

FINANCE COMMITTEE
August 6, 2009

Call to Order. Chair Mawhinney called the meeting of the Finance Committee to order at 7:30 A.M. on Thursday, August 6, 2009, in Conference Room N-1 on the fifth floor of the Rock County Courthouse-East.

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

Committee Members Excused. None.

Staff Members Present. Jeff Smith, Finance Director; Craig Knutson, County Administrator; Sherry Oja, Senior Accountant/Assistant to the Finance Director; George Baltes, Internal Auditor; Vicki Brown, Treasurer; Michelle Schultz, Real Property Lister; Lori Stottler, County Clerk; Elizabeth Pohlman McQuillen, Criminal Justice Planner/Analyst; Mickey Crittenden, Information Technology Director; Chief Deputy Barbara Tillman; Diane Michaelis, Financial Office Manager, Sheriff's Office.

Others Present: Thomas Scheidegger, CPA/Partner, Baker Tilly Virchow Krause, LLP.

Approval of Agenda. Chair Mawhinney advised Item 9.E. is being removed from the agenda. Supervisor Podzilni moved approval of the agenda with the deletion of Item 9.E., second by Supervisor Diestler. ADOPTED as amended.

Committee Review and Approval of Per Meeting Allowances. Supervisor Diestler moved approval of Per Meeting Allowances in the amount of \$11,299.21, second by Supervisor Kraft. ADOPTED.

Approval of Minutes. Supervisor Podzilni moved approval of the minutes of July 2, 9 and 16, 2009, second by Supervisor Diestler. ADOPTED.

Citizen Participation, Communications and Announcements. None.

Review and Comments on 2008 Certified Audit – Virchow, Krause & Co. Mr. Scheidegger referred to the "Independent Auditors' Report", p.i., Financial Statements, which gives Rock County a clean, unqualified opinion. He explained the "Management Discussion and Analysis" section (pages iii through ix) is a summary focusing on significant financial issues for the prior fiscal year and the current year.

Mr. Scheidegger then went to the "Report to the Finance Committee". He explained the General Fund consists of Reserved, Designated and Undesignated Funds. In 2008, the long-term delinquent property taxes in the Reserved Fund increased. Designated Funds are those for specific activities that do not lapse. These funds decreased \$1,100,000 from the prior year. The Undesignated Fund is the County's working capital and is used to finance operations during the year. This fund is \$4,300,000 less than the December 31, 2007 balance.

Revenues and Other Financing Sources increased by \$1,700,000 over 2007. Expenditures and Other Financing Uses were also higher, resulting in the use of more county resources than were planned with a net loss to the General Fund of just over \$5,000,000.

Special Revenue Funds include Human Services Department and Developmental Disabilities Board funds which revert to the General Fund at the end of the year.

Debt Service Fund (page 3) are monies accumulated for the repayment of the County's General Obligation Debt.

Capital Projects (page 3) are funds used to construct long-lived assets and purchase equipment of a long term nature.

Page 3 shows the working capital for the Enterprise Funds: Health Care Center, Airport and Highway Department.

Internal Service Funds (page 4) are funds to provide services to the County, i.e., the Motor Pool, Information Technology, Health Care Center Building Complex and Self-Insurance.

Total expenditures of funds in 2008 was \$168,000,000, an increase of \$7,000,000 over 2007.

Rock County's General Long Term Debt (page 4) is 3.16% of debt capacity, down from 4.55% in 2007.

Mr. Scheidegger referenced page 5 which shows that the General Fund Undesignated peaked at almost \$20,000,000 in 2005. In 2008 it was nearly \$13,000,000.

General, Special Revenue, Debt Service Fund Revenues (page 7) shows that Intergovernmental and Taxes represent 85% of this funding.

General, Special Revenue & Debt Service Fund Expenditures (page 9) show that the largest expenditures are in the areas of Health & Human Services (62%) and Public Safety (23%). The \$11,500,000 in debt service reflects the \$7,200,000 issue paid off which was for the U.W. Rock County Expansion Project.

Mr. Scheidegger said page 10 shows that the fund balances and working capital are within the range set by county policy of 10-17%. The County's equalized value has increased and the debt has declined, a very positive financial indicator for the rating agencies.

Mr. Scheidegger said the "Report on Internal Control" lists things the County should be aware of and should work on cost effective changes.

Significant Deficiencies – Other Internal Accounting Controls

- Controls Over Accounts Payable/Disbursements – Mr. Smith said the County is in the process of upgrading its accounting software (IFAS).

- Controls Over Payroll – Mr. Smith advised Human Services is now informing Payroll, in writing, of all individual rate changes to Payroll so they can verify the appropriateness of the changes.

Information Technology Controls

- Change Management Standards, Policies and Procedures – Mr. Smith said documenting requirements and justifications for purchased software have traditionally been addressed as part of the procurement process. This will be reviewed to make sure Rock County is following best practices for software acquisition.
- Logical and Physical Access Security – Mr. Smith said the physical security of the data center will be changed to limit access to those staff members who require computer room access.

Status of Prior Year Points

- Highway Department Accounting Records – Additional personnel were allocated to reconciling and monitoring all 2008 data.

Mr. Scheidegger referenced GASB No. 54 which will change Fund Balance reporting. He said it will mainly involve a change in definitions and will tighten up how things are reported. This takes effect in 2011. He said new statements continue to be issued changing the requirements.

Mr. Scheidegger said GASB No. 51 involves accounting and financial reporting for intangible assets, which will not be classified as capital assets. This standard is effective for the year ending 12/31/10.

Mr. Scheidegger advised the Single Audit Report, for all state and federal programs, is not yet available. The Committee agreed that this report should be available when the Review of 2008 Audit Report is given to the County Board. Mr. Scheidegger will make the presentation to the County Board on September 10, 2009.

Mr. Smith and Chair Mawhinney thanked Mr. Scheidegger for his report.

Transfers and Appropriations.

Council on Aging

FROM

<u>Account #</u>	<u>Amount</u>
30-3901-0000-62626	\$ 9,000
Benefit Specialist	

TO

<u>Account #</u>	<u>Amount</u>
30-3905-0000-62614	\$ 9,000
Purchased Services	

Supervisor Diestler moved approval of the above transfer for the Council on Aging, second by Supervisor Podzilni. ADOPTED.

Bills/Encumbrances

Finance Director	\$	1,502.58
County Clerk		893.19
Elections		71.92
Tax Deed Expense		1,979.45
Register of Deeds		217.40
Employee Related		518.00
Asst. Firefighter Grant		13,740.00**
Land Records		2,693.86
Information Technology		3,822.56
Balance Sheet (P&L Trust, WC Trust)		7,755.00
Stray Dog		200.00

Supervisor Podzilni moved approval of the above Bills and Encumbrances for the Finance Committee, excluding \$13,740.00 Asst. Firefighter Grant which is a Public Safety & Justice Committee bill, second by Supervisor Diestler. ADOPTED.

Bills Over \$10,000.

Bio Key International, Inc.	\$	13,740.00
General Communications, Inc.		84,506.55
Johnson Controls, Inc.		10,635.00

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

Encumbrances Over \$10,000.

Cities Digital	\$	30,964.00
Running Rebels Community Organization		75,823.00

Supervisor Diestler moved approval of the above Encumbrances Over \$10,000 for the Finance Committee, second by Supervisor Podzilni. ADOPTED.

Pre-Approved Encumbrance Amendments. None.

Approval of Bills for Other Departments.

County Board Staff Committee

County Administrator	\$	208.00
County Board		990.10
Corporation Counsel		292.82
Human Resources		4,909.77
Employee Related		1,130.64

Supervisor Podzilni moved approval of the above bills for the County Board Staff Committee, second by Supervisor Beaver. ADOPTED.

Resolutions.

Authorizing Purchase of Document Imaging Software

“NOW, THEREFORE, BE IT RESOLVED, by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2009 that a Purchase Order in the amount of \$30,964 be issued to Cities Digital for the purchase of Laserfiche document imaging software, as specified by the Rock County Information Technology Department.”

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

Authorizing Purchase of a Hewlett-Packard Disk Storage Sub-System

“NOW, THEREFORE, BE IT RESOLVED, by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2009 that a Purchase Order in the amount of \$11,653 be issued to CDW-G for the purchase of a disk storage sub-system, as configured by the Rock County Information Technology Department.”

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

Finance Committee Endorsement.

Amending the 2009 Veterans Services Budget for Donations

“NOW, THEREFORE, BE IT RESOLVED that the Rock County Board of Supervisors duly assembled this ____ day of _____, 2009 does hereby amend the Veterans Services 2009 budget as follows:

...”

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

Amending the 2009 Council on Aging Budget for Titles III-B, III-C, III-E, NSIP, ARRA and SHIP.

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2009 does hereby amend the Adopted 2009 Rock County Council on Aging budget as follows:

...”

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

Authorizing Acceptance of Adult Drug Court Discretionary Grant Program Funds, Amending the 2009 Budget, and Authorizing Contracts.

“NOW, THEREFORE, BE IT RESOLVED that the Rock County Board of Supervisors duly assembled this ____ day of _____, 2009 does hereby accept the Adult Drug Court Discretionary Grant funds in the amount of \$266,070 from the U.S. Department of Justice.

BE IT FURTHER RESOLVED, that the 2009 Rock County Sheriff’s Office budget be amended as follows:

...”

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

Amending the Land Conservation Department Budget to Fund the 2009 Clean Sweep Program.

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors in session this ____ day of _____, 2009, approves amending the 2009 Land Conservation Department budget as follows:

...”

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

Authorizing Purchase of Replacement Radar Speed Message Trailer.

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2009, that a Purchase Order be issued to Decatur Electronics Inc. of Decatur, Illinois in the amount of \$7,470 for the purchase of an Onsite 350 Radar Speed Message Trailer to replace the one damaged beyond repair.

BE IT FURTHER RESOLVED that payment be made to the vendor upon receipt and acceptance by the Rock County Sheriff and approval of the Public Safety and Justice Committee.

BE IT FURTHER RESOLVED that the Sheriff’s Office 2009 budget be amended as follows:

...”

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

Authorizing Purchase of Used Bus.

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this _____ day of _____, 2009, that a Purchase Order be issued to Nelson’s Bus Service of Whitewater, Wisconsin, in the amount of \$15,000 for the purchase of a used 1999 IHC, 32 adult passenger bus.

BE IT FURTHER RESOLVED that payment be made to the vendor upon receipt and acceptance by the Rock County Sheriff.

BE IT FURTHER RESOLVED that the Sheriff’s Office 2009 budget be amended as follows:

...”

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

Amending the 2009 Sheriff’s Office Budget to Spend Fees Received from Providing Law Enforcement Services to the U.W. Rock County Campus.

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this _____ day of _____, 2009, that the Sheriff’s Office budget for 2009 be amended as follows:

...”

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

Supervisor Mawhinney referenced the money the County paid out in overtime the last time the Sheriff’s Office had a K-9 Unit. She said she would like more information on the purchase of a K-9 and related equipment. She asked Ms. Michaelis if a special vehicle is necessary for the dog, with Ms. Michaelis advising it is, at a cost of approximately \$22,000. Mr. Knutson said they are working on the details of an agreement to deal with the issues of caring for the dog. Supervisor Beaver said this went to the Public Safety & Justice Committee on Monday and was approved, however, the Committee was not made aware of the prior issues regarding a dog. She said she would have requested further information had she known this.

Supervisors Beaver and Podzilni withdrew their motion for the Finance Committee Endorsement. The Committee denied the Endorsement on a vote of 0-4.

Request for Authorization to Purchase BeaconWeb Software for the Council on Aging. Supervisor Beaver moved Authorization to Purchase Beacon Web Software for the Council on Aging, second by Supervisor Diestler. ADOPTED.

Set Date for Tour of Tax Delinquent Properties. The Committee agreed to meet at 7:30 A.M. on Thursday, August 13, 2009 in the front lobby of the Courthouse to tour the tax delinquent properties.

Semi-Annual Report of Departmental Training Costs Over \$1,000. The Committee accepted the report from Information Technology and directed it be placed on file.

Adjournment. Supervisor Beaver moved adjournment at 9:22 A.M., second by Supervisor Diestler. ADOPTED.

Respectfully submitted,

Linda Milligan
Confidential Administrative Assistant

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.