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BOARD OF COUNTY COMMISSIONERS Minutes of Special Meeting July 13, 2015

The Board of Morgan County Commissioners met on Monday, July 13, 2015 at 10:00a.m. with Chairman Brian McCracken, Commissioner Laura Teague and Commissioner James Zwetzig in attendance. Chairman McCracken called the meeting to order, and asked Morgan County Department of Human Services Accounting Manager Susan Watkins to lead the meeting in the Pledge of Allegiance to the Flag.

GENERAL BUSINESS AND ADMINISTRATIVE ITEMS

Consideration of Approval – Department of Human Services Financial Report for the Month of May 2015

The Board of Morgan County Commissioners met as the Morgan County Board of Human Services in the following matter:

ITEMS REQUIRING ACTION

The minutes of the regular monthly Board meeting of June 8, 2015 were approved upon a motion by Commissioner Zwetzig with authorization for Chair to sign. Commissioner Teague seconded the motion.

Chairman McCracken then moved to the next agenda item, the approval of Human Services Warrants for May 2015, with Susan Watkins stating for the most part things were not very unusual and summarized the program costs from April compared with May and further stated that most expenditures remained the same as prior expenditures. Commissioner Teague made the motion to approve the Human Services Warrants for May 2015 in the amount of \$324,362.15 and authorized the Chair to sign. Commissioner Zwetzig seconded the motion and motion carried 3-0.

HMS warrants	\$ 194,212.30
HMS payroll	<u>\$ 130,149.85</u>
	\$ 324,362.15

Chairman McCracken moved to the next item on the agenda, the approval of Vendor and Benefit Authorization for May 2015, with Susan Watkins presenting information to the Board stating the comparisons between the prior month expenditures being close to the same, with the LEAP Program having decreased and the food stamp program increasing by approximately \$8,700.00. Commissioner Teague made the motion to approve the Vendor and Benefit Authorization for May 2015 in the amount of \$621,051.87, a decrease of approximately \$8,400.00 and authorized the Chair to sign. Commissioner Zwetzig seconded the motion and motion carried 3-0.

Certification of Provider, Vendor and Benefit Authorizations for May 2015 was presented as follows:

Temporary Assistance for Needy Families (TANF)	\$ 43,445.00
Child Care	12,931.87
Foster Care	142,821.56
Core Services	21,989.53
LEAP	6,905.89
Aid to Needy Disabled (AND)	7,796.55
Old Age Pension (OAP)	43,826.47
Food Assistance Benefits	340,245.00
Employment 1 st	<u>1,090.00</u>
Total	\$ 621,051.87

ITEMS FOR INFORMATION ONLY

Chairman McCracken then moved to the Items for Information Only with Ms. Watkins summarizing the cash reconciliation report as submitted. She stated she believes that the Department is currently on track with expenditures and should be able to cover budgeted items for the year. She then summarized the actual revenue versus actual expenditures, explaining that she believes the budget is currently going in the right direction. She further summarized the child support program, and further explained that there is nothing that appears to be out of the ordinary for this month, explaining last month's percentage and this month being 26.77 percent, county percent expended. She further summarized the property taxes received and summarized the increase in the fund balance for this year coming from the property tax revenues that have not been expended as of yet.

Ms. Watkins summarized the fund balance as of May 31, 2015 as being \$1,205,122.23. She stated that at this time in the fiscal budget year, they are currently \$450,000 ahead just in the budget, expenditures for the five months indicating they have not spent as much as was anticipated. She stated that they are not looking at any program in particular as being way over or way under, further stating that in child welfare does indicate a higher amount, but believes that is typical. The revenue from the County shows at 50.69 percent, which is easily within the 40 percent range, and expenditures being at 35.56 percent which is below the anticipated 41 percent for the five month period.

Ms. Watkins summarized the balance sheet indicating there is nothing vastly different from the prior months and also summarized the allocation report. She has projected where the Department may be for this fiscal year, and stated it looks like all the programs will be reasonable. She stated that it does still indicate that CORE remains high in legal fees, and they have researched this matter and will be transferring some of those fees to Child Welfare and wants to assure that these will be coded correctly in the future.

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Commissioner Teague asked about the actual expenditures on the report not matching what is indicated on the County side with it reflecting a total of \$1,747,362.22 and with Ms. Watkins's information indicating \$1,748,162.47. Ms. Watkins reviewed the report indicating that she does have some transactions that needs to be sent to the Finance Director which would result in this small discrepancy.

The Board thanked the staff for their presentation today and Tracy Amen, Administrative Services Manager asked if this meeting could be moved to a Tuesday Board meeting given it is required to be held in a formal meeting as per statute. Ms. Frenier will coordinate with Ms. Amen for a date that will work consistently.

Summary of Financial Reports as presented above:

- The Cash Reconciliation Report indicated a cash balance as of May 31, 2015 of \$1,193,809.17. This compared to the cash balance of May 31, 2014 of \$827,808.37. Discussion regarding cash balance and fund balance.
- Reviewed Monthly Balance Sheet.
- Actual Revenue to Actual Expenditures Report was submitted for review.
- The Budgeted to Actual Expenditure Reports were presented.
- The Allocation Report was presented.

There being no further business to bring before the Board of Human Services, the meeting was adjourned.

s/ Jacque Frenier
Jacque Frenier, Interim Director
s/ Brian K. McCracken
Chairman, Morgan County Board of Human Services

At this time, Chairman McCracken recessed the meeting at 10:20 a.m. until the scheduled presentation of the Morgan County Comprehensive Annual Report at 11:00 a.m..

Consideration of Approval – CONTRACT – Morgan County Comprehensive Annual Report for the fiscal year ending December 31, 2014

Morgan County Finance Director Michelle Covelli presented to the Board for approval the Morgan County Comprehensive Annual Report for the fiscal year ending December 31, 2014. Ms. Covelli introduced Tracy Peterson with Yanari Watson McGaughey, P.C., auditors. Ms. Covelli stated this is the first year this company has conducted our audit. Ms. Peterson spoke to present the audit to the Board, explaining that the audit process went very well and expressed her appreciation about the cooperation they received from management.

She further spoke about the changes that recently occurred in the Clerk and Recorder's office, explaining what documentation is necessary and stated they had no repeat findings from previous auditors concerns. She further stated that the County is in good financial shape, the debt to asset ratio is very low and stated they were very impressed with this as they worked through the audit itself.

Ms. Peterson summarized the letter she provided the Board explaining that they had no difficulties in performing the audit, no disagreements with management, and all items were resolved during the course of the audit and no significant findings were found. She then summarized the second letter which indicates some minor items that could assist management in the future. The first item noted is in regards to the monthly reporting in the Morgan County Clerk and Recorder's office to help alleviate the time being spent on monthly balancing. The second item was in regards to how rounding is being conducted pertaining to the ambulance department and has made the suggestion that all rounding be made in accordance with Medicare policy.

Commissioner Teague asked about the rounding and how it is being done, with Ms. Covelli stating that was occurring at Enable and she has spoken to them directly and they will make this change appropriately as being recommended.

After no further questions, Ms. Peterson further summarized the CAFR that was presented to the Board. She stated that normally their company does not go into much depth in regards to the CAFR, but wanted to point out a few of the highlights. She stated again the County having low debt to asset ratio, is a good financial sign. She stated they were pleased to see this and there is definitely a positive position for the County to operate within.

Commissioner Zwetzig mentioned the County does have a potential of debt ratio increasing given the upgrade or expansion of the justice center which would be of the greatest debt potential in the near future. Ms. Covelli stated that everything went fine, and spoke about the compensated absences and referenced page 58 of the CAFR. She summarized the information that has been provided by the auditors, explaining this information was calculated on spreadsheets and this information concurs with the information provided by the auditors.

Commissioner Zwetzig asked the auditor if these costs are within acceptable or reasonable costs, with Ms. Peterson stating they are, given the amount of revenue, size of the County, explaining how they looked at the individual rates, and the compensated accruals they are allowed to have and what those rates are, she believes these rates are definitely reasonable.

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Ms. Covelli referenced page 27 of the CAFR which provides a summary of the net position indicating it has decreased some but clarified it is due to mostly depreciation. She stated that happens pretty much consistently, with Ms. Peterson stating depreciation was at the amount of 9.3 million for all capital assets.

Commissioner Zwetzig asked if there was any comment in regards to health insurance and benefits, with Ms. Covelli stating only the plan that is being offered at this time, no figures are indicated. She referenced page 58 of the CAFR for the board to review.

Commissioner Teague commented about being recently asked to review a statute that speaks to prohibiting aid to corporations and this created a question about providing aid to municipalities, if that is in conflict with this statute. Ms. Peterson stated she has not heard anything about this and would be happy to contact other individuals to see how they are handling this type of situation. The Board will forward this statute the auditors to do further research.

Commissioner Teague thanked Ms. Covelli for continuing to have this CAFR prepared and the useful information it provides. Ms. Peterson stated that by having a CAFR holds the County to a much higher standard, feeling it provides a much better level of comfort to the Finance department to hold to these standards.

Chairman McCracken opened the matter to public comment with no comment.

A motion was made by Commissioner Teague to approve and accept the Morgan County Comprehensive Annual Report for the fiscal year ending December 31, 2014 as outlined above. Commissioner Zwetzig seconded the motion and motion carried 3-0.

After no further discussion, the special meeting adjourned at 11:18 a.m.

Respectfully submitted,
Susan L. Bailey
Clerk to the Board

(Minutes ratified July 21, 2015)

THE BOARD OF COUNTY COMMISSIONERS MORGAN COUNTY, COLORADO

s/Brian K. McCracken
Brian K. McCracken, Chairman

s/ Laura D. Teague
Laura D. Teague, Commissioner

s/ James P. Zwetzig
James P. Zwetzig, Commissioner

(SEAL)

ATTEST:

s/ Susan L. Bailey
Susan L. Bailey, Clerk to the Board

MORGAN COUNTY BOARD OF HUMAN SERVICES FINANCIAL MEETING MINUTES June 8, 2015

Present: Commissioner Brian McCracken - Chairman, Commissioner Laura Teague, Commissioner Jim Zwetzig, Interim Director Jacque Frenier, Finance Director Michelle Covelli, Accounting Manager Susan Watkins, Accounting Specialist Anita Cornwell, Accounting Specialist Marylyn Riddle and Administrative Services Manager Tracy Amen

Meeting called to order by Chairman McCracken.

ITEMS REQUIRING ACTION

The minutes of the regular monthly Board meeting of May 26, 2015 were approved upon a motion by Commissioner Zwetzig with authorization for Chair to sign. Commissioner Teague seconded the motion.

Human Services Warrants for April 2015 were approved with authorization for Chair to sign upon a motion by Commissioner Teague, with second by Commissioner Zwetzig.

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HMS warrants	\$ 204,569.01
HMS payroll	<u>\$ 129,590.88</u>
	\$ 334,159.89

Certification of Provider, Vendor and Benefit Authorizations for April 2015 was presented.

Temporary Assistance for Needy Families (TANF)	\$ 40,767.66
Child Care	14,463.08
Foster Care	143,942.72
Core Services	20,403.62
LEAP	108,591.22
Aid to Needy Disabled (AND)	7,601.88
Old Age Pension (OAP)	37,596.36
Food Assistance Benefits	331,530.00
Employment 1 st	<u>575.00</u>
Total	\$ 705,471.54

The report was approved upon a motion by Commissioner Zwetzig to approve with authorization for Chair to sign and second by Commissioner Teague. Motion passes.

ITEMS FOR INFORMATION ONLY

Financial Reports:

- The Cash Reconciliation Report indicated a cash balance as of April 30, 2015 of \$905,245.33. This compared to the cash balance of April 30, 2014 of \$283,164.24. Discussion regarding cash balance and fund balance.
- Reviewed Monthly Balance Sheet.
- Actual Revenue to Actual Expenditures Report was submitted for review.
- The Budgeted to Actual Expenditure Reports were presented.
- The Allocation Report was presented.

There being no further business to bring before the Board of Human Services, the meeting was adjourned.

s/ Jacque Frenier
Jacque Frenier, Interim Director

s/ Brian K. McCracken
Chairman, Morgan County Board of Human Services

THE BOARD OF COUNTY COMMISSIONERS MORGAN COUNTY, COLORADO

s/Brian K. McCracken
Brian K. McCracken, Chairman

s/ Laura D. Teague
Laura D. Teague, Commissioner

s/ James P. Zwetzig
James P. Zwetzig, Commissioner

(SEAL)

ATTEST:

s/ Susan L. Bailey
Susan L. Bailey, Clerk to the Board

(As approved July 13, 2015)