



GOODHUE COUNTY BUDGET COMMITTEE
MINUTES
Administration Conference Room
October 26, 2005
9:00 a.m.

Present: Jim Bryant, Ted Seifert, David Hamilton, Brad Johnson, Amy Hove, Dean Albers, Scott McNurlin and Andrea Benck.

C/Bryant called the meeting to order. C/Bryant added Elections to the agenda.

Sales Tax Audit. Mr. Johnson reported that Goodhue County was recently audited by the Minnesota Department of Revenue regarding sales/use tax payments and compliance for the years 2002 through 2004. A total of \$10,393.67 in sales tax liability was found during the audit. This liability includes both sales tax owing from revenue collections and use tax owing on certain purchases. Payment to the State of Minnesota is due by November 11, 2005. The major items of non-compliance found during the audit are listed as follows, with the respective sales/use tax owing:

Jail/ Inmate Improvement	Phone Card Sales	\$ 6,666.67
OEM-NPP Funds	Crisis Response System	\$ 1,592.44
Dispatch	Computer Licenses	\$ 780.00
General Government	Interest on Tax Owed	\$ 623.81
Sheriff Contingency	Portable Breath Testers	\$ 568.17
Sheriff	Miscellaneous Purchases	\$ 242.08

Staff recommended collecting payments from the accounts that have monies reserved and/or designated within the General Fund with the balance remaining to be paid out of our general fund service charge account. This recommendation has been discussed with the Sheriff's Department. The breakdown of the recommendation for payment is as follows:

Jail-Inmate Improvement	\$ 6,674.08	
OEM-NPP Funds	\$ 1,592.44	
Sheriff Contingency	\$ 586.17	
Dispatch	\$ 780.00	
General Fund-Service Charges	\$ 760.98	(includes \$623.07 of interest)
	<u>\$ 10,393.67</u>	

Sheriff Albers argued that it was using tax dollars to pay tax dollars. C/Bryant suggested that this issue be added to the agenda when they talk to the legislatures in December. Sheriff Albers agreed and questioned how they could even keep track of this.

Mr. Johnson agreed and felt that it was non productive to have government charging government. C/Bryant stated that he also sat in on the exit interview with the state auditors and state wide they are looking at Sheriff Departments.

The committee recommended collecting payments from the accounts that have monies reserved and/or designated within the General Fund with the balance remaining to be paid out of our general fund service charge account.

Computer Information Software. Sheriff Albers reported that his department has planned to purchase Computer Information System, Inc. (CIS) Jail Management System (JMS) and Civil Process System (CPS) software packages as a part of our Radio Upgrade Project, which was meant to commence this fall. However, the county received a grant from the State of Minnesota to conduct a propagation study into the feasibility of bringing the 800 MHz or statewide ARMER System to Goodhue County in the near future, which delayed the project and the purchase of the components thereof. As a result, the Sheriff's department agreed to defer the funding available in 2005 for the Radio Upgrade Project into 2006.

Staff has found the necessity to pay CIS, Inc. a down payment of \$87,900 this year to retain a reduced price on their JMS and CPS software packages with the remaining \$87,900 for the aforementioned software packages in 2006. Purchasing the CIS software this year also gives staff the ability to get the software installed, operational, and staff trained to use it before it becomes an integrated part of the Radio Upgrade Project through the advent of the mobile data network.

The Sheriff apologized for any inconvenience this request caused, but they were unaware that CIS, Inc. would be willing to offer a reduction in the cost of their product provided we acted on their offer prior to the years end.

C/Seifert asked who currently handled the accounting in the Sheriff's Department. Sheriff Albers stated that it was in-house staff. There is a check and balance to the system; however, it was not the ideal way they would like to run the department.

C/Seifert asked if this payment would be half of the total package. Sheriff Albers agreed. C/Seifert asked when the next payment would be due. Sheriff Albers stated that it would be upon delivery and acceptance. C/Bryant questioned the figures. Mr. McNurlin stated that the cost was reduced if it was done this year. This would also help get this software established so it would be ready to go by the first of the year. They were going to hold off on this, but the representative offered a significant savings if the county would move forward with it this year.

C/Seifert asked about the company they would be purchasing it from. Mr. McNurlin stated that they are a very reputable company that many counties work with. He would be very comfortable working with them.

C/Seifert asked the administrator how this looked budget wise. Mr. Hamilton stated that the money has been reallocated; however, the Auditor/Treasurer's Office would work with the Sheriff's Department to make sure the correct adjustments are made. Mr. Hamilton also stated

that in his opinion, an accounting person dedicated to the overall system in the Sheriff's Department would be very beneficial. This may be an area that needs consideration and could be disused at a later date.

Mr. Hamilton asked if the MIS Department has been involved with this. Randy Johnson needed to be kept in the loop on the issue. Sheriff Albers agreed and stated that Rod Dusek with the MIS department is very much in support of the project.

Sheriff Albers pointed out that his department is a big business and it would be appropriate to have an accountant. C/Seifert pointed out that Social Services and Public Health both have full time accountants. Mr. McNurlin stated that the bigger issue was that they needed to stay ahead of rules and regulations. It is beyond finding current staff to do it. They needed someone specialized in the area. Mr. Hamilton stated that this issue will be for future discussion.

C/Bryant asked exactly how much the original quote was. Mr. McNurlin thought the total was over \$300,000 but did not have the figure in front of him. The savings by installing it now versus later would be approximately \$20,000.

C/Bryant also pointed out that the jail was only five years old and questioned if the county would need to do this again in five years. Mr. McNurlin stated that there was a committee formed to look at the software, and what they have found was that all of the vendors were very comparable; however the cost was the big difference. So there was an examination of the system and they were found to be the best fit.

C/Bryant asked about warranty. Mr. McNurlin stated that for the first year, there were no maintenance fees. After that, there are a yearly maintenance and registration fees.

C/Seifert asked if there are some modules that the county was not purchasing. Mr. McNurlin stated that the county would not be purchasing the mobile piece. Once the county has decided what type of system they would be using, they would look at what type of software to get for that.

The total cost of the software was \$175,800. C/Seifert asked if this was taxable. Ms. Hove thought that it was taxable but often the tax is figured into the bottom line quote. She suggested the Sheriff double check on that.

The committee recommended approval to purchase the CIS Software this year.

Sheriff Albers asked if the contracts could be placed on the next board agenda. C/Bryant agreed and asked the Administrator to make sure that Mr. Randy Johnson in MIS was aware that this was moving forward.

3rd Quarter Report. Mr. Hamilton reported that the county was operating at 73% of budget for expenditures and 86% of budget for revenues. Overall things are on track. This would be the quarter to make adjustments if needed, but everything looked good.

Ms. Hove stated that some of the bigger areas most one-time payments have been made. Public Works is a bit up in expenditures, but their revenues were up as well. They were dealing with construction money coming in and out of their budget.

Ms. Hove added that there was one pending budget adjustment regarding Aerial Photography, and she has been in touch with Ms. Hanni on that issue.

Ms. Hove also pointed out that by the end of the third quarter the county has received all of its revenues from taxes.

C/Bryant stated that the only aid that the county has not received was the other half of the \$1.7 million. Ms. Hove agreed and stated that would come at the end of December. What she was referring to was the actual tax revenue.

C/Bryant asked if there was any concern with the remaining revenues coming in. Ms. Hove felt that everyone seemed to be right on track. The jail revenues are at 77 % so that would elevate the overall revenues because it was such a large number.

C/Bryant asked about tax revenues and if other revenues would be coming in. Ms. Hove agreed.

C/Bryant asked the group if the budget was looking solid. The committee agreed.

C/Bryant questioned the billings for the Attorney's Office and asked if those could be billed earlier to keep things more on track.

Ms. Hove added that it is quite common to have the last quarter paid in the following year. As long as that is done every year, then you have an accurate figure for one year.

C/Bryant questioned the Boat and Water budget and if there were still grants coming. Ms. Hove stated that she would email him to double check on it.

Ms. Hove added that holding off on capital purchases has influenced the expenditure percentage as well.

Mr. Hamilton added that there was discussion at the Management Team about breaking out some of the Road Construction from the Road and Bridge budget. It is hard to track their operating budget with such large figures involved. The hope is to break that out so you can actually see the operation and not the capital items.

C/Bryant asked about Land Use Management fees. Ms. Hove stated that LUM gets their own tax levy and in addition, their building permits were up a bit.

C/Bryant applauded staff for doing such a great job on the budget and keeping track of things.

Elections. C/Bryant stated that every two years there is a budget for elections. He asked if it could be leveled out so that every year a certain amount was levied and there would not be so much of a fluctuation from year to year. Ms. Hove stated that there once was a designation for elections and that could be looked at again.

Next meeting: November 29, at 9:00 a.m.