

MENOMINEE COUNTY AND TOWN BOARD

The Town of Menominee Board consists of seven elected members who, under s. 59.10 (5), Wis. Stats., also make up the County Board. While the Board's composition and other characteristics are unique in Wisconsin, its responsibilities are similar to those in other counties and towns. During the course of our evaluation of Menominee County and the Town of Menominee, we identified a number of concerns related to public accountability and the Board's oversight capacity. These include the Board's compliance with requirements for public meetings, the annual budget process, and the extent to which the county and town's financial condition is monitored year-round. We have also noted a number of less-significant concerns that should be addressed.

Board Meetings

Successful governing bodies must maintain practices to ensure that those affected by their actions, including citizens and public employees, can observe their proceedings and have access to their decisions. In the absence of open meetings and proper notification, effective community participation is hampered. In addition, because the status of the Menominee County and Town Board is unique among all counties in the state, failure to properly distinguish between county and town functions can confuse the public.

Open Meetings and Notification

Section 19.82, Wis. Stats., requires that county and town board meetings comply with the State's open meetings requirements, as provided in ch. 19, Wis. Stats. Section 19.83, Wis. Stats., requires that every meeting be preceded by a public notice and that all discussion and action at these meetings be taken in open session, which means that meetings are held in a place reasonably accessible to members of the public. During deliberations over the 1998 annual budget, the Menominee County and Town Board may have violated state requirements for both proper notification and open meetings.

Meeting Notification - State statutes impose a number of requirements on town and county boards to ensure adequate public notice of governmental proceedings. For example, ss. 65.90(3)(a) and 65.90(3)(a)(1), Wis. Stats., require that in county and town budget deliberations, a summary of the budget and notice of the time and place of the public hearing must be posted in three public places at least 15 days prior to the time of a public hearing on the budget.

Notice of the November 19, 1997 meeting in which the County Board adopted the 1998 budget resolution was published in the county's official newspaper 14 days prior to the scheduled hearing. Upon discovering the improper notification, county officials decided to hold the meeting as notified on November 18, 1997, then recess the meeting until November 19, which would have been 15 days after publication of the notice.

As noted in our report to the Legislature, the resolution adopted at this meeting reduced the county Sheriff's Department budget request by \$200,000. In January 1998, the Menominee County Sheriff filed a complaint with the joint Menominee/Shawano County District Attorney regarding the legality of this meeting and the adopted budget resolution. Menominee County has recently prepared its response to the complaint and awaits a court ruling.

In addition, the Board may have inadvertently limited public notification of meetings in its recent decision to change its official newspaper. On November 13, 1997, the Board decided to contract with a different newspaper as a cost-saving measure even though the Personnel and Finance/Building and Grounds Committee had previously recommended the official newspaper not be changed because of concerns over the new newspaper's limited circulation, and because it only publishes two editions per week. The new newspaper has been in operation for 2.5 years.

The Board's actions may violate s. 985.03(1), Wis. Stats., which requires that in order for legal notices to be published in a newspaper, that newspaper must not only have been published for at least 2 to 5 years prior to the date of publication of the legal notice, but also have a paid circulation of 50 percent or more of its total circulation, and 300 subscribers in the town. The Board did not determine whether the paper's circulation in the Town of

Menominee is sufficient to meet these requirements. To ensure public access to county and town legal information, we suggest the Board review its official newspaper's level of circulation and reconsider, if necessary, the decision to contract with this newspaper.

Open Meetings - State statutes require that all meetings of state and local governments be open to all citizens, at all times, unless otherwise expressly provided by law. Under s. 19.85(1), Wis. Stats., there are 13 specific exemptions a government body can invoke to conduct explicitly identified business in closed session. They are typically limited to:

- individual personnel matters, such as specific hiring decisions and decisions related to a specific employee's promotion, disciplining, or dismissal;
- financial business that requires competitive bidding or bargaining, such as purchasing property or investing funds; and
- legal counsel concerning the strategy to be adopted with respect to litigation in which the government body is or is likely to become involved.

In our review of the minutes, as well as our observations during 1998 budget deliberations in October and November 1997, we identified a number of instances in which the Board or its committees appear to have conducted business in violation of state open meetings requirements. For example:

- The Personnel and Finance/Buildings and Grounds Committee posted notice of meetings in closed session for October 2, 1997, October 21, 1997, and October 30, 1997, citing ss. 19.85(1)(c) and (i), Wis. Stats., which allows closed meetings to discuss salaries of individual employees and matters relating to private businesses. These meetings, however, discussed overall budget strategy. Local media questioned the legality of closing the October 30 meeting, and committee members held the meeting in open session.
- The September 1997 regular meeting of the County Board went into closed session to discuss the appointment of a replacement board member, citing s. 19.85(1)(c), Wis. Stats.; however, this exemption pertains to considering employment, promotion, compensation, or performance evaluation data of public employees. The courts have ruled that elected officials are not public employees for this purpose.

Furthermore, it appears that the Board too often conducts its business in closed session rather than in compliance with the intent of the open meetings law, which is that the public's business be conducted before the public. Those exemptions included in the law are to be narrowly construed. Therefore, to improve public accountability and encourage community participation in its activities and decisions, *we recommend the Menominee County and Town of Menominee Board comply with state open meetings and meeting notification requirements by limiting executive sessions to those subjects permitted under s. 19.85(1), Wis. Stats., and by providing proper and reasonable notification of all board and committee meetings.*

Meeting Attendance and Quorums

In addition to concerns over open meetings and proper notification, some have questioned whether poor attendance among members and canceled meetings have limited the Board's effectiveness. Most member absences were excused; however, our review of minutes of board and committee meetings held from October 1996 through December 1997 identified two instances in which meetings were canceled for lack of a quorum. Public complaints about meeting attendance prompted a recent letter from the administrative coordinator to members urging better attendance at board meetings.

More frequently, we heard complaints regarding the early starting times of board and committee meetings, which currently are scheduled to begin at 5:00 p.m., although we witnessed several meetings that did not begin until well after this time. To allow members and the public adequate time to arrive at meetings, and also to allow better public participation, we suggest the Board consider a later standard starting time for all meetings.

County and Town Functions

Menominee County is statutorily unique among Wisconsin counties in that, according to s. 60.09(2), Wis. Stats., it includes only one town, the Town of Menominee. Statutes further describe other unique characteristics, including the number of town and county board members and how the Town of Menominee Board chairperson is selected.

Because of its small size and to gain some administrative efficiencies in local government operations, statutes also allow for combined town and county clerk and treasurer offices. However, we believe improvements could be made to board meetings that would allow for improved distinction between town and county business.

In our review of the Board's minutes, we found that town and county business were distinguished from each other with few exceptions. For example, human services issues are discussed during the county portion of the full board meeting, and fire department issues discussed during the town portion of the full board meeting. However, at the committee level, the distinction between town and county business was rarely made, especially in those committees responsible for both town and county operations, such as the Police and Fire Commission and the Personnel and Finance/Buildings and Grounds Committee.

To better assess the effects of policy and financial decisions on town and county budgets and minimize public confusion over how agency costs are funded, we suggest that the Board and its committees distinguish, where practical, between town and county business at all meetings. For example, the monthly practice of reviewing and signing expenditure vouchers at the monthly Personnel and Finance/Buildings and Grounds Committee would likely become more meaningful if vouchers were divided into town and county expenditures.

Annual Town and County Meetings

Section 60.11, Wis. Stats., requires that annual town meetings be held statewide on the second Tuesday of April, or within 30 days of that date if recessed, to discuss and make decisions pertaining to any business allowable at any town meeting, including how to raise money, elect and fix the compensation of town officers, appropriate money for the improvement of public waterways, authorize the acquisition and conveyance of public cemeteries, and approve agreements to employ a town administrator. According to the town clerk, the annual town meeting is not held in April; rather, it is typically recessed until November, to coincide with budget hearings. By recessing the annual meeting until November, the Town Board is not only in violation of state statutes, which allow a recess of up to 30 days after the originally scheduled meeting, it is also limiting opportunities for the public to participate in town affairs.

Statutes also provide in s. 60.12(1), Wis. Stats., that special town meetings can be convened at any time by either a prior town meeting, a written request from a certain percentage of the electorate, or the Town Board. The Town Board could comply with state law by convening the annual meeting in April to discuss the financial condition of the town and other business. At the close of the April meeting, the town could adopt a motion to convene a special town meeting in November for the purpose of reviewing the proposed budget and setting the maximum town levy and highway budget amounts, as permitted in ss. 60.10(1)(a) and 81.01(3), Wis. Stats. Therefore, to ensure compliance with state statutes and allow for improved public participation in town affairs, we recommend the Town of Menominee Board convene an annual town meeting in April as required under s. 60.11, Wis. Stats., and convene a special town meeting in November for the purposes of setting the tax levy and highway budget limits, as provided in ss. 60.10(1)(a) and 81.01(3), Wis. Stats.

In addition, according to s. 59.11(1), Wis. Stats., every county board statewide is required to hold an annual meeting in November, as well as an organizational meeting in April. It appears that Menominee County Board is holding these statutorily required meetings. However, we observed during the public hearing on the 1998 county budget that the County Board limited comments from the public to ten minutes. We suggest that all residents be given an opportunity to participate under reasonable time limits.

Budget Practices

The Board's primary tool for influencing agency and staff actions is developing and setting annual budgets. The 1998 budget process had several weaknesses in methods used to analyze agency budget requests. In addition, we identified two service areas in which additional information is needed in order for the Board to make effective decisions.

Budget Process

Agency budget requests are submitted to the Board in early October, but not all agencies use the standard format developed by the Board in previous years. For example, the Department of Human Services does not use the standard format at all, and a number of other agencies' requests did not provide all of the information required by the form, such as year-to-date expenditure information. Furthermore, several budget requests were handwritten and difficult to read. Without a standard budget request format, board members had difficulty locating similar information for different agencies.

Agency budget requests vary in complexity, with the Highway and Human Services departments being the most detailed. In 1997, both of these agencies provided the Board with detailed descriptions of funding sources, program expenditures, and contracts with the Menominee Indian Tribe of Wisconsin. While agencies should not be discouraged from providing supporting documentation, the Board would benefit from a one- or two-page summary for each agency and office, which would allow board members to quickly locate information such as:

- prior-year budgeted revenues by source,
- prior-year expenditures by program area, such as mental health service and tribal road maintenance, and by category, such as salaries and fringe benefits;
- requested revenues by source, and budgeted expenditures by program area and by category;
- capital budget requests; and
- number of full-time employees in the agency or office.

In addition, agency budget requests should be combined to present a total county and a total town budget for the Board's consideration. Currently, individual agency and office budget requests are stapled together and distributed as a packet with no summary of requested expenditures or employee positions, and no summary information regarding the property tax levy required to fund the proposed budget. Consequently, board members do not know whether the combined budget requests represent an overall increase or decrease in total county and town expenditures.

County and town agencies and offices should provide written justification for new budget items and capital costs. For example, both the Sheriff's Department and the Highway Department requested numerous capital items, including four squad cars at \$27,000 per car, a used grader for \$85,000, and a salt and sand mix shed for \$45,000. However, without written justification for these items, board members were unable to determine the need and relative importance of each without questioning agency heads, who were not present at early budget review sessions.

We observed that board members had difficulty determining the effect of modifications to agency budgets because the Board has no method of tracking its decisions regarding budget increases or decreases to agency requests. Currently, the Board's modifications to budget requests are made by hand until the end of the budget review process, when a certified public accounting firm is paid to enter budget data into a standard format in preparation for public hearings. However, town and county staff could demonstrate the effects of budget modifications themselves, without outside assistance from the accounting firm, using commonly available computer spreadsheet software. Computer spreadsheet software could also detect mathematical errors in agency budget requests. We identified a number of miscalculations among 1997 budget requests that could have been detected and corrected before materials were distributed to board members.

The Board reviews agency requests and develops final budget proposals by the first week in November. In general, we found that county and town budget proposals distributed to the public are in compliance with state requirements.

As required by s. 65.90, Wis. Stats., budget summaries provided to the public included detailed revenues by source, prior-year and anticipated expenditures by category, and activity by fund type.

Evaluating Services

As noted, the Board faced a number of difficult decisions while preparing the 1998 budget. In addition to considering the fiscal effects of budget proposals, board members raised concerns over the continued delivery of adequate services to county residents. Because little information was available about how and when residents are served by county and town agencies, board members had little information on which to evaluate current service levels and base their budget decisions. We identified two areas for which additional information would assist the Board with future decisions.

Fire Protection - Although the Board recently adopted a new organizational structure for the Town of Menominee Fire Department, the absence of information such as equipment inventories and records of training provided to volunteers makes it difficult for board members to decide how the level and quality of fire protection services could be improved. The Board has made budget decisions with no understanding of which pieces of fire fighting equipment have been purchased, their age, or how the equipment is distributed among the four stations. Further, without record of training received compared to training required by state standards, it is difficult for board members to determine the potential effect of increasing or decreasing the training budget of an individual station.

During the course of our audit, a handwritten inventory of equipment at each station house was completed, but these inventories varied in detail and thoroughness. These inventories need to be made uniform by adding detail on age and value for each major piece of equipment. Computerizing the inventories would make keeping them up to date easier. Therefore, *we recommend the Town of Menominee complete and maintain a fire department equipment inventory and track training provided to each volunteer firefighter.*

Once the fire department has compiled this information, the Board can examine existing training programs, equipment quality, and methods of delivering water at structure fires within the town. As part of this review, town officials should, after determining compliance with state requirements, develop:

- a plan for future equipment purchases that ensures each station access to the equipment needed for the unique conditions of its service area;
- a firefighter training schedule; and
- a plan for fire department officials to provide required inspections of public and commercial buildings, to ensure the future receipt of state fire assistance.

Assistance from outside agencies could be available for these tasks. For example, fire professionals in surrounding communities could provide some guidance. In addition, the Board could request that the Insurance Service Office, a private firm that evaluates local fire departments, determines their adequacy, and provides this information to the insurance industry, conduct a department-wide needs assessment. Insurance Service Office staff indicated that such reviews are typically provided at little or no cost to a municipality.

Law Enforcement - In November, the Board voted to cut the county Sheriff's Department budget request by \$200,000 to reduce the overall county property tax levy. During public discussions of this measure, board members and county residents raised questions about the adequacy of law enforcement protection that can be provided under the reduced budget.

Regardless of how the dispute over the process used to set the 1998 budget for the Sheriff's Department is resolved, additional information must be collected to evaluate the delivery of law enforcement services to county residents and to provide a basis for future budget decisions. To more effectively set staffing levels in the future, the Board could determine:

- how many deputies in total are necessary to maintain one officer on patrol 24 hours per day, including staff time necessary to cover vacations, sick leave, and transports of prisoners outside the county, and whether increased overtime expenses offset potential savings;
- how often simultaneous requests for emergency service cannot be answered by one deputy on duty;
- how many responses occur outside of the lakes area;
- the average response time for emergency calls;
- whether administrative duties are completed on a timely basis; and
- how often the Tribal Police Department and the Shawano County Sheriff's Department are called to provide backup assistance.

Financial Management and Oversight

In addition to expenditures exceeding revenues for five or the last seven years, both Menominee County and the Town of Menominee have incurred deficits in their undesignated unreserved general fund accounts. As noted in our report to the Legislature, we did not identify another county with a negative undesignated unreserved balance. Without a positive balance, neither the county nor the town has an emergency source of cash other than incurring debt. Despite the seriousness of this financial condition, we found that board members have been generally unaware of the existence and significance of the deficit. We believe the Board should take steps to:

- assign staff resources to monitor the county and town's financial condition year-round;
- improve financial reporting so that committees of the Board can exercise adequate oversight of county and town agencies; and
- formalize several financial relationships with the Tribe through contracts.

Monitoring Responsibilities

It is current practice for the Board to consider the overall financial condition of the county and town each year when the annual financial audits are completed. In November 1997, the 1996 financial audit results were presented to coincide with the 1998 annual budget deliberations. Unfortunately, waiting for and relying on financial auditors to assess the county's and town's financial conditions does not provide members of the Board with timely information. For example, board members were unaware of either the county's or the town's 1996 financial performance until nearly 11 months after the close of that year.

Up-to-date information on the overall financial condition of both the county and the town would provide board members with a basis for:

- setting budgets;
- timing capital purchases, such as for highway equipment or other discretionary expenditures;
- incurring short- and long-term debt; and
- filling staff vacancies.

Currently, no single person or office serves as the county and town's financial manager; rather these responsibilities appear to be shared by the offices of the treasurer, clerk, and administrative coordinator. Formal responsibility for monitoring financial conditions, as well as providing timely reports to board members, could be assigned to one or more of these offices.

Town/County Treasurer - The county treasurer's duties are defined under s. 59.25, Wis. Stats., and include responsibility for managing and monitoring cash balances, debts, and investments; preparing real estate tax bills; depositing tax revenue; furnishing completed tax roll settlements to the Department of Revenue; and transmitting to the State Treasurer all required funds received for licenses, fines, and penalties. The treasurer's office is not responsible for summarizing financial reports and has not been asked to provide oral or written reports to the Board.

In compliance with s. 59.25(2)(a), Wis. Stats., the county treasurer has appointed a deputy to assist in performing the required duties on a part-time basis. The half-time deputy is also the county/town data processor, with responsibilities that include entering financial information into the computer system, preparing basic revenue and expenditure reports, and preparing county and town accounts for financial audits.

Town/County Clerk - The county clerk's duties are defined under s. 59.23, Wis. Stats., and include responsibility for keeping and recording minutes of all board meetings; recording resolutions, orders, and ordinances adopted or passed by the Board; signing and accounting for all orders for the payment of money directed by the Board; recording, accounting for, and reporting on all receipts to and disbursements from the county; and performing all duties related to the preparation and distribution of election ballots and results. The clerk's office is not responsible for summarizing financial reports; however, because the clerk's office reviews all payment vouchers, the clerk will respond to any questions pertaining to expense vouchers and requests for additional funds to cover unanticipated expenditures. In compliance with s. 59.23(1)(a), Wis. Stats., the clerk employs a full-time deputy.

Administrative Coordinator - In other counties that have administrative coordinators, the task of monitoring the county's financial condition is typically assigned to the coordinator. While it may be appropriate to give this responsibility to the coordinator in Menominee County, the Board first needs to clarify the coordinator's other duties. While the administrative coordinator is employed full-time and will receive an annual salary of approximately \$44,000 in 1998, there is currently no position description by which the administrative coordinator's role and responsibilities are defined.

The county administrative coordinator's position is also defined by statutes; however, statutes provide limited guidance with regard to an administrative coordinator's required duties. According to s. 59.19, Wis. Stats., administrative coordinators are responsible for coordinating all administrative and management functions of the county government not otherwise vested by law in boards, commissions, or other elected officers. In practice, county administrative coordinators typically serve at the request of the county board, which is responsible for determining the coordinator's responsibilities, salary, and conditions of employment.

The current Menominee County administrative coordinator indicated that the duties outlined in the 1991 job announcement are not very indicative of his day-to-day duties. For example, the job announcement did not include any of the duties he currently performs as emergency government director for the county, which include attending training sessions and assisting with emergency response planning, nor the duties he performs on behalf of the Town of Menominee. The administrative coordinator believes his duties include working with the Board and its oversight committees; reviewing expenditure reports for town and county departments; and serving as a liaison between the Board and the departments, but not exercising oversight authority over county departments because these duties are performed by the oversight committees of the Board.

Position descriptions from other counties indicate that administrative coordinators are generally responsible for managing day-to-day operations of the county, budgetary planning, and serving as a liaison with other units of government. Their duties include some that are currently not performed by anyone in Menominee County, such as:

- monitoring the current function and fiscal status of county agencies, offices, and departments, including reviewing requests for adjustments to budgeted funds;
- ensuring proper implementation of laws, county ordinances, resolutions, policies and procedures, including assisting the corporation counsel in preparing ordinances and resolutions to be presented to the county board;
- negotiating all inter-governmental contracts, and rental and lease agreements;

- supervising the data processing department and updating hardware and software as necessary;
- advising the County Board of pending and adopted federal and state laws, rules, regulations, and policy decisions that affect the operation of the county, including the availability of federal and state grant programs, and writing grant requests; and
- developing policies and procedures as necessary to implement the County Board's ordinances, resolutions, and directives.

There appears to be a need to assign responsibility to someone for many of these duties because limited comprehensive information on town and county expenditures is collected for monthly review by the Board, uniform policies and procedures for all town and county departments are not complete, and town and county ordinances are not organized in a useable manner.

Furthermore, the 1991 job announcement for the county administrator position included many roles and responsibilities typical of other counties' position descriptions for administrative coordinators, including:

- coordinating annual and ongoing budget activities, including requesting and preparing annual budget requests for review by the Personnel and Finance Committee and preparing and presenting annual budget information for review by the County Board;
- communicating the financial condition of Menominee County to the County Board; and
- monitoring the activities of the departments.

On the other hand, many residents with whom we spoke, including some board members, expressed concern regarding the extent to which the administrative coordinator participates in meetings of the Board instead of merely responding to requests for information from members and only participating in discussion when requested.

While counties with full-time administrative coordinators are, on average, much larger than Menominee County, a full-time administrative coordinator may be justified in Menominee County given the county's financial condition and the need to monitor financial information closely. The Board needs to determine which duties are best assigned to the administrative coordinator and which to the clerk and the treasurer. Whatever duties are assigned, the Board needs to develop a detailed position description for the administrative coordinator so everyone will know his authority and responsibility. The position description can also be used as a basis for evaluating the administrative coordinator's job performance and setting an appropriate salary. *We recommend the Menominee County Board develop a job description for the position of administrative coordinator that details the position's authority and duties, including the approximate time to be allocated to each function, and then monitor the administrative coordinator's performance of these duties.*

Ongoing Monitoring

County and town operations are monitored by a number of board committees and commissions, such as the Highway Committee, the Zoning Committee, the Police and Fire Commission, and the Personnel and Finance Committee. The County and Town Board chair stated that he would like to strengthen the role of these committees and commissions in overseeing the operations of county and town agencies. We believe improved financial reporting could assist board members with oversight activities.

Typically, board committees and commissions meet monthly to, among other things, review agency operations and address complaints from employes and residents. In preparation for these meetings, county staff provide a year-to-date record of expenditures by account; however, with approximately 200 revenue and expenditure account lines for the Human Services Department and 25 revenue and expenditure account lines for the Highway Department, this information is difficult to review. Furthermore, no comparison with budgeted expenditures is provided, so committee members have no way to know whether the agency is over- or underspending.

One common practice currently used to monitor agency and employee activities is for committee and commission members to review payment vouchers and credit card bills for agency expenses. While this practice provides opportunities to question individual purchases, in most cases little can be done to avoid the cost because it has already been incurred. For example, we observed a highway committee member question a bill for significant repairs to a grader and whether the services could be obtained more cheaply from another service shop. While such questions are appropriate for an oversight body, committees could be more effective by periodically reviewing policies and practices in major cost areas before such costs are incurred. In addition, committee and commission members currently have no way of determining the effect of unanticipated costs, such as repairs, on overall agency budgets.

The county's accounting and computer system could be programmed to provide customized monthly reports so that board members could better analyze both agency operations and the overall financial condition of the county and the town. The various committees, along with agency heads, could work to design monthly reports to best suit their individual needs, such as:

- reports by expenditure type, such as salaries and equipment repairs, and revenue source;
- expenditures by program type or service area, such as mental health, juvenile corrections, and town road maintenance;
- comparisons of budgeted and actual revenues and expenditures by agency; and
- comparisons of budgeted and actual revenues and expenditures by fund type, such as general, highway, and human services funds.

These and other reports would allow committee and commission members to determine quickly whether revenues are keeping pace with expenditures and whether expenditures are exceeding established budgets. Consequently, board committees and commissions would be better able to prevent agencies from overspending and incurring deficits. Therefore, *we recommend the Menominee County and Town of Menominee Board take steps to improve the expenditure and revenue reports that are provided monthly to its committee and commissions for review.*

It should be noted that the county and town's current computer system is aging and may not continue to function for long. The county must pay a consultant both to maintain the system and to program it to create reports. Between 1992 and 1997, the county paid \$65,685 for these services. A new computer and modern software would allow county staff to program and develop their own financial reports. Consulting services might still be required for training and complex projects, but overall costs are likely to decline.

Contracts with the Tribe

Our report to the Legislature describes numerous formal and informal financial relationships between the county or the town and the Menominee Indian Tribe of Wisconsin. Although the terms and conditions of most of these arrangements are specified in contracts, the terms of some contracts—such as those for the provision of county-wide fire and ambulance services—are not specific. In addition, we noted instances in which improvements in contract language might assist program staff by clarifying the responsibilities of each party.

The town depends on an annual contribution from the Tribe to fund fire department operations; however, because the Tribe's contribution of its annual Bureau of Indian Affairs fire services grant is not formalized in a contract, there is no assurance that sufficient funds will be available to provide this essential county-wide service. Similarly, the town pays the Tribe \$25,000 rent annually for the use of fire hydrants in Keshena, but without a contract there is no assurance that hydrants will be maintained or that rental rates reflect actual maintenance costs. In addition, the county's contract with the Tribe for road and highway maintenance does not specify a billing and payment schedule. Without this, the highway commissioner's ability to manage resources in a manner consistent with the Board's expectations is limited, and residents lack assurance that the Tribe is being charged an appropriate amount.

To ensure a common understanding of roles and responsibilities of each participant, the Board should review and formalize all financial relationships with the Tribe. The best contracts fully specify both financial responsibilities and service expectations, using plain language to describe:

- services to be provided and any minimum service expectations;
- expectations for collecting and reporting information on service delivery and program participation;
- the level of compensation and procedures for calculating and remitting compensation, including a payment schedule, and penalties for failing to provide services or to remit payment; and
- the length of the contract and procedures for termination or renewal.

Contracts should be approved by the full Menominee County Board or Town of Menominee Board unless the authority to enter into contracts has been formally delegated to an agency manager. More extensive information on contracting is provided in the Legislative Audit Bureau's report titled *Privatization of Local Government Services*, issued December 1996.

Other Concerns

In addition to our concerns over board operations, agency monitoring, and the financial reporting system, we have identified a number of other steps the Menominee County and Town of Menominee Board could take to enhance public confidence in town and county government.

County Ordinances

The county and town ordinance books are not maintained well. We found, for example:

- a town ordinance we searched for was kept with the county ordinances;
- it was difficult to determine which ordinances had been modified or amended by the Board;
- ordinances amended by the Board were not promptly updated by the county clerk;
- related ordinances were not grouped in common chapters; and
- some ordinances, such as one prohibiting dumping rubbish on highways, were not numbered when cross-referenced by other ordinances.

As a result, it is difficult for county residents to determine which county and town ordinances are current and under what conditions a resident would be subject to fines. The county's previous administrative coordinator began to re-codify and organize the county and town ordinances, but no work has been done since 1991. The Board should assign this task to either the administrative coordinator or the county clerk.

Reimbursements for Environmental Clean-up Expenses

The county began making expenditures to clean up a petroleum-contaminated site on county-owned property in Neopit in 1994. Most costs associated with removing leaking underground storage tanks, soil remediation, and testing to ensure contamination has been eliminated qualify for reimbursement under the State's Petroleum Environmental Clean-up Award (PECFA) program. As shown in Table 1, the county has borrowed \$683,181 since 1994 to support \$695,516 in total project-related expenditures.

Table 1

**PECFA Expenditures, Debt,
and Reimbursements**

	<u>Expenditures</u>	<u>Debt</u>	<u>Claims for Reimbursement</u>
1994	\$ 54,628	\$ 0	\$ 0
1995	43,071	0	0
1996	123,089	194,664	0
1997	454,715	443,723	115,845
1998	<u>20,013</u>	<u>44,794</u>	<u>0</u>
Total	\$695,516	\$683,181	\$115,845

Table 1 also shows that Menominee County has, thus far, requested state reimbursement for only \$115,845, or 16.6 percent of all project-related expenditures. According to staff from the engineering firm under contract with the county to manage the clean-up project, another reimbursement request of \$467,549 could be made if the county provided documentation, such as cancelled checks, of these expenditures. Staff from the firm stated that they made a request to county staff for such documentation on June 20, 1997, but have yet to receive it. Until this documentation is received, the reimbursement claim cannot be submitted to the State.

State staff indicated that it can take between 12 and 18 months from the time reimbursement requests are received until they are paid. The county's PECFA-related debt is due to be paid in 2000. Delayed requests for reimbursements from the State could result in the county not having sufficient funds available to pay this debt. In addition, delayed reimbursement requests prevent the county from paying off its PECFA-related debt early, and thereby increase interest costs and the total cost paid by the State. *We recommend the Menominee County Board takes steps to ensure requests for reimbursement of PECFA-related costs are submitted promptly.*

Credit Card Policies

During the course of our audit, we conducted a routine review of travel and credit card expenditures. While we identified no instances of misuse or fraud, we found that procedures for credit card use should be established. Specifically, we believe the use of the county's credit card should be limited to key staff and allowable for only limited types of purchases.

Currently, the county has several credit cards that are billed to a single credit card account. We identified a number of instances that illustrate the need for better control over credit card use. For example:

- during a recent firefighting training session in Stevens Point, a group of firefighters used the credit card to purchase lunch at a cost of nearly \$95; however, there was no documentation of how many Town of Menominee firefighters attended the training and the lunch, and therefore no assurance that the expenditure was only for meals for town firefighters; and

- on various trips, staff used the county credit card to purchase personal items, such as gifts and in-room movies. Although these purchases were eventually repaid, permitting such purchases requires close scrutiny of expenditures to ensure repayment is made.

Furthermore, specific policies governing credit card use could strengthen the public's trust in county and town officials and employees. The Board in August 1997 approved a \$25 per diem rate for all town and county employees to cover meal costs while traveling out of town for work-related business, which should eliminate most use of the credit card for meal-related expenses. We recommend the Menominee County and Town of Menominee Board establish specific policies regarding the appropriate use of the county's credit card.

Additional Concerns

In addition to our concerns regarding the management and oversight of town and county operations, a number of issues arose during the course of the audit regarding town/county public buildings and facilities. Issues that were either raised or identified included audibility of public meetings and smoking within public buildings and at meetings. While state law may not have been violated in either case, the Board may want to address both issues to ensure public participation in its proceedings.

Audibility - Members of the public have indicated, and we observed, that it is often difficult to hear all proceedings of the Board because members do not always speak loudly enough for all attending to hear. According to s. 19.90, Wis. Stats., whenever a governmental body holds a meeting in open session, it is to make a reasonable effort to accommodate any person desiring to record, film, or photograph the meeting. Although state statutes do not provide explicit guidance regarding the audibility of public meetings, if acoustical problems continue it might be necessary for the town/county to purchase audio equipment to ensure the public's ability to hear proceedings of the Board and its committees.

Smoking - During the course of the audit, we observed that although the courthouse and human services building are public buildings, smoking is allowed throughout most of both buildings during business days, as well as in the meeting room of the courthouse used during evening meetings of the Board and its committees. Section 101.123, Wis. Stats., describes state regulations for smoking in public buildings, including the locations in which smoking is prohibited, exceptions to these regulations, responsibility for designating smoking areas, and posting of designated smoking areas.

Section 101.123(2)(a)(10), Wis. Stats., provides that no person may smoke in any enclosed, indoor area of a state, county, city, village, or town building unless certain exceptions apply; these include, but are not limited to, designated smoking areas and rooms in which the main occupants are smokers, even if non-smokers are periodically present in the room. Statutes further provide that while certain areas can be designated as smoking areas, entire buildings cannot be designated as smoking areas. It thus appears that while smoking within the individual offices of the human services and courthouse buildings might be acceptable, allowing board members to smoke during public meetings may be in violation of state law. We suggest that the Board no longer allow smoking in the meeting rooms of public meetings of the Menominee County and Town of Menominee Board.
