fund Loan the County secured for Cabela's is at a 5.50% interest rate, with a final payment due in 2022. This is callable each year from January 1 until August 31. Two options for refinancing were presented, with interest rates ranging from 2.05 – 2.25%, to pay off the remaining balance. Ms. Nass indicated that either scenario will require renegotiation of the agreement between the County and Cabela's.

Mr. White arrived at 8:30 a.m.

Mr. McCune suggested a third option, which would be self-funding of the payoff amount. The Executive Committee agreed to meet in closed session at a future date to discuss renegotiation of the Cabela's agreement if the County were to proceed with refinancing or self-financing the remaining balance of the 2007 State Trust Fund Loan for Cabela's.

RESOLUTION TO REFINANCE STATE TRUST FUND LOAN

No action taken.

RESOLUTIONS TO CALL GENERAL OBLIGATION DEBT DATED MARCH 1, 2002, AND TRANSFER FROM THE GENERAL FUND TO CALL DEBT DATED MARCH 1, 2002

Appearance: Brad Viegut, Robert W. Baird

Mr. Viegut stated the County has outstanding General Obligation Workforce Development Center Bonds dated March 1, 2002, which are callable and mature in the years 2013 through 2017. It is recommended the County call these outstanding bonds, in an amount of approximately \$397,947.79 using funds from the General Fund. Ms. Haag stated the actual amount will be slightly lower than the amount presented today. The Committees discussed the current rental agreement between the County and Workforce Development and requested the agreement be presented for additional further discussion at a future meeting of these committees.

1 For the Finance Committee, moved by Mr. White, seconded by Mr. Milich to approve 2012 Resolution
2 16, authorizing a transfer from the General Fund to call the outstanding 2002 Workforce Development
3 Bonds for redemption on July 20, 2012, and forward to the County Board. Motion carried.
4

5 For the Executive Committee, moved by Mr. Ustruck, seconded by Mr. Gundrum to approve 2012
6 Resolution 16, authorizing a transfer from the General Fund to call the outstanding 2002 Workforce
7 Development Bonds for redemption on July 20, 2012, and forward to the County Board. Motion
8 carried.
9

10 For the Finance Committee, moved by Mr. White, seconded by Ms. Merten to approve 2012 Resolution
11 17, authorizing the redemption of General Obligation Workforce Development Center bonds dated
12 March 1, 2002, and forward to the County Board. Motion carried.
13

14 For the Executive Committee, moved by Mr. Gundrum, seconded by Mr. Ustruck to approve 2012
15 Resolution 17, authorizing the redemption of General Obligation Workforce Development Center bonds
16 dated March 1, 2002, and forward to the County Board. Motion carried.
17

18 **CONSIDER REFINANCING OF DEBT DATED NOVEMBER 1, 2005 AND NOVEMBER 15,**
19 **2007 AND POSSIBLE INITIAL BORROWING RESOLUTION**

20 *Appearance: Brad Viegut, Robert W. Baird*

21 Mr. Viegut stated the County has the opportunity to refund outstanding General Obligation Bonds dated
22 November 1, 2005, with the original issue amount of \$1,500,000, and General Obligation Notes dated
23 November 15, 2007, with the original issue amount of \$4,500,000, at a lower interest rate. Refunding
24 would not extend the repayment period, and the estimated savings would be approximately \$82,000.
25 These are not yet callable, but they could be prepaid in 2014 and 2015 when they are callable.
26

27 The Committees discussed the possibility of designating money in the General Fund to prepay when
28 they are callable instead of proceeding with the refinancing. Ms. Haag will look into this and the
29 Finance Committee will discuss this item at a future meeting.
30

31 **RECESS EXECUTIVE COMMITTEE AND RECONVENE IN ROOM 2003 OF THE**
32 **COURTHOUSE-GOVERNMENT CENTER**

33 Mr. Tennes recessed the Executive Committee to Room 2003 at 9:16 a.m.

34 Mr. Hensel recessed the Finance Committee at 9:16 a.m. and reconvened at 9:25 a.m.
35

36 **OUT-OF-STATE TRAVEL REQUEST**

37 *Appearance: Sheriff Dale Schmidt*

38 Moved by Ms. Merten, seconded by Mr. Milich to approve the out-of-state travel for two members of
39 the Sheriff's Department's Reconstruction Team to attend Accident Reconstruction training on June 19,
40 2012, to June 21, 2012, in East Peoria, Illinois, at a cost not to exceed \$1,000. Motion carried.
41

42 **FINANCE DEPARTMENT CAPITAL IMPROVEMENT PROJECTS (CIP)**

43 *Appearance: Information Systems Director Mike McGinnis and Network Manager Dawn Sericati*

44 Ms. Sericati and Mr. McGinnis presented a request to include funds in the 2014 CIP in the amount of
45 \$600,000 for network infrastructure replacement, and in the 2015 CIP in the amount of \$275,000 for a
46 Tax System.
47

1 The 2014 request for Network Infrastructure would be replacing actual network hardware of over 100
2 network pieces in 32 wiring closets. The 2015 request for a new Tax System is software to replace the
3 current system that was designed over 20 years ago.

4
5 Moved by Mr. White, seconded by Mr. Borman to approve the CIP request for 2014 in the amount of
6 \$600,000 for Network Infrastructure Replacement and 2015 in the amount of \$275,000 for a Tax
7 System, and forward to the Executive Committee. Motion carried.

8 9 **MINUTES**

10 Ms. Merten noted a correction on the May 2, 2012 Finance Committee minutes, line 19, page 1: ~~Ms.~~
11 ~~Merten~~ **Mr. Hensel**. Moved by Ms. Merten, seconded by Mr. Borman to approve the May 2, 2012
12 Finance Committee minutes as corrected. Motion carried.

13
14 Ms. Merten noted corrections on the May 22, 2012 Finance Sub-Committee minutes. The meeting
15 began at 12:30 p.m., Mr. Hensel arrived at 12:45 p.m., and by general consent, the Committee elected
16 Ms. Merten as Chairperson pro tem, who called the meeting to order and read the Affidavit of Posting.
17 Moved by Ms. Merten, seconded by Mr. Milich to approve the Finance Sub-Committee minutes of May
18 9, 16, and 30, 2012, as presented and the May 22, 2012 Finance Sub-Committee minutes as corrected.
19 Motion carried.

20 21 **AUTHORITY TO OVERSPEND IN ELECTIONS ACCOUNTS**

22 Moved by Mr. Borman, seconded by Ms. Merten to authorize the County Clerk to overspend in the 2012
23 Advertising and Legal account and the 2012 Election Supplies account with periodic reports to this
24 committee on the status of the accounts. Motion carried.

25 26 **RESOLUTION - DISALLOWANCE OF CLAIM - AUSTIN WAGNER**

27 Moved by Ms. Merten, seconded by Mr. Borman to approve a resolution for disallowance of claim for
28 Austin Wagner, as recommended by the County's liability insurance carrier, and forward to the County
29 Board. Motion carried.

30 31 **RESTRICT TRANSFERS FROM HEALTH INSURANCE ACCOUNTS**

32 Ms. Haag informed the Committee that the Administrative Services Committee has approved a one
33 month premium "holiday" for June for both the County costs and employee costs for health insurance
34 due to the significant fund balance. In addition, effective July 1, 2012, the cost to both the County and
35 employees will decrease by 5% for the remainder of the year. Due to this, there will be unanticipated
36 savings in each department's health insurance accounts and it is recommended this Committee restrict
37 the use of these funds.

38
39 Moved by Ms. Merten, seconded by Mr. White to restrict all transfers from all County departmental
40 health insurance accounts except as authorized by the Finance Committee. Motion carried.

41 42 **COUNTY TREASURER DUTIES**

43 Ms. Gettelman distributed the duties of the County Treasurer and will give a detailed summary at the
44 next meeting.

45 46 **FIRST QUARTER INVESTMENT REPORT**

47 Ms. Gettelman distributed and reviewed the first quarter 2012 investments and interest on investments
48 reports as of March 31, 2012. The Committee discussed including additional institutions in which to

1 invest the county's funds and will include this as an agenda item for a future meeting. Moved by Mr.
2 Borman, seconded by Ms. Merten to accept the first quarter investment report. Motion carried.

3
4 **REPORT ON INTEREST ON DELINQUENT PROPERTY TAXES**

5 Ms. Gettelman distributed and reviewed the interest on delinquent taxes report. Moved by Mr. Borman,
6 seconded by Mr. White to accept the report on delinquent taxes. Motion carried.

7
8 **INVESTMENT POLICY**

9 This item will be discussed at the next meeting.

10
11 **FINANCE DEPARTMENT DUTIES**

12 Ms. Haag distributed the duties and responsibilities of the Finance department and will give a detailed
13 summary at the next meeting.

14
15 **CAPITAL IMPROVEMENT FINANCIAL GUIDELINES, 2013 BUDGET TARGETS, AND**
16 **BASE BUDGETS FOR DEPARTMENTS**

17
18 **Capital Improvement Financial Guidelines:** Mr. Johnson distributed the proposed financial
19 guidelines for the Capital Improvement Plan for 2013 - 2018 projects. He is recommending the average
20 County funding for the six year period not exceed \$3.5 million per year. In addition to this, he also
21 recommends using \$2,000,000 of unused prior year sales taxes. Sales tax revenue is estimated at \$8.8
22 million for 2013, with a \$200,000 increase for each subsequent year. The allocation between property
23 tax offset and capital projects for 2013 and 2014 is recommended at 60% and 40%, respectively. For
24 2015 through 2018, the allocation is recommended at 65% property tax offset and 35% capital projects.
25 This allocation is based on the understanding that a \$500,000 supplement from the General Fund will be
26 added to the operating budget above the \$1,500,000 level for both 2013 and 2014.

27
28 **2013 Budget Targets:** Mr. Johnson presented recommendations for 2013 county budget targets, and
29 stated his recommendation would be to reduce the county levy \$500,000 below the 2012 levy by using
30 additional General Fund reserves, but work toward reducing the levy as much as \$1,000,000 below the
31 2012 levy.

32
33 **2013 Base Budgets for Departments:** Mr. Johnson presented his recommendations for the 2013
34 budgets for County departments, noting that most departments received a 2% decrease from 2012. This
35 decrease will mean that most departments will have decision items that will require choices between
36 service reductions, new efficiencies in operations, or funding above the base levels. The 2013 base
37 budget targets for activities that are local intergovernmental partnerships use base targets the same as
38 2012. These include; Economic Development of Washington County, Library, and Convention and
39 Visitors Bureau.

40
41 Moved by Ms. Merten, seconded by Mr. White to approve the Capital Improvement Financial
42 Guidelines as presented. Motion carried.

43
44 Moved by Mr. White, seconded by Mr. Milich to develop a 2013 budget for County Board review and
45 action that will have a levy no higher than \$37,892,768, and will strive to achieve a levy within
46 \$37,392,768 during liaison committee reviews and Administration budget review. Motion carried.

47
48 Moved by Mr. White, seconded by Mr. Milich to approve the 2013 Base Budgets for Departments as
49 presented. Motion carried.

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2013 FINANCE COMMITTEE BUDGET CALENDAR

Tentative dates for the Finance Committee’s budget meetings are the mornings of September 27 and 28, and October 1, 2, and 3, 2012. The County Board will meet at 7:00 p.m. on Thursday, November 1, 2012 for approving the 2013 County budget.

NEXT MEETING DATES

The Finance Committee will tentatively meet on Wednesday, June 20, 2012, and the Finance Sub-Committee will tentatively meet on Wednesday, June 13 and 27, 2012.

Mr. White was excused at 11:55 a.m.

SALES TAX REPORT

The total received in May 2012 for sales tax earned in March 2012 was \$844,417.90, for a 2012 total of \$2,010,670.53, net of Cabela’s. Moved by Ms. Merten, seconded by Mr. Borman to accept the sales tax report as presented. Motion carried.

FINANCIAL APPROVAL REPORT

Moved by Ms. Merten, seconded by Mr. Borman to approve early release and presentation to the County Board, Report #6 - Financial Approval Report, in the amount of \$4,505,962.45. Motion carried.

VOUCHERS

Moved by Mr. Borman, seconded by Mr. Milich to approve the following:
Miscellaneous vouchers in the amount of \$12,214.01.
General Accounts Payable vouchers in the amount of \$424,600.96.
Motion carried.

Moved by Mr. Hensel, seconded by Ms. Merten to approve Mr. Borman’s expense voucher in the amount of \$146.52. Motion carried.

Moved by Mr. Borman, seconded by Ms. Merten to approve Mr. Hensel’s expense voucher in the amount of \$15.54. Motion carried.

ADJOURNMENT

Moved by Mr. Milich, seconded by Mr. Borman to adjourn at 12:25 p.m. Motion carried.

Brenda J. Jaszewski, County Clerk