

ADDENDUM

Eau Claire County
Human Services Board Meeting

Date: December 16, 2019

Time: 5 PM

Location: 721 Oxford Avenue, Room 2064
Eau Claire, WI 54703

1. 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/Action**

Prepared by: Samantha Cole

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.

FACT SHEET

TO FILE NO. 19-20/084

Three departments in the county have more than 50 employees: Highway Department, Department of Human Services, and the Sheriff's Department. The intent behind restricting hiring to large departments is to prevent smaller departments from being unable to replace key personnel in a timely manner and having a detrimental effect on operations. The presumption is that larger departments have additional staff to cover open positions pending review of vacant positions. Of the three departments of over 50 employees, the Highway Department's levy is \$1,679,157 for a department of \$22,820,502 or 7 % of levy to the overall budget. The Department of Human Services has an overall budget of \$34,010,654 of which \$8,907,473 comprises levy or about 26 % of the total budget, assuming the WIMCUR amounts are realized as projected. The Sheriff's Department has a total budget of \$13,434,925 with a levy allocation of \$12,299,518 or about 91.5%.

If, at the end a fiscal year, a large department exceeds spending over budget, the excess must come from county funds. The exception is the Highway Department, which is an enterprise organization with its own fund balance. If the department exceeds its fund balance, then it is the responsibility of the county to cover the unbudgeted expenses.

With each of the three large departments, there is no ability for the department to cease operations if the department has exceeded expenditures over budget. The functions of the department include public safety, highway maintenance, and society welfare, all of which are crucial to maintaining a safe and properly functioning county. However, the expectation of the county is that departments manage within its own budget.

If a department exceeds spending, placing pressure on cash reserves and fund, then it is a cause for concern and would be considered a significant overage. Similarly, if the overage has continued for more than two years, then that would be considered a repeated overage. Significant and repeated overages require examination by the county board to assess the reasons and consequence of the overages.

This resolution is to require a department with over 50 employees and is running consistently over budget for two consecutive years to present financial monthly to the county board of supervisors and to hiring decisions reviewed prior to making a final offer..

It is the responsibility of the county board supervisors to assess excess in spending and to determine the necessity of filling open positions when faced with overage in department expenditures. Positions designated as "fully funded" are not exempt from this resolution given that the reimbursements are typically six or eight months delayed, and require the county cash reserves to advance payroll and benefits to these employees.

Fiscal Impact:

Respectfully Submitted,

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3 REQUIRING ANY DEPARTMENT OF OVER 50 EMPLOYEES, TRENDING
4 SIGNIFICANTLY AND REPEATEDLY OVER BUDGET, TO SEEK APPROVAL PRIOR TO
5 FILLING VACANT STAFF POSITIONS AND TO PROVIDE FISCAL REPORTS TO THE
6 COUNTY BOARD OF SUPERVISORS UPON REQUEST

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8 WHEREAS, Eau Claire County Board of Supervisors acknowledges that their number
9 one responsibility is fiduciary oversight of the county; and

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11 WHEREAS, the county has been placed in a precarious fiscal condition due to repeated
12 and significant overages incurred; and

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14 WHEREAS, the overages put the county in fiscal jeopardy by depleting cash reserves and
15 fund balance; and

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17 WHEREAS, depletion of cash reserves could have the effect of requiring a short term
18 borrowing to meet payroll or lost revenue from investments; and

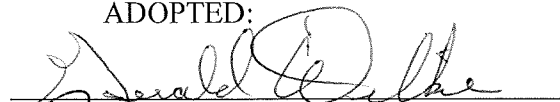
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20 WHEREAS, depletion of the fund balance could have the effect of lowering of the
21 county's bond rating, or decreasing funds available to meet other departments' critical needs; and

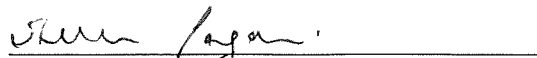
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23 WHEREAS, delay in filling positions, including positions that are fully funded by outside
24 sources, is an approach to recover from immediate overspending.

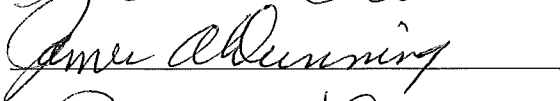
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26 NOW THEREFORE, BE IT RESOLVED that the Eau Claire County Board of
27 Supervisors requires, effective immediately, any department of over 50 employees that is
28 trending significantly and repeatedly over budget for a period of two consecutive years is
29 required to have all vacant positions reviewed prior to final hiring. The review and approval
30 shall be completed by the County Administrator, the department oversight committee, the
31 Human Resources Committee, and the Committee on Finance and Budget. If filling the position
32 is denied by any of the above, the oversight committee may bring the position request to the
33 County Board for consideration.

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35 BE IF FURTHER RESOLVED, that the Eau Claire County Board of Supervisors
36 requires monthly written and oral fiscal reports to the full board by the chair of the department's
37 oversight committee and by the department head. This fiscal report shall provide year to date
38 statements of expenses and revenue, approved budget and actual, the variance, total excess
39 (deficiency) of revenue and expenditures, and vacant positions filled during that month.

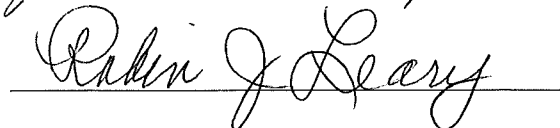
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41 ADOPTED:

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46 Committee on Finance and Budget

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50 Dated this 3rd day of December, 2019.

EAU CLAIRE COUNTY FINANCIAL REPORT
 Trended Net Surplus/(Deficit)
 Selected Departments: Sheriff, Highway, Human Services
 November 25, 2019

Department	2019 Estimate (as of 10.09.19)	2018 Actual	2017 Actual	2016 Actual
GENERAL FUND				
Sheriff *	47,820	(236,747)	306,539	579,011
HEALTH AND HUMAN SERVICES FUND	(2,236,352)	(2,492,413)	(1,934,293) ~	(225,089)
ENTERPRISE FUNDS				
Highway ^	(375,000)	249,743	127,134	2,149,938

*Sheriff's Department includes Fund 212 for years prior to 2019.

^Highway approved use of Fund Balance for 2019 is \$400,000.

~The 2017 actual deficit includes the current year impact of the CCS WIMCR reconciliation. This was received in December 2018.