

COUNTY BOARD STAFF/FINANCE COMMITTEES
Minutes - July 18, 2014

Call to Order. County Board Staff Committee Chair Podzilni called the joint meeting of the County Board Staff Committee and the Finance Committee to order at 8:00 A.M. in Conference Room N-1/N-2 on the fifth floor of the Rock County Courthouse-East.

Committee Members Present County Board Staff Committee – Supervisors Podzilni, Kraft, Arnold, Brill, Bussie, Mawhinney, Peer, Sweeney. Finance Committee – Supervisors Mawhinney, Kraft, Fox, Podzilni.

Committee Members Absent: County Board Staff Committee – 1 vacancy; Finance Committee – Supervisor Beaver.

Staff Members Present: Craig Knutson, County Administrator; Sherry Oja, Finance Director; Josh Smith, County Administrator Designate; Randy Terronez and Nick Osborne, Assistants to the County Administrator; Karen Cain, Public Health Officer; Vicki Brown, Treasurer.

Others Present: None.

Approval of Agenda. Supervisor Arnold moved approval of the agenda as presented, second by Supervisor Peer. ADOPTED.

Citizen Participation, Communications and Announcements. Supervisor Bussie said there is an editorial in today's Janesville Gazette recommending taking the Courthouse tower down.

Review and Discussion of Preliminary 2015 Budget Projections and Program Information – Public Health. Ms. Cain handed out copies of her PowerPoint presentation and organization chart.

The Rock County Health Department is a Level III Health Department which is the highest level in the State of Wisconsin. All Health Departments must have the following five services: Communicable Disease Surveillance, Generalized PH Nursing Program, Health Promotion, Disease Prevention and Human Health Hazard Prevention and Control. To be considered a Level III Health Department they must be an agent for the state Hotel & Restaurant Program, an agent for the Tattoo & Body Piercing Program, and provide 14 additional programs or services.

Ms. Cain went over the statistics for Rock County: we rank 62nd in the state for overall health; there are many environmental issues affecting our health (i.e. lead, radon, unsafe wells, old homes, contaminated surface water); 20% of pregnant women smoke; 32% of our children at 2 years of age are not immunized; more than 50% of our citizens are overweight; and we rank in the bottom third of the nation for the number of STIs.

Ms. Cain said some of the things the Health Department does on a daily basis are: testing wells; restaurants inspections; follow up on animal bites; sample beaches; monitor private sewage

systems to keep sewage out of our groundwater and the neighbors' well; inspect homes to keep children from getting lead poisoning; educate pregnant women on how to have a healthy pregnancy; offer immunizations so children don't get diseases; and follow up on disease outbreaks to try and halt the spread.

Ms. Cain said some of the unexpected things that come up are like the TB outbreak in Richland County. They have 2 cases and did not receive state help like Sheboygan County did.

Ms. Cain said Rock County had 21 TB cases reported, which all need follow up. None of the cases are confirmed active TB, but follow up is needed to ensure medication is being taken, this is a 6 – 9 month process and needs to complete all treatments so they don't become drug resistant.

Ms. Cain said there was a chicken pox outbreak in Wisconsin Dells, where they hire Eastern Europeans (many Russian) who are not vaccinated and they come from areas not too far from where polio is prevalent. This puts out 2 year old population at risk.

Ms. Cain said the outcome over the last year of having public health in Rock County are a 13% decrease in critical violations with swimming pools; a 14% reduction in critical food safety violations; less than 2% of septic systems less than 25 years old failed; decrease in African American infant mortality in Beloit; 59 pregnant women were followed during their pregnancy; detected 55 infants/children with developmental delays; provided 7,194 vaccinations; 99% of families provided a safe sleep environment for their infants; and have met all the obligations of state agent status and grant requirements.

2014 Budget. Ms. Cain said the current year revenues are:

- 1) Public Facilities decrease \$13,000
 - 2) Sanitarian permits (septic systems) decrease \$5,000
 - 3) MA billing decrease \$16,000
 - 4) School increase \$9,000
 - 5) Vaccine – Medicare reimbursement increase \$10,000
- Overall decrease \$15,000

Ms. Cain said the current year expenses are:

- 1) Salaries/benefits decrease \$15,000, due to 2 open nursing positions
 - 2) Travel expenses decrease \$4,000
- Overall decrease \$19,000

Ms. Cain said the projections for 2014 are: revenue will have an anticipated decrease of \$15,000; expenses will have an anticipated decrease of \$19,000, which has an overall effect on the fund balance of \$4,000.

2015 Budget. Ms. Cain said her 2015 budget will be a cost to continue budget with the following assumptions: 2% increase in personnel costs; increase in Environmental Health fees; and

increase in MA reimbursable services. The 2015 projections for budgeted expenses are \$3,223,727, budgeted revenue of \$828,670, and budgeted tax levy of \$2,321,108, which is up \$73,949.

Ms. Cain said she had two options to reduce the tax levy increase.

- 1) Look for grant money to close the shortfall.
- 2) Eliminate a Public Health Nurse for a savings of \$75,000.
- 3) Eliminate a clerical position for a savings of \$62,436. With the remainder being absorbed by a decrease in travel and other office expenses.

The impact on the Department would be: fewer home visits; curtail programs not grant funded, such as dog bite prevention, community baby shower, FIMR/CDRT activities; fewer immunization outreach and education activities; fewer birth certificate lead visits; close south office over lunch; close south office on outlying clinic days; disallow 2 clerical staff to take vacations on the same day. All this will effect staff morale.

Ms. Cain thanked the Committee members and County Board for supporting the Health Department and helping keeping Rock County citizens safe.

General Review of County's Financial Position as it Relates to the 2014 Budget. Mr. Knutson said the County is in excellent financial condition. The fund balance policy requires 10%-17% in unassigned reserve. In 2012 our fund balance was 20.1% and in 2013 it is 21.7% of expenditures. If we don't use the General Fund it is looked on very favorably by the Rating Agencies. We will probably want to look at updating our General Fund Policy, maybe increase it. Excess sales tax revenue can be used for capital projects. Mr. Knutson said for the first time in a very long time the health insurance projections are looking good for 2015 with a 0% increase in rates. The Health Insurance Trust Fund is healthy.

Ms. Oja handed out and went over the following reports:

Schedule of Monthly Cash Balances, Other Than Construction Funds. Ms. Oja said this shows the County's cash position at various points in time. The County co-mingles the cash from all funds and diversifies how it is invested to enhance investment yields and cash flows. Page 2 shows where the funds are invested.

Interest Earned on Investments. Ms. Oja said we continue to see a decrease on interest earned on investments. Investment earnings dropped 99% between 2007 and 2013. We are predicting that interest earned will exceed the 2014 budgeted amount. All interest earned (less the amounts credited to specific trust funds) are credited to the County Treasurer's budget and offsets the tax levy.

Delinquent Tax Balances. Ms. Oja said the total amount of delinquent real estate taxes increased steadily from 2007 to 2010, seems to have leveled off for 2011, and dropped for 2012 and 2013. State Statutes requires the County to buy out delinquent real estate taxes, making the school districts, cities, towns and villages whole. This leaves the County responsible for the collection of all delinquent real estate taxes.

Interest & Penalty Collected on Delinquent Taxes. Ms. Oja said the amount of interest and penalty the County Treasurer has collected on delinquent real estate taxes is a revenue source and reduces the county tax levy.

Foreclosed Properties. Ms. Oja said after real estate taxes are delinquent over two years the county has the statutory authority to take title to the property through court action called in rem procedure. Currently there are 84 delinquent parcels the county may take title to this fall.

Analysis of Tax Levy and Rate. Ms. Oja said the 2013 tax levy to fund the 2014 budget increased by 2.26% while the tax rate increased by 5.27%. The increase in the tax rate is due to the 2.91% decrease in equalized value combined with the tax levy increase.

County Sales Tax Budgets and Collections. Ms. Oja said if we collect more sales taxes than we budgeted for, then we assign this excess revenue to be used for future capital items.

Outstanding Debts. Ms. Oja said the County's outstanding principal on debt issues had a jump in 2011 due to the large bonding we did for Rock Haven. The County's total statutory debt allowed is 5% of our equalized value or about \$467 million. Our debt is quite low, only 9.8% of our allowable debt limit. We also repay our debt quickly. Our normal debt issues are for only 10 years, while Rock Haven was for 15 years. These are factors used by the rating agencies in their determination of credit ratings and they look very favorably on how we manage our debt. In 2014, we have \$5.9 million in debt budgeted for highway projects and now about \$1.9 million in debt for the purchase of the job center. She anticipates this being issued in the first quarter of 2015.

Moody's and S&P. Ms. Oja went over the ratings from Moody's and Standard & Poor's, which are "AA1" and "AA".

Set Future Meeting Dates. The next meeting of the Joint Committees will be Friday, July 25th, 8:00 A.M. in N-1/N-2 for Rock Haven and Developmental Disabilities. The date for meeting at the Sheriff's Office was set for August 29th at 8 A.M. The date for meeting with the Public Works Department has not yet been set but are looking at August 8th or 15th.

Adjournment: Supervisor Arnold moved adjournment at 9:49 A.M., second by Supervisor Peer. ADOPTED.

Respectfully submitted,

Marilyn Bondehagen
Confidential Administrative Assistant

NOT OFFICIAL UNTIL APPROVED BY COMMITTEES.