

**County Finance Committee Meeting
Minutes – October 7, 2021**

Attendees

The County Finance Committee (the “Committee”) met on October 7, 2021 at 10:00 a.m. via virtual meeting.

Committee members present were: Amanda Waske, Marlys Gaston, Melvyn Houser, Kourtney Irlbeck, Ryan Dokter . Mark Edelman was absent. Also present: Carrie Johnson, Department of Management (DOM), Ernest Ruben, Auditor of State, and Don Gookin and Rob Aiken, Department of Human Services (DHS).

Unless otherwise noted, all actions carried unanimously.

The meeting was called to order at 10:07 a.m.

Approval of Agenda

Moved by Gaston, Seconded by Houser to approve the agenda. Motion carried.

Approval of Minutes

Moved by Houser, Seconded by Gaston to approve the minutes of the June 27, 2019 County Finance Committee. Motion carried.

Approval of Chair and Vice Chair

Moved by Houser, Seconded by Gaston to nominate Waske as Chair and Dokter as Vice Chair. Motion carried.

Overview of SF 619 Changes to County Mental Health and Disabilities Fund

Johnson provided an overview to the Committee of the impacts of SF 619 regarding changes to the County MHDS fund and the county budget and AFR forms. The Committee and DHS representatives discussed various questions related to the transition, including financial tracking and changes to the COA. Moved by Houser, Seconded by Waske for Johnson to summarize discussed recommendations and send to county auditors. Motion carried. The email was sent as follows:

County Auditors:

The County Finance Committee met on October 7. This email is to communicate items discussed which impact county finances and budgets. I apologize for the length of the email, but the committee covered several topics.

Changes due to the passage of SF 619 (movement of MHDS funding from property tax to State appropriation):

Regarding the county budget, you will see several changes to the FY23 budget forms due to this law change:

- elimination of the MHDS tax levy
- elimination of the MHDS fund (except for Polk County who operates as a region)

-Unless you are Polk County, Service Area 4 will no longer be available for the entry for the budget year (FY23). Counties will still need to report re-estimated FY22 and Actual FY21 expenditures in Service Area 4.

If they are not already structured as such, some regions may choose to transition county employees providing MHDS services to regional employees. We also understand some MHDS regions still want those individuals to remain county employees. In order to do so, it is recommended that regions and member counties consult legal counsel and devise a 28E agreement to prescribe the terms of the contractual service. Reimbursable contractual services need to be clearly defined and tracked to comply with audit requirements. In those instances where one employee is paid via reimbursement from the region (function 9040 described below) and other functions, detailed time sheets and time studies would be needed to fully determine cost share. For questions regarding assets, who holds title to the asset and secondarily, who maintains it, would need to be determined locally.

Regarding tracking a situation where the region and county have a contract for the county employee to deliver MHDS services, the committee recommends the following:

- use a subfund of the General Fund. Do any counties currently use the subfund 0005 Case Management? If not, the Committee may consider renaming this fund for this use.
- a new function code has been added to the Chart of Accounts under Service Area 9- 9040 Reimbursable MHDS Direct Expenses to track county revenue and expenditures
- when counties receive reimbursement from the region, the revenue code to use would be 2545 Payments from MHDS Fiscal Agent to MHDS Regional Members

SF 619 requires counties to deposit the remainder of balance held in any county MHDS to their region. We understand this may not be budgeted, therefore be aware a budget amendment may likely be necessary to allow for this expenditure. the County would use the expense line Distribution to the Regional Fiscal Agent.

We understand counties in this situation may have concerns regarding cash flow prior to reimbursement from the region. They may want to visit with legal counsel and determine if start up costs can be addressed in the 28E agreement.

CARES Act and American Rescue Plan Chart of Accounts Additions and other changes

Johnson provided an overview of the COA codes suggested for use with CARES and ARPA funds. Changes suggested as follows:

Formal addition of COVID funding revenue codes:

2347 CARES Act

2348 American Rescue Plan Act (ARPA)

Another change was an edit to the following function to clarify that any drainage expense (not only preliminary) can be tracked in this function.

6000 Natural Resources Conservation accounts for revenue and expenditures designed to conserve and develop such natural resources as water, soil, and air. Included in this classification are expenditures for the repair, alteration, maintenance, and operation of improvement for flood and erosion control under chapter 161E, expenditures for rural water systems, air quality programs, payments to ASCS for no-till programs, and drainage expenses, including preliminary drainage expenses under chapter 468.

The Uniform Chart of Accounts will be updated with these changes posted on the DOM web site:

<https://dom.iowa.gov/document/uniform-county-chart-accounts>

Moved by Waske, Seconded by Houser to approve the COA changes. Motion carried.

Other Business

No other business was discussed.

Adjourn

Meeting was adjourned at 11:21 p.m.