

AMENDED AGENDA
Eau Claire County
Committee on Finance & Budget
Monday, June 8, 2020
4:30 p.m.
Webex Conference Call

Public Access:
Dial in Number: 415.655.0001
Access Code: 926 699 635

Notice Regarding Public Comment: Members of the public wishing to make comments must email Amy Weiss at amy.weiss@co.eau-claire.wi.us at least 30 minutes prior to the start of the meeting. You will be called on during the Public Comment session to make your comments.

Agenda items are linked to supporting documentation.

There are also bookmarks to navigate through the document.

1. Call to Order and Confirmation of Meeting Notice
2. Roll Call
3. Public Comment
4. Covid-19 Fiscal Impact Update and 2020 Sales Tax Report / Discussion
5. 2020 Bond Issue and Moody's Rating Call Update / Discussion
6. 2019 Audit Update / Discussion
7. DHS Fiscal Review / Discussion
8. Proposed Resolution 19-20/109 "Directing the County Administrator to Take Significant Action..." / Discussion – Action
9. Proposed Ordinance 20-21/027 "To Amend Sections 4.02.001 and 4.02.010 of the Code..." / Discussion – Action
10. Proposed Ordinance 20-21/028 "To Amend Sections 2.04.485, 2.06.060, and 4.02 of the Code..." / Discussion – Action
11. 2021 Budget Procedure: guidelines, calendar, and survey / Discussion – Action
12. Review of May 11, 2020 Meeting Minutes / Discussion – Action
13. Future Meeting and Agenda Items / Discussion
14. Adjourn

Prepared by: Amy Weiss

Please note: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through sign language, interpreters or other auxiliary aids. For additional information or to request the service, contact the County ADA Coordinator at 715-839-6945 (FAX) 715-839-1669 or (TDD) 715-839-4735 or by writing to the ADA Coordinator, Human Resources Department, Eau Claire County Courthouse, 721 Oxford Ave., Eau Claire, Wisconsin 54703.

COVID Cost Summary
5/20/2020

<u>Source</u>	<u>Incurred</u>	<u>On-Order</u>	<u>Total</u>	<u>Description/Notes</u>
EOC Shared Purchases (County 60.68% Share)	\$ 7,434	\$ 15,206	\$ 22,640	Primarily PPE
EOC Purchase (County Specific)	\$ 52,004	\$ 21,145	\$ 73,149	Primarily jail decon unit - mostly grant funded
County Facilities - Supplies, Misc.	\$ 9,470	\$ 1,000	\$ 10,470	Cleaning supplies, PPE
County Sheriff - Supplies, Misc.	\$ 5,001	\$ 6,495	\$ 11,496	Cleaning supplies, PPE
Total Supplies, Misc.	\$ 73,909	\$ 43,846	\$ 117,755	
County Labor - Regular Hours	\$ 140,065		\$ 140,065	Primarily exempt employee labor support
County Labor - Overtime Hours	\$ 911		\$ 911	
Total Labor	\$ 140,976	\$ -	\$ 140,976	
Total Costs	\$ 214,885	\$ 43,846	\$ 258,731	

Notes:

* Expectation is that FEMA funding will cover 75% of the Total Supplies and the other 25% will be covered by the State Cares Funding

* FEMA funding will cover 75% of the Overtime cost, regular labor cost is not reimbursable

**Eau Claire County
Annual Sales Tax Collections**

Month	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
January	\$ 649,869	\$ 613,413	\$ 637,758	\$ 633,370	\$ 655,343	\$ 696,710	\$ 755,910	\$ 746,338	\$ 704,798	\$ 919,229
February	602,909	563,535	532,904	689,925	843,563	882,113	628,528	601,096	669,281	801,924
March	561,038	783,032	834,428	852,142	864,937	659,845	914,348	957,986	959,733	682,340
April	797,429	741,448	606,312	641,812	719,623	933,154	883,529	900,497	854,152	
May	567,787	549,895	783,189	856,800	854,993	880,459	803,003	946,279	1,020,614	
June	707,990	872,811	924,281	935,972	835,827	819,172	893,219	1,249,533	1,134,311	
July	751,169	783,644	655,631	764,686	1,031,180	946,348	1,108,995	748,195	763,404	
August	616,376	785,490	823,653	1,004,488	957,996	817,003	829,756	987,184	1,128,758	
September	804,241	788,958	805,689	725,272	753,988	906,726	984,452	1,086,193	1,059,516	
October	705,976	669,856	655,379	830,917	968,167	901,132	933,541	789,472	775,608	
November	630,916	799,401	872,360	934,158	868,976	662,535	652,721	950,828	1,071,365	
December	844,605	817,298	774,289	707,471	708,777	996,080	1,137,837	1,069,954	968,152	
Total	\$ 8,240,305	\$ 8,768,781	\$ 8,905,873	\$ 9,577,013	\$ 10,063,370	\$ 10,101,277	\$ 10,525,839	\$ 11,033,555	\$ 11,109,693	\$ 2,403,493
Budgeted	\$ 7,675,000	\$ 7,800,000	\$ 8,060,000	\$ 8,586,000	\$ 8,950,000	\$ 9,280,000	\$ 9,600,000	\$ 10,100,000	\$ 10,849,216	\$ 10,850,960
Excess (Short)	\$ 565,305	\$ 968,781	\$ 845,873	\$ 991,013	\$ 1,113,370	\$ 821,277	\$ 925,839	\$ 933,555	\$ 260,477	\$ (8,447,467)
	2011 Surplus	2012 Surplus	2013 Surplus	2014 Surplus	2015 Surplus	2016 Surplus	2017 Surplus	2018 Surplus	2019 Surplus	
Total County Taxable Sales	\$ 1,648,061,000	\$ 1,753,756,200	\$ 1,781,174,600	\$ 1,915,402,600	\$ 2,012,674,000	\$ 2,020,255,414	\$ 2,105,167,718	\$ 2,206,710,922	\$ 2,221,938,672	\$ 480,698,634
Yearly Average	\$ 686,692	\$ 730,732	\$ 742,156	\$ 798,084	\$ 838,614	\$ 841,773	\$ 877,153	\$ 919,463	\$ 925,808	\$ 801,164

Monthly amounts reflect sales tax earned. Payments received approx two months later.

5 Year Average and Median		
Month	Monthly Avg	Median
January	\$ 764,597	\$ 746,338
February	\$ 716,588	\$ 669,281
March	\$ 834,851	\$ 914,348
April	\$ 892,833	\$ 892,013
May	\$ 912,589	\$ 913,369
June	\$ 1,024,059	\$ 1,013,765
July	\$ 891,736	\$ 854,876
August	\$ 940,675	\$ 908,470
September	\$ 1,009,222	\$ 1,021,984
October	\$ 849,938	\$ 845,302
November	\$ 834,362	\$ 806,681
December	\$ 1,043,006	\$ 1,033,017

May 13, 2020 (Update Draft)

Pre-Sale Report for

Eau Claire County, Wisconsin

\$18,945,000 General Obligation Promissory Notes,
Series 2020A



Prepared by:

Sean Lentz, CIPMA
Senior Municipal Advisor

Brian Reilly, CIPMA
Senior Municipal Advisor

Josh Low
Financial Specialist

Executive Summary of Proposed Debt

Proposed Issue:	\$18,945,000 General Obligation Promissory Notes, Series 2020A
Purposes:	<p>The proposed issue includes financing for the following purposes: Finance 2020 Capital Projects and Refinance the 2010B Bonds (BABs)</p> <ul style="list-style-type: none"> • Refunding 2010B Bonds (BABs) (9,330,000). Debt service will be paid from ad valorem property taxes. <p>Interest rates on the obligations proposed to be refunded are 3.71% to 2.20%. The refunding is expected to reduce debt service expense by approximately \$775,040 over the next ten years. The Net Present Value Benefit of the refunding is estimated to be \$682,522, equal to 9.218% of the refunded principal.</p> <p>This refunding is considered to be a Current Refunding as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Notes.</p> <ul style="list-style-type: none"> • 10-Year Projects (\$7,790,000). Debt service will be paid from ad valorem property taxes. • 5-Year Projects (\$1,825,000). Debt service will be paid from ad valorem property taxes.
Authority:	<p>The Notes are being issued pursuant to Wisconsin Statute:</p> <ul style="list-style-type: none"> • 67.12(12) <p>The Notes will be general obligations of the County for which its full faith, credit and taxing powers are pledged.</p> <p>The Notes count against the County’s General Obligation Debt Capacity Limit of 5% of total County Equalized Valuation. Following issuance of the Notes, the County’s total General Obligation debt principal outstanding will be \$96,565,857, which is 21% of its limit. Remaining General Obligation Borrowing Capacity will be approximately \$364,000,000.</p>
Term/Call Feature:	<p>The Notes are being issued for a term of ten years. Principal on the Notes will be due on September 1 in the years 2021 through 2029 and March 1, 2030. Interest is payable every six months beginning March 1, 2021.</p> <p>The Notes will be subject to prepayment at the discretion of the County on September 1, 2026 or any date thereafter.</p>
Bank Qualification:	<p>Because the County is issuing, or expects to issue, more than \$10,000,000 in tax-exempt obligations during the calendar year, the County will be not able to designate the Notes as “bank qualified” obligations.</p>

<p>Rating:</p>	<p>The County’s most recent bond issues were rated by Moody’s Investors Service. The current ratings on those bonds are “Aa1”. The County will request a new rating for the Notes.</p> <p>If the winning bidder on the Notes elects to purchase bond insurance, the rating for the issue may be higher than the County's bond rating in the event that the bond rating of the insurer is higher than that of the County.</p>
<p>Basis for Recommendation:</p>	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Notes as a suitable option based on:</p> <ul style="list-style-type: none"> • The expectation this form of financing will provide the overall lowest cost of funds while also meeting the County’s objectives for term, structure and optional redemption. • The County having adequate General Obligation debt capacity to undertake this financing. • The existing General Obligation pledge securing the obligations to be refunded.
<p>Method of Sale/Placement:</p>	<p>We will solicit competitive bids for the purchase of the Notes from underwriters and banks.</p> <p>We will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Notes are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.</p>
<p>Premium Pricing:</p>	<p>In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the County. The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this issue of Notes we have been directed to use the net premium to reduce the size of the issue. The resulting adjustments may slightly change the true interest cost of the issue, either up or down.</p>

	<p>The amount of premium can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended impacts with respect to debt service payment. Ehlers will identify appropriate premium restrictions for the Notes intended to achieve the County’s objectives for this financing.</p>
Other Considerations:	<p>The Notes will be offered with the option of the successful bidder utilizing a term bond structure. By offering underwriters the option to “term up” some of the maturities at the time of the sale, it gives them more flexibility in finding a market for your Notes. This makes your issue more marketable, which can result in lower borrowing costs. In the event that the successful bidder utilizes a term bond structure, we recommend the County retain a paying agent to handle responsibility for processing mandatory redemption/call notices associated with term bonds.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the County and find that, other than the obligations proposed to be refunded by the Notes, there are no other current refunding opportunities at this time. The 2011B Bond issue is a potential candidate for refinancing in advance of its call date. We will discuss the options and pros and cons with the County regarding the potential refinancing of the 2011B Bond.</p> <p>We will continue to monitor the market and the call dates for the County’s outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the County has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the County will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The County is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Notes tax-exempt obligations, the County must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be defined in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or contract with Ehlers to assist you. We also recommend that you establish written procedures regarding compliance with IRS rules and/or contract with Ehlers to assist you.</p>

Investment of Note Proceeds:	To maximize interest earnings we recommend using an SEC registered investment advisor to assist with the investment of bond proceeds until they are needed to pay project costs. Ehlers is a registered investment advisor, and can assist the County in developing an appropriate investment strategy if needed.
Risk Factors:	<p>Current Refunding: The Notes are being issued to finance a current refunding of prior County debt obligations. Those prior debt obligations are “callable” on or after September 1, 2020. The new Notes will not be pre-payable until September 1, 2026.</p> <p>This refunding is being undertaken based in part on an assumption that the County does not expect to pre-pay off this debt prior to the new call date and that market conditions warrant the refunding at this time.</p>
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Counsel: Quarles & Brady LLP</p> <p>Paying Agent: To be determined</p> <p>Rating Agency: Moody's Investors Service, Inc.</p>

Proposed Debt Issuance Schedule

Pre-Sale Review by Board of Supervisors:	April 21, 2020
Due Diligence Call to review Official Statement:	Week of June 1, 2020
Distribute Official Statement:	Week of June 1, 2020
Conference with Rating Agency:	Week of June 1, 2020
Board of Supervisors Meeting to Award Sale of the Notes:	June 16, 2020
Estimated Closing Date:	July 1, 2020
Redemption Date for Notes Being Refunded:	September 1, 2020

Attachments

- Estimated Debt Service Schedule and Sources and Uses of Funds
- Estimated General Obligation Borrowing Capacity (Chart)
- Estimated General Fund Debt Levy (Chart)
- Estimated Debt Service Comparison/Savings Analysis

Ehlers Contacts

Municipal Advisors:	Sean Lentz	(651) 697-8509
	Brian Reilly	(651) 697-8541
	Josh Low	(651) 697-8596
Disclosure Coordinator:	Emily Wilkie	(651) 697-8588
Financial Analyst:	Beth Mueller	(651) 697-8553

The Preliminary Official Statement for this financing will be sent to the Board of Supervisors at their home or email address for review prior to the sale date.

Exhibit 1

For Discussion Only

Eau Claire County, WI

Estimated Debt Service and Capitalization Schedules

\$18,945,000 General Obligation Promissory Notes, Series 2020A

Year	Principal	Rate	Interest	Total P&I	Current Refunding of Series 2010B BABs	5 Year Projects	10 Year Projects
2020							
2021	1,310,000	1.45%	402,345	1,712,345	465,426	382,829	864,090
2022	1,395,000	1.50%	325,873	1,720,873	476,668	383,064	861,141
2023	1,495,000	1.52%	304,948	1,799,948	552,168	382,664	865,116
2024	1,520,000	1.58%	282,224	1,802,224	556,392	382,116	863,716
2025	1,565,000	1.65%	258,208	1,823,208	575,230	386,270	861,708
2026	1,220,000	1.72%	232,385	1,452,385	588,383		864,003
2027	1,240,000	1.80%	211,401	1,451,401	590,901		860,501
2028	3,000,000	1.93%	189,081	3,189,081	2,327,891		861,191
2029	3,070,000	2.03%	131,181	3,201,181	2,340,624		860,558
2030	3,130,000	2.20%	34,430	3,164,430	2,300,025		864,405
Totals	18,945,000		2,372,074	21,317,074	10,773,706	1,916,943	8,626,425

Issue Summary

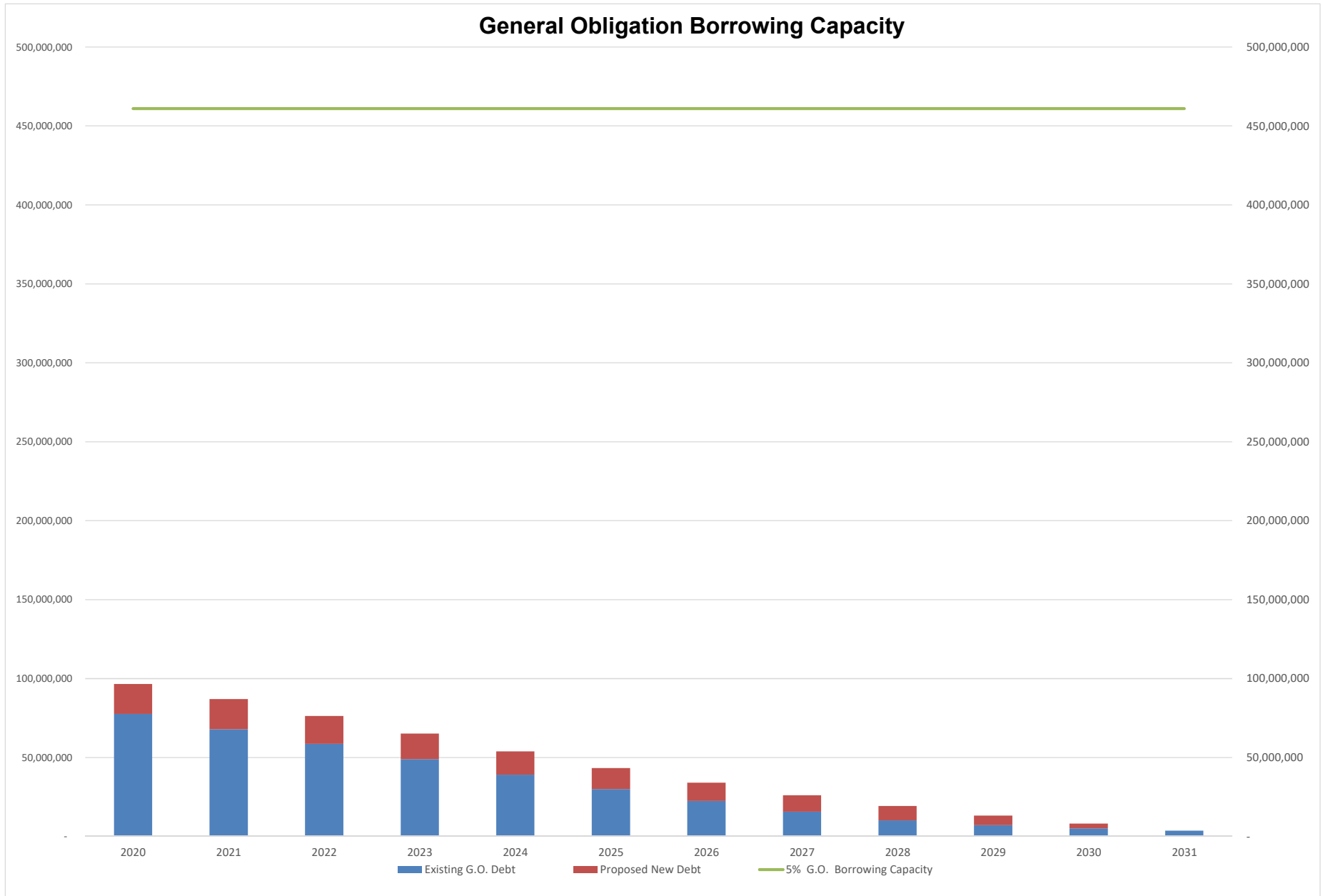
Key Dates

Dated Date:	7/1/2020
First Interest Payment:	3/1/2021
First Principal Payment:	9/1/2021

Projected Interest Rates

True Interest Cost (TIC):	2.11%
All Inclusive Cost (AIC):	2.17%

Sources and Uses	Total	Current Refunding of Series 2020B BABs	5 Year Projects	10 Year Projects
Par Amount of Notes	18,945,000	9,330,000	1,825,000	7,790,000
Total Sources	\$ 18,945,000	\$ 9,330,000	\$ 1,825,000	\$ 7,790,000
Total Underwriter's Discount (1.025%)	208,395	102,630	20,075	85,690
Costs of Issuance	65,900	32,454	6,348	27,097
Deposit to Project Construction Fund	9,480,209	-	1,802,000	7,678,209
Deposit to Current Refunding Fund	9,190,000	9,190,000	-	
Rounding Amount	496	4,916	(3,423)	(996)
Total Uses	\$ 18,945,000	\$ 9,330,000	\$ 1,825,000	\$ 7,790,000



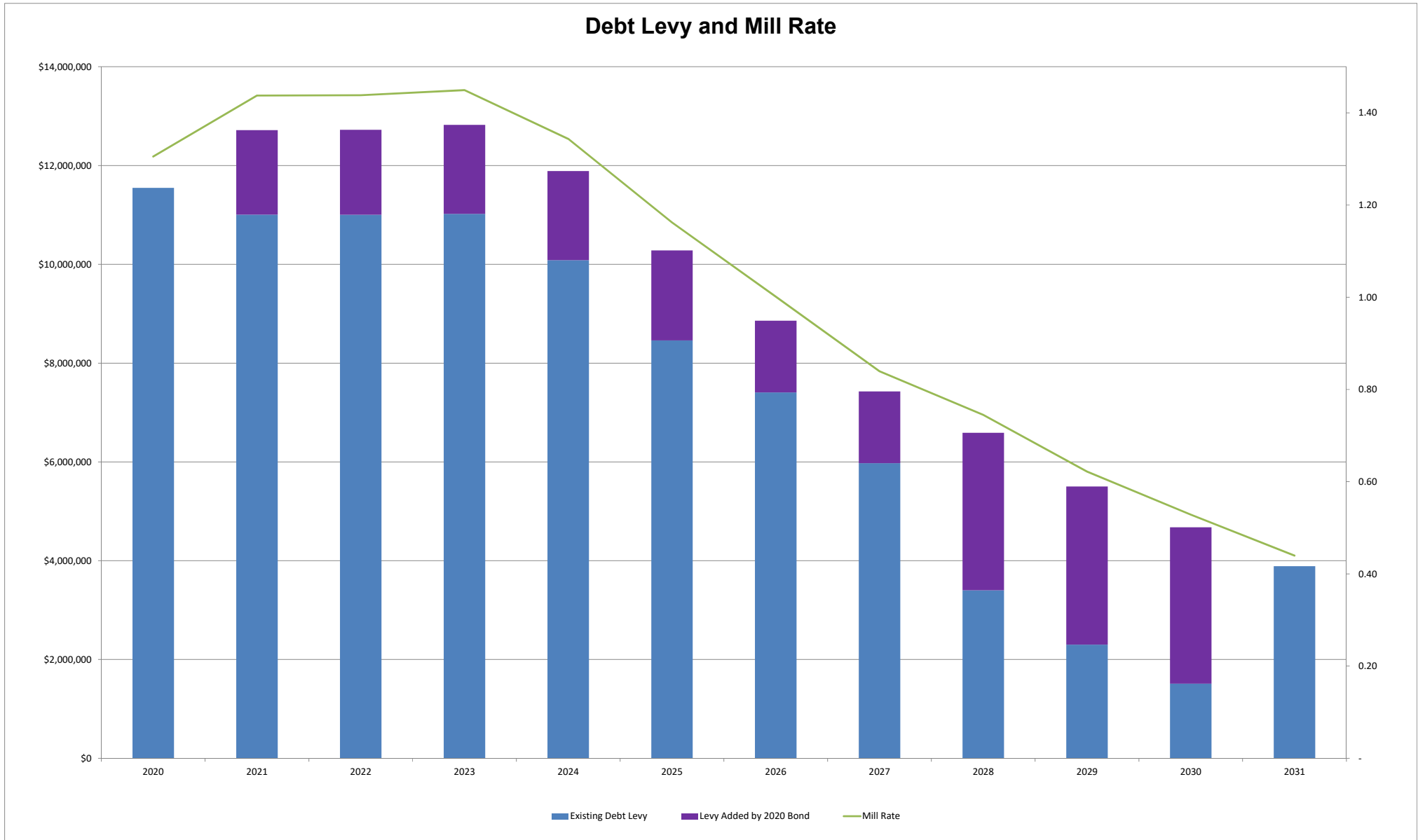


Exhibit 4

For Discussion Only

Eau Claire County, WI

Estimated Refunding Savings Analysis

Year	PRIOR TO THE REFUNDING					FOLLOWING THE REFUNDING				DEBT SERVICE SAVINGS
	Existing Debt Service (to be refunded)					New Debt Service				
	\$9,190,000 Taxable G.O. Build America Bonds, 2010B Dated: 11/9/2010					\$18,945,000 General Obligation Promissory Notes Dated: 7/1/2020				
	Principal 9/1	Rate	Interest 3/1 & 9/1	Less: BAB Subsidy	Net Debt Service	Principal 3/1	Rate	Interest 3/1 & 9/1	Net Debt Service	
2020										
2021	245,000	3.70%	441,128	(145,285)	540,842	255,000	1.45%	210,426	465,426	75,416
2022	265,000	3.90%	432,063	(142,300)	554,763	300,000	1.50%	176,668	476,668	78,095
2023	345,000	4.10%	421,728	(138,896)	627,832	380,000	1.52%	172,168	552,168	75,664
2024	360,000	4.25%	407,583	(134,237)	633,345	390,000	1.58%	166,392	556,392	76,953
2025	390,000	4.40%	392,283	(129,198)	653,084	415,000	1.65%	160,230	575,230	77,854
2026	415,000	4.55%	375,123	(123,547)	666,576	435,000	1.72%	153,383	588,383	78,193
2027	430,000	4.70%	356,240	(117,328)	668,912	445,000	1.80%	145,901	590,901	78,012
2028	2,180,000	4.85%	336,030	(110,671)	2,405,359	2,190,000	1.93%	137,891	2,327,891	77,468
2029	2,260,000	5.00%	230,300	(75,849)	2,414,451	2,245,000	2.03%	95,624	2,340,624	73,827
2030	2,300,000	5.10%	117,300	(38,633)	2,378,667	2,275,000	2.20%	25,025	2,300,025	78,642
Total	9,190,000		3,509,775	(1,155,944)	11,543,831	9,330,000		1,443,706	10,773,706	770,124

Notes:

Plus Rounding: 4,916

Total Cash Flow (Future Value) Savings:	\$775,040
Present Value Savings of 9.218%:	\$682,522

Sources		Uses	
Par Amount	9,330,000	Underwriter's Discount	102,630
		Costs of Issuance	32,454
		Deposit to Current Refunding Fund	9,190,000
		Rounding Amount	4,916
Total:	9,330,000		9,227,370

Eau Claire County

\$18,945,000 General Obligation Promissory Notes, Series 2020A

Issue Summary

Assuming Current GO Non-BQ "Aa1" Market Rates

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/01/2020	-	-	-	-	-
03/01/2021	-	-	104,851.67	104,851.67	-
09/01/2021	1,400,000.00	0.400%	78,638.75	1,478,638.75	-
12/31/2021	-	-	-	-	1,583,490.42
03/01/2022	-	-	75,838.75	75,838.75	-
09/01/2022	1,445,000.00	0.450%	75,838.75	1,520,838.75	-
12/31/2022	-	-	-	-	1,596,677.50
03/01/2023	-	-	72,587.50	72,587.50	-
09/01/2023	1,525,000.00	0.500%	72,587.50	1,597,587.50	-
12/31/2023	-	-	-	-	1,670,175.00
03/01/2024	-	-	68,775.00	68,775.00	-
09/01/2024	1,540,000.00	0.550%	68,775.00	1,608,775.00	-
12/31/2024	-	-	-	-	1,677,550.00
03/01/2025	-	-	64,540.00	64,540.00	-
09/01/2025	1,565,000.00	0.650%	64,540.00	1,629,540.00	-
12/31/2025	-	-	-	-	1,694,080.00
03/01/2026	-	-	59,453.75	59,453.75	-
09/01/2026	1,220,000.00	0.750%	59,453.75	1,279,453.75	-
12/31/2026	-	-	-	-	1,338,907.50
03/01/2027	-	-	54,878.75	54,878.75	-
09/01/2027	1,230,000.00	0.850%	54,878.75	1,284,878.75	-
12/31/2027	-	-	-	-	1,339,757.50
03/01/2028	-	-	49,651.25	49,651.25	-
09/01/2028	2,975,000.00	0.950%	49,651.25	3,024,651.25	-
12/31/2028	-	-	-	-	3,074,302.50
03/01/2029	-	-	35,520.00	35,520.00	-
09/01/2029	3,015,000.00	1.100%	35,520.00	3,050,520.00	-
12/31/2029	-	-	-	-	3,086,040.00
03/01/2030	3,030,000.00	1.250%	18,937.50	3,048,937.50	-
12/31/2030	-	-	-	-	3,048,937.50
Total	\$18,945,000.00	-	\$1,164,917.92	\$20,109,917.92	-

Yield Statistics

Bond Year Dollars	\$121,657.50
Average Life	6.422 Years
Average Coupon	0.9575389%
Net Interest Cost (NIC)	1.1171561%
True Interest Cost (TIC)	1.1214928%
Bond Yield for Arbitrage Purposes	0.9549083%
All Inclusive Cost (AIC)	1.1906882%

IRS Form 8038

Net Interest Cost	0.9575389%
Weighted Average Maturity	6.422 Years

Eau Claire County
2019 Fund Balance Analysis (Unaudited)
Estimated December 31, 2019 - unaudited at 06.04.20

	<u>At 06.04.20</u>
<u>2018 Estimated General Fund Balance Unassigned Summary</u>	
General Fund Balance Unassigned at 12/31/18	\$ 10,971,915
Net 2019 Department activity	(1,045,132)
2019 General Fund Balance Restricted (CDBG Housing Loan Fund)	(74,046)
Change in Nonspendables	616,021
2020 Recommended General Fund Balance Assigned	(676,066)
Estimated 2019 Ending General Fund Balance Unassigned	<u>\$ 9,792,692</u>
2020 General Fund Expenditures (based on adopted budget)	\$ 37,100,577
% of Unassigned General Fund Balance to General Fund Expenditures	26.39%
Net Increase/(Decrease) in Unassigned Fund Balance	\$ (1,179,223)
Percentage Change in Unassigned Fund Balance YTY	-10.75%
<u>Fund Balance Policy References</u>	
Minnimum General Fund Unassigned - 20% of next year general fund expenditures	\$ 7,420,115
Target General Fund Unassigned - 30% of next year general fund expenditures	\$ 11,130,173

2019 General Fund Balance Activity Detail

	<u>2019</u>	<u>2020 Budget</u>
	<u>Unaudited</u>	<u>Impacts</u>
	<u>Activity*</u>	
General Fund Total Fund Balance, Beginning of Year	\$ 10,971,915	\$ -
<u>Adjustments to Unassigned Fund Balance</u>		
Administration	7,332	
Child Support	(36,079)	
Circuit Court/Clerk of Courts	217,753	
CJCC	43,410	
Contingency Fund		(300,000)
Corporation Counsel	(4,485)	
County Board	40,902	
County Clerk	33,849	
District Attorney	2,109	
Extension	39,500	(11,700)
Facilities	181,277	
Finance	94,060	
Human Resources	91,568	
Human Services	(3,110,988)	
Information Systems	200,461	
Nondepartmental	407,427	
Parks & Forest	96,833	
Planning & Development	26,100	(100,000)
Register in Probate	1,226	
Register of Deeds	(568)	
Sheriff	383,555	
Treasurer	243,185	
Veterans	(3,559)	
Carryforward Requests (May Board Resolution)		(264,366)
2019 Restricted Fund Balance	(74,046)	
Nonspendable Fund Balance	616,021	-
Estimated General Fund Unassigned, End of Year 12/31/19	<u>\$ 10,468,758</u>	<u>\$ (676,066)</u>
Net Estimated General Fund Unassigned Estimate at 12/31/19 With 2020 Budget	\$ 9,792,692	

Notes

*The 2019 unaudited activity is based on data as of 06.04.20 and is subject to change based on final year end reconciliations and audit review.

**Human Services Response to Questions from the Finance and Budget Chair
For Discussion at the June 8th, 2020 Finance and Budget Committee**

- 1. Every area of overage, with specificity - so not just to say "Contracted Programs" but which specific programs in which program areas were overspent (and why).**

- Refer to attached 2019 budget vs actual program breakdown
- Refer to attached document related to overage explanations by program

- 2. You said that expenditures for out of home placements in 2019 was over by more than \$1 million. I would like detailed information on the amount budgeted and the amount spent on out of home placements from 2014 to 2019.**

I am aware that for years, HS budgeted about 3.5 million for out of home placements (not including corrections) and spent about 4 million each year. In 2018, out of home placements jumped to about 5 million. Yet for 2019, the budgeted amount was reduced to 2.8 million - so about half of what was spent in 2018.

- Refer to attached Alternate Care placements budget vs actual for 2014-2019
- Refer to responses for question 3 and 4

- 3. I would like an explanation with specificity from the department on why they reduced the out of home placement budget in 2019 by more than 1 million when they were trending so much over in expenditures. And if I recall, the woman from Alia said the department would continue trending over.**

Alternate Care or Out of Home Placement services to kids are provided from 4 program areas. In proposing the 2019 budget, Human Services presented an operational shift in service delivery and reallocated resources budgetarily, to support services in-home and work towards reducing the reliance upon out of home care as the primary service for Child Welfare. The overall budget in Program 1 increased from 2018 to 2019:

- 2018 budget for Program 1 was \$5.1M
- 2019 budget for Program 1 was \$5.7M
 - Funds were used to support the increase of new staff in child welfare

- 4. As part of that, I would like to know where the funds were diverted to in the 2019 budget. Notably in the 2020 budget, there was a \$500K reduction in program one - child protection, and a \$600k increase for the Outpatient Clinic. The reasons provided were that the state was increasing funding for CPS, and the hope was that increasing the outpatient clinic would reduce contracted services. I would like to see any indication - like real numbers - if the outpatient clinic is reducing contracted programs (which I thought were CCS anyway).**

**Human Services Response to Questions from the Finance and Budget Chair
For Discussion at the June 8th, 2020 Finance and Budget Committee**

In the 2020 budget, the Child Welfare Allocation from the State increased by \$654,913. The levy was shifted to program areas in Behavioral Health Services, to support the continue development of needed Behavioral Health Services for children and families served in Child Welfare and Youth Justice. In 2019 we reduced contracted services and increased internal services to individuals in family services. We estimate a savings of \$314,000, (see chart below).

Shift of Contracted Services to Internal Behavioral Health Services

Contracted Service	1/1/2019-6/30/2019	7/1/2019-12/31/2019	Estimated Savings
Family Preservation (In-home Therapy)	Avg. \$69,000 per month	Avg. \$25,000 per month	\$260,000
Family Counseling	Avg. \$12,000 per month	Avg. \$3,000 per month	\$54,000

5. Not to dwell on out of home care, I note that there are no youth in corrections. Did program #4 in 2019 have a surplus? What is the story on that?

- Revenues from Program 4 (Youth Services only) were allocated back to Program 1 to pay for the youth that were placed with a CHIPS (child in need of protective services) order
- Budget for 2021 will reflect these placements in Program 1

6. What other program areas were overspent - again with specificity.

- See attached overage explanations by program document

2019 Program Overage Explanations
Presented to Budget and Finance June 8th, 2020

Program 1 – CPS (Child Protective Services)

- \$899K - Over budget
 - Alternate Care placements
 - Increased Revenues from Program 4 (Youth Services only) to pay for the youth that are placed with a CHIPS (child in need of protective services) order
 - Budget for 2021 will reflect these youth placements in program 1

Program 2 – CSP (Community Support Program)/Hospitalizations/Crisis/CST/CLTS/Treatment Courts/CCS (Comprehensive Community Services)/Outpatient Clinic

- 3.9M - Over budget
 - \$516K - CSP – reduction in MA revenue and increased placements
 - \$594K – Trempealeau Health Care Center IMD Placements
 - \$399K – Crisis – Inpatient AODA and Adult Crisis Placements
 - \$0 – CST/CLTS – Child mental health
 - \$59K – Treatment Court (Drug testing)
 - \$2.2M – CCS (Estimated reconciliation to be received in 2020)
 - \$190K – Clinic – Psychiatry Services and continued work to become a provider with a main HMO Insurance provider

Program 3 – Birth to 3/CLTS/CCOP

- \$0 Balanced budget
 - Birth to 3 and CLTS/CCOP

Program 4 – JDC (Juvenile Detention Center) & 180 program/Youth Justice Services

- \$312K – Over Budget for Juvenile Detention Center
 - Revenues Impacted
 - Staffing: Reduction of staff available due to FMLA's during this time period, impacting ability to admit youth
 - Managed very complex youth that impacted ability to admit additional youth

Program 5 – APS (Adult Protective Services)

- \$0 - Balanced budget
 - Adult Protective Services

Program 6 – (ES) Economic Support

- \$632K - Surplus in Economic Support
- Surplus allocated to Programs 2, 3, and 5

NOTE: The following items are not included in the program areas above:

- \$95K - BCA payback adjustment per Finance
- Donation accounts

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

NOTE: These totals do not include expense & revenue donation accounts or the one time adjustment done by Finance for the BCA payback

2019 Budget	All Programs
Expenditures:	
Personnel	18,044,140
Services & Supplies	495,393
Purchased	11,935,363
Overhead	817,623
Total	31,292,518
Revenue:	
State/Federal Grants	20,274,578
Charges & Fees	538,437
Other Sources	1,627,030
Property Tax Levy	8,852,473
Total	31,292,518

2019 Actual	All Programs	Variance
Expenditures:		
Personnel	15,655,067	2,389,073
Services & Supplies	659,366	(163,973)
Purchased	19,075,112	(7,139,749)
Overhead	757,045	60,578
Total	36,146,589	(4,854,070)
Revenue:		
State/Federal Grants	20,426,224	151,646
Charges & Fees	575,685	37,248
Other Sources	1,132,431	(494,599)
Property Tax Levy	8,852,473	(0)
Total	30,986,812	(305,706)

Net Variance (5,159,777)
Less CCS 2019 Reconciliation 2,190,048
Variance Net of CCS (2,969,728)

Program 1

2019 Budget	Program #1
	Community Care & Treatment of Children who are Abused or Neglected
Expenditures:	
Personnel	2,517,820
Services & Supplies	82,100
Purchased	2,966,919
Overhead	146,710
Total	5,713,549
Revenue:	
State/Federal Grants	1,678,307
Charges & Fees	153,500
Other Sources	50,000
Property Tax Levy	3,831,742
Total	5,713,549

2019 Actual	Program #1	Variance
	Community Care & Treatment of Children who are Abused or Neglected	
Expenditures:		
Personnel	2,248,534	269,286
Services & Supplies	193,485	(111,385)
Purchased	5,018,651	(2,051,732)
Overhead	136,794	9,915
Total	7,597,464	(1,883,915)
Revenue:		
State/Federal Grants	2,557,986	879,679
Charges & Fees	223,977	70,477
Other Sources	84,507	34,507
Property Tax Levy	3,831,741	-
Total	6,698,212	984,663

Net Variance (899,252)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 2

2019 Budget	Program #2
	Community Care & Treatment of Adults & Children with BH Issues
Expenditures:	
Personnel	8,244,000
Services & Supplies	216,260
Purchased	6,132,074
Overhead	207,210
Total	14,799,544
Revenue:	
State/Federal Grants	11,930,071
Charges & Fees	270,537
Other Sources	400,530
Property Tax Levy	2,198,405
Total	14,799,544

2019 Actual	Program #2	Variance
	Community Care & Treatment of Adults & Children with BH Issues	
Expenditures:		
Personnel	6,913,719	1,330,280
Services & Supplies	262,730	(46,470)
Purchased	11,741,420	(5,609,346)
Overhead	188,779	18,431
Total	19,106,649	(4,307,105)
Revenue:		
State/Federal Grants	12,312,939	382,868
Charges & Fees	283,712	13,175
Other Sources	363,069	(37,461)
Property Tax Levy	2,198,405	(0)
Total	15,158,125	358,582

Net Variance (3,948,523)

Program 2 Sub-Programs

2019 Budget	Sub-Program
	(1)Community Support Program
Expenditures:	
Personnel	1,469,010
Services & Supplies	66,600
Purchased	1,263,531
Overhead	85,322
Total	2,884,463
Revenue:	
State/Federal Grants	1,872,262
Charges & Fees	160,000
Other Sources	-
Property Tax Levy	852,201
Total	2,884,463

2019 Actual	Sub-Program	Variance
	(1)Community Support Program	
Expenditures:		
Personnel	1,238,930	230,080
Services & Supplies	66,400	200
Purchased	1,833,657	(570,126)
Overhead	80,770	4,552
Total	3,219,757	(335,294)
Revenue:		
State/Federal Grants	1,672,014	(200,248)
Charges & Fees	112,158	(47,842)
Other Sources	67,203	67,203
Property Tax Levy	852,201	-
Total	2,703,576	(180,887)

Net Variance (516,180)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 2 Sub-Programs Continued

2019 Budget	Sub-Program
	(2)Hospitalizations and IMD Placement
Expenditures:	
Personnel	-
Services & Supplies	-
Purchased	378,441
Overhead	-
Total	378,441
Revenue:	
State/Federal Grants	181,362
Charges & Fees	-
Other Sources	-
Property Tax Levy	197,079
Total	378,441

2019 Actual	Sub-Program	Variance
	(2)Hospitalizations and IMD Placement	
Expenditures:		
Personnel	-	-
Services & Supplies	-	-
Purchased	1,700,899	(1,322,458)
Overhead	-	-
Total	1,700,899	(1,322,458)
Revenue:		
State/Federal Grants	896,700	715,338
Charges & Fees	13,543	13,543
Other Sources		-
Property Tax Levy	197,079	-
Total	1,107,322	728,881

Net Variance (593,577)

2019 Budget	Sub-Program
	(3)Crisis Mental Health Services
Expenditures:	
Personnel	853,242
Services & Supplies	16,700
Purchased	1,464,328
Overhead	49,032
Total	2,383,302
Revenue:	
State/Federal Grants	1,635,627
Charges & Fees	25,000
Other Sources	90,000
Property Tax Levy	632,675
Total	2,383,302

2019 Actual	Sub-Program	Variance
	(3)Crisis Mental Health Services	
Expenditures:		
Personnel	783,769	69,473
Services & Supplies	26,306	(9,606)
Purchased	2,078,975	(614,647)
Overhead	45,827	3,205
Total	2,934,877	(551,575)
Revenue:		
State/Federal Grants	1,707,698	72,071
Charges & Fees	137,694	112,694
Other Sources	57,334	(32,666)
Property Tax Levy	632,675	-
Total	2,535,400	152,098

Net Variance (399,476)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 2 Sub-Programs Continued

2019 Budget	Sub-Program
	(4)Coordinated Services Team/SED/ CLTS
Expenditures:	
Personnel	247,040
Services & Supplies	5,450
Purchased	106,483
Overhead	13,297
Total	372,270
Revenue:	
State/Federal Grants	363,167
Charges & Fees	4,000
Other Sources	-
Property Tax Levy	5,103
Total	372,270

2019 Actual	Sub-Program	Variance
	(4)Coordinated Services Team/SED/ CLTS	
Expenditures:		
Personnel	218,413	28,627
Services & Supplies	3,555	1,895
Purchased	220,278	(113,795)
Overhead	11,713	1,584
Total	453,958	(81,688)
Revenue:		
State/Federal Grants	444,023	80,856
Charges & Fees	4,832	832
Other Sources		-
Property Tax Levy	5,103	-
Total	453,958	81,688

Net Variance 0

2019 Budget	Sub-Program
	(5)Treatment Courts
Expenditures:	
Personnel	484,581
Services & Supplies	12,870
Purchased	417,751
Overhead	27,702
Total	942,904
Revenue:	
State/Federal Grants	505,373
Charges & Fees	8,900
Other Sources	130,530
Property Tax Levy	298,101
Total	942,904

2019 Actual	Sub-Program	Variance
	(5)Treatment Courts	
Expenditures:		
Personnel	430,589	53,992
Services & Supplies	11,465	1,405
Purchased	452,717	(34,966)
Overhead	23,091	4,611
Total	917,863	25,041
Revenue:		
State/Federal Grants	424,169	(81,203)
Charges & Fees	15,485	6,585
Other Sources	121,298	(9,232)
Property Tax Levy	298,101	-
Total	859,053	(83,850)

Net Variance (58,809)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 2 Sub-Programs Continued

2019 Budget	Sub-Program
	(6)CCS
Expenditures:	
Personnel	4,551,626
Services & Supplies	111,590
Purchased	2,452,637
Overhead	-
Total	7,115,853
Revenue:	
State/Federal Grants	7,043,216
Charges & Fees	72,637
Other Sources	-
Property Tax Levy	-
Total	7,115,853

2019 Actual	Sub-Program	Variance
	(6)CCS	
Expenditures:		
Personnel	3,868,662	682,963
Services & Supplies	145,643	(34,053)
Purchased	5,191,341	(2,738,704)
Overhead	-	-
Total	9,205,646	(2,089,793)
Revenue:		
State/Federal Grants	7,015,598	(27,618)
Charges & Fees	-	(72,637)
Other Sources		-
Property Tax Levy		-
Total	7,015,598	(100,255)

Net Variance (2,190,048)

2019 Budget	Sub-Program
	(7)Outpatient Clinic
Expenditures:	
Personnel	638,501
Services & Supplies	3,050
Purchased	48,903
Overhead	31,857
Total	722,311
Revenue:	
State/Federal Grants	329,065
Charges & Fees	-
Other Sources	180,000
Property Tax Levy	213,246
Total	722,311

2019 Actual	Sub-Program	Variance
	(7)Outpatient Clinic	
Expenditures:		
Personnel	373,356	265,145
Services & Supplies	9,361	(6,311)
Purchased	263,553	(214,650)
Overhead	27,379	4,478
Total	673,649	48,662
Revenue:		
State/Federal Grants	152,738	(176,327)
Charges & Fees		-
Other Sources	117,234	(62,766)
Property Tax Levy	213,246	(0)
Total	483,217	(239,094)

Net Variance (190,432)

Program 3

2019 Budget	Program #3
	Community Care & Treatment of Children who are Developmentally Disabled (DD) or Developmentally Delayed
Expenditures:	
Personnel	559,321
Services & Supplies	10,000
Purchased	682,927
Overhead	31,941
Total	1,284,189
Revenue:	
State/Federal Grants	1,000,136
Charges & Fees	24,400
Other Sources	5,000
Property Tax Levy	254,653
Total	1,284,189

2019 Actual	Program #3	Variance
	Community Care & Treatment of Children who are Developmentally Disabled (DD) or Developmentally Delayed	
Expenditures:		
Personnel	546,963	12,358
Services & Supplies	9,222	778
Purchased	785,005	(102,078)
Overhead	31,631	310
Total	1,372,823	(88,633)
Revenue:		
State/Federal Grants	1,088,727	88,591
Charges & Fees	26,339	1,939
Other Sources	3,103	(1,897)
Property Tax Levy	254,653	-
Total	1,372,822	88,633

Net Variance 0

Program 3 Sub-Programs

2019 Budget	Sub-Program
	(1)Birth to Three
Expenditures:	
Personnel	120,707
Services & Supplies	2,880
Purchased	338,988
Overhead	8,117
Total	470,692
Revenue:	
State/Federal Grants	392,105
Charges & Fees	10,000
Other Sources	-
Property Tax Levy	68,587
Total	470,692

2019 Actual	Sub-Program	Variance
	(1)Birth to Three	
Expenditures:		
Personnel	69,900	50,807
Services & Supplies	2,767	113
Purchased	434,525	(95,537)
Overhead	4,334	3,783
Total	511,526	(40,834)
Revenue:		
State/Federal Grants	427,659	35,554
Charges & Fees	15,280	5,280
Other Sources	-	-
Property Tax Levy	68,587	-
Total	511,526	40,834

Net Variance 0

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 3 Sub-Programs Continued

2019 Budget	Sub-Program
	(2) CLTS/ Children's COP
Expenditures:	
Personnel	438,614
Services & Supplies	7,120
Purchased	343,939
Overhead	23,824
Total	813,497
Revenue:	
State/Federal Grants	608,031
Charges & Fees	14,400
Other Sources	5,000
Property Tax Levy	186,066
Total	813,497

2019 Actual	Sub-Program	Variance
	(2) CLTS/ Children's COP	
Expenditures:		
Personnel	477,064	(38,449)
Services & Supplies	6,456	664
Purchased	350,481	(6,542)
Overhead	27,297	(3,473)
Total	861,297	(47,799)
Revenue:		
State/Federal Grants	661,068	53,037
Charges & Fees	11,059	(3,341)
Other Sources	3,103	(1,897)
Property Tax Levy	186,066	-
Total	861,296	47,799

Net Variance 0

Program 4

2019 Budget	Program #4
	Residential & Community Care & Treatment of Youth
Expenditures:	
Personnel	2,847,303
Services & Supplies	104,833
Purchased	1,893,565
Overhead	178,567
Total	5,024,268
Revenue:	
State/Federal Grants	1,892,698
Charges & Fees	90,000
Other Sources	1,096,500
Property Tax Levy	1,945,070
Total	5,024,268

2019 Actual	Program #4	Variance
	Residential & Community Care & Treatment of Youth	
Expenditures:		
Personnel	2,612,688	234,615
Services & Supplies	101,568	3,265
Purchased	1,275,576	617,989
Overhead	154,536	24,031
Total	4,144,369	879,899
Revenue:		
State/Federal Grants	1,213,807	(678,892)
Charges & Fees	36,070	(53,930)
Other Sources	637,423	(459,078)
Property Tax Levy	1,945,070	-
Total	3,832,369	(1,191,899)

Net Variance (312,000)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 4 Sub-Programs

2019 Budget	Sub-Program
	(1)Youth Justice Services
Expenditures:	
Personnel	1,460,776
Services & Supplies	55,783
Purchased	464,413
Overhead	84,380
Total	2,065,352
Revenue:	
State/Federal Grants	683,968
Charges & Fees	35,000
Other Sources	-
Property Tax Levy	1,346,384
Total	2,065,352

2019 Actual	Sub-Program	Variance
	(1)Youth Justice Services	
Expenditures:		
Personnel	1,324,573	136,203
Services & Supplies	73,566	(17,783)
Purchased	101,113	363,300
Overhead	78,189	6,191
Total	1,577,442	487,910
Revenue:		
State/Federal Grants	220,808	(463,161)
Charges & Fees	10,250	(24,750)
Other Sources		-
Property Tax Levy	1,346,384	-
Total	1,577,442	(487,911)

Net Variance 0

2019 Budget	Sub-Program
	(2)Alternative to Corrections (Juv Det & 180)
Expenditures:	
Personnel	1,386,527
Services & Supplies	49,050
Purchased	91,818
Overhead	94,187
Total	1,621,582
Revenue:	
State/Federal Grants	26,000
Charges & Fees	-
Other Sources	1,096,500
Property Tax Levy	499,082
Total	1,621,582

2019 Actual	Sub-Program	Variance
	(2)Alternative to Corrections (Juv Det & 180)	
Expenditures:		
Personnel	1,288,116	98,411
Services & Supplies	28,002	21,048
Purchased	79,300	12,518
Overhead	76,346	17,841
Total	1,471,764	149,818
Revenue:		
State/Federal Grants	23,260	(2,740)
Charges & Fees		-
Other Sources	637,423	(459,078)
Property Tax Levy	499,082	-
Total	1,159,764	(461,818)

Net Variance (312,000)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 4 Sub-Programs Continued

2019 Budget	Sub-Program
	(3)Alternate Care
Expenditures:	
Personnel	-
Services & Supplies	-
Purchased	1,337,334
Overhead	-
Total	1,337,334
Revenue:	
State/Federal Grants	1,182,730
Charges & Fees	55,000
Other Sources	-
Property Tax Levy	99,604
Total	1,337,334

2019 Actual	Sub-Program	Variance
	(3)Alternate Care	
Expenditures:		
Personnel	-	-
Services & Supplies	-	-
Purchased	1,095,163	242,171
Overhead	-	-
Total	1,095,163	242,171
Revenue:		
State/Federal Grants	969,739	(212,991)
Charges & Fees	25,820	(29,180)
Other Sources	-	-
Property Tax Levy	99,604	-
Total	1,095,163	(242,171)

Net Variance 0

Program 5

2019 Budget	Program #5
	Protection of Vulnerable Adults who are at Risk for Abuse, Neglect, or Exploitation
Expenditures:	
Personnel	458,043
Services & Supplies	15,900
Purchased	108,580
Overhead	24,932
Total	607,455
Revenue:	
State/Federal Grants	351,781
Charges & Fees	-
Other Sources	21,000
Property Tax Levy	234,674
Total	607,455

2019 Actual	Program #5	Variance
	Protection of Vulnerable Adults who are at Risk for Abuse, Neglect, or Exploitation	
Expenditures:		
Personnel	450,446	7,598
Services & Supplies	17,966	(2,066)
Purchased	100,641	7,939
Overhead	24,110	822
Total	593,164	14,292
Revenue:		
State/Federal Grants	336,428	(15,353)
Charges & Fees	-	-
Other Sources	22,062	1,062
Property Tax Levy	234,674	-
Total	593,163	(14,292)

Net Variance 0

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 6

2019 Budget	Program #6
	Financial & Economic Assistance and FSET
Expenditures:	
Personnel	3,417,652
Services & Supplies	66,300
Purchased	151,298
Overhead	228,264
Total	3,863,514
Revenue:	
State/Federal Grants	3,421,584
Charges & Fees	-
Other Sources	54,000
Property Tax Levy	387,930
Total	3,863,514

2019 Actual	Program #6	Variance
	Financial & Economic Assistance and FSET	
Expenditures:		
Personnel	2,882,716	534,936
Services & Supplies	74,394	(8,094)
Purchased	153,818	(2,520)
Overhead	221,194	7,070
Total	3,332,121	531,393
Revenue:		
State/Federal Grants	2,916,336	(505,248)
Charges & Fees	5,586	5,586
Other Sources	22,269	(31,731)
Property Tax Levy	387,930	-
Total	3,332,121	(531,393)

Net Variance **0**

Alternate Care

Budget vs. Actual - 2014 - 2019

2014			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 977,478	\$ 942,794	96.5%
TFC	\$ 1,138,301	\$ 1,112,842	97.8%
GH	\$ 146,165	\$ 181,021	123.8%
RCC	\$ 1,125,490	\$ 1,595,881	141.8%
Total	\$ 3,387,434	\$ 3,832,538	113.1%

2017			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 690,913	\$ 1,279,548	185.4%
TFC	\$ 1,047,943	\$ 681,592	64.9%
GH	\$ 190,166	\$ 306,179	164.5%
RCC	\$ 1,357,071	\$ 2,429,057	179.0%
Total	\$ 3,286,093	\$ 4,696,376	142.9%

2015			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 950,951	\$ 905,602	95.8%
TFC	\$ 1,072,789	\$ 935,573	87.0%
GH	\$ 126,190	\$ 239,608	189.9%
RCC	\$ 1,247,618	\$ 1,322,029	106.0%
Total	\$ 3,397,548	\$ 3,402,812	100.2%

2018			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 1,315,859	\$ 1,450,896	117.6%
TFC	\$ 296,506	\$ 676,685	218.4%
GH	\$ 199,216	\$ 301,159	154.0%
RCC	\$ 1,531,836	\$ 2,663,695	263.3%
Total	\$ 3,343,417	\$ 5,092,435	152.3%

2016			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 850,100	\$ 1,508,426	154.8%
TFC	\$ 1,047,518	\$ 916,582	87.6%
GH	\$ 173,554	\$ 281,873	323.5%
RCC	\$ 1,302,099	\$ 1,533,873	118.1%
Total	\$ 3,373,271	\$ 4,240,754	125.7%

2019			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 834,400	\$ 1,503,528	117.6%
TFC	\$ 356,050	\$ 610,606	218.4%
GH	\$ 102,327	\$ 139,496	154.0%
RCC	\$ 1,524,851	\$ 1,955,431	263.3%
Total	\$ 2,817,628	\$ 4,209,061	149.4%

Fact Sheet

Amended Resolution File No. 19-20/109

The following changes to resolution 19-20/109 were made by the Finance and Budget Committee.

Line 4 deleted- ENSURE BUDGET COMPLIANCE IN THE YEAR 2020

Inserted- ADDRESS BUDGET COMPLIANCE IN THE YEAR 2020, PROPER USE OF THE FUND BALANCE AND THE DEFICIENCIES IN THE DEPARTMENT OF HUMAN SERVICES FINANCIAL UNIT

Line 16 inserted- WHEREAS, the county board acknowledges that methamphetamine abuse has placed more demand on many of the county departments such as Human Services, Courts, Corporation Counsel, Sheriff's Department, Jail, Health Department, and District Attorney; and,

Line 19 inserted- and timely and accurate financial reports; and,

Line 23 deleted- the preliminary report for the year 2019 shows a deficit of \$2,180,909;

Inserted-most recent corrected report for the year 2019, a deficit of \$3,359,653. The administrator has stated she does not support a department operating with a practice of a "manageable deficit." This practice relies on the ongoing use and draining of the fund balance; and

Line 38 Inserted- and now the pandemic

Line 43 deleted-As, such, it may be beneficial to determine if the fiscal division of the Department of Human Services combined with the County Finance Department would be more cost-effective and improve fiscal reporting.

Inserted with-Further, a material misstatement of revenues has occurred in the DHS financial reporting. As such, it warrants determining if the finance division of the Department of Human Services combined with the County Finance Department would be more cost-efficient and provide accurate and timely financial reporting.

Line 48 deleted-to make sure there is compliance with the 2020 adopted budget; and,

Inserted-complies with 2020 adopted budget, proper use of the fund balance, and posting timely accurate monthly financial reports.

Line 51 deleted-BE IT FURTHER RESOLVED, the County Administrator is authorized to place any vacant positions on hold, or delay hiring for newly approved positions in the Department of

Human Services; and, (This was addressed when the board approved “Bridge Resolution” which placed all open county positions on hold pending review.)

Inserted- BE IT FURTHER RESOLVED, the Administrative Committee, Finance and Budget Committee, and Human Services Board shall conduct joint quarterly reviews of the Department of Human Services'. The quarterly review shall include financial reports, service delivery data, mitigation plans, and other relevant items as determined with a consent agenda by the chairs of the committees.

Inserted- BE IT FURTHER RESOLVED, the county board reaffirms the purposes of a fund balance ("rainy day fund") is to assist with the bond rating and cash flow, one time unanticipated outlays. Such as unforeseen immediate capital needs unexpected state/federal funding cuts, disasters, pandemic, and revenue shortfalls created by a significant economic downturn.

Line 5, page2 Deleted- of Department of Human Services Board and the Committee on Finance and Budget any administrative tool that is also required to be brought before the county board for approval, to fulfill the expectation of a Department of Human Services net-zero deficit in the year 2020; and,

Inserted-Committee on Administration and the Committee on Finance and Budget any administrative tool that requires county board approval, to fulfill the expectation that the Department of Human Services remains within their 2020 budget, proper use of the fund balance and timely and accurate accounting. The county board understands overages clearly caused by COVID 19 will be taken into consideration.

Deleted line 9, page 2- the county administrator shall either conduct an in-house evaluation or contract for an outside evaluation to determine if the Department of Human Services' fiscal unit should be combined with the County Finance Department.

Inserted- the County Administrator shall contract for an outside evaluation to determine if the Department of Human Services' finance unit should be combined with the County Finance Department and supervised by the Fiancé Director.

4 DIRECTING THE COUNTY ADMINISTRATOR TO TAKE SIGNIFICANT ACTION STEPS
5 WITH THE DEPARTMENT OF HUMAN SERVICES TO ADDRESS BUDGET
6 COMPLIANCE IN THE YEAR 2020, PROPER USE OF THE FUND BALANCE AND THE
7 DEFICIENCIES IN THE DEPARTMENT OF HUMAN SERVICES FINANCIAL UNIT

8 WHEREAS, the County Administrator, the County Finance Director, governing
9 committees and the Finance and Budget Committee all have the responsibility to provide fiscal
10 oversight, support adherence to the adopted budget, and report to the County Board; and,
11

12 WHEREAS, among other things, the County Administrator administers the county
13 budget and works with departments to remain in compliance with the adopted budget. The board
14 understands many departments have budget areas of risk. The administrator and department
15 heads are required to take all possible corrective action when departments are exceeding their
16 budget; and,
17

18 WHEREAS, the county board acknowledges that methamphetamine abuse has placed
19 more demand on many of the county departments such as Human Services, Courts, Corporation
20 Counsel, Sheriff's Department, Jail, Health Department, and District Attorney; and,
21

22 WHEREAS, the County Board of Supervisors is committed to seeing that the County
23 Administrator has the necessary support and authority with the Department of Human Services
24 to achieve budget compliance and timely and accurate financial reports; and,
25

26 WHEREAS, the Department of Human Services has exceeded its annual budgets
27 resulting in deficits as follows: \$225,089 in the year 2016; \$1,934,293 in the year 2017;
28 \$2,492,413 in the year 2018; and the most recent corrected report for the year 2019 a deficit of
29 \$3,359,653. The administrator has stated she does not support a department operating with a
30 practice of a "manageable deficit." This practice relies on the ongoing use and draining of the
31 fund balance; and,
32

33 WHEREAS, Eau Claire County has repeatedly expressed concern to the state for the lack
34 of adequate state reimbursement. Eau Claire County should continue to lobby the state
35 government and the federal government to do right by counties, but not count on it happening
36 any time soon; and,
37

38 WHEREAS, the repeated deficits of the Department of Human Services and now the
39 pandemic have contributed to placing Eau Claire County in a precarious financial condition that
40 has resulted in the continuous depleting of cash reserves/fund balance; and,
41

42 WHEREAS, the depleted cash reserves could result in the county needing to engage in
43 short term borrowing to meet payroll. The loan would result in associated costs of financing and
44 the loss of income from investments; and,
45

46 WHEREAS, the continued depletion of the fund balance will have an impact on the
47 county's bond rating, causing a substantial increase in expense for the county when it comes to
48 borrowing for the county's capital projects and meeting the county's critical needs; and,
49

50 WHEREAS, there remains an unacceptable time lag in the Department of Human
51 Services' financial reports, which does not allow for prompt management adjustments and

1 adequate financial oversight. Further, a material misstatement of revenues has occurred in the
2 DHS financial reporting. As such, it warrants determining if the finance division of the
3 Department of Human Services combined with the County Finance Department would be more
4 cost-efficient and provide accurate and timely financial reporting.

5
6 NOW THEREFORE BE IT RESOLVED, the County Administrator is directed to take
7 significant action steps and see that the Department of Human Services complies with 2020
8 adopted budget, proper use of the fund balance, and posting timely accurate monthly financial
9 reports.

10
11 BE IT FURTHER RESOLVED, the Administrative Committee, Finance and Budget
12 Committee, and Human Services Board shall conduct joint quarterly reviews of the Department
13 of Human Services'. The quarterly review shall include financial reports, service delivery data,
14 mitigation plans, and other relevant items as determined with a consent agenda by the chairs of
15 the committees.

16
17 BE IT FURTHER RESOLVED, the county board reaffirms the purposes of a fund
18 balance ("rainy day fund") is to assist with the bond rating and cash flow, one time unanticipated
19 outlays. Such as unforeseen immediate capital needs unexpected state/federal funding cuts,
20 disasters, pandemic, and revenue shortfalls created by a significant economic downturn.

21
22 BE IT FURTHER RESOLVED, the County Administrator is supported and directed to
23 bring to the Committee on Administration and the Committee on Finance and Budget any
24 administrative tool that requires county board approval, to fulfill the expectation that the
25 Department of Human Services remains within their 2020 budget, proper use of the fund balance
26 and timely and accurate accounting. The county board understands overages clearly caused by
27 COVID 19 will be taken into consideration.

28
29 BE IT FURTHER RESOLVED, the County Administrator shall contract for an outside
30 evaluation to determine if the Department of Human Services' finance unit should be combined
31 with the County Finance Department and supervised by the Fiancé Director.

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45 Finance and Budget Committee

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47
48 Dated this _____ day of _____ 2020

Fact Sheet
File No. 19-20/109

The Department of Human Services (DHS) has been changing the Eau Claire County human services delivery system to “preserve and strengthen families”. DHS staff and Human Services Board should be commended for its visionary planning. The last three years of financial data clearly demonstrate the plan is being implemented at a pace available funds cannot handle. DHS has exceeded its budgets with a deficit of \$225,089 in 2016, \$1,934,293 in 2017, \$2,492,413 in 2018 and 2,180,909 in the preliminary report for 2019. Having continued budget overages is going to have substantial and long-term negative effects on the entire county’s critical needs, including the level of services and funding available for the vulnerable population and competitive staff compensation.

The problem is primarily caused by the lack of sufficient state reimbursement. Eau Claire County has repeatedly expressed our concern to the state. We should continue to lobby the state to do right by counties, but the county can’t count on it happening any time soon.

In DHS's data reporting out of home placements have been trending down and there has been transitioning from high-cost placements. This helped slow the cumulative deficit for 2019. This resolution supports and acknowledges these efforts and recognizes additional adjustments likely will be required to avoid the 4th year of a substantial deficit in the DHS department.

This resolution directs and grants/reaffirms the authority and responsibility of the Administrator to take significant action steps in the DHS department to ensure there is budget compliance in 2020. The resolution further attempts to provide the support, tools, and options to achieve a zero deficit in the DHS budget for 2020

This resolution directs the Administrator to evaluate with the DHS finance and county finance teams or contract for an evaluation to determine if the DHS fiscal department should be consolidated within the county finance department.

Respectfully submitted by,

Gerald “Jerry” Wilkie

County Board Supervisor District#19

2
3 DIRECTING THE COUNTY ADMINISTRATOR TO TAKE SIGNIFICANT ACTION STEPS
4 WITH THE DEPARTMENT OF HUMAN SERVICES TO ENSURE BUDGET
5 COMPLIANCE IN THE YEAR 2020
6

7 WHEREAS, the County Administrator, the County Finance Director, governing committees
8 and the Finance and Budget Committee all have the responsibility to provide fiscal oversight,
9 support adherence to the adopted budget, and report to the County Board; and,
10

11 WHEREAS, among other things, the County Administrator administers the county budget
12 and works with departments to remain in compliance with the adopted budget within the budget
13 parameters. It is understood many departments have budget areas of risk. The administrator and
14 department heads are expected to take all possible corrective action when departments are exceeding
15 their budget; and,
16

17 WHEREAS, the County Board of Supervisors is committed to seeing that the County
18 Administrator has the necessary support and authority to achieve budget compliance in the
19 Department of Human Services; and,
20

21 WHEREAS, the Department of Human Services has exceeded its annual budgets resulting in
22 deficits as follows: \$225,089 in the year 2016; \$1,934,293 in the year 2017; \$2,492,413 in the year
23 2018; and the preliminary report for the year 2019 shows a deficit of \$2,180,909; and,
24

25 WHEREAS, Eau Claire County has repeatedly expressed concern to the state for the lack of
26 adequate state reimbursement. Eau Claire County should continue to lobby the state to do right by
27 counties, but not count on it happening any time soon.
28

29 WHEREAS, the repeated deficits of the Department of Human Services have contributed to
30 placing Eau Claire County in a precarious financial condition that has resulted in depleted cash
31 reserves, and a depletion of the county fund balance; and,
32

33 WHEREAS, the depleted cash reserves could result in the county needing to engage in short
34 term borrowing to meet payroll. This may result in lost revenue associated with the cost of
35 borrowing, and the potential loss of revenue from investments; and,
36

37 WHEREAS, the continued depletion of the fund balance will at some point have an impact
38 on the county's bond rating, causing a substantial increase in expense for the county when it comes
39 to borrowing for the county's capital projects and to meet the county's critical needs; and,
40

41 WHEREAS, currently there is an unacceptable time lag in the Department of Human
42 Services fiscal reports which does not allow for prompt management adjustments and adequate fiscal
43 oversight. As such, it may be beneficial to determine if the fiscal division of the Department of
44 Human Services combined with the County Finance Department would be more cost-effective and
45 improve fiscal reporting.
46

47 NOW THEREFORE BE IT RESOLVED, the County Administrator is directed to take
48 significant action steps within the Department of Human Services to make sure there is
49 compliance with the 2020 adopted budget; and,
50

51 BE IT FURTHER RESOLVED, the County Administrator is authorized to place any

1 vacant positions on hold, or delay the hiring for newly approved positions in the Department of
2 Human Services; and,
3

4 BE IT FURTHER RESOLVED, the County Administrator is supported and directed to
5 bring to the Department of Human Services Board and the Committee on Finance and Budget
6 any administrative tool that is also required to be brought before the county board for approval,
7 to fulfill the expectation of a Department of Human Services net-zero deficit in the year 2020;
8 and,

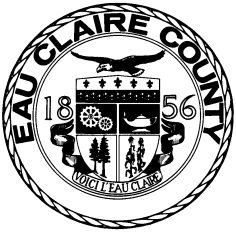
9 BE IT FURTHER RESOLVED, the County Administrator shall either conduct an in-
10 house evaluation or contract for an outside evaluation to determine if the Department of Human
11 Services fiscal unit should be combined with the County Finance Department.
12
13
14

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18 _____
Supervisor Gerald Wilkie
19

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21 Dated this _____ day of _____, 2020 .
22

APPROVED BY
CORPORATION CLERK
AS TO FORM

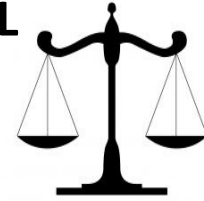
Reviewed by Finance Dept.
for Fiscal Impact



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CORPORATION COUNSEL

Timothy J. Sullivan

June 2, 2020

FACT SHEET ORDINANCE 20-21.027

This ordinance makes modifications to Chapter 4.02 of the Eau Claire County Code, Budgetary Procedures, by adopting the language of Wis. Stats. §59.60 as the budgetary procedure for Eau Claire County.

Wis. Stats. Allows counties with a population of less than 750,000 and with either a county executive or county administrator to adopt the budgetary procedures of this section of the statutes. This proposed ordinance adopts the language of §59.60 that is not otherwise reserved for counties with a population of 750,000 or more.

A summary of the budgetary process that would be created if the board adopts this ordinance is as follows:

1. By July 15th departments will submit to the finance director and the county administrator their proposed budgets and capital improvements for the following year.
2. By August 15th, the finance director will submit to the county administrator and the board a compilation of the budget estimates and other information concerning the financial status of the county.
3. Following receipt of the budget estimates the county administrator will hold public hearings with the department heads (or their designee) concerning the proposed budgets. It is anticipated that this will be done during the meetings of the supervising committees.
4. Prior to October 1st the county administrator will submit to the board the amended budget known as the "county administrator's budget"
5. The board shall then refer the budget to the finance and budget committee who will then publish a notice that contains a summary of the proposed budget along with a date time and place for a public hearing with the county board. After the conclusion of the hearing, that is to take place prior to November 1st, the finance and budget committee shall submit to the board its recommendations for amendment to the county administrator's budget, if any.
6. At or before the annual meeting, the board shall adopt the budget with such changes as it considers proper and advisable.

Timothy J. Sullivan
Corporation Counsel

2
3 **TO AMEND SECTION 4.02.001 OF THE CODE: PURPOSE, TO CREATE SECTION**
4 **4.02.010 OF THE CODE: ADOPTING THE BUDGETARY PROVISIONS OF**
5 **WISCONSIN STATUTES SECTION 59.60 AS THE COUNTY BUDGET PROCESS**
6

7 WHEREAS, Eau Claire County is subject to Home rule pursuant to Wisconsin Statutes
8 §59.03(1) that *“every county may exercise any organizational or administrative power, subject*
9 *only to the constitution and to any enactment of the legislature which is of state wide concern and*
10 *which uniformly affects every county;”* and,
11

12 WHEREAS, Consistent with the language of Wis. Stat. §59.18, Eau Claire County has
13 created Chapter 2.06 of the Eau Claire County Code that creates the position of County
14 Administrator; and,
15

16 WHEREAS, Wisconsin Statutes §59.60 “Budgetary procedures in certain counties”
17 authorizes *“any county with a county executive or county administrator may elect to be subject to*
18 *the provisions of this section; and,*
19

20 WHEREAS, Eau Claire County Code Chapter 4.02 “Budgetary Procedure” provides
21 limited guidance as to the budgetary procedure for the Eau Claire County Board of Supervisors,
22 the County Administrator, and the County Departments.
23

24 **THE COUNTY BOARD OF SUPERVISORS DOES ORDAIN AS FOLLOWS:**
25

26 SECTION 1. That Section 4.02.001 of the code is amended to read:
27

28 4.02.001 Purpose. This chapter shall establish the process whereby on an annual basis the
29 county board shall establish its budget for county operations. Except as otherwise provided, ~~all~~ the
30 county board and its committees and all county departments shall follow the procedure set forth in
31 this chapter.
32

33 SECTION 2. That Section 4.02.010, consistent with the language of Wisconsin Statutes
34 §59.60, of the code be created to read:
35

36 4.02.010 Adopting the budgetary provisions of Wisconsin Statutes Section 59.60 as the
37 County Budget process.
38

39 A. Definitions.

40 1. “Budget period” means an annual budget.

41 2. “Department” includes all county departments, boards, commissions,
42 institutions, offices, and other agencies of the county government for which funds may be legally
43 appropriated.

44 3. “Fiscal Year” the fiscal year is the calendar year.

45 B. Accounting and budgeting procedure. Every accounting and budgeting procedure
46 that is applied under this section shall comply with generally accepted accounting principles for
47 government as promulgated by the governmental accounting standards board or its successor
48 bodies or other authoritative sources.

1 C. Submission of budget requests. On or before the date that the county
2 administrator specifies, but not later than July 15, each department shall submit to the county
3 finance director and the county administrator in the form that the finance director specifies:

4 1. The department's estimated revenues and expenditures for the fiscal year
5 for the ensuing budget period.

6 2. The estimated cost of any capital improvements pending or proposed for
7 the ensuing fiscal year and for the next 5 fiscal years.

8 3. Any other information that the finance director requests.

9 D. Compilation of budget requests. Not later than August 15 of the year in which the
10 budget is enacted, the county finance director shall submit to the county administrator and to the
11 board:

12 1. The budget estimates of each department.

13 2. A statement of principal and interest becoming due on outstanding bonds
14 and on other financial obligations.

15 3. An estimate of all other expenditures, including proposed expenditures on
16 capital improvements that are not financed by bonds.

17 4. An estimate of anticipated issues of new bond obligations during the
18 ensuing fiscal year, plus a statement of the funds required for maturities and interest payments on
19 these issues.

20 5. An estimate of funds required as an appropriation for contingencies.

21 6. An estimate of revenue from all other sources.

22 7. A complete summary of all the budget estimates and a statement of the
23 property tax levy required if funds were appropriated on the basis of these estimates. In
24 determining the property tax levy required, the finance director shall deduct from the total
25 estimated expenditures the estimated amount of revenue from sources other than the property tax
26 levy and shall deduct the amount of any surplus at the close of the preceding fiscal year not yet
27 appropriated. The board, by two-thirds vote, may adopt a resolution before the adoption of the
28 tax levy authorizing the use of the surplus fund in whole or in part as a sinking fund for the
29 redemption or repurchase of bonds or to provide funds for emergency needs under paragraph H.,
30 but for no other purposes.

31 E. County administrator review and budget.

32 1. The county administrator shall review the estimates of expenditures and
33 revenues and hold public hearings on such estimates at which the head or a representative of
34 every county department shall appear and give information with regard to the appropriations
35 requested, including work programs, other justification of expenditures, and other data that the
36 county administrator requests. The county administrator shall make changes in the proposed
37 budget that in the Administrator's discretion are considered desirable or proper.

38 2. On or before October 1, and after the hearings required under paragraph
39 E.1., the county administrator shall submit the amended proposed budget to the board. The
40 amended proposed budget shall be the administrator's budget and shall include all of the
41 following:

42 a. A simple, clear, general summary of the detailed contents of the
43 budget.

44 b. A comparative statement by organization unit and principal object
45 of expenditure showing the actual expenditures of the preceding fiscal year, the appropriations

1 and estimated expenditures for the fiscal year currently ending, and the recommended
2 appropriations for the budget period next succeeding.

3 c. A comparative statement of the actual revenues from all sources
4 including property taxes during the preceding fiscal year, the anticipated revenues and the
5 estimated revenues for the fiscal year currently ending, and the anticipated revenues for the
6 budget period next succeeding including any surplus from the preceding fiscal year not otherwise
7 appropriated under paragraph H.

8 3. The anticipated revenues for the budget period next succeeding shall be equal
9 in amount to the recommended appropriations.

10 4. The administrator's budget shall be accompanied by a message prepared by the
11 county administrator which shall outline the important features of the budget plan and indicate
12 any major changes in policy or in recommended appropriations or revenues as compared with the
13 fiscal year currently ending, and shall set forth the reasons for such changes.

14 F. Publication of budget and public hearing. The board shall refer the administrator's
15 budget to the finance and budget committee and such committee shall publish as a class 1 notice,
16 under Wis. Stats. Chapter 985, a summary of the administrator's budget and comparative figures
17 together with a statement of the county's bonded indebtedness, in the daily newspaper having the
18 largest circulation in the county, and shall make available to the general public reprinted copies
19 of the summary as published. The publication shall also state the date, hour, and place of the
20 public hearing to be held by the board on such administrator's budget. The board shall, not
21 fewer than 14 days after publication of the summary of the executive's or administrator's budget,
22 but not later than the first Monday in November of each budget period and prior to the adoption
23 of the property tax levy, hold a public hearing on such administrator's budget, at which time
24 citizens may appear and express their opinions. After such public hearing, the finance and
25 budget committee shall submit to the board its recommendations for amendments to the
26 administrator's budget, if any, and the board shall adopt the budget with such changes as it
27 considers proper and advisable.

28 G. Transfers of appropriations.

29 1. At the request of the head of any department, and after receiving the
30 recommendation of the county administrator, the finance and budget committee may, at any
31 time during the budget period, transfer any unencumbered appropriation balance or portion
32 thereof between principal objects of expenditures within a department; but no transfers shall be
33 made of appropriations originating from bond funds unless the purpose for which the bonds were
34 issued has been fulfilled or abandoned. If the county administrator fails to make a
35 recommendation within 10 days after the submission of a request for transfer, the finance and
36 budget committee may act upon the request without his or her recommendation. If more than one
37 department is under the jurisdiction of the same board or commission or under the same general
38 management, the group of departments may be considered as though they were a single unit with
39 respect to transfers of appropriations within the group.

40 2. Upon the recommendation of the finance and budget committee and by
41 resolution adopted by a majority of the members present and voting at any meeting, may transfer
42 any unencumbered appropriation balance or portion thereof from one department or account to
43 another at any time during the following:

44 a. The first 9 months of the fiscal year, if another unit of government
45 fails to appropriate moneys which the board anticipated and appropriated to that department.

1 account when the board adopted the budget. The amount of money transferred under this
2 subdivision may not exceed the amount of money which that other unit of government fails to
3 appropriate.

4 b. The last 3 months of the fiscal year.

5 3. Paragraph 2 does not apply to an appropriation which is irrevocable by
6 law.

7 H. Appropriations, supplemental and emergency.

8 1. At the request of the head of any department and after review and
9 recommendation by the finance and budget committee, the board, by resolution adopted by a
10 vote of two-thirds of the members-elect of the board, may transfer from the contingency
11 appropriation into any other appropriation or create a new appropriation for any legal county
12 purpose if any unforeseen condition requires an appropriation of funds during the budget year.
13 The board may make supplemental appropriations for the year up to the amount of the additional
14 revenue and surplus so certified to meet a public emergency affecting life, health, property or the
15 public welfare, if the finance director certifies that any of the following funds are available for
16 appropriation:

17 a. Revenues that are received from sources not anticipated in the budget
18 that year.

19 b. Revenues that are received that exceed budget estimates.

20 c. Unappropriated surplus funds from the preceding fiscal year.

21 2. An appropriation under par. 1. may be made only by resolution adopted by
22 a vote of two-thirds of the members-elect of the board. To the extent that unappropriated funds
23 or realized revenues in excess of anticipated revenues are unavailable to meet the emergency, the
24 board may, by resolution adopted by three-fourths of the members-elect, issue tax anticipation
25 notes under Wis. Stats § 67.12. Notice of intent to make supplemental appropriations from
26 revenues or surplus or to issue tax anticipation notes shall be published as a class 1 notice, under
27 Wis. Stats. Ch. 985, in the daily newspaper having the largest circulation in the county, not less
28 than 6 days prior to the hearings before the finance and budget committee of the board in regard
29 to these matters.

30 I. Ordinance increasing salaries; new positions; when effective. No ordinance or
31 resolution authorizing the creation of new or additional positions or increasing salaries shall
32 become effective in any budget period until an appropriation of funds for such purpose is made
33 or the ordinance or resolution contains a provision for the transfer of funds if required. All such
34 ordinances or resolutions which do not require an appropriation or transfer of funds shall state
35 therein the specific account or accounts in which funds are available for such purposes.

36 J. Lapse of appropriations. Every appropriation excepting an appropriation for a
37 capital expenditure, or a major repair, shall lapse at the close of the fiscal year to the extent that it
38 has not been expended or encumbered. An appropriation for a capital expenditure or a major
39 repair shall continue in force until the purpose for which it was made has been accomplished or
40 abandoned. The purpose of such appropriation for any capital expenditure or a major repair shall
41 be considered abandoned if 3 years pass without any expenditure from, or encumbrance of, the
42 appropriation concerned.

43 K. Payments and obligations prohibited; certifications; penalties. No payment may be
44 authorized or made, and no obligation incurred against the county unless the county has
45 sufficient appropriations for payment. No payment may be made or obligation incurred against

1 an appropriation unless the finance director first certifies that a sufficient unencumbered balance
2 is or will be available in the appropriation to make the payment or to meet the obligation when it
3 becomes due and payable. An obligation incurred and an authorization of payment in violation
4 of this subsection is void. A county officer who knowingly violates this subsection is jointly and
5 severally liable to the county for the full amount paid. A county employee who knowingly
6 violates this subsection may be removed for cause. This subsection does not prohibit contracting
7 for capital improvements being financed wholly or partly by the issuance of bonds or prevent the
8 making of a contract or lease providing for the payment of funds at a time beyond the end of the
9 fiscal year in which the contract or lease is made. The board shall make or approve by resolution
10 each contract, lease or other obligation requiring the payment of funds from the appropriations of
11 a later fiscal year or of more than one fiscal year.

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I hereby certify that the foregoing correctly represents
the action taken by the undersigned Committee on
June 8, 2020 by a vote of ____ for, ____ against.

Chairperson Stella Pagonis
Committee on Finance & Budget

I hereby certify that the foregoing correctly represents
the action taken by the undersigned Committee on
_____ by a vote of ____ for, ____ against.

Chairperson Nick Smiar
Committee on Administration

TJS/yk

Fact sheet
Ordinance 20-21/028

Wisconsin Statute §59.03(1) provides counties with “Administrative Home Rule” which permits counties “to exercise any organizational or administrative power.” This means that a county can promulgate procedures within the county as long as those procedures do not violate the state constitution or violate any state-wide law.

The changes being proposed here are not procedural changes. These are all practices that have been exercised by this county for several decades but were either not adequately codified or possibly modified in the County Code.

Chapter 2.04.485 Committee on Finance and Budget. The current code does not accurately reflect the duties and expectations of the committee. In practice, the committee develops fiscal policy, participates in the development of the budget, and holds public input sessions. These changes merely codify the duties of the committee.

Chapter 2.06.060 Budget Preparation and Execution. These changes conform to statute and to the budgetary procedure delineated in 4.02.

Chapter 4.02 Budgetary Procedure. These paragraphs follow Wis. Stat. §59.60, the Wisconsin Counties Association recommended budgeting procedures, and the history and practice of Eau Claire County during budget development. Some changes are being made to streamline the process for departments.

Jointly submitted,

Robin Leary and Stella Pagonis

2 **TO AMEND SECTION 2.04.485 OF THE CODE: COMMITTEE ON FINANCE AND**
3 **BUDGET; 2.06.060 OF THE CODE; BUDGET PREPARATION AND EXECUTION;**
4 **AND CHAPTER 4.02 OF THE CODE: BUDGETARY PROCEDURE**

5 **SECTION 1**

6 2.04.485 Committee on finance and budget.

7 A. The committee shall be responsible to the county board for the departmental policy and
8 oversight of the following: 1. County treasurer; 2. Finance director; 3. County clerk.

9 B. The committee shall have ~~the following~~ the duty to oversee the fiscal health of the county.
10 The committee’s powers and duties shall include but not be limited to:

11 1. Review and participate in the development of the annual budget as provided in Chapter
12 4.02.

13 2. Hold public input hearings on the development of the annual budget.

14 3. Monitor and make recommendations regarding departmental budget compliance
15 throughout the fiscal year.

16 4.. Establish county fiscal policies and strategies.

17 ~~4. 5.~~ Examine and settle all claims, demands or causes of action against the county referred
18 thereto by the county clerk as provided in Chapter 4.90.

19 ~~2. 6.~~ Exercise control over all non-tax deeded land acquired by the county through any of its
20 departments, agencies, officials and employees. The committee shall refer all land acquisitions to
21 appropriate governing committees whenever such lands abut or adjoin lands under the control of
22 any such committee. No county official or employee may acquire, purchase or accept any land
23 on behalf of the county without the prior written permission of the finance and budget committee
24 except as otherwise provided by law. The county clerk, acting under the supervision of the
25 committee, is hereby empowered to manage and sell all non-tax deed lands owned by Eau Claire
26 County, subject to approval of the County Board consistent with provisions of Chapter 4.20.

27 3. 7. Examine and settle all accounts, invoices, and expenditures of the county as determined
28 on a pre-audit basis by the finance director and administer Chapter 1.22.

29 8. Evaluate and consider the county’s fund balance consistent with county policy.

30 C. The committee shall submit a written report to the board of its action on any claim under
31 4.90.020 C.

32 **SECTION 2.**

1 2.06.060 Budget preparation and execution. Pursuant to Wis. Stat. §59.18(5) .60 and pursuant to
2 Chapter 4.02, the county administrator shall submit ~~is responsible for submission of~~ the annual
3 budget to the board. The county administrator will ~~consult~~ collaborate with the committee on
4 finance and budget regarding procedures, format and priorities in the preparation of the budget as
5 required under Chapter 4.02.

6 **SECTION 3.**

7 Chapter 4.02 BUDGETARY PROCEDURE

8 4.02.001 Purpose. Consistent with Wis. Stat. §59.60, ~~t~~This chapter shall establish the process
9 whereby on an annual basis the county board shall establish its budget for county operations.
10 Except as otherwise provided, all county departments shall follow the procedure set forth in this
11 chapter. (Ord. 138-113, 1995; Ord. 80-81/93 Sec.1(part), 1980).

12 4.02.010 Compilation of Budget Requests. Not later than August 15 of the year in which the
13 budget is enacted, consistent with the guidelines, the director of each department shall submit to
14 the county administrator and to the board a) the budget estimate of the department's operating
15 budget, including an estimate of both revenues and expenditures; b) an estimate of the
16 department's capital improvements; and a performance review of the department by program.

17 4.02.020 Departmental Budget Review. Departmental budgets shall be completed and reviewed
18 ~~by governing committees~~ and submitted to the finance director by August 20. This deadline may
19 only be extended by written authorization of the county administrator. After such submission,
20 the county administrator shall hold public hearings with the department head or a representative
21 of the department, in conjunction and cooperation with the department's governing committee
22 and the committee on finance and budget. The department head shall appear and give
23 information with regard to the appropriations requested, including programs and other
24 justification of expenditures, and other data that the county administrator may request. The
25 administrator may make changes the administrator deems proper.

26 4.02.030 Submission of the Annual Budget. On or before October 1, the county administrator
27 shall submit the proposed county administrator's budget to the board.

28

29 4.02.040 Referral to the Committee on Finance and Budget. The county board shall refer the
30 administrator's budget to the committee on finance and budget for publication as a class 1 notice
31 with a summary of the administrator's proposed budget. The committee shall hold public
32 hearings. After such public hearings, the committee on finance and budget shall submit to the
33 board its recommendation for amendments to the administrator's budget.

34 4.02.050 User fee schedules.

35 A. All county user fees for the utilization, rental or leasing of county facilities, for the provision
36 of county services and for the issuance of permits and licenses shall be established in the code of

1 general ordinances and shall properly reflect the costs incurred by the county. The committee on
2 finance and budget shall annually review these user fees and recommend to the county board at
3 its 2nd meeting in October the enactment or amendment of user fee schedules for the ensuing
4 fiscal year.

5 B. So as to enable the committee to comply with A., each department which lets or rents out
6 county facilities subject to its control, provides the public with direct services or issues licenses
7 or permits shall no later than September 1st annually submit to the county administrator a
8 schedule of proposed user fee amendments or enactments. The county administrator shall review
9 these and submit each department's proposal, along with his or her analysis, to the committee for
10 its review and approval.

11 C. This section shall not be construed to apply to any such fees established for any department
12 by, or pursuant to, state or federal law or regulation or for labor rates and fringe benefit rates
13 established by county labor agreements. (Ord. 141-92, Sec. 51, 1998; Ord. 80-81 193, Sec. 1
14 (part), 1980).

15 4.02.060 Budget books. Budget books shall be provided to supervisors ~~at least 2 weeks~~ not fewer
16 than 14 days prior to the public hearing on the proposed budget. (Ord. 135-75, 1992)

17 4.02.070 County Board public hearing, review and approval. The county board shall hold a
18 public hearing on the annual budget meeting at which time the citizens may appear to express
19 their opinions. After such public hearing, the county board shall deliberate the annual budget and
20 consider the amendments presented by the committee on finance and budget. Any additional
21 amendments must be presented and voted upon as individual items by the county board.

22

I hereby certify that the foregoing correctly represents the
action taken by the undersigned Committee on June 8,
2020 by a vote of ____ for, ____ against.

Chairperson Stella Pagonis
Committee on Finance & Budget

I hereby certify that the foregoing correctly represents the
action taken by the undersigned Committee on
_____ by a vote of ____ for, ____ against.

Chairperson Nick Smiar
Committee on Administration

Eau Claire County Board of Supervisors

721 Oxford Avenue – Room 2570
Eau Claire, WI 54703-5481



Voice: (715) 839-4835
Fax: (715) 839-6243



TO: Eau Claire County Board of Supervisors
Eau Claire County Department Heads
Community Agencies

FROM:

DATE: June 2020

SUBJECT: EAU CLAIRE COUNTY 2021 BUDGET GUIDELINES

The State of Wisconsin continues to limit the levy increase in property taxes to be solely based on percentage of net new construction. Unfortunately, this limitation, along with the current financial condition of the County once again places Eau Claire County in a difficult budget situation. COVID-19 has compounded the issue by creating shortfalls in revenue at a time when the demand for services is likely to increase.

The frame for this budget is similar to the frame we have used in discussing 2020. We are essentially functioning as if we are a county-wide emergency operation. We need to reprioritize what programs and activities are staffed and how we will accomplish them. In order to do this we will need to identify what we can set aside for the near term.

Sales tax revenues are likely to not fully recover until 2023 per the estimations from the state. Sales tax funds basic county services and accounts for ~9% of the total revenue for the County. This affects every area of our operation. It is why it is imperative for each department to scrutinize all expenditures.

1. Identify which activities / programs may be suspended for the near future, until such time as the County revenue recovers to our previous level.
2. Identify where activities may be automated.
3. Be prepared to discuss the continued use of attrition and the redeployment of personnel to priority functions.
4. Do have conversations with your peers to identify additional opportunities.
5. When are delays or reductions in service acceptable?

GUIDELINES:

1. Departments are encouraged to look for alternative funding and revenue streams for programs. Cooperative partnerships, cost saving programs with other departments, outside agencies or other counties will continue to be given high priority. Innovative program proposals within existing funding, cost saving prevention programs or programs that generate new revenue will also be given high priority.
2. Any position changes, regardless of funding source, should be explained in detail including an explanation of how it is a necessary (critical) addition to the department.
3. Departments must include a list of revenue sources, other than county levy, with expected revenue amounts. Changes in revenue from the prior year must be clearly identified and explained. Revenue assumptions are a key discussion point. Our worksheets will incorporate room for additional narrative on revenue changes. We should all be monitoring potential funding changes as the state continues to respond to COVID-19, and deals with its own budgetary issues.
4. County user fees shall be reviewed for potential increases commensurate with the increased cost of doing business. The review of fee schedules should include analysis of cost recovery for services. All user fee recommendations approved by oversight committees are due to the County Administrator's office by August 30, 2020.
5. Department budget proposals, with supporting documentation, shall be submitted electronically to the Finance Director by July 15, 2020. In addition, all budget entries supporting these proposals must be entered in Alio by that date.
6. Additional guidance on timeline and process will be provided on a regular basis at weekly department head meetings and via email correspondence.

MINUTES

Eau Claire County
Committee on Finance & Budget
Monday, May 11, 2020
4:30 p.m.
Webex Conference Call

Public Access:

Dial in Number: 415.655.0001
Access Code: 926 850 845

Notice Regarding Public Comment: Members of the public wishing to make comments must email Amy Weiss at amy.weiss@co.eau-claire.wi.us at least 30 minutes prior to the start of the meeting. You will be called on during the Public Comment session to make your comments.

Members present: Supervisors Steve Chilson, Jim Dunning, Robin Leary, Stella Pagonis, Gerald Wilkie, Board Chair Nick Smiar
Others present: Supervisor Nancy Coffey; Martha Nieman; Connie Russell
Staff present: Norb Kirk, Finance Director; Glenda Lyons, County Treasurer; Kathryn Schauf, County Administrator; Amy Weiss, Senior Accounting Manager
Public present: Abigail Johnson, UWEC; Ryan Patterson, Leader Telegram

Chair Stella Pagonis called the meeting to order at 4:30 pm and confirmed compliance with open meetings law.

Clerk Amy Weiss did role call of committee members.

Public Comment: Supervisor Nancy Coffey reviewed suggested changes to the Budget Deviation policy.

Resolution 19-20/109 “Directing the County Administrator to Take Significant Action Steps with the Department of Human Services to Ensure Budget Compliance in the Year 2020”

Motion: Wilkie “committee go on record that resolution 109 should be placed on hold”

Vote: no negative votes, motion passes 5-0

Resolution 20-21/005 “Replace One 1.0 FTE Fiscal Associate II (Grade E) with a One 1.0 FTE Fiscal Associate III (Grade G)”

Motion: Leary moved approval as presented

Vote: passes 4-1

Resolution 20-21/009 “Authorizing Carryforward of Funds from 2019 Budget into 2020 Budget”

Motion: Leary moved approval as presented

Vote: passes 5-0

Chilson: yes

Resolution 20-21/021 “Act 185 – Waiving Interest and Penalties on Property Tax Installments”

Motion: Wilkie moved that resolution not be forwarded to board; second by Leary

Vote: passes 5-0

Eau Claire County Bridge Plan and Covid-19 Task Force: The committee received an update from Kathryn Schauf on the progress of the development of the task force.

2020 Bond Issue: Finance is continuing to work on the bond issue, and expects to present further information to the board at their meeting in June.

Budget Deviation Financial Policy Procedure Change Suggestions: Supervisor Schneider would like to amend the policy to read “...it is the department’s *ongoing* responsibility to notify the County Administrator...”

Motion: Dunning moved to add word “ongoing...” in the policy statement, as noted above

Vote: passes 5-0

Further Discussion: Other procedural changes suggested by Supervisor Coffey to be added to June agenda.

Preliminary 2020 Quarter 1 Financial Results: Norb Kirk reviewed the preliminary 2020 quarter one financial results. At a very high level, the county did not see any impact from the coronavirus pandemic. The projected sales tax losses continue to increase due to slow economic recovery expected as the economy opens back up.

Q1 Investment Report: Glenda Lyons reviewed the quarter one investment report. The cash balance at the end of quarter one 2020 is up a little over \$3 million in cash balance from the end of quarter one 2019. Interest rates are down to 0.35%, and are expected to go lower. Bank fees are usually covered by an investment credit, which is expected to go to zero. This will cause the county to incur bank fees of approximately \$1,500/month.

2020 Sales Tax and Vehicle Registration Fee Reports: The committee reviewed the sales tax and vehicle registration fee reports.

2021 Budget Calendar: Kathryn Schauf reviewed the proposed 2020 budget timeline. The Operational Effectiveness meetings brought forward recommendations from department heads regarding the budget process. The initial 2020 budget timeline was prepared by knowledgeable department heads. The process includes working with the Committee on Finance and Budget, and the board as a whole, to align budget goals and objectives with the strategic plan adopted by the board. The proposed timeline includes several touch points with the Committee on Finance and Budget to review department head discussions and proposals.

2021 Budget Survey: The committee would like the survey to be overhauled. Supervisor Pagonis will look into soliciting university help with the development of the budget survey.

Review of Meeting Minutes: The committee reviewed the minutes from the April 13, 2020 and May 5, 2020 meetings.

Motion: Leary moved approval as presented.

Vote: no negative votes, passes 5-0

Future Meeting and Agenda Items: June 8, 2020 and July 13 ,2020; regular meetings to be held the second Monday of the month

Agenda Items: budget guidelines and budget calendar, 2020 bond issue and refunding, audit update, DHS fiscal review, external auditor review (July)

The meeting was adjourned at 7:31 pm.

Amy Weiss
Committee Clerk