



FINANCE COMMITTEE
Minutes – September 21, 2017

Call to Order. Chair Mawhinney called the meeting of the Finance Committee to order at 7:30 A.M. on Thursday, September 21, 2017, in Conference Room N-1, Fifth Floor, Rock County Courthouse-East.

Committee Members Present. Supervisors Mawhinney, Kraft, Beaver, Fox and Podzilni.

Committee Members Excused: None.

Staff Members Present. Josh Smith, County Administrator; Nick Osborne and Randy Terronez, Assistants to the County Administrator; Lisa Tollefson, County Clerk; Jodi Timmerman, Interim Corporation Counsel; Annette Mikula, Human Resources Director; Sherry Oja, Finance Director; Jon Furseth, Facilities Superintendent; Michelle Roettger, County Treasurer; and Stephanie Kleinheinz, Deputy County Treasurer at 7:47 A.M.

Others Present: Carol Wirth, President, Wisconsin Public Finance Professionals, LLC; and Bob Yeomans, County Board Supervisor.

Approval of Agenda. Supervisor Podzilni moved approval of the agenda as presented, second by Supervisor Fox. ADOPTED

Citizen Participation, Communications and Announcements. Chair Mawhinney said she and Supervisor Kraft will not be available for the next scheduled meeting of October 5th. Ms. Oja will communicate with Supervisor Podzilni about business that needs to be conducted and it may be decided to move the meeting to before the County Board meeting on October 12th.

Review of 2017 \$8.8 Million Capital Improvement Debt Issue-Carol Wirth, President, Wisconsin Public Finance Professionals, LLC. Chair Mawhinney introduced Carol Wirth. Ms. Wirth provided a hand out of her presentation. Ms. Wirth reviewed the hand out with the committee.

Approval of Minutes – September 7, 2017. Supervisor Kraft requested to amend the minutes. She would like wording added to the fourth paragraph on page 4 Item 'Discussion, Update and Possible Action on In Rem Properties, Policy and Practice'. The second to last sentence should read 'Supervisor Kraft asked Ms. Roettger if she still has a policy folder **that was kept by the former Treasurers Ross and Brown.**' Supervisor Fox moved to approve the amended minutes, second by Supervisor Podzilni. ADOPTED.

Transfers and Appropriations. None.

Review of Payments. The Committee accepted the report.

Review of Payments over \$10,000. The Committee accepted the report.

Update and Possible Action on All Properties Associated with In Rem. Ms. Timmerman reported the Village of Clinton voted on Monday night to take the 24 parcels. The City of Edgerton expressed interest in the contaminated lot. Edgerton has passed a resolution with their City Council and have signed the standard agreement. Ms. Timmerman has a resolution drafted and this will go before the County Board on September 28th. This particular property will be put on hold at today's court hearing. If the resolution passes the County Board, then Ms. Timmerman will do a motion with the court to finalize this process.

If the condo lots are removed, there are 40 properties left that have not been redeemed. Two of these are in bankruptcy. These properties will be put on hold and Ms. Timmerman will follow those bankruptcy actions.

There were three properties with federal liens. One paid yesterday, two remain (Lee Lane and Crosby Ave). Ms. Timmerman confirmed with the committee that the IRS is allowed 120 days after we obtain the property through the In Rem process (which will be today) to redeem the property. Ms. Timmerman suggested that we wait until after the full 120 days to sell these two properties. There was discussion around this issue.

Supervisor Kraft moved to not sell the two federal lien properties until the 120 days expire, second by Supervisor Podzilni. ADOPTED.

Supervisor Fox inquired into what properties have been redeemed since the last meeting. Ms. Kleinheinz identified the following properties: 162 S. High St., Lima Center Rd., 1859 S. Shore Dr., 1119 Roosevelt Ave., Noss Rd. and 7822 W. Mineral Point Rd.

Ms. Timmerman asked the Committee if they are still interested in taking the Christilla Dr. property which has deferred special assessments from the City of Beloit. If anyone buys this property, they will be subject to pay the deferred special assessments. We currently have several other properties that are subject to deferred special assessments from 2014. There was discussion on this issue.

Supervisor Podzilni moved to take this property, second by Supervisor Fox. ADOPTED.

Once we take this property, it is recommended that discussions occur with the City of Beloit related to this property and the others subject to the deferred special assessments in order to address possible compromises by the city so that these properties may be sold.

402 Bluff St. will be put on hold.

Supervisor Fox left at 8:30 A.M.

Review and Possible Revision or Creation, as well as Adoption of Policies Relating to the In Rem Process. Chair Mawhinney said this discussion is not to reinvent the wheel but rather make practice into policy. Ms. Oja suggested these policies be added to the Treasurer's Section of the Rock County Administrative Policy and Procedure Manual.

A. Redemption Date. Ms. Timmerman noted that the redemption date is determined by statute. Once the In Rem Petition is filed, publication must occur. The redemption date has to be at least eight weeks after the first publication date. Supervisor Kraft would like the full In Rem statute included in the policy manual. Past practice and policy has been to have the

redemption date be the last day to pay only one year of past taxes, interest, expenses, and costs for the property to be redeemed. After that date, the practice and policy has been to require that all four years be paid. The committee agreed to keep this policy in place.

Discussion occurred around the timing of filing the In Rem Petition. In the past it has been filed several weeks earlier than it was this year. Ms. Timmerman advised the committee that there is no statutory requirement for when the petition is filed. This year it was delayed due to hiring of new staff. Requests were made to start the process earlier, but no policy was adopted regarding when to file the In Rem petition.

Supervisor Mawhinney asked Ms. Roettger to walk her through the In Rem process from the beginning. Ms. Roettger explained the process to the Committee.

Ms. Timmerman asked what the committee would like to occur if someone comes to her after court and they ask to pay four years plus costs, will we take it and not sell that property at auction? The Committee discussed what other counties do, what options there are and what type of funds can be accepted.

Supervisor Podzilni moved to table this discussion to the November meeting, second by Supervisor Beaver. Discussion TABLED. For this year, all payments must be made prior to the court hearing, which is today at 1:30 p.m.

B. Sale of Contaminated Property. Historically, the county will not take any property that is contaminated or believed to be contaminated, so that the county is not subject to potential liability. Should a municipality express interest in a property that is or may be contaminated, we will agree to sell the property to the municipality for the amount of payments made by the county to the municipality in settlement of the city's local share of delinquent property taxes for the time period subject to the In Rem proceeding, provided the municipality signs a written agreement protecting the county from any liability associated with the contamination. Past practice is that in addition to the written agreement, pursuant to statute, the municipality body has to pass a resolution and then it comes back to County Board for resolution.

Supervisor Kraft moved to continue past practice on sale of contaminated property, second by Supervisor Podzilni. ADOPTED.

C. Sale of Property to Municipalities. Past practice is that municipalities pay all taxes, specials, interest penalty and fees. Municipalities get first choice of any property they would like to purchase. There was discussion around modifying the costs based on the amount of property purchased by the municipality and placing a deadline on when the municipality has to notify us of their intent to purchase. The Committee believes there is a policy that disallows municipalities from buying properties at the actual auction. No decision was reached and this discussion was continued to the November meeting.

D. Any Other Policy in need of Review /Creation Related to the In Rem Process. Supervisor Kraft inquired about maintenance on properties that we obtain in the In Rem. Ms. Timmerman said there is statutory language that is already written in our Standard Operating policy. The Committee agreed to keep this as part of the policy.

Chair Mawhinney would like to include the Rock County Policy on Disbursement of Proceeds dated 4/12/11 as Standard Operating policy. The Committee agreed to keep this as policy.

Supervisor Kraft would like to include in the policy that when certified mailings are returned or not picked up that they are remailed through the US Mail. Ms. Timmerman noted that this practice was followed this year.

Supervisor Kraft said that years ago, Eugene Dumas said that we should never foreclose on ourselves. The Committee will discuss this further at a future meeting.

Ms. Timmerman passed out copies of statutes 985.05 and 75.69 as well as a Class 3 legal notice example. Ms. Timmerman requested that the publication notice required for the sale of the property taken include a listing of the properties and the price.

Supervisor Beaver moved to adopt this request, second by Supervisor Mawhinney. ADOPTED.

Report on Cash Balances and Investments. Ms. Oja handed out copies and updated the Committee on cash balances and investments as of August 31, 2017.

Ms. Oja handed out copies of the County Sales Tax Receipts through August 31, 2017.

Adjournment. Supervisor Beaver moved adjournment at 9:32 A.M., second by Supervisor Podzilni. ADOPTED.

Respectfully submitted,

Tracey VanZandt
HR Secretary

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.