

Minutes of Langlede County Finance/Information Services Committee Meeting

The meeting, in the Law Library of the Langlede County Courthouse was called to order at 9:00 a.m., July 6, 2012 by Chairman Burns.

Members Present: Jerrold Burns, Bill Bostwick, Vern Cahak, Judy Karpf and Ron Nye.

Members Absent: none

Others present: Gary Olsen, Carlene Nagel, Nate Heuss, Becky Gleich, Michelle Arrowood, Tim Rusch, Duke Packard, Mike Klimoski, Kathy Jacob, Dave Solin, Robin Stowe, Bill Greening, Brent Hipke, Gary Bartz, Becky Frisch, Debi McGregor, Angel Zimmerman, Shae Flood, Carol Blawat, and Dan Sheldon.

Agenda Item #1 Call the meeting to order: The meeting was called to order at 9:00 a.m. by Chairman Burns.

Agenda Item #2 Approve the minutes of the previous Finance meeting on June 8, 2012: A motion was made by Cahak to approve the minutes of the June 8, 2012 Finance Committee meeting, second by Karpf, all ayes, motion carried.

Agenda Item #3 Land Sales: Jacob distributed the land sale list with estimated values and expenses incurred. The previous owner of parcel #014-0261 was present. There is \$25,433.13 owed in delinquent taxes, penalties and interest. The owner stated she could pay the County \$18,000 today and will have the remaining amount soon. The current Sale or Conveyance of Tax Deed Property Policy gives the Committee the right to allow the previous owner to redeem the property. Motion by Bostwick to allow the former owner of parcel #014-0261 to redeem their property, if full payment of all delinquent taxes, interest, and penalties incurred up to that date is made by the end of July, second by Nye, all ayes, motion carried.

The Committee discussed the redemption process that is allowed per the current policy. This item will be placed on the August Finance Committee agenda to specify a time period for property to be redeemed.

The Committee discussed the starting price for the land sale properties. Motion by Nye to allow North Central Sales to accept bids at the estimated values that were set at the last Finance Committee meeting, the parcels cannot be redeemed at this point, and the ad must be approved by Gary and Robin, second by Cahak, all ayes, and motion carried. Any bids received by North Central Sales will be brought to the next Finance Committee meeting. This is not an absolute sale and the County has a right to accept or refuse any or all offers.

Agenda Item #4 Abandoned Rail Right of Way issue: The Committee has discussed the abandoned rail right of way properties that the DNR had requested access to at past meetings. The Committee had left this issue in the hands of the DNR and property owners to work out easements. It was understood that if easements could not be worked out, then the Committee would intervene. To date, it does not look like the DNR was able to work out easements with all of the property owners. Motion by Bostwick to deed each right of way parcel to the property owners, second by Cahak, all ayes, motion carried.

Agenda Item #5 Funding for service groups: The deadline for the service groups to request their funding requests was June 30, 2012. The following groups requested funding from the County: Family Corner Resource Center \$12,500, AVAIL \$15,000, Boys and Girls Club \$12,500, and the White Lake Historical Society \$1,000. Each entity presented their request for funding to the Committee. Motion by Bostwick, second by Nye, to preliminarily approve funding the Family Resource Center \$12,500 for 2013, all ayes, motion carried. Motion by Nye, second by Bostwick to preliminarily approve funding AVAIL \$12,500 for 2013, all ayes, motion carried. Motion by Cahak, second by Bostwick to preliminarily approve funding the Boys and Girls Club \$7,500 for 2013, 4 ayes, 1 no (Karpf), motion carried. Motion by Nye to preliminarily approve

funding the White Lake Historical Society \$1,000 for 2013, second by Karpf, all ayes, motion carried.

Agenda Item #6 Review Capital Improvement Projects: The Committee ranked the following department CIP projects: Highway, Maintenance, Forestry, Airport, Land Records, Sheriff, Finance/IS, Transportation, North Central Health Care, and County Board. Olsen will complete the CIP booklet and bring it back to the Committee in August. The Committee will then need to utilize the rankings to determine which projects will be completed in 2013.

Agenda Item #7 Investment policy: Motion by Cahak, second by Karpf to amend the investment policy, all ayes, motion carried. (See policy attached.)

Agenda Item #8 Borrowing to refinance existing Wood Technology loan: Now that the County Board passed the resolution last month to prepay \$900,000 on the Wood Technology loan, and refinance the existing loan, the Committee discussed how the refinancing would work. The County will need to borrow \$300,000 in order to refinance the existing Wood Technology loan. The \$300,000 will be used to repair and replace the HVAC systems in the Resource Center and Health Care Center. The County will then refinance \$1,199,301 at 3% interest. This will require two resolutions to be sent to the County Board. Motion by Bostwick, second by Karpf, to approve the borrowing and refinancing and forward to County Board, all ayes, motion carried.

Agenda Item #9 Purchasing computer software and hardware for departments: None at this time.

Agenda Item #10 Finance Director's report regarding the finances of the county, and an update regarding the Information Services section of the department: Olsen is meeting with the Departments on Wednesday, July 11th to start the 2013 budget and 2014 plan. The budget meetings will be on September 14, 2012 and September 17, 2012 at 9:00 a.m. Olsen reviewed the budget to actual listing with the Committee. Olsen also distributed a copy of the Balance Sheet to the Committee. The current balance in the Self Funded Health Insurance account is \$1,634,411.37.

Agenda Item #11 Line Item Transfers: None at this time.

Agenda Item #12 Approve Grant Requests: None at this time.

Agenda Item #13 Travel and Training Requests: None at this time.

Agenda Item #14 Review and approve payment of bills: Motion by Nye and second by Cahak to approve the payment of bills, all ayes, motion carried.

Agenda Item #15 Verify Date of Next Meeting: The next meeting will be on Friday, August 10, 2012 at 9:00 a.m.

Motion to adjourn meeting at 12:31 p.m. made by Bostwick, second by Cahak, all ayes, motion carried.

Respectfully submitted,
Carlene Nagel
Recording Secretary

Langlade County		
Financial Procedures Manual		
ISSUE DATE 12/9/05	PROCEDURE TITLE:	PROCEDURE NO.
REVISION DATE 7/9/12	County Investment Policy	

Section I. Purpose

To establish the County’s cash investment objectives, delegation of authority, stands of prudence, reporting requirements, internal controls, eligible investments, selection process for investments, investment management and advisory firms, diversification and safekeeping requirements.

Section II. Scope

This investment policy applies to all investment transactions/activities of the County, except Clerk of Courts agency funds per Wisconsin Statute 59.42 (2).

Section III. Objectives

- A. The primary objectives of County investment activities shall be the following in order of importance:
 1. To preserve capital in the overall portfolio and to protect investment principal;
 2. To remain sufficiently liquid to meet disbursement requirements which might be reasonably anticipated; and
 3. To manage the investment portfolio to maximize return consistent with objectives in Items 1 and 2 and other risk limitation described in this policy.

Section IV. Delegation of Authority

- A. The responsibility for conducting investment transactions rests with the Treasurer. The Finance Director will provide investment data, statistics and recommendations to the Treasurer to aid in investment decisions.
- B. The County Treasurer or designee shall have the authority to transfer funds between accounts established for investments as prescribed in the investment procedures.

Section V. Prudence

The standard of prudence to be applied by the Treasurer shall be the “Prudent Person Rule” which states, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived”. The Prudent Person Rule shall be applied in the context of managing the overall portfolio.

The Treasurer, in accordance with Chapter 34 of Wisconsin State Statutes and County procedures, will exercise due diligence. The Treasurer will follow these policies and procedures and report immediately to the Finance Committee any significant change of an individual security’s credit risk or market price and recommend appropriate action be taken to control adverse developments.

Section VI. Reporting Requirements

- A. The Treasurer shall provide the Finance Committee with copies of a portfolio performance report at least quarterly or when a specific request is made. The report will summarize the investment strategies employed; describe the portfolio in terms of investment securities, maturities, risk characteristics and other factors. The report will indicate any areas of policy concern and suggested or planned revision of investment strategies.
- B. The Treasurer shall provide the county Board with copies of a portfolio performance report and the County’s current investment plan at least annually.
- C. On or before January 1 of each year, the Treasurer and Finance Director shall provide the Finance Committee with a projected monthly cash flow statement for the year to come and anticipated monies for investments. On a quarterly basis, the Treasurer shall provide to the Finance Committee a cash flow statement showing actual cash flow and variances from projections.

Section VII. Internal Controls

The Finance Director shall establish a system of internal controls reviewed by the Finance Committee which shall be reviewed by the County’s independent auditor on an annual basis. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation by another party or imprudent actions by an employee or employees of the County.

Section VIII. Eligible Investments

- A. Authorized Investments. Subject to restrictions as may be imposed by law (section 66.0603 of Wisconsin State Statutes), funds will only be invested in any of the following investments:
1. U.S. Treasury Obligations and Government Agency Securities. Obligations of the United States of America, its agencies and instrumentalities, provided that the payment of the principal and interest is fully guaranteed by the issuer.
 2. Certificates of Deposit. Certificates of Deposit and other evidences of deposits from credit unions, banks, savings banks, trust companies or savings and loan associations which are authorized to transact business in the state, which time deposits mature in not more than three (3) years. Any Certificate of Deposit invested over the Federal Deposit Insurance Corporation and State Deposit Guaranteed Fund insured amounts of \$250,000, whichever is less, are to be fully collateralized under the specific requirements of Section XI.
 3. General Obligation Bonds or Securities. General obligation bonds or securities of any county, city, drainage district, vocational college, village, town or school district of the state, if the bond or security is rated in one of the two highest rating categories assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency.
 4. State of Wisconsin Investment Board's Local Government Investment Pool.
 5. Repurchase Agreements. Investment agreements pursuant to which a federal or stated credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank, or national bank in the State of Wisconsin agrees to repay funds advanced to it by the issuer, plus interest. Repurchase Agreements are to be secured by investment securities fully guaranteed by the U.S. Government.
 6. Operating Bank Account. Deposits shall be limited to the lesser of \$250,000 or amounts guaranteed by Federal Deposit Insurance Corporation and the State Deposit Guarantee Fund unless overnight funds in excess are fully collateralized under the specific requirements of Section XI. Deposits by the County with institutions outside of the State of Wisconsin are prohibited. Investments in the Operating Bank Account are encouraged to be placed in Langlade County financial institutions.
- B. Eligible Amounts. The Treasurer shall ensure amounts on deposit do not exceed collateralized amounts guaranteed by the financial institution, consistent with this written policy.

Section IX. Cash Liquidity

County investments shall be managed to maintain liquidity for meeting the County's need for cash and to limit potential market risks. Investments will be made through financial institutions offering the highest yielding rates, consistent with this written policy.

Section X. Safekeeping

- A. All financial institutions acting as a depository for the County must enter into a “depository agreement” requiring the depository to pledge collateral to secure amounts over and above guaranteed amounts. All securities serving as collateral shall be specifically pledged to the county and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution. The custodian shall send statements of pledged collateral to the Treasurer on a monthly basis.
- B. Amounts in excess of Federal Deposit Insurance Corporation and State Deposit Guarantee Fund guaranteed amounts must be fully collateralized and held by a third party of fully insured by an insurance company with an A rating or better by A.M. Best. Acceptable collateral includes the following:
1. Securities of the U.S. Treasury or U.S. Governmental Agency as defined by the Federal Reserve.
 2. U.S. Government guaranteed securities such as those issued through the Small Business Administration are acceptable as long as they are fully guaranteed.
 3. General obligations of municipalities are acceptable to the extent that they are rated second highest or higher by Moody’s Investor Service Inc., Standard and Poor’s Corporation or other nationally recognized rating agency.
- C. Collateral Held in Trust. Collateral held by a trust institution supporting Certificates of Deposit, Repurchase Agreements or other qualified investments consistent with this investment policy and not identified in XI.A or XI.B, must meet the requirements outlined below.
1. Collateral must be equal to at least 100% market value of the total amount invested plus interest to be earned at the time of investment. Collateral shall be marked-to-market on a monthly basis.
 2. Acceptable collateral includes items identified in XI.B.
 3. A detailed statement listing a description of securities pledged and held in safekeeping must be provided on a monthly basis.
 4. Institutions serving as custodian of other collateral shall provide evidence of professional liability insurance and fidelity bond.