

AGENDA

Eau Claire County
Committee on Finance and Budget

Thursday, February 8, 2018 / 1 pm
Eau Claire County Courthouse – Room 1273
Eau Claire, WI 54703

1. Call Meeting to Order
2. Confirmation of Compliance with Open Meetings Law
3. Public Comment Period (15 minutes max)
4. *Proposed* Closed Session Pursuant to Wisconsin Statutes 19.85(1)(C) for the purpose of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. To wit: Finance Director interviews

Reconvene in Open Session
5. Financial Policy Process / File No. 17-18/116 / Discussion – Action **(pg. 2-8)**
 - Carry Forward Financial Policy
6. Proposed Resolution / File No. 17-18/111 “Authorizing the Sale of Tax Deed Property to Former Owner Nathan R. Schultz for \$13,146.07; Directing Corporation Counsel to Prepare a Quit Claim Deed on the Described Property; Directing the County Clerk to Execute Said Quit Claim Deed on Behalf of Eau Claire County” / Discussion – Action **(pg. 9-10)**
7. End of Year Projections / Discussion
8. Financial Activity Updates / Discussion - Action
 - * County Sales Tax Report (month of November 2017) **(pg. 11)**
 - * County Board Chair Vouchers
 - * Line Item Transfers
9. Review / Approval of January 11, 2018 Committee Minutes
 - Joint meeting minutes with Committee on Administration **(pg. 12)**
 - Committee on Finance & Budget (monthly meeting) **(pg. 13-14)**
10. Schedule Next Meeting and Agenda Items
11. Adjourn.

Post: 2/5/2018

Copy: media, Committee members, Kathryn Schauf, Glenda Lyons, Janet Loomis, Amy Weiss, Keith Zehms

Upon reasonable notice, efforts will be made to accommodate the needs of individuals with disabilities through sign language, interpreters or other auxiliary aids. For additional information or to request the service, contact the County ADA Coordinator at 715-839-4710, (FAX) 715-839-1669 or 715-839-4735, tty: use Relay (711) or by writing to the ADA Coordinator, Human Resources, Eau Claire County Courthouse, 721 Oxford Avenue, Eau Claire, WI 54703.

FACT SHEET

File No. 17-18/116

The Finance Department has been undergoing significant process and procedural reviews over the last year. Process changes are being implemented to ensure compliance with best practices and migration to electronic processing; providing streamlined processes that have sufficient rigor and internal controls. Concurrently, the Finance and Budget Committee, is undertaking a comprehensive policy review that informs the practices.

The end-product will be well-documented electronic processes and procedures that are consistent with the Government Finance Officer's Associations best practices. On a regular basis the Finance and Budget Committee will be forwarding Financial Policies to the Board of Supervisors for review and approval. The Financial Policy will ultimately replace portions of the county code. Sections of code that will be altered and / or eliminated will be identified with each policy brought forward. Final changes to county code will be done comprehensively when the Financial Policy Manual is substantially complete.

BACKGROUND

Financial policies are central to a strategic, long-term approach to financial management. Some of the most powerful arguments in favor of adopting formal, written financial policies include their ability to help governments:

1. Institutionalize good financial management practices. Formal policies usually outlive their creators, and, thus, promote stability and continuity. They also prevent the need to re-invent responses to recurring issues.
2. Clarify and crystallize strategic intent for financial management. Financial policies define a shared understanding of how the organization will develop its financial practices and manage its resources to provide the best value to the community.
3. Define boundaries. Financial policies define limits on the actions staff may take. The policy framework provides the boundaries within which staff can innovate in order to realize the organization's strategic intent.
4. Support good bond ratings and thereby reduce the cost of borrowing.
5. Promote long-term and strategic thinking. The strategic intent articulated by many financial policies necessarily demands a long-term perspective from the organization.
6. Manage risks to financial condition. A key component of governance accountability is not to incur excessive risk in the pursuit of public goals. Financial policies identify important risks to financial condition.
7. Comply with established public management best practices. The Government Finance Officers Association (GFOA), through its officially adopted Best Practices endorsement of National Advisory Council on State and Local Budgeting (NACSLB) budget practices and the GFOA Distinguished Budget Presentation Award Program, has recognized financial policies as an essential part of public financial management.

Recommendation:

GFOA recommends that governments formally adopt financial policies. Steps to consider when making effective financial policies include (1) scope, (2) development, (3) design, (4) presentation, and (5) review.

SCOPE OF PROJECT – Transition from Code to Financial Policy

There are some basic financial policy categories (but not limited to) that all governments should consider adopting.

1. General fund reserves. Policies governing the amount of resources to be held in reserve and conditions under which reserves can be used.
2. Reserves in other funds. Policies for other funds (especially enterprise funds) that serve a similar purpose to general fund reserve policies.
3. Grants. Policies that deal with the administration and grants process.
4. Debt. Policies that govern the use of government debt, including permissible debt instruments, conditions under which debt may be used, allowable levels of debt, and compliance with continuing disclosure requirements.
5. Investment. Policies that provide guidance on the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program.
6. Economic development. Policies that address a local government's use of subsidies or other incentives to encourage private development.
7. Accounting and financial reporting. Policies that establish and guide the use of an audit committee, endorse key accounting principles, and that ensure external audits are properly performed.
8. Risk management and internal controls. Policies that address traditional views of risk management and internal control, as well as more modern concepts of "enterprise risk management."
9. Procurement. Policies that are most essential for adoption by the governing board in order to encourage efficient, effective and fair public procurement.
10. Long-term financial planning. A policy that commits the organization to taking a long-term approach to financial health.
11. Structurally balanced budget. Policies that offer a distinction between satisfying the statutory definition and achieving a true structurally balanced budget.
12. Capital. Policies that cover the lifecycle of capital assets, including capital improvement planning, capital budgeting, project management, and asset maintenance.
13. Revenues. Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenditure obligations.
14. Expenditures. Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.
15. Operating budget. Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.

Source: Downloaded from <http://www.gfoa.org/adopting-financial-policies-0>, February 5, 2018

FINANCIAL POLICY BEING CONSIDERED: Carryforward

The desirability of this policy is linked to limiting the use of non-lapsing accounts. This will result in better financial and project management by having a formalized process detailing ongoing projects.

The code changes will involve the elimination of all sections that create non-lapsing accounts. Non-lapsing accounts will be administered using the following guidance below; which will be incorporated into the fund balance policy.

The Finance Department will use the policy guidelines for non-lapsing accounts to administer the creation of the accounts.

Guidance Regarding Non-Lapsing Accounts

All departments shall transfer all remaining balances at year end to the General Fund, unless these balances are requested and approved to be non-lapsing.

Non-lapsing requests, both discretionary and non-discretionary, are defined below. Examples are included, but it should be noted that these lists are not all inclusive.

a. Non-discretionary

i. Non-spendable, because of their form. Examples include:

1. Inventory
2. Delinquent property taxes
3. Prepaid expenditures

ii. Restricted, because of externally enforceable limitations on use.

Examples include:

1. Statutory limitations
2. Specific donor limitations
3. Signed contracts and/or purchase orders with vendors
4. Specific state agency limitations
5. Unspent bond proceeds.

b. Discretionary, which are classified as committed under GASB Statement No. 54.

Examples include:

- i. Balances that result from funded depreciation, not already affected by signed contracts and/or purchase orders with vendors.
- ii. Available departmental surpluses desired to be used for future appropriations.
- iii. Special circumstances that shall be considered by the Finance Committee.

Final written requests for both discretionary and non-discretionary non-lapsing items from all departments are due to the Finance Department in mid-February of the succeeding year. Thereafter, the Finance Committee will propose a resolution to the County Board with its recommendations concerning carrying forward of discretionary items. The resolution will, in the fiscal note, show the various categories.

Fiscal Impact: There is no initial fiscal impact in implementing financial policies. Ultimately they result in enhanced financial management.

The sections of code that will be recommended for abolishment are as follows:

4.04.080 Sales and acquisition of county forest lands--Nonlapsing account. All proceeds which result from the sale of county forest lands or lands held for forestry purposes, which lands lie outside of the designated boundaries of the county forest shall be placed in a nonlapsing forest land purchase account. Subject to approval of the board, funds may only be withdrawn therefrom with which to purchase lands for forestry purposes which lie within the designated forestry boundaries. (Ord. 80-81/243 Sec.1, 1980).

4.09.010 Nonlapsing accounts.

A. The following accounts or subaccounts are designated as nonlapsing, subject to review and amendment by the county board prior to the end of each fiscal year:

General Fund

- 100-00-16103 Central duplicating
- 100-01-51110-913 County Board Sesquicentennial
- 100-02-51210-810 Court--video equipment
- 100-10-46400 Landfill surcharge
- 100-10-51434 Employee lounge
- 100-10-51971 County wide--service on machines
- 100-14-46132 Register of Deed--land records fee
- 100-14-46134 Register of Deeds—SSN redaction fee
- 100-15-48502 Venison donations
- 100-15-51740 Land records--resurvey
- 100-15-51740-203 Land records grant
- 100-15-51820 Planning & Development--land use plan
- 100-15-51820-219 Digital parcel mapping
- 100-15-57415 Lake dredging/rehabilitation
- 100-16-51940 Courthouse--capital improvement
- 100-17-52104 Sheriff WIBRS grant
- 100-17-52121 Sheriff vehicle purchases

Respectfully Submitted

Kathryn Schauf
Administrator

1 Enrolled No.

2 RESOLUTION

3 File No. 17-18/116

4 - FINANCIAL POLICY: CARRYFORWARDS-

5 WHEREAS, Eau Claire County through adoption of the County Code has promulgated policy
6 and practice for financial management and practice; and

7
8 WHEREAS, as part of the 2016 – 2018 Strategic Planning Process the Board opted to
9 thoroughly review the county code; and

10
11 WHEREAS, a comprehensive process review has been undertaken, which will inform needed
12 procedural updates for policy creation resulting in improved financial management; and

13
14 WHEREAS, it is considered prudent to create a comprehensive Financial Policy Manual to
15 establish appropriate practices and procedures based on best practice; and

16
17 WHEREAS, said manual will be developed through careful analysis and review of
18 Government Finance Association best practices as relevant to comprehensive financial management;
19 and

20
21 NOW THEREFORE BE IT RESOLVED by the Eau Claire County Board of Supervisors,
22 that Financial Policy 01-18 Carryforwards be adopted.

23
24 BE IT FURTHER RESOLVED that the Eau Claire County Board of Supervisors directs the
25 Finance and Budget Committee to regularly review, update and maintain County Financial Policy
26 consistent with recommended best practices.

27
28 BE IT FURTHER RESOLVED that the Eau Claire County Board of Supervisors authorizes
29 the Finance and Budget Committee to amend Financial Policy on behalf of the Board.

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33 OFFERED BY:

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35 Committee on Finance and Budget

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44 KRZ/yk

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46 Dated this _____ day of _____, 2018.

BUDGET CARRYFORWARD POLICY

Definition

Budget carryforward refers to funds budgeted but unexpended during a budget year which are brought forward as additions to the subsequent year's budget. This policy excludes restricted funds or funds that statutorily are required to be carried forward.

Policy

Eau Claire County (the County) will use budget carryforwards to prevent taxing citizens twice for the same purpose. At year-end, unspent appropriations will lapse and revenues in excess of expenditures will drop to the general fund unless a carryforward is authorized by the County Board.

Policy Authorization

- Action by the Committee on Finance and Budget, February 8, 2018
- Resolution xxx, February 20, 2018
- Wis. Stat. § 65.06

Procedure

At the end of each fiscal year, the adopted budget for that year expires and the amounts appropriated in the adopted budget for the next year will become effective. Each department shall request carryforward of funds in writing to the Finance Department by a date to be determined by the Finance Department. The request should include the account number, the amount and a specific reason for the carryforward.

The Finance Department will provide initial approval. A resolution will be forwarded to the County Board by the Committee on Finance and Budget no later than May of each year to authorize any budget carryforwards.

To be eligible for carryforward funding, the following conditions must be satisfied:

1. Funds must be available in the requesting department's previous year's unspent balance;
2. Carryforward is needed for the completion of projects or the purchase of specific items approved in the previous year's budget but not accomplished;
3. Carryover is required to meet existing County Board policy or comply with accounting requirements.

1 RESOLUTION

2 - Approving Carry Forward Funds and Amending the Budget –

3
4 WHEREAS, various departments have requested that specific funds be non-lapsed and
5 transferred into the 2018 accounts from 2017 departmental budgets; and

6 WHEREAS, such transfers require County Board approval; and

7 NOW, THEREFORE, BE IT RESOLVED, by the Eau Claire County Board of Supervisors that the
8 following accounts be designated as non-lapsing funds in the amount specified.

9

10 <u>ACCOUNT NAME</u>	<u>AMOUNT</u>
11 Circuit Court	\$ 1,300.00
12 District Attorney	\$ 4,490.00
13 Information Systems: Software implementation	\$ 25,275.00
14	
15 Total Operating General Fund	<u>\$ 31,065.00</u>

16
17 Committee Name

18 Date

19
20 2/3 Vote Required

4 AUTHORIZING THE SALE OF TAX DEED PROPERTY TO FORMER OWNER NATHAN R.
5 SCHULTZ FOR \$13,146.07; DIRECTING CORPORATION COUNSEL TO PREPARE A QUIT
6 CLAIM DEED ON THE DESCRIBED PROPERTY; DIRECTING THE COUNTY CLERK TO
7 EXECUTE SAID QUIT CLAIM DEED ON BEHALF OF EAU CLAIRE COUNTY.

8 WHEREAS, in accordance with the Eau Claire County Code, Chapter 4.20.100 - Sale to Former
9 Owner; Nathan R. Schultz formally applied to purchase said property in accordance with the County
10 Code; and

11
12 WHEREAS, said property can be described as follows:

13
14 Lots 4 & 5 Block 35 Pioneer Lumber Company's Addition, City of Eau Claire, Eau Claire
15 County, Wisconsin; EXCEPT the West 52 feet thereof.

16
17 Computer #221-09-0422, City of Eau Claire
18 902 Vine St. Eau Claire, WI 54703

19			
20	Delinquent General Taxes	(2013-2017)	\$7,762.59
21	Delinquent Special Taxes	(2013-2017)	\$2,168.84
22	Interest and Penalties	(2013-2017)	<u>\$3,214.64</u>
23	TOTAL		\$13,146.07

24
25 NOW, THEREFORE, BE IT RESOLVED by the Eau Claire County Board of Supervisors that the
26 sale of the aforementioned described property to Nathan R. Schultz the former owner, is hereby
27 authorized for \$13,146.07.

28
29 BE IT FURTHER RESOLVED that said sale must take place no later than 30 days after County Board
30 Approval.

31
32 BE IT FURTHER RESOLVED that the Corporation Counsel is hereby directed to prepare a quit claim deed
33 to: Nathan R. Schultz.

34
35 BE IT FURTHER RESOLVED that the County Clerk is hereby directed to execute said quit claim deed on
36 behalf of Eau Claire County.

ADOPTED:

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Committee on Finance & Budget

Dated: _____

2018 FACT SHEET - Sell back to Nathan Schultz Former Owner

Sale	Resolution #	Parcel Number	Buyer	General Taxes	Special Taxes	Interest, Penalty & Expenses	Awarded Bid	Gross Profit/Loss
BUY BACK	17-18/111	221-09-0422	Nathan Schultz	\$7,762.59	\$2,168.84	\$3,214.64	\$13,146.07	\$0.00
								\$0.00
							Profit/Loss:	0.00

Eau Claire County Sales Tax Collections

Month	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
January	\$ 712,769	\$ 563,038	\$ 605,382	\$ 649,869	\$ 613,413	\$ 637,758	\$ 633,370	\$ 655,343	\$ 696,710	\$ 755,910
February	567,975	518,319	638,455	602,909	563,535	532,904	689,925	843,563	882,113	628,528
March	620,370	636,257	538,909	561,038	783,032	834,428	852,142	864,937	659,845	914,348
April	615,402	623,482	711,305	797,429	741,448	606,312	641,812	719,623	933,154	883,529
May	653,936	624,232	663,464	567,787	549,895	783,189	856,800	854,993	880,459	803,003
June	763,310	573,694	476,205	707,990	872,811	924,281	935,972	835,827	819,172	893,219
July	646,194	686,636	741,830	751,169	783,644	655,631	764,686	1,031,180	946,348	1,108,995
August	749,229	665,741	663,893	616,376	785,490	823,653	1,004,488	957,996	817,003	829,756
September	700,371	634,987	631,589	804,241	788,958	805,689	725,272	753,988	906,726	984,452
October	607,962	701,541	642,499	705,976	669,856	655,379	830,917	968,167	901,132	933,541
November	692,960	631,616	728,502	630,916	799,401	872,360	934,158	868,976	662,535	652,721
December	697,019	562,547	692,239	844,605	817,298	774,289	707,471	708,777	996,080	-
Add'l Rec'd	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,027,497	\$ 7,422,090	\$ 7,734,272	\$ 8,240,305	\$ 8,768,781	\$ 8,905,873	\$ 9,577,013	\$ 10,063,370	\$ 10,101,277	\$ 9,388,002
Budgeted	\$ 8,175,000	\$ 8,175,000	\$ 7,675,000	\$ 7,675,000	\$ 7,800,000	\$ 8,060,000	\$ 8,586,000	\$ 8,950,000	\$ 9,280,000	\$ 9,600,000
Excess (Short)	\$ (147,503)	\$ (752,910)	\$ 59,272	\$ 565,305	\$ 968,781	\$ 845,873	\$ 991,013	\$ 1,113,370	\$ 821,277	-
		2009 Shortfall	2010 Surplus	2011 Surplus	2012 Surplus	2013 Surplus	2014 Surplus	2015 Surplus	2016 Surplus	
Total County Taxable Sales	\$ 1,605,499,400	\$ 1,484,418,000	\$ 1,546,854,400	\$ 1,648,061,000	\$ 1,753,756,200	\$ 1,781,174,600	\$ 1,915,402,600	\$ 2,012,674,000	\$ 2,020,255,414	\$ 1,877,600,378
Yearly Average	\$ 668,958	\$ 618,508	\$ 644,523	\$ 686,692	\$ 730,732	\$ 742,156	\$ 798,084	\$ 838,614	\$ 841,773	\$ 853,455

Month	Monthly Avg	Median
January	\$ 652,356	\$ 643,814
February	\$ 646,823	\$ 615,718
March	\$ 726,531	\$ 721,439
April	\$ 727,350	\$ 715,464
May	\$ 723,776	\$ 723,327
June	\$ 780,248	\$ 827,500
July	\$ 811,631	\$ 757,928
August	\$ 791,363	\$ 801,247
September	\$ 773,627	\$ 771,473
October	\$ 761,697	\$ 703,759
November	\$ 747,414	\$ 710,731
December	\$ 755,592	\$ 708,777

Monthly amounts reflect 2017 sales tax received.

MINUTES

Eau Claire County
Joint Committee

Committee on Administration
Committee on Finance and Budget
Thursday, January 11, 2018 / 3:30 pm

721 Oxford Avenue
Eau Claire County Courthouse – Room
Eau Claire, WI 54703

Committee on Administration Members present:
Mark Beckfield, Colleen Bates, Kathy Clark

Committee on Finance & Budget members present:
Nick Smiar, Jim Dunning, Mike Conlin, Stella Pagonis

Staff present:
Kathryn Schauf, County Administrator; Amy Weiss, Interim Finance Director; Sharon Rasmusson

Committee on Finance & Budget Chair Jim Dunning called the meeting to order at 3:35 pm.
Committee on Administration Vice Chair Colleen Bates called the meeting to order at 3:35 pm.

Confirmation of Compliance with Open Meetings Law

Meeting properly noticed.

Public Comment Period

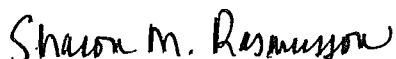
None.

2018-2020 Strategic Plan Process / Discussion-Action

Committee met with Eric Biltonen, Community Natural Resource and Economic Development educator for UW Extension, St. Croix County via conference call regarding the strategic planning process St. Croix County has experienced. A survey across departments was completed, with 85 % of department heads recognizing the importance of a strategic plan. (Currently, 15% of departments use strategic planning in their departments). A brainstorming session was held with department managers and a list was categorized and prioritized. Then the county board met with department managers to identify smart goals; ending up with five strategic issues, with goals for each.

Committee on Administration adjourned the joint committee meeting at 4:40 pm.
Committee on Finance & Budget adjourned the joint committee meeting at 4:40 pm.

Respectfully submitted,



Sharon M. Rasmusson
Committee Clerk

MINUTES

Eau Claire County
Committee on Finance and Budget
Thursday, January 11, 2018 / 3:30 pm

721 Oxford Avenue
Eau Claire County Courthouse – Room
Eau Claire, WI 54703

Finance & Budget members present: Nick Smiar, Jim Dunning, Mike Conlin, Stella Pagonis

Staff present: Kathryn Schauf, County Administrator; Amy Weiss, Interim Finance Director; Sharon Rasmusson,

Meeting was called to order by Chairperson Jim Dunning at 4:50 pm

Confirmation of Compliance with Open Meetings Law
Meeting was properly posted.

Public Comment Period (15 minutes max)
None.

Financial Policy Process

- Carry Forward Financial Policy Discussion / Discussion – Action

Kathryn Schauf, County Administrator, walked the committee through the existing accounts that are non-lapsing. Eventually these accounts will drop to the general fund and the non-lapsing account in the county code will be repealed. Need to clean up the process. In addition, financial policies will be reviewed by the Committee on Finance & Budget, with county board review and approval. Corporation Counsel is invited to the next meeting to assist the committee with carry forward policy.

Finance Director Update / Discussion

Forty five applicants applied for Finance Director Position. MRA helped get postings / crafted postings; screened. Initial vetting for 12 candidates. Interviews scheduled for February 2, with finalists meeting on February 8 with department heads and Committee on Finance & Budget.

End of Year Projections / Discussion

Still paying 2017 bills; monitoring DHS at this time.

Financial Activity Updates / Discussion - Action

- * County Sales Tax Report (month of October 2017) Committee reviewed.
- * County Board Chair Vouchers. Motion by Supervisor Smiar to approve of a travel voucher for the county board chair in the amount of \$333.55. Motion carried 4-0.
- * Line Item Transfers – None.

Review / Approval of December 14, 2017 Committee Minutes / Discussion – Action

Motion by Supervisor Smiar to approve of the December 14, 2017, minutes as written.

Next meeting is scheduled for Thursday, February 8, 2018 at 1 pm. In addition to the regular meeting, a meet and greet with candidates for Finance Director position will be held.

Meeting Minutes
Committee on Finance and Budget
Thursday, January 11, 2018
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Agenda Items

- Non lapsing
- Carry over legislation

Committee adjourned at 5:50 pm.

Respectfully submitted,

Sharon M. Rasmusson

Sharon M. Rasmusson
Committee Clerk