



COMMITTEE MEETING MINUTES

FINANCE/CIP COMMITTEE

JULY 19, 2021

Christine Husom	District 1
Darek Vetsch	District 2
Mark Daleiden	District 3
Mary Wetter	District 4
Michael Kaczmarek	District 5

DATE APPROVED: [DATE]

Members Present: Commissioner Vetsch, Commissioner Daleiden, Lee Kelly, Holly Wilson, Bob Hiivala, Lindsey Meyer, and Heather Lemieux

Others Present: Ryan Kotila, Marc Mattice, Matthew Fomby, Jami Goodrum Schwartz, Christine Partlow, and Jen Rasset; Attending Remotely: Steve Jobe, Jessi Miller, Lori Pawelk, Schawn Johnson, Tim Dahl, Virgil Hawkins, Greg Kryzer, Mike MacMillan, Tanya West, John Holler, and ConnieMae Cooper

THESE MINUTES ARE IN DRAFT FORMAT AND REQUIRE APPROVAL BY THE COUNTY BOARD

I. Investment Review

Auditor/Treasurer Bob Hiivala stated a portion of American Rescue Plan (ARP) funds were invested in June 2021. Hiivala considered safety, liquidity, and yield when determining where to invest the funds. Approximately \$8 million in ARP funds have been invested and the portfolio is currently yielding over 2 percent interest.

Staff discussed bank fees associated with the county's accounts. Finance Director Lindsey Meyer explained the county has access to a monthly client analysis statement. Further analysis could be performed to determine the cost associated with each service. Hiivala stated since the Investment Review Committee began, additional information has been tracked, including investment activity, maturities, and purchases. The U.S. Treasury is used as the benchmark for comparison.

RECOMMENDATION:

Informational only.

II. Fiscal Agent Contracts

The Fiscal Agent Summary document details the annual cost of providing services to outside agencies. The county has three Fiscal Agent Contracts: Soil and Water Conservation District, Historical Society, and Lake Improvement Districts (LID). The county only provides accounting services for LIDs.

Each agency pays the county \$300 monthly, but it does not cover the cost of services the county currently provides. Each employee will need a license for Oracle to complete timesheets, resulting in additional costs. There is potential for added costs associated with Enterprise Resource Planning (ERP) as well.

Employees of the three agencies currently have the same health insurance costs as county employees. If the county decides to no longer provide the agencies access to the health insurance plan, the rates for employees will likely be higher.

These organizations can make purchases outside standard governmental statute capabilities. For example, items such as staff meals for events. The county pays all bills for the organizations and then requests reimbursement. Since these organizations have different purchasing ability, there is the potential for auditing issues. Additionally, it can take longer than a month for the county to obtain reimbursement, leaving the county's account with a negative balance.

RECOMMENDATION:

Having a conversation with the fiscal agents regarding the possibility of the county no longer being able to provide fiscal agent services due to the county moving to ERP. This topic is on the agenda for Committee of the Whole scheduled for 10:00 a.m. Monday, July 26, 2021.

III. 2022 CIP

Commissioner Vetsch stated the intent is to have a fully funded Capital Improvement Plan (CIP). Funds will be earmarked for specific department projects and will not be reallocated to cash flow other projects. Meyer suggested a levy of \$3.5 million. County Administrator Lee Kelly explained other funds have been used to cash flow projects over the years and now it must be reconciled.

Highway Engineer Virgil Hawkins informed the committee that the Highway Department recently realigned its CIP priorities. The expansion design of the Otsego Maintenance Shop will be taking place this year and construction will begin in 2022. A revised CIP was submitted but it may need to be reviewed. There is an upcoming meeting with the architect for the Otsego Shop. Based on the current market, the Highway Department has been advised not to proceed with construction this year, even though there are funds in the CIP.

Health and Human Services requested \$750,000 for the Customer Relations Management (CRM) project. Meyer and Health and Human Services Business Manager Christine Partlow determined that the ERP Compliance Enhancements should be shifted to 2023. Health and Human Services Director Jami Goodrum Schwartz expressed concern that \$200,000 over the course of five years doesn't give much wiggle room to keep staff equipped.

Vetsch said looking at it from a budgeting perspective, starting at \$350,000 and creating a contingency line would be appropriate. Meyer asked if \$750,000 should be levied or offset against the allocation in 2022. Vetsch said \$750,000 cannot be levied for just HHS. Vetsch said each department should have its own bucket to pull from otherwise it can get too messy. If a department has a project that comes in under budget, the department can keep that money in their bucket for other projects.

The Sheriff's Office has \$300,000 allocated for body cameras and squad cameras. Meyer said the Sheriff's Office has a balance remaining of \$298,000 for squad cameras and \$70,000 set aside for jail lock control system upgrade. \$300,000 is the proposed amount allocated to the Sheriff's Office on an ongoing basis. The Sheriff's Office originally requested \$2 million for a Records Management System (RMS) to replace Zuercher and \$1 million for body cameras which has been split between 2022 and 2023. However, the Sheriff's Office is investigating another option which may be cheaper.

Parks and Recreation Director Marc Mattice is anticipating setting aside \$315,000 for future projects. At the end of 2022, the Parks and Recreation Department is expecting to have \$438,000 unallocated to move forward into future years.

Enterprise Funds are not administration specific, instead county-wide projects. The only specific project coming up as a request is for buildings to replace the humidification at the Historical Society. Vetsch would like to segregate the earmark for buildings care and maintenance from Enterprise Technology Projects. The current request for 2023 is \$505,000 for building needs.

The request for ERP in 2022 is \$350,000, which would give the county \$2.1 million available to spend. The county has already spent \$1.8 million. There will be more information and solid numbers this fall. As of now, there is \$2 million of requested projects that are unfunded.

Information Technology (IT) Director Matthew Fomby said the IT Department has knocked off about 40 percent of Enterprise activities for things that are not going to happen. Fomby said the county runs the risk of levying funds that it's not going to spend.

The total cost for all 2022 requested projects is \$6.08 million. The suggestion is to fund that with \$3.75 million in levy funds.

There is \$300,000 that Fomby set aside for IT. Meyer bundled it with other departments because IT on its own is not that large and doesn't have many of its own projects. The document shows that it is primarily addressing Enterprise funds.

Meyer said she thinks that IT doesn't need all the \$300,000 allocated or IT-specific items should be bundled with the remaining department group. She then asked if \$800,000 should be allocated for the remaining department group. Vetsch said he would like \$300,000 to be put into the contingency unallocated fund and put \$600,000 in the remaining department group, allowing the committee to review on a needed basis.

RECOMMENDATION:

Meyer will update the 2022 budget workbook according to the discussion that took place and send it to the committee for review.

Finance/CIP Committee Minutes submitted by Angie Fisher, Administrative Specialist.