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**WASHINGTON COUNTY
FINANCE COMMITTEE BUDGET HEARING**

Government Center
West Bend, WI

October 9, 2013
8:00 a.m.

Present: Ralph Hensel, Leslie Borman, Raymond Heidtke, Robert Milich and Todd White.

Also Present: Administrative Coordinator Douglas Johnson, County Board Chairperson Herbert Tennies, Finance Director Susan Haag, County Clerk Brenda Jaszewski, Chief Deputy County Clerk Linda Doro, Assistant Finance Director Kathie Wild, Assistant Finance Director Dave Owens, Supervisors Marilyn Merten and Daniel Stoffel, and Richard Bertram.

Chairperson Hensel reconvened the meeting at 8:00 a.m.

STATUS OF BUDGET

Mr. Johnson reviewed the changes this Committee made to the 2014 budget and stated the financial strategy for the County remains the same. He noted that with the new Pay Plan implementation and anticipated step increases for some employees, the overall wages for County employees will increase by approximately 1/2 percent. Mr. Johnson emphasized the recommendation by Mr. Carlson, who prepared the new Pay Plan, that the County should look at the market to determine the appropriateness of a cost of living increase for employee compensation when planning the 2015 budget.

The Committee discussed the possible purchase of additional Impala squad cars in 2014 to offset the significant anticipated price per vehicle increase in 2015. Mr. Johnson stated that if the County decided to pre-purchase 2015 Sheriff's Department fleet vehicles in 2014, the dealer would delay the delivery of the vehicles until June of 2014. In addition, there would be a delayed warranty since these vehicles would not be used until 2015.

RESOLUTION – TREATMENT ALTERNATIVES AND DIVERSION (TAD) GRANT

Appearance: Sheriff Dale Schmidt

Moved by Mr. Borman, seconded by Mr. Heidtke to approve the resolution authorizing the Sheriff's Department to apply for and accept a grant in the amount of \$92,635, with a \$30,878 County match in 2014 for the Treatment Alternatives and Diversion program, and forward to the County Board. Motion carried.

FINANCE

The Finance Department budget was presented by Finance Director Susan Haag. Mr. Johnson presented the base level funding of \$1,334,585 and the recommended budget is \$1,403,726 (+4.1% increase over 2013 budget). The Finance Department was fortunate to have been operating with lower health insurance costs before, but now needs funds for current enrollment patterns. The ability to conduct targeted internal audits by contract is a valuable tool that will bring financial and performance results greater than the cost.

Decision Items Funded:

1. Reduce staffing to offset health insurance cost increases @ \$50,910
2. Funding for outside internal audits @ \$20,000

1 3. Increase budgeted revenues for Prior Years @ \$6,875
2

3 **Other Adjustments to Request:** After the department budget was developed, there was an unexpected
4 resignation of an Assistant Finance Director. Recalculating staffing costs with a new person in the
5 position reduces expected costs \$8,644. The Administrative Coordinator has removed this amount in the
6 recommended Finance Department budget.
7

8 **One More Thing:** New Assistant Finance Directors have been hired. Kathie Wild began Sept. 9,
9 coming to us with experience at the City of Mayville. Dave Owens started September 23; he formerly
10 worked for Reilly, Penner & Benton LLP in Milwaukee. Assignments will be developed based on the
11 skills of each and the needs of the department, and will not be divided in the same pattern between the
12 two here before.
13

14 Moved by Mr. White, seconded by Mr. Borman to tentatively approve the recommended Finance
15 Department 2014 Budget in the amount of \$1,403,726 including Out of State Travel and User Fees, plus
16 Indirect Charges in the amount of \$848,901 Revenues, for a total net levy in the amount of \$554,825.
17 Motion carried.
18

19 **COUNTY TREASURER**

20 The County Treasurer budget was presented by Treasurer Jane Merten. Due to a calculating error, Ms.
21 Haag presented a revised worksheet for the County Treasurer. Mr. Johnson presented the base level
22 budget of revenues more than expenses of \$477,808, and the recommended level of revenues more than
23 expenses is \$517,591. The Requested budget achieves more net revenue than the Base level target set
24 by Finance Committee on May 29.
25

26 **One More Thing:** The transition to a new County Treasurer has been very smooth. Greater attention
27 was given to security awareness and precautions, especially during high volume taxpayer traffic times.
28 The department finished the second installment property tax collections by the first working day of
29 August. County funding has been authorized for purchase of a new tax billing system. These funds will
30 be non-lapsed from 2013 to 2014 so that the project can be pursued next year.
31

32 Mr. White discussed the interest rates we receive on our CD investments and suggested the County
33 consider investing in financial institutions outside of the region in order to obtain more favorable rates.
34 Ms. Merten and Ms. Haag will investigate alternative options for the County's investment strategy.
35

36 Moved by Mr. White, seconded by Mr. Borman to tentatively approve the County Treasurer 2014
37 recommended budget, including User Fees, for a total net levy in an amount of revenues more than
38 expenses of \$517,591. Motion carried.
39

40 **SAMARITAN HEALTH CENTER**

41 The Samaritan Health Center budget was presented by Samaritan Committee Chairperson Daniel Stoffel
42 and Interim Campus Administrator Kathie Braun. Mr. Johnson reported the base level funding is no
43 county levy and the recommended level budget is no county levy.
44

45 There are significant increases in employee benefit costs for Samaritan in 2014, including health
46 insurance, workers compensation, and employer retirement share. With changes in the Campus
47 Administrator and in Assistant Finance Directors for the County, costs have been planned for to hire an

1 outside firm to complete required Medicare and Medicaid cost reports. The State Family Care program
2 continues to impact Samaritan with increased referrals to the Fields Assisted Living facilities, rates
3 frozen for the new year, and delays in paying for services provided. It is in the best interests of both
4 Samaritan and the County to not budget for property tax levy in 2014.

5
6 **Outlay:** Resident equipment and other outlay @ \$63,394 (Enterprise Fund)
7

8 **One More Thing:** The 2012-2013 cash flow problems for the Samaritan need further attention. The
9 cause is Medicaid HMO and Family Care MCO reimbursement delays, which are difficult to correct
10 without State action. The result is reliance on advanced funds from the County's General Fund. A more
11 complete understanding of the payment cycle for Samaritan needs to be developed, followed by updated
12 financial understandings between the Samaritan and the County that are accurate, clear, and fair to all
13 concerned. This is the last year of debt payments for Samaritan's 1997 note. Removal of this expense
14 should significantly improve the campus cash flow in 2014.

15
16 Mr. Stoffel explained that there is a misconception regarding the amount of funds the Samaritan utilizes
17 from the County's General Fund for cash flow. It has been implied that the Samaritan has increased the
18 use of the General Fund for cash flow, when it has actually decreased from an average of \$1.6 million in
19 2010 to \$829,000 in 2011, and in the last 12 months, it was \$591,000. Mr. Stoffel is hopeful that with
20 the elimination of the debt payments next year, the need to use the General Fund for cash flow will be
21 reduced or eliminated. Mr. Stoffel also explained that accounts receivable has increased and is currently
22 at \$948,000, and is one of the reasons for the use of the General Fund for cash flow.

23
24 Moved by Mr. White, seconded by Mr. Heidtke to tentatively approve the recommended Samaritan
25 Health Center 2014 Budget, including Outlay and User Fees, in an amount of no county levy. Motion
26 carried.

27
28 **FAIR PARK/AGRICULTURE & INDUSTRIAL SOCIETY (AIS)**

29 The Fair Park/AIS request for County support was presented by Executive Director Sandy Lang and AIS
30 Board President Pete Rettler. Mr. Johnson presented the base level funding of \$77,078 and the
31 recommended level is \$77,077 (-1% below 2013 levy). Requested budget is at the Base level set by
32 Finance Committee on May 29.

33
34 For 2014, specific expenses for the County Fair were identified by the Society to apply County funds.
35 These include:

- 36 + certified public audit, as required by Lease/Operation Agreement @ \$5,000
- 37 + Fair marketing and advertising (50% of budget line item) @ \$28,000
- 38 + Fair operations including garbage, security, premiums, tractor pull, fireworks, and
39 senior citizen/military day offset @ \$44,078

40
41 **One More Thing:** The 2013 County Fair provided a venue for 736 Junior Class and 220 Open Class
42 residents to showcase a total of 8,282 projects. Using the services of a new Marketing Director, a
43 successful marketing campaign was created, resulting in increased corporate parties and promotion of
44 local hotels during Fair week. More volunteers were recruited to serve in beverage and ticketing areas,
45 decreasing wages paid for the event.

1 Moved by Mr. White, seconded by Mr. Milich to tentatively approve the Fair Park 2014 recommended
2 County financial support in the amount of \$77,077. Motion carried.

3
4 **MEDICAL EXAMINER (continued from Monday, October 7, 2013)**

5 Chief Deputy Medical Examiner Craig Garbisch was present to review the revised 2014 Medical
6 Examiner budget. Ms. Haag stated that three accounts were incorrect and she made the necessary
7 adjustments, resulting in an increase to the Medical Examiner budget in the amount of \$3,580. To
8 review, the base level budget was \$282,808, and the revised recommended level budget is \$285,945.

9
10 Moved by Mr. Heidtke, seconded by Mr. White to tentatively approve the Medical Examiner 2014
11 revised recommended budget, including User Fees, for a total net levy in the amount of \$285,945.
12 Motion carried.

13
14 **DISCUSSION ON PURCHASING ADDITIONAL IMPALA SQUAD CARS IN 2014**

15 The Committee discussed the benefits of purchasing additional Impala squad cars in 2014 and it was
16 recommended that the Public Safety Committee discuss this option and that the additional Impala squad
17 car that was approved for purchase in the 2014 budget be removed.

18
19 **REVISION TO SHERIFF'S DEPARTMENT 2014 BUDGET**

20 Moved by Mr. Milich, seconded by Mr. Heidtke to remove the purchase of the additional Impala squad
21 car from the Sheriff's Department 2014 budget, and reduce the levy in the amount of \$20,906, resulting
22 in a net levy for the Sheriff's Department of \$15,221,550. Motion carried.

23
24 **REVIEW BUDGET & SET LEVY**

25 Mr. Tennes stated that he will inform the County Board Supervisors that if there are any amendments to
26 the 2014 County budget, those amendments must be for a specific line item listed on the Budget
27 Summary worksheet. Amendments are to be submitted to the Finance Department or the County Board
28 Chairperson no later than Friday, October 25, 2013, so that the Finance Committee can review the
29 proposed amendments and make recommendations at their meeting on Monday, October 28, 2013. At
30 the November 7, 2013, County Board meeting, any budget amendments that have been submitted by the
31 October 25 deadline and reviewed by the Finance Committee will be addressed prior to taking budget
32 amendments from the floor that were not previously submitted by October 25, 2013, and reviewed by
33 the Finance Committee. **The total recommended net levy for 2014 is \$944,125 lower than the 2013**
34 **net levy. (amended 10/28/13)**

35
36 Moved by Milich, seconded by Borman to approve and forward to the County Board, the 2014 budget
37 with total expenses in the amount of \$119,812,486, total revenues in the amount of \$83,373,478, and a
38 total levy of \$36,439,008. Motion carried.

39
40 Moved by Milich, seconded by Mr. Heidtke to approve the 2014 County tax rates as follows: County -
41 2.8632, and County Library Service - 0.2632. Motion carried.

42
43 Moved by Borman, seconded by Mr. Milich to adjourn at 10:04 a.m. Motion carried.

