

AGENDA
Eau Claire County
Committee on Finance & Budget
Monday, December 9, 2019
4:30 p.m.
Courthouse - Room #1273
721 Oxford Avenue • Eau Claire, WI

[agenda items linked to supporting documents](#)

1. Call to Order and confirmation of meeting notice
2. Public Comment
3. Quarter 3 Investment Review / Discussion
4. CLA DHS Review / Discussion
5. 2019 Fund Balance Estimate / Discussion
6. Budget Process and Budget Survey / Discussion
7. Financial Activity Updates / Discussion – Action
 - a. County Sales Tax Report – September earnings received in November
 - b. County Board Chair Vouchers - **None**
 - c. Line Item Transfers - **None**
8. Review/Approval of Regular Meeting Minutes
 - a. October 28, 2019
 - b. November 25, 2019
 - c. December 3, 2019
9. Future meeting and agenda items / Discussion
10. 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 839-4710 (FAX) 8391669 or (TDD) 8394735 or by writing to the ADA Coordinator, Human Resources Department, Eau Claire County Courthouse, 721 Oxford Ave., Eau Claire, Wisconsin 54703.

Eau Claire County Treasurer's Office Investment Analysis 2019 (Excluding CDBG, Clerk of Courts Accts and Jail)	2019 Budget benchmark 2.25% Interest on investments	\$450,000.00
	Net Gain (Loss)	\$484,041.05
	Interest Earned	\$484,094.18
	Fees	(\$53.13)

Month	Beginning Bal	Service Fees	Interest	Deposits	Withdrawals	End of Month	
						Balance	Gain/Loss (\$)
January	\$ 36,346,794.97	\$ (5.90)	\$ 13,730.23	\$ 84,820,555.50	\$ (83,407,399.29)	\$ 37,773,675.51	↑ \$ 13,724.33
February	\$ 37,773,675.51	\$ (5.90)	\$ 28,955.88	\$ 45,526,633.54	\$ (44,140,182.19)	\$ 39,189,076.84	↑ \$ 28,949.98
March	\$ 39,189,076.84	\$ (5.84)	\$ 50,952.71	\$ 15,239,655.11	\$ (17,277,832.05)	\$ 37,201,846.77	↑ \$ 50,946.87
April	\$ 37,201,846.77	\$ (5.87)	\$ 50,048.97	\$ 13,784,817.76	\$ (17,312,859.95)	\$ 33,723,847.68	↑ \$ 50,043.10
May	\$ 33,723,847.68	\$ (5.96)	\$ 39,322.76	\$ 15,027,925.61	\$ (16,712,289.87)	\$ 32,078,800.22	↑ \$ 39,316.80
June	\$ 32,078,800.22	\$ (5.93)	\$ 55,415.59	\$ 11,617,401.28	\$ (15,802,321.39)	\$ 27,949,289.77	↑ \$ 55,409.66
July	\$ 27,949,289.77	\$ (5.84)	\$ 43,962.20	\$ 62,573,527.93	\$ (29,274,273.11)	\$ 61,292,500.95	↑ \$ 43,956.36
August	\$ 61,292,500.95	\$ (5.96)	\$ 161,835.86	\$ 116,867,211.04	\$ (160,276,421.99)	\$ 18,045,119.90	↑ \$ 161,829.90
September	\$ 18,045,119.90	\$ (5.93)	\$ 39,869.98	\$ 14,148,007.29	\$ (15,567,041.86)	\$ 16,665,949.38	↑ \$ 39,864.05
October	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	→ \$ -
November	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	→ \$ -
December	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	→ \$ -
Total		\$ (53.13)	\$ 484,094.18	\$ 379,605,735.06	\$ (399,770,621.70)		↑ \$ 484,041.05

Totals by Quarter:

1st Quarter	\$ (17.64)	\$ 93,638.82	\$ 93,621.18
2nd Quarter	\$ (17.76)	\$ 144,787.32	\$ 144,769.56
3rd Quarter	\$ (17.73)	\$ 245,668.04	\$ 245,650.31
4th Quarter	\$ -	\$ -	\$ -
	\$ (53.13)	\$ 484,094.18	\$ 484,041.05
	Srvs Fees	Interest Earned	Net Gain(Loss)



The Eau Claire County Human Services Department has evolved significantly over the past several years. The Department has widened its array of services and programs, added employees, integrated the Juvenile Detention Center and is implementing an optimization project for their electronic health records system. During this time, they have experienced large annual deficits that have been difficult to forecast. The purpose of this review is to present recommendations for financial and operational improvements that will increase Department efficiency and provide Management and the Board with timely, detailed and accurate reports. The following is a list of key issues and recommendations to improve them.

1. **Expenditure Allocation** – The Department currently provides financial reports to Management and the Board that are general in nature and include estimates that are generated manually, including some accruals not recorded in the county's accounting system. They do not allocate tax revenues to each program in the accounting system. We recommend the Department begin allocating and recording all costs by program as incurred and allocate all tax revenues by program which will allow easy access to accurate, up-to-date information as it's needed.
2. **Account Structure** – The Department account structure was recently revamped, but it was modified to support a few annual reports the county is required to complete that are unrelated to the monthly grant reports that allow the Department to claim their grant revenues. The Department does not currently segregate all costs by grant program within their accounting system as required by Federal and State regulations. We recommend the county review and redesign the Department's account structure to come into full compliance with regulations, which will also support the monthly grant reporting required to claim grant revenues and the financial reporting needs of Management and the Board.
3. **AMSO, Indirect, Shared and Direct Cost Allocations** – We recognized inconsistencies in the allocation of indirect and shared costs, both within and outside of the Department's Agency, Management, Support and Overhead allocation, (AMSO allocation). We also recognized several categories of direct costs that were being allocated through the AMSO allocation instead of being charged to the program generating the costs. In addition, the AMSO allocation structure and the amounts included do not reflect the current structure and functions of the department. We recommend the department review all categories of cost and determine the most accurate allocation methodology for each. We also recommend the entire AMSO allocation be reviewed and updated to better reflect the Department's current structure and function.

4. Reconciliation and Policies – Federal and State grant regulations require the Department to complete monthly expenditure reconciliations between grant expenditure claims and the accounting system, to have a formal, written cost allocation policy for AMSO and other shared costs and to establish internal controls over reporting such as reviews of grant claims. The Department currently completes monthly and quarterly reconciliations for many grant programs, but does not complete a comprehensive reconciliation of all programs. There is no written cost allocation policy for AMSO and other shared or allocated costs. In addition, the manual nature of the current grant reporting process and the lack of a comprehensive reconciliation does not allow for a full internal control review of all grant reports. We recommend the Department create a more comprehensive reconciliation process that allows for a full review of monthly grant reports. We also recommend the Department create formal written cost allocation policies, as well as comprehensive written documentation of the expenditure reporting process and the related internal controls.
5. Indirect Cost Plan – The structure of the County’s indirect cost plan and the amounts included do not reflect the current structure and function of the County in some categories. We recommend the County review and revise the cost plan to more accurately capture and allocate the costs in the plan.
6. Timing – The Department has encountered difficulties within the CCS program related to timely processing of vendor invoices and billing Medicaid for the related services due to rapid program growth and lack of fiscal infrastructure which has been addressed in 2019. There is a multitude of information required from vendors in order to process invoices and billings; the County is experiencing ongoing delays because of missing information from vendors. The county does have contract clauses in place regarding this issue and with the current established infrastructure has begun enforcing the contract clauses. We recommend the County consider reminding all vendors of and then enforcing the current contract clauses that relate to timing and information.
7. Fiscal Processes – The Human Services Department has a unit of fiscal employees who complete a wide variety of tasks. Tasks could be more efficient with improvements to the related technology. Efficiencies may also be gained by reviewing and realigning related tasks to the same employee, especially with regards to financial reporting. We suggest the Department allocate time and resources to make the necessary reviews and improvements to the task structure and technology.
8. Juvenile Detention – The Human Services fund includes the Juvenile Detention facility, which provides services to juveniles from Eau Claire County and several other counties as well. In order to more accurately account for costs and recoup the County’s investment in the facility and the cost of care for other counties’ residents, we recommend the County establish a separate enterprise fund.

Action Steps to CLA Recommendations

Human Services
11/2019
Diane Cable, Director

1

Action steps to CLA Audit

Expenditure Allocation

- Allocate Tax Levy and other revenues to the general ledger by program area
 - Finance to allocate tax levy
 - DHS to allocate all other revenues

Account Structure

- Currently working Finance to redesign the account structure to accommodate all costs and revenue
- The redesign of the account structure will create the ability to allocate all staff costs to the appropriate corresponding grant

2

Action Steps to CLA Audit (cont')

AMSO Indirect, Shared and Direct Cost Allocations

- Current Allocations for copy costs and specific program costs including equipment are currently charged to the appropriate program area
- Cell phone allocations were budgeted to overhead for 2020, and this will be revised to have each program area charged directly
- AMSO allocation structure will change based on programs and directly recorded in the general ledger

Reconciliation and Policies

- Work will continue on updating processes for reporting and internal controls
- A written cost allocation policy for AMSO and indirect will be developed
- On a quarterly basis, the accountant or financial manager will reconcile all grant accounts not currently being reconciled

3

Actions Steps to CLA Audit (con't)

Indirect Cost Plan

- Finance addressing

Timing

- In conjunction with the CCS program manager and the contract coordinator, fiscal staff have been working with providers to bring them within alignment of contract timelines and requirements

4

Eau Claire County
2019 Fund Balance Analysis (Unaudited)
2020 Budget
Estimated December 31, 2019 - based on department estimates at 11.27.19

	At 09/13/19	At 11/27/19
<u>2018 Estimated General Fund Balance Unassigned Summary</u>		
General Fund Balance Unassigned at 12/31/18	\$ 10,889,175	\$ 10,889,175
Net 2019 Department activity	(1,270,486)	(717,860)
2020 Recommended General Fund Balance Assigned	(411,700)	(411,700)
Estimated 2019 Ending General Fund Balance Unassigned	\$ 9,206,989	\$ 9,759,615
2020 General Fund Expenditures (11.27 update is based on adopted budget)	\$ 37,100,577	\$ 37,206,678
% of Unassigned General Fund Balance to General Fund Expenditures	24.82%	26.23%
Net Increase/(Decrease) in Unassigned Fund Balance	\$ (1,682,186)	\$ (1,129,560)
Percentage Change in Unassigned Fund Balance YTY	-15.45%	-10.37%
<u>Fund Balance Policy References</u>		
Mimumum General Fund Unassigned - 20% of next year general fund expenditures	\$ 7,420,115	\$ 7,441,336
Target General Fund Unassigned - 30% of next year general fund expenditures	\$ 11,130,173	\$ 11,162,003

2019 General Fund Balance Activity Detail

	2019 Preliminary Activity*	2020 Budget Impacts	Nov. 27 Update
General Fund Total Fund Balance, Beginning of Year	\$ 10,889,175	\$ -	\$ 10,889,175
<u>Adjustments to Unassigned Fund Balance (Net 2019 estimated activity - Surplus/(Deficit))</u>			
Administration	167,440		40,655
Child Support	(14,094)		(25,000)
Circuit Court	103,284		80,390
CJCC	38,093		20,000
Clerk of Courts	348,530		459,520
Contingency Fund	(10,000)	(300,000)	(10,000)
Corporation Counsel	(44,786)		(4,000)
County Board	51,087		19,590
County Clerk	7,583		7,583
District Attorney	40,759		29,500
Extension	(2,071)	(11,700)	20,000
Facilities	39,878		105,000
Finance	23,188		47,400
Human Resources	39,166		57,000
Human Services	(2,236,352)		(2,000,000)
Information Systems	23,573		141,548
Nondepartmental	99,298		49,013
Parks & Forest	96,215		69,153
Planning & Development	(64,034)	(100,000)	(88,050)
Register in Probate	6,775		6,829
Register of Deeds	(82,847)		(33,600)
Sheriff	47,820		300,000
Treasurer	57,551		205,000
Veterans	(6,542)		20,000
Transfer of deficit from fund 212 **	-		(235,391)
Estimated General Fund Unassigned, End of Year 12/31/19	\$ 9,618,689	\$ (411,700)	\$ 10,171,315
Net Estimated General Fund Unassigned Estimate at 12/31/19 With 2020 Budget	\$ 9,206,989		\$ 9,759,615

Notes

*The 2019 estimates are based on data/estimates as of 09/13/19 and 11/27/19 are subject to change based on updated 2019 activity

** This estimate represents the transfer necessary to align the fund blance for fund 212 to the correct amount based on a historical analysis.

**Eau Claire County
Annual Sales Tax Collections**

Month	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	\$ 605,382	\$ 649,869	\$ 613,413	\$ 637,758	\$ 633,370	\$ 655,343	\$ 696,710	\$ 755,910	\$ 746,338	\$ 704,798
February	638,455	602,909	563,535	532,904	689,925	843,563	882,113	628,528	601,096	669,281
March	538,909	561,038	783,032	834,428	852,142	864,937	659,845	914,348	957,986	959,733
April	711,305	797,429	741,448	606,312	641,812	719,623	933,154	883,529	900,497	854,152
May	663,464	567,787	549,895	783,189	856,800	854,993	880,459	803,003	946,279	1,020,614
June	476,205	707,990	872,811	924,281	935,972	835,827	819,172	893,219	1,249,533	1,134,311
July	741,830	751,169	783,644	655,631	764,686	1,031,180	946,348	1,108,995	748,195	763,404
August	663,893	616,376	785,490	823,653	1,004,488	957,996	817,003	829,756	987,184	1,128,758
September	631,589	804,241	788,958	805,689	725,272	753,988	906,726	984,452	1,086,193	1,059,516
October	642,499	705,976	669,856	655,379	830,917	968,167	901,132	933,541	789,472	
November	728,502	630,916	799,401	872,360	934,158	868,976	662,535	652,721	950,828	
December	692,239	844,605	817,298	774,289	707,471	708,777	996,080	1,137,837	1,069,954	
Total	\$ 7,734,272	\$ 8,240,305	\$ 8,768,781	\$ 8,905,873	\$ 9,577,013	\$ 10,063,370	\$ 10,101,277	\$ 10,525,839	\$ 11,033,555	\$ 8,294,568
Budgeted	\$ 7,675,000	\$ 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
Excess (Short)	\$ 59,272	\$ 565,305	\$ 968,781	\$ 845,873	\$ 991,013	\$ 1,113,370	\$ 821,277	\$ 925,839	\$ 933,555	\$ (2,554,648)
	2010 Surplus	2011 Surplus	2012 Surplus	2013 Surplus	2014 Surplus	2015 Surplus	2016 Surplus	2017 Surplus	2018 Surplus	
Total County Taxable Sales	\$ 1,546,854,400	\$ 1,648,061,000	\$ 1,753,756,200	\$ 1,781,174,600	\$ 1,915,402,600	\$ 2,012,674,000	\$ 2,020,255,414	\$ 2,105,167,718	\$ 2,206,710,922	\$ 1,658,913,610
Yearly Average	\$ 644,523	\$ 686,692	\$ 730,732	\$ 742,156	\$ 798,084	\$ 838,614	\$ 841,773	\$ 877,153	\$ 919,463	\$ 921,619

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

5 Year Average and Median		
Month	Monthly Avg	Median
January	\$ 698,745	\$ 652,606
February	\$ 719,084	\$ 633,491
March	\$ 868,165	\$ 843,285
April	\$ 822,128	\$ 769,439
May	\$ 893,691	\$ 828,998
June	\$ 978,006	\$ 883,015
July	\$ 893,801	\$ 764,045
August	\$ 954,198	\$ 826,705
September	\$ 919,358	\$ 804,965
October	\$ 884,646	\$ 789,472
November	\$ 813,844	\$ 799,401
December	\$ 924,024	\$ 817,298

MINUTES

Eau Claire County
Committee on Finance & Budget
Monday, October 28, 2019
4:30 p.m.
Courthouse - Room #1273
721 Oxford Avenue • Eau Claire, WI

Members present: Supervisors Steve Chilson, Jim Dunning, Robin Leary, Stella Pagonis, Gerald Wilkie

Staff present: Norb Kirk, Finance Director; Amy Weiss, Senior Accounting Manager

Others: Supervisor Connie Russell; Ryan Patterson, Leader Telegram

Chair Stella Pagonis called the meeting to order at 4:31 pm and confirmed compliance with open meetings law.

There were no members of the public who wished to comment.

Glenda Lyons presented updated cash information at 09.30.19.

Proposed Ordinance 19-20/071 “To Amend Section 4.35.200 of the Code: Overpayments and Underpayments

Motion: Leary moved approval of ordinance as proposed

Vote: 5-0, no negative vote

The committee discussed a budget amendment proposed by Supervisor Wilkie: amend the first 2020 budget policy statement regarding new and vacant positions to apply only to DHS. The original policy statement would be cumbersome and burdensome to smaller departments.

Motion: Wilkie accept the proposed amendment to the proposed budget and present as a committee to the board

Discussion: Dunning to make applicable to all departments

Vote: 4-1, motion passes

Supervisor Dunning presented an amendment to reduce funding for correctional officers to replace the personnel funding in the HR department, by delaying filling positions countywide. The committee recommended that Dunning should make an amendment on the board floor to increase HR’s personnel budget.

The committee reviewed a technical amendment to the debt service levy in the 2020 proposed budget, recalculated subsequent to the approved 2019A issue which was approved by the board on October 15, 2019. The recalculated debt service levy increased \$215,500.

Supervisor Chilson left at 6:00 pm.

The committee reviewed the following Q3 financial reports: Director’s Report, Department Budget to Actual, Sales Tax, Vehicle Registration Fee, Personnel Report, and Fund Balance Analysis and History.

Approval of Meeting Minutes

- September 10, 2019: Joint HR/Admin/F&B
- September 27, 2019
- September 30, 2019
- October 1, 2019
- October 2, 2019
- October 4, 2019
- October 15, 2019

Motion: Leary move approval with spelling corrected, as presented

Vote: 4-0, no negative vote

2020 Budget Process: no discussion

Future meeting and agenda items: December 9, 4:30 pm; budget survey, ordinance change for F&B responsibilities

The meeting was adjourned at 6:41 pm.

Amy Weiss
Committee Clerk

MINUTES
Eau Claire County
Committee on Finance & Budget
Monday, October 28, 2019
4:30 p.m.
Courthouse - Room #1273
721 Oxford Avenue • Eau Claire, WI

Members present: Supervisors Steve Chilson, Jim Dunning, Robin Leary, Stella Pagonis, Gerald Wilkie
Staff present: Rob Fadness, JDC Manager; Vickie Gardner, DHS Fiscal Supervisor; Norb Kirk, Finance Director; Kathryn Schauf, County Administrator; Amy Weiss, Senior Accounting Manager
Others: Supervisor Connie Russell

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

Supervisor Pagonis gave an update on local TIDs.

Referred: Proposed Ordinance 19-20/073 “To Amend Section 4.14.010 B of the Code: Daily Juvenile Detention Rate Established”

Rob Fadness and Vickie Gardner reviewed proposed rate increases for out of county placements in the juvenile detention center.

Motion: Dunning moved approval as presented

Vote: 5-0, no negative vote

Proposed Resolution 19-20/084 “Requiring Any Department of Over 50 Employees, Trending Significantly and Repeatedly Over Budget, to Seek Approval Prior to Filling Vacant Staff Positions and to Provide Fiscal Reports to the County Board of Supervisors Upon Request”

Discussion: The three affected departments can have unexpected expenditures due to community events and weather. All three departments are essential, and services cannot be stopped because there are budget overages. When a position becomes vacant, the current process prior to hiring includes a review of the current job description and current activities, by the department and the administrator, to determine if the position should be filled. The committee is requiring a more detailed review.

Adjustments: two consecutive years instead of quarters, adjust 2017 DHS loss for WIMCR reimbursement, require review of positions

Motion: Chilson moved approval of adjusted resolution

Vote: 5-0, no negative vote

Committee to sign adjusted resolution prior to board meeting on December 3, 2019.

The committee reviewed and discussed the updated 2019 county mill rate.

Future meeting and agenda items:

1. December 3, 6:30 pm to sign resolution #19-20/084
2. December 9, 4:30 pm; budget survey, 2020 budget review process, CLA DHS review

The meeting was adjourned at 6:22 pm.

Amy Weiss
Committee Clerk

MINUTES
Eau Claire County
Committee on Finance & Budget
Tuesday, December 3, 2019
6:30 p.m.
Courthouse - Room #1278
721 Oxford Avenue • Eau Claire, WI

Members present: Supervisors Jim Dunning, Robin Leary, Gerald Wilkie

Members absent: Supervisors Stella Pagonis, Steve Chilson

Staff present: Norb Kirk, Finance Director

Others: None

Vice-Chair Jim Dunning called the meeting to order at 6:51 pm and confirmed compliance with open meetings law.

Public comment: None

Proposed Resolution 19-20/084 “Requiring Any Department of Over 50 Employees, Trending Significantly and Repeatedly Over Budget, to Seek Approval Prior to Filling Vacant Staff Positions and to Provide Fiscal Reports to the County Board of Supervisors Upon Request”

Discussion: The committee members present called for the vote on the resolution which passed 3-0.

Action: Committee members in attendance signed the resolution as approved at the meeting on November 25, 2019.

No other matters were discussed.

Future meeting and agenda items: December 9, 4:30 pm

The meeting was adjourned at 6:53 pm.

Norb Kirk
Acting Committee Clerk