

FINANCE COMMITTEE MEETING MINUTES

The Polk County Finance Committee met in the Second Floor East Conference Room of the Polk County Government Center at 2:40 p.m. on June 23, 2008.

Present: Gary Bergstrom Brian Masters Mick Larsen
Bryan Beseler Kathryn Kienholz

Also Present: Tonya Weinert
Members of the Public
Members of the Press

Chairperson Gary Bergstrom called the meeting to order at 2:40 p.m.

Moved by Larsen/Masters to approve the Agenda as published. Motion carried by voice vote.

Moved by Kienholz/Masters to approve the previous Finance Minutes of Jun 11, 2008. Motion carried by voice vote.

Public Comment

A public comment was heard from by Jim Drabek of Balsam Lake, Wisconsin commented regarding his Personal Property Tax Statement, his Golden Age Manor share, and the cost of legal fees.

Auditors

Doug Host, CPA Principal and Steve Tracey, CPA of LarsenAllen, LLP submitted "Polk County, Wisconsin Comprehensive Annual Financial Report Year Ended December 31, 2007" and "Polk County, Wisconsin Federal and State Single Audit Reports December 31, 2007" for the Committee member's review. Host reported that their firm had completed both pieces of the audit at the same time and thanked the staff at Polk County for their cooperation in getting all items in order. Host reported that this was the first year Polk County submitted the 107 page bound document to the Governor's Association - Certificate of Excellence in Financial Reporting. Larsen questioned a financial reward and Finance Director Tonya Weinert reported that it would help in bond ratings because it would show that Polk County had met the highest standards of financial reporting and thanked her staff and other departments for assisting in the process. Host pointed out that there were fewer audit adjustments this year versus last year. Host reported that the Management Letter was now part of the single Audit Report; He further reported the following: The Health Insurance accounts were lacking in segregation. Weinert reported that the Health Insurance accounts were in her office and that the reconciliation process had been moved to the Staff Accountant to correct that concern.

The other Findings Host reported were with regard to the Treasurer's Office. He reported that at various times of the year, money received by the County was not deposited on a timely basis that as of August 29, 2007 checks totaling \$389,920.70 with check dates ranging from March 19, 2007 to August 27, 2007 totaling 42 checks were not deposited at that time; fieldwork in April 2008 found three checks to the County totaling \$1990.032 were undeposited dated from January 1, 2004 through March 1, 2006; interest earned by the county on bond proceeds was received in late 2007 and as of April 2008, approximately \$5,000 of interest earned on those proceeds had not been recorded by the Treasurer on the general ledger; and that tax collections accounts were not reconciled by the Treasurer's Office in a timely manner for the year ended December 31, 2007 and recommended the County management implement formal policies and procedures that require daily deposits in order to minimize the risk of fraud and theft and improve internal controls. It was also noted that payments for Probate Fees were not submitted to the state in accordance with prescribed guidelines; tax refund overpayments from July 2004 - August 2007 of approximately \$6,100 had not been returned to the applicable taxpayers and recommended that county management implement procedures to ensure the items are addressed in a timely manner. Host reported they also found that there was no documentation that the monthly bank reconciliations were being reviewed exposing the county to a risk of error or intentional misstatement due to the lack of

internal controls over those checking accounts and recommended the reviewer sign or initial the document approval of the reconciliation; Host also reported that the County's computer usage records indicated the County Treasurer's computer was not logged into the County's network for 79 of the 245 working days in a 12-month period and that during the same period of time, the employees internet usage showed approximately 50-60 percent of the internet usage did not pertain to County business and recommended management review and assess computer usage in order to determine the adequacy of management monitoring functions and to determine appropriate action, if any, regarding compliance with the County's computer usage policy.

Weinert reported she would draft policies for deposits. Larsen requested the matter be added to the next Finance Agenda. Host also reported that the General Fund was at 24.5 percent or 3 month's worth of expenditures; there was a drop in the capital assets by over 1 million - which translated to assets are not being replaced as quickly as previously. Host also reported on Bonds, Notes, Taxes and Sales Tax, Governmental Funds, an increase in the Lime Quarry year end cash of \$120,000, and the GAM loss of \$103,000 after the IGT monies. As of December 31, 2007, Polk County's assets were in the amount of \$212,091,160 less liabilities of \$62,843,435 for a net worth of \$61,413,211.

Treasurer

Treasurer Amanda Nissen reported that there would be a new tax credit of approximately \$35.00 for every improved parcel in the State of Wisconsin that would be reflected on the next tax statement. She handed out "Treasurer's Office Update" dated June 23, 2008 for the Committee's review. Nissen reported on the May 2008 cash balance and interest in the Checking Account in the amount of \$17,959,943.75; Outstanding Tax Certificates in the amount of \$1,572,629.34; Interest earned on Tax Certificates in the amount of \$141,029.30; Investments; and Sales Tax for May 2008 in the amount of \$169,474.89. Nissen also handed out "2009 Polk County Staffing Analysis" and "2009 Budget" for the County Treasurer's Office. Nissen's 2009 proposed Budget was in the amount of \$202,974.38.

Information Technology

Information Technology Todd Demers handed out "Finance Report" dated June 25, 2008 for the Committee's review. Demers reported on FSG and LEMS; Old Identix System; Ghosting Integrator Computer; Document Management; Email Archiving Project; HIPAA (Health Information Portability Accountability Act) Records Destruction Training to be held for County employees on July 1, 2008 at 2:00 p.m.; Advance Technical Support; and the 2009 Budget process. Demer's 2009 proposed Budget was in the amount of \$306,137.33 which included an increase of \$85,000.

Parks, Buildings & Recycling

Parks, Buildings & Recycling Director Debbie Peterson and Supervisor Neil Johnson requested \$5,200 for electrical updates for the Fairgrounds. Peterson reported they had received three bids and that the Property Committee had elected to go with Yunker Electrical. **Moved by Larsen/Beseler to move \$5,200 from the Contingency Fund to the County Fair Grounds and Improvements budget. Motion carried by voice vote.**

Peterson handed out "Project I" and "Project II" - highway abatement of the North shed and the Administrative basement. She reported they had received two bids and that the Property Committee had approved the lower bid of the two. Peterson reported the Village of Balsam Lake would be donating some labor and costs because of the location of the water main. **Moved by Kienholz/Masters to approve and move, not to exceed, \$18,000 from the Contingency Fund to the County Building Improvement budget and to move forward with Projects I and Project II - highway abatement. Motion carried by voice vote.**

2009 Budget Discussion

Weinert updated the Committee members with 2009 Budget status. Weinert and Committee members discussed the gathering of information, recommendations from the Executive Committee and direction from the Finance Committee. They further discussed rising fuel/energy/utility costs, mandated and non-mandated programs, funding sources and program ranking. Weinert reported she was working on pre-buying options for some of the larger departments. The Committee requested the following: Department

Heads review and utilize the guidance provided by the Executive Committee on May 22, 2008; review and re-project 2008 budget needs; hidden impacts due to matching fund or reimbursements if a program was to be eliminated; to budget fuel costs in 2009 based on \$6.00 per gallon; increase utility expenses in 2009 by 30 percent; to include step increases, health insurance plan changes and longevity pay; and finally to include any information/explanations on the 2009 budget template note area that the Finance Committee would find valuable in understanding your budget/s.

Department of Administration/Finance

Moved by Larsen/Masters to approve Vouchers 242686 - 243334 that have been paid since the previous Finance Meeting. Motion carried by voice vote.

Moved by Larsen/Kienholz to adjourn. Motion carried by voice vote.

Meeting adjourned at 6:05 p.m.
