

FINANCE AND PERSONNEL COMMITTEE

May 2, 2017

The Finance and Personnel Committee met on Tuesday, May 2, 2017, at 9:00 a.m., in the County Board Room, located on the Third Floor of the Courthouse, 181 West Seminary Street, Richland Center, Wisconsin.

Committee members present included: Jeanetta Kirkpatrick, Fred Clary, Robert Bellman, Linda Gentes, Buford Marshall, Larry Sebranek and Don Seep.

Others present included: Victor Vlasak, County Clerk; and elected officials, department heads and employees

Committee Chairman Kirkpatrick called the meeting to order.

The Clerk verified that the meeting had been properly noticed. Copies of the agenda were sent by email to all Committee members, WRCO and County department heads, a copy was posted on the Courthouse Bulletin Board and a copy was faxed to The Richland Observer.

Motion by Bellman, second by Gentes that the agenda, as amended, be approved. Motion carried.

Motion by Sebranek, second by Marshall that the printed copies of the minutes for the April 4th and April 11th meetings be approved. Motion carried.

Chairman Kirkpatrick announced that the first order of business would be the sale of Tax Deed Parcel # 276-2100-1781 located at 314 West Mill Street, Richland Center. The parcel has been appraised at \$1.00 with a requirement that \$9,250.00 be escrowed to assure removal of the house and cleanup of the site. The Clerk reported that no written bids were received. An oral bid of \$1.00 was received from Robert Simpson. No other oral bids were received. Motion by Sebranek, second by Seep to accept the \$1.00 bid from Robert Simpson. Motion carried.

Kathy Cianci, Pine Valley Administrator, addressed the Committee requesting that \$6,641.71 received from the sale of surplus items at Pine Valley be placed in the Debt Service Fund. The funds were placed in the General Fund as required by Rule 19 of the Rules of the Board. Motion by Sebranek, second by Bellman to present a resolution for approval to transfer \$6,641.71 from the General Fund to the Debt Service Fund. Motion carried.

Cianci report on the Department Head meeting that took place on April 24th. The next meeting is scheduled for May 8th. The department heads are discussing ways to decrease expenditures and increase revenues.

Bellman address the Committee regarding the inability to determine from the 2015 audit costs associated with institutional placements. Chairman Kirkpatrick reported that requesting additional auditing services will result in additional costs for the annual audit. Health and Human Services Director Patrick Metz explained that reports are presented monthly to the

Health and Human Services Board. Metz noted that additional information can be provided upon request. Chairman Kirkpatrick stated that the auditors asked if there was a suspicion of fraud or the misappropriation of funds in the Health and Human Services Department. Chairman Kirkpatrick indicated to the auditors that there was “no” suspicion of fraud or misappropriation of funds. The Committee discussed requesting a State audit to find programming efficiencies. Motion by Seep, second by Sebranek to postpone the agenda item. Motion carried.

Chairman Kirkpatrick reported that Highway Commissioner Jim Chitwood’s requested changes to the advertising requirement to fill vacant positions has been discussed with Attorney Jon Anderson. Mr. Anderson’s advises that no changes be made to the policy. Motion by Sebranek, second by Marshall that no change be made to the advertising requirement for filling vacant positions. Motion carried.

Chairman Kirkpatrick presented options to address the financial liability regarding the ability of employees to be paid for unused sick leave days upon death or retirement provided that upon retirement the employee is eligible for retirement benefits under the Wisconsin Retirement Fund. The options are:

- Make no change to the current policy except to require that the department leave the position open after retirement until the payout has been recouped.
- Eliminate the benefit for newly hired employees.
- Eliminate the benefit for all employees at a certain date.
- Eliminate the benefit for all employees by phase out over time.

Committee members indicated reluctance to eliminate or phase out the benefit for current employees. The item will be discussed by the department heads when they meet on May 8th.

Patrick Metz addressed the Committee regarding the requirement in the Handbook that to qualify for holiday pay, employees must work all regularly scheduled work time for one scheduled work day immediately preceding the holiday and one scheduled work day immediately following the holiday, unless on an excused absence or vacation. Metz proposes wrapping layoff days around holidays resulting in ten unpaid furlough days in 2017 with the intent that employees not lose pay for the actual holiday. The proposal for furlough days will be presented to the Health and Human Services Board at their next meeting. Motion by Seep, second by Sebranek to go on record in favor of the proposal. Motion carried.

Metz addressed the Committee requesting the establishment of a purchasing policy so that purchases are dealt with consistently across the County. Motion by Bellman, second by Seep to investigate the advantages of establishing a county-wide purchasing policy. Motion carried.

Metz addressed the Committee request approval to conduct a forum for an educational opportunity on services provided by the Health and Human Services Department. Motion by Seep, second by Sebranek to approve the request. The forum would take place prior to a regular meeting of the County Board.

Carol Ann Wirth, President of the Wisconsin Public Finance Professionals, LLC, addressed the Committee with a report on borrowing for capital projects. Ms. Wirth reviewed the challenges facing the County which include:

- A decline in the County's cash position and fund balance.
- Rising costs of providing services in the Health and Human Services Department.
- Levy limits which restrict the County's ability to generate additional revenue.
- Moody's rating downgrade to "A2" with a "negative outlook" resulting in bond investor's monitoring of the County's financial situation.

Ms Wirth explained the process for conducting a referendum to request permission from the voters to increase the tax levy to provide additional funding for the operating budget.

Ms. Wirth explained the process for borrowing for capital projects currently in the 2017 operating budget to free up funds in operations and designating the funds that were freed up to the fund balance and not using them to pay for additional operating expenses. Ms. Wirth also explained the importance of addressing rising costs with the operating budget to show current bond investors that the County is working to improve its cash position and increase the fund balance so that it comes into compliance with the County's Fund Balance Policy.

Ms. Wirth reviewed various borrowing options using the State Trust Fund Loan Program. An authorizing resolution would be required and need to be approved by 3/4's of the County Board members elect. The debt service payments could then be added to the annual tax levy. The amortization of the loans would be based upon the useful life on the capital item. Individual borrowings could be made based upon the need for the funds. Loans from the State Trust Fund Loan Program can be made for any term and can be prepaid at any time. No action was taken on the borrowing options.

Motion by Bellman, second by Sebranek to adjourn. Motion carried. The meeting adjourned at 12:10 p.m.

Victor V. Vlasak
Richland County Clerk