

FINANCE COMMITTEE
February 4, 2010

Call to Order. Chair Mawhinney called the meeting of the Finance Committee to order at 7:30 A.M. on Thursday, February 4, 2010, in Conference Room N-1 on the fifth floor of the Rock County Courthouse-East.

Committee Members Present: Supervisors Mawhinney, Kraft, Beaver, Diestler, Podzilni.

Committee Members Absent: None.

Staff Members Present: Jeff Smith, Finance Director; Craig Knutson, County Administrator; Mickey Crittenden, Information Technology Director; Jeff Kuglitsch, Corporation Counsel; Michelle Schultz, Real Property Lister; Sherry Oja, Senior Accountant/Assistant to the Finance Director; Dave Sudmeier, Health Care Center Controller; Matt Fosmoen, Accountant; Vicki Brown, Treasurer (8:14 A.M.).

Others Present: Carol Wirth, President, Wisconsin Public Finance Professionals, LLC.

Approval of Agenda. Chair Mawhinney said a transfer for the Coroner is being added to the agenda. Supervisor Podzilni moved approval of the agenda with this addition, second by Supervisor Beaver. ADOPTED as amended.

Committee Review and Approval of Per Meeting Allowances. Supervisor Diestler moved approval of Per Meeting Allowances in the amount of \$14,076.38, second by Supervisor Podzilni. ADOPTED.

Approval of Minutes. Supervisor Podzilni moved approval of the minutes of January 21, 2010, as presented, second by Supervisor Beaver. ADOPTED.

Citizen Participation, Communications and Announcements. Mr. Smith distributed the sales tax report through the end of the year. The total received in 2009 is \$9,837,000.

Mr. Smith said MBIA will be here on March 4, 2010.

Transfers and Appropriations.

Developmental Disabilities Board

<u>FROM</u>		<u>TO</u>	
<u>Account #</u>	<u>Amount</u>	<u>Account #</u>	<u>Amount</u>
33-3310-0000-62604	\$ 130,529	33-3310-0000-62620	\$ 128,645
Nursing Home Relocation		Community Integration Program	
		33-3310-0000-62601	1,884
		Purchase of Care	

Coroner

<u>FROM</u>		<u>TO</u>	
<u>Account #</u>	<u>Amount</u>	<u>Account #</u>	<u>Amount</u>
28-2600-0000-64200	\$ 1,396	28-2600-0000-63300	\$ 1,396
Training		Travel	

Supervisor Kraft moved approval of the above transfers for the Developmental Disabilities Board and the Coroner, second by Supervisor Diestler. ADOPTED.

2009 Bills/Encumbrances

Land Records	\$ 365.88
Information Technology	5,057.35

2010 Bills/Encumbrances

Finance Director	\$ 80.00
County Treasurer	175.00
Register of Deeds	1,715.00
Employee Related	132.50
Land Records	885.00
Stray Dog	60.00

Supervisor Diestler moved approval of the above 2009 and 2010 Bills and Encumbrances for the Finance Committee, second by Supervisor Kraft. ADOPTED.

2009 Bills Over \$10,000.

Aramark Correctional Services	\$ 51,451.17
CESA 2	15,279.94
City of Janesville	27,187.00
Midwest Monitoring	64,320.00
WI Council on Children	10,474.97

2010 Bills Over \$10,000.

General Communications, Inc.	\$ 124,920.00
Wisconsin Counties Association	18,958.00

Supervisor Kraft moved approval of the above 2009 and 2010 Bills Over \$10,000 for the Finance Committee, second by Supervisor Beaver. ADOPTED.

2010 Encumbrances Over \$10,000.

Pitney Bowes, Inc.	\$ 60,000.00
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Supervisor Podzilni moved approval of the above 2010 Encumbrance Over \$10,000 for the Finance Committee, second by Supervisor Diestler. ADOPTED.

Pre-Approved Encumbrance Amendments.

Human Services

University of Wisconsin Hospital \$ 65,000.00

Supervisor Diestler moved approval of the above Pre-Approved Encumbrance Amendment for Human Services, second by Supervisor Beaver. ADOPTED.

Developmental Disabilities Board

REM Wisconsin II, Inc. \$ 20,100.00
Creative Community Living Services, Inc. 721,154.00
Creative Community Living Services, Inc. 136,988.00
Alpha Homes of WI, Inc. 119,631.00
Lutheran Social Services 53,117.00
Dungarvin Wisconsin, LLC 127,485.00

Supervisor Kraft moved approval of the above Pre-Approved Encumbrance Amendments for the Developmental Disabilities Board, second by Supervisor Podzilni. ADOPTED.

Approval of Bills for Other Departments. None.

Write-Off Delinquent Accounts Receivable

Rock Haven \$ 71,503.31
Airport 114.67
Sheriff 275.00
Sheriff 829.01

Supervisor Diestler moved approval to Write-Off Delinquent Accounts Receivable for Rock Haven, the Airport and the Sheriff, second by Supervisor Podzilni. ADOPTED.

Resolutions

Conducting a Comprehensive Audit of Rock County Telecommunications Bills

“NOW, THEREFORE, BE IT RESOLVED, by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010, that a contract be awarded to Partner Telecom Solutions for the purpose of conducting a thorough audit of the County’s telecommunications bills in search of recoverable overcharges.

BE IT FURTHER RESOLVED that payment be made to the vendor in an amount that equals one-half of all recovered overcharges that may occur, upon approval by the Finance Committee.”

Supervisor Diestler moved approval of the above resolution, second by Supervisor Podzilni. ADOPTED.

Carryover of 2009 Budget Appropriations to 2010

“NOW, THEREFORE, BE IT RESOLVED, by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010 that the 2010 Budget be amended as follows:

...”

Mr. Smith said the “Amended Budget” figure in line 50 should be 3,250. Line 124 should be - 0 - (526,377) (526,377). Supervisor Podzilni moved approval of the above resolution with these corrections, second by Supervisor Diestler. ADOPTED as amended.

Authorizing Purchase of PCs and Related Computer Equipment for 2010

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this ____ day of _____ 2010, that a Purchase Order be issued in the amount of \$19,970 to Dell Marketing L.P. of Round Rock, Texas, for 38 Dell Optiplex 380 Business Desktops at \$475.80 each and 16 Dell E190S 19” LCD monitors at \$118.10 each.

BE IT FURTHER RESOLVED that payment be made to the vendor upon approval by the Finance Committee.”

Supervisor Diestler moved approval of the above resolution, second by Supervisor Beaver. ADOPTED.

Review of Resolutions

Authorizing Acceptance of 2010 Highway Safety Project Grants and Amending the 2010 Budget

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010, that the Rock County Sheriff is authorized to accept funds under the Highway Safety Project Grants.

BE IT FURTHER RESOLVED that the 2010 Budget be amended as follows:

...”

Supervisor Kraft moved the Finance Committee Endorsement of the above resolution, second by Supervisor Podzilni. ADOPTED.

Authorizing Acceptance of Helen Bader Grant and Amending 2010 Budget.

“NOW, THEREFORE, BE IT RESOLVED that the Rock County Board of Supervisors duly assembled this _____ day of _____, 2010, does hereby accept this grant from the Helen Bader Foundation, Inc. and amends the 2010 Budget as follows:

...”

Supervisor Podzilni moved the Finance Committee Endorsement of the above resolution, second by Supervisor Diestler. ADOPTED.

Authorizing Receipt of Additional Hazard Mitigation Grant Program Funds and Amending the 2010 Planning & Development Agency Budget

“NOW, THEREFORE, BE IT RESOLVED, that the Rock County Board of Supervisors on this _____ day of _____, 2010 hereby accepts the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program Agreement Amendment from the Wisconsin Division of Emergency Management and authorizes the County Board Chair to sign the State-Local Grant Program Assistance Agreement Amendment #1 on behalf of the County of Rock; and,

BE IT FURTHER RESOLVED, that the 2010 County Budget be amended as follows:

...”

Supervisor Diestler moved the Finance Committee Endorsement of the above resolution, second by Supervisor Podzilni. ADOPTED.

Accepting Prescription Drug Collection Grant and Amending the 2010 Rock County Health Department Budget

“NOW, THEREFORE, BE IT RESOLVED, that the Rock County Board of Supervisors duly assembled on this _____ day of _____, 2010 does hereby authorize the Rock County Health Department to accept the Prescription Drug Collection Grant in the amount of \$3,500 from the Wisconsin Department of Agriculture, Trade and Consumer Protection, and amend the 2010 Rock County Health Department Budget as follows:

...”

Supervisor Kraft moved the Finance Committee Endorsement of the above resolution, second by Supervisor Diestler. ADOPTED.

Request for Authorization to Purchase 50 Budgeted NEC AccuSync 73VX 17" LCD Monitors for the Rock County Communications Center. Mr. Crittenden explained these are replacement consoles for the Communications Center. Supervisor Diestler moved approval of the above request, second by Supervisor Beaver. ADOPTED.

Discussion of Debt Financing Options – Carol Wirth, President, Wisconsin Public Finance Professionals, LLC. Ms. Wirth distributed copies of her presentation. Mr. Smith distributed copies of the 2009 and 2010 Capital Projects Funded by Debt.

Traditional borrowing is debt issued at tax-exempt interest rates. The 2009 and 2010 Capital Projects Funded by Debt are still eligible for tax exempt financing. The spend down must still be in compliance with Federal Arbitrage Rules. Ms. Wirth said the County usually issues General Obligation Notes or Bonds.

Ms. Wirth said with the implementation of the American Recovery & Reinvestment Act of 2009 (ARRA), new bonding options became available to municipalities. One of the options is Build America Bonds (BABs) where an allocation is not required and may be issued by all governmental entities.

Another option is Recovery Zone Economic Development Bonds (Super BABs). General Promissory Notes or Bonds may be issued but are designated as "Recovery Zone Economic Development Bonds". An allocation is required to issue these bonds. Rock County received an allocation of \$10,034,000. The County may use this allocation for its own purposes or it can be re-allocated to other governmental entities.

Ms. Wirth said today she will be discussing Super BABs and how they compare to tax exempt financing. She commented the only difference between BABs and Super BABs is the federal interest subsidy. Ms. Wirth said Rock County can apply to the federal government for an interest subsidy of 35% of the interest rate on BABs, 45% of the interest rate on Super BABs. This interest subsidy is considered a tax credit under the Stimulus Act. This tax credit, however, is not guaranteed for the life of the issue. These must be issued by December 31, 2010. Ms. Wirth said language has been proposed to extend this deadline, however, the extension may result in a lower federal interest subsidy (28%).

Mr. Knutson said a resolution, "Designating Rock County to be a Recovery Zone for Purposes of the American Recovery and Reinvestment Act of 2009", was passed at the January 28th County Board meeting.

Rock County received an allocation from the federal government of \$15,000,000 which may be reallocated to an eligible governmental entity within the County. These bonds are issued on behalf of private enterprises on a tax exempt basis. Ms. Wirth said if Rock County does not allocate the \$15,000,000 by March 1st, the allocation will be waived and will revert to the State which may re-allocate it to other municipalities. Mr. Knutson commented the State is looking to sweep this money back into the pot and give a portion of it to a northern county for a possible wind turbine blade plant.

Ms. Wirth said the County has an attractive alternative option in 2010 for its capital improvement borrowing. Mr. Smith asked the Committee if we want to consider using a portion of the \$10,340,000 for Recovery Zone Economic Development Bonds for the County's 2009 and 2010 Capital Projects to be Funded by Debt? He distributed a request from the City of Beloit asking that up to \$4,635,000 of the County's allocation be re-allocated to the City. Mr. Knutson said Beloit is the only municipality that has requested a portion of this allocation. If the County is going to use approximately \$5,880,000 of Super BABs to cover our own capital needs, Beloit could have the balance of \$4,180,000 of the allocation. Beloit wants to know fairly soon. Mr. Smith said Beloit is familiar with these bonding alternatives as it issued BABs last year.

Mr. Knutson said what it boils down to is, do you want to leave \$135,000 on the table over eight years with no risk, or do you want to assume a small amount of risk and save \$135,000 over the years? Ms. Wirth commented this will not affect Rock County's credit rating. The consensus of the Committee was to proceed. Mr. Smith said he will work with Ms. Wirth to come up with a more exact number for Rock County, and will also draft a resolution reallocating the balance of the Super BABs to the City of Beloit.

Adjournment. Supervisor Kraft moved adjournment at 9:30 A.M., second by Supervisor Podzilni. ADOPTED.

Respectfully submitted,

Linda Milligan
Confidential Administrative Assistant

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.