

FINANCE COMMITTEE AGENDA
Polk County Government Center
Second Floor East Conference Room
100 Polk County Plaza
Balsam Lake, WI 54810
July 14th, 2010 2:00 p.m.
Open Session

(A quorum of the County Board or Governing Committees may be present.)

- Call to order
- Accept Agenda
- Approval of Minutes of the Previous Meeting
- Public Comments
- Committee Calendar/Agenda/s

The Committee may take up any matter on this agenda at any time during the meeting regardless of the location of such item on the agenda.

*****Discussion on 2007 Promissory Note

Public Finance – Wisc- Dave DeYoung

*****Resolution To Authorize and To Affirm Advance to Golden Age Manor Relating To Pay-off of 1998 Bank Note

*****Resolution to Authorize Transfers to Correct Allocation of Proceeds from 2007 Promissory Notes to Purposes Authorized in Resolution 112-07

County Board Supervisor-Herschel Brown

Resolution to Amend Policy 912 to require purchase of goods and services from Polk County vendors

Golden Age Manor- Gary Taxdahl

Resolution to Authorize Golden Age Manor Nursing Home Loan for Windows

*****Treasurer – Amanda Nissen

Treasurer's Report

Resolution- Maggie Wickre

To authorize Human Services transfer 2009 excess revenue over expenditures and general fund

Information Technology -Todd Demers

Email Addresses/ Security

County Administrator- Dana Frey

Overview of 2011 Budget Process

Amended Policies

Gary Bergstrom

Discuss the Latitude impact on the Finance Committee.

Brian Masters

Highway Dept and Public Protection Unused Funds.

Finance – Maggie Wickre
Petty Cash
Office Update
Bills and Vouchers
Status of Departmental Operations

Committee Observations

Adjournment (Agenda not necessarily presented in this order.)

Copies to: County Clerk

This meeting is open to the public according to Wisconsin State Statute 19.83. Persons with disabilities wishing to attend and/or participate are asked to notify the County Clerk's office (715/485-9226) at least 24 hours in advance of the scheduled meeting time so all reasonable accommodations can be made. Requests are confidential.

Polk County Finance Committee
Polk County Government Center, 2nd Floor East Conference Room
100 Polk County Plaza, Balsam Lake, Wisconsin 54810
Minutes of July 14th, 2010 Meeting

Chairman Gary Bergstrom called the meeting to order at 2:01 p.m.

Present for finance committee: Gary Bergstrom
Neil Johnson
William Johnson
Kathy Kienholz
Brian Masters

Also present: Dana Frey, county administrator
Amanda Nissen, county treasurer
Gary Taxdahl, GAM director
Jeff Fuge, corporation counsel
Herschel Brown, supervisor
Kathy Bohn, hwy. admin. supervisor
Maggie Wickre, interim finance director
Todd Demers, IT director
Malia Malone, asst. corporation counsel
Dave DeYoung, Stifel, Nicolaus & Co.
Steve Warndahl, highway commissioner
Members of the press

Motion by N. Johnson / Kienholz to amend the agenda to move Highway to top of list; carried by voice vote.

Motion by Masters / Kienholz to approve the minutes of June 9th, 2010 meeting; carried by voice vote.

Public comment.

None.

Committee calendar/agenda(s).

Next finance meeting is July 28th, 2010 at 2:00 p.m. County board meeting is July 20th at 3:30 p.m.

Highway department.

Masters had questioned why the highway department had ended the 2009 year with approximately \$1 million excess of expenses over revenues, which was not budgeted; Highway Commissioner Steve Warndahl and Supervisor of Highway Administration Kathy Bohn made a presentation to the committee to explain how it had happened. They handed out summaries of their department's 2009 operations (fund statement, revenue and expense comparison, snow and ice control materials usage, overtime, and tax levy distribution). The primary reason was that a large highway project awarded to Polk County by the State which Mr. Warndahl had been told would not happen at all.

- Ending 12/31/09 highway fund balance total was \$2.8 million;
- 2009 fund balance change was a positive \$712,175;
- Actual 2009 revenue less expenses was approximately \$1 million more than budgeted.

Resolutions.

County Administrator Dana Frey discussed two resolutions concerning the debt issued by the county in late 2007. The Golden Age Manor Nursing Home shall repay advance to the County General Fund consistent with the Repayment Schedule.

- Resolution To Authorize Transfers to Correct Allocation of Proceeds from 2007 Promissory Notes to Purposes Authorized in Resolution 112-07;
- Resolution To Authorize and To Affirm Advance to Golden Age Manor Relating To Pay-off of 1998 Bank Note.

Polk County Board of Supervisors authorizes and directs the Interim Finance Director to prepare, to sign, and to file with the Internal Revenue Service, the Wisconsin Department of Revenue, or other governmental agency, as appropriate, the requisite certifications, forms, or other reports that relate to the reallocation caused and authorized by the resolution.

Technical questions should be directed to Dave DeYoung from Stifel, Nicolaus & Company.

Motion by Masters / Kienholz to move both resolutions to County Board; carried by voice vote.

County Board Supervisor Herschel Brown spoke on a resolution to amend policy 912 to recommend that, when that policy is rewritten, Polk County vendors be given some kind of preference for county purchase of goods and services. The committee discussed how this might be implemented. Consensus was that a separate resolution was not needed and that the intent of the resolution will be kept in mind when the policy is rewritten. County Administrator Dana Frey suggested that perhaps the county might host a training session for local vendors on the process and details of bidding on government purchases; such training could aid local businesses in bidding on purchases by, not just Polk County, but also other governmental bodies and might encourage some vendors to bid who would not otherwise do so.

Finance Director Maggie Wickre discussed the resolution to authorize transferring Human Services 2009 excess revenue over expenditures from the HS fund to the county general fund. The amount is approximately \$281K. **Moved by N. Johnson / Masters to transfer; carried by voice vote.**

Financing for Golden Age Manor windows.

Golden Age Manor Director Gary Taxdahl spoke on the Resolution to Authorize Golden Age Manor Nursing Home Loan for Windows. Mr. Taxdahl distributed two handouts: one outlining how the Medicaid reimbursement for capital projects works and another that was example detailing the cash flow that could arise from a loan and reimbursement. Medicaid would reimburse GAM approximately 73% of the total cost of the windows, which would include interest on the loan. The balance of the cost of the windows and financing will be built into the room rate charged for Medicare and private pay patients. Another option would be to pay for the windows from the county contingency fund; there was agreement among the committee that this would be inappropriate.

Finance Director Maggie Wickre stated she had received two bids for the loan. Citizens State Bank in Clayton submitted a proposal for a 4-year loan of between \$150,000 and \$200,000 @ 4.5%, amortized over 15 years with a balloon payment after 4 years. Example: monthly payments on a \$150K loan would be \$1,153; monthly payments on a \$200K loan would be \$1,537. The bank is open to monthly, semi-annual, or annual payment terms mutually agreeable to both parties.

Bank Mutual in St. Croix Falls submitted a proposal for a \$200,000 loan @ 4.35% fixed for 5 years with a 15 year amortization. The loan would be secured by the real estate.

The committee agreed that the latter loan offered more favorable terms. The committee also discussed how the payments would be accounted for, since the Medicaid reimbursement would not begin to come in for approximately 18 months. It was agreed that the monthly payments until the end of 2012 would come from the capital improvement fund on GAM's books, after which they will come from GAM's operating funds.

Motion by W. Johnson / Kienholz to move the resolution to County Board; amendments will be made on the floor to add the bank and terms; carried unanimously by voice vote.

Treasurer's office.

Treasurer Amanda Nissen updated the committee on office operations. She handed out and discussed her monthly reports on outstanding tax certificates, interest earned on tax certificates, investments, cash balance, and monthly interest on the county's checking account.

- Outstanding tax certificates of \$197,069.09 were paid off during April;
- Interest earned on tax certificates was \$47,175.30;
- Monthly interest on checking account at 0.8% was \$6,237.78.

Ms. Nissen stated that property taxes are due July 31st. Temporary help plus a staff member from the county clerk's office will be brought in for extra coverage during the busy period around the deadline. Ms. Nissen also discussed a recent employee theft that had been reported in the press.

Information Technology.

IT director Todd Demers handed out and discussed the list of his department's disbursements of \$7,996.

Mr. Demers handed out a report on the status of department projects. He stated that Maxwell Air is going install air conditioning in the server closet at a cost of \$4,700. The other vendor was Johnson Controls; their bid was approximately \$9,200 and offered much more than was needed.

County Administrator.

Dana Frey did a PowerPoint presentation on Overview of 2011 Budget Process. Mr. Frey also discussed his handout on Policy 881 and Budgets.

Department of Administration.

Interim Finance Director Maggie Wickre handed out a summary of the Department of Administration's activities as of July 14th.

Ms. Wickre updated the committee on authorizations on the petty cash funds held by various departments. Our auditors, LarsenAllen, requested a list of all petty cash funds. Masters suggested that DoA send an e-mail requesting departments to justify their need for a petty cash fund; the committee will discuss this issue at a later time.

Ms. Wickre spoke on the Golden Age Manor carpet that was installed in 2009. The amount approved to purchase and install the carpet was \$82,900, which was transferred from general fund to GAM, but total

payment for the project are approximately \$9,910 more than that. Ms. Wickre will contact someone to determine the cause of the overage and report back to the committee at the next finance meeting.

Ms. Wickre handed out an example of the different format that will be used for the 2011 budget. The reports for this new format come out of the county's official financial reporting system rather than through the Excel spreadsheets that have been used in the past. It is hoped that this will significantly reduce the time and effort needed to produce the budget and reduce the likelihood of human errors.

Ms. Wickre updated the committee on her department's efforts to restrict use of credit cards. She will have more information for the finance meeting on July 28th.

Motion by W. Johnson / Masters to approve vouchers numbered 269257-270409 and dated 7/14/10; carried by voice vote.

Motion by W. Johnson / Masters to suspend the agenda and add the resolution to establish guidelines for transferring surplus from the Lime Quarry enterprise fund to the county general fund and move same to County Board. Carried by voice vote

Motion by Masters / N. Johnson to adjourn; carried by voice vote. Adjourned at 5:10 pm.