

## Waukesha County Board of Supervisors

### Minutes of the Finance Committee Wednesday, May 19, 2021

Chair Heinrich called the meeting to order at 8:15 a.m.

**Present:** Supervisors Jim Heinrich, Duane Paulson, Tyler Foti, Joel Gaughan, Larry Nelson, and Ted Wysocki. **Absent:** Tom Michalski.

**Also Present:** Chief of Staff Sarah Spaeth, Legislative Policy Advisor Alex Ignatowski, Senior Civil Engineer Kevin Yanny, Senior Landscape Architect Jason Wilke, Senior Landscape Architect Stephen Siodlarz, Principal Financial Projects Analyst Bob Ries, Business Manager Rhiannon Cupkie, Highway Operations Manager Bob Rauchle, Airport Manager Kurt Stanich, Facilities Manager Shane Waeghe, Accounting Services Coordinator Lisa Davis, Human Services Manager Vickie Smith, Risk/Purchasing Manager Laura Stauffer, Budget Manager Bill Duckwitz, Administrative Specialist Mary Pedersen, and Budget Management Specialist Michelle Beasley.

#### **Contract Procurement Process for Engineering/Design Services for CTH F (Redford Blvd.) – Northbound Bridge Over Green Rd., Capital Project #201801**

Yanny indicated the contract was awarded to JT Engineering, Inc., the highest rated proposer, for a cost yet to be negotiated. The budgeted amount is \$82,000 and Yanny, answering Heinrich's question, said the total cost will not exceed that amount. Eight contractors submitted bids for consideration.

MOTION: Paulson moved, second by Foti to approve the contract procurement process for engineering/design Services for CTH F – northbound bridge over Green Rd. Motion carried 6-0.

#### **Ordinance 176-O-014: Modify 2021 Budget For Capital Project 202104, Pewaukee Lake Boat Launch Reconstruction**

Wilke discussed this ordinance which modifies the 2021 Capital Project budget to increase expenditure authority by \$63,600 to cover above-budget construction costs for the Pewaukee Lake Boat Launch reconstruction project (#202104). The adopted budget funded this project with \$92,500 in Wisconsin Department of Natural Resources (WDNR) Recreational Boating Grant funding and \$92,500 Tarmann Parkland Acquisition Fund Balance. The WDNR recently informed the County that it will be awarded \$124,300 which is \$31,800 higher than anticipated in the 2021 Capital Project budget and can fund 50% of the higher project costs. The County's new share of the project is \$124,300. In order for the County to achieve the full 50% match, the department is requesting an additional \$31,800 from the Tarmann Parkland Acquisition Fund Balance. The use of WDNR and Tarmann funds for the additional expenditures results in no impact to the tax levy.

MOTION: Paulson moved, second by Nelson to approve Ordinance 176-O-014. Motion carried 6-0.

**Ordinance 176-O-015: Authorize Department Of Parks And Land Use To Acquire Property Interests From Kevin Leitermann Properties, LLC To Complete The Pewaukee To Brookfield Trail Project, Waukesha County Project I.D. #2718-14-01**

Siodlarz discussed this ordinance which authorizes the Waukesha County Department of Parks and Land Use to acquire real estate related to the Pewaukee to Brookfield Trail project, Capital Project #201807. The land purchase will cost \$10,000 with closing costs an additional \$500. The amount currently budgeted in the project contingency will be sufficient to cover these costs. There is no tax levy impact associated with this ordinance.

MOTION: Gaughan moved, second by Wysocki to approve Ordinance 176-O-015. Motion carried 6-0.

**1<sup>st</sup> Quarter Investments Report**

Ries discussed this report as outlined and noted the total return for the quarter was down 12 basis points from the last quarter, at 0.25%. For the year ending March 31, 2021, County investments returned 1.39%. Total interest earnings for the quarter were \$510,200, down \$66,809 from the 4th quarter, due to a decline in realized gains/losses on the sale of securities of \$58,255 as compared to the prior quarter, as well as the lower interest rates in the market. Average invested balances increased \$48.0 million compared to the previous quarter, consistent with the County's normal cash flow trend. Interest income was also down \$424,304 from the 1<sup>st</sup> quarter of 2020.

MOTION: Wysocki moved, second by Nelson to accept the 1<sup>st</sup> Quarter Investments Report. Motion carried 6-0.

**Ordinance 176-O-018: Modify The 2021 Transportation Fund Budget To Appropriate Expenditures To Purchase Equipment To Be Used In Highway Operations**

Rauchle, Cupkie, and Duckwitz discussed this ordinance which modifies the 2021 Department of Public Works – Transportation Fund budget to appropriate an additional \$41,000 of fixed assets to purchase equipment to be used in highway operations. The purchases will be funded with prior-year state Performance-Based Maintenance (PBM) program funds that lapsed to General Fund balance in 2020. The department generated \$184,000 in favorable PBM (revenues exceeding expenditures) in 2020. These include \$13,000 for a pick-up truck mounted message board; \$11,000 for a skid steer hammer; \$9,000 for a steel post pounder; and \$8,000 for a line grinder trailer.

Staff said they plan to add the requested message board and the trailer to the vehicle replacement plan (VRP) which is estimated to increase vehicle replacement charges by \$2,300 annually. It is anticipated that a portion of these VRP charges will be covered with state highway maintenance revenues, with the remainder to be funded within the department's annual tax levy target. The skid steer hammer and the steel post pounder will eliminate the need for rental of the same equipment (\$1,600/month and \$1,800/month, respectively) resulting in a favorable tax levy impact going forward and a return on investment of 7 and 5 months of usage, respectively.

MOTION: Paulson moved, second by Wysocki to approve Ordinance 176-O-018. Motion carried 6-0.

**Ordinance 176-O-017: Modify The 2021 Department Of Public Works, Airport Operations Fund Budget Revenues And Expenditures To Replace Control Tower Windows And Accept Federal Coronavirus Response And Relief Supplemental Appropriation Act Grant Funding**

Stanich, Cupkie, and Duckwitz discussed this ordinance to modify the Airport Operations Fund budget by increasing fixed assets by \$50,000, increasing general government revenue by \$34,162, and increasing the use of Airport Operations Fund balance by \$15,838 to purchase and install windows at the Waukesha County Airport Control Tower. Stanich said \$50,000 is needed to replace 11 of 13 original windows on the control tower that was built in 1997. Federal Coronavirus Response and Relief Supplemental Appropriation Act (CRRSSA) of \$34,162 are available to cover most of the costs with \$15,838 of Airport Operations Fund balance needed to cover remaining costs. There is no tax levy impact associated with this ordinance.

Paulson felt the windows that need replacing should have lasted longer.

MOTION: Nelson moved, second by Gaughan to approve Ordinance 176-O-017. Motion carried 6-0.

**Fund Transfer 2021-400-01 Public Works Department: Transfer Funds from Operating Expenses to Fixed Assets**

Waeghe and Cupkie discussed this fund transfer request totaling \$265,000 to the Building Improvement Plan (BIP) to replace the exterior structural steel enclosure which protects the structural integrity of the Law Enforcement Center (LEC) (\$150,000), to replace the energy flywheel in the Jail (\$55,000), and to replace the boiler in the Highway Maintenance Shop/Central Fleet (\$60,000). These replacements were unanticipated at the time the budget was adopted and these will be classified as fixed asset expenses rather than operating expenses. As a result of this transfer, the following scheduled building repairs and maintenance items must be postponed: upgrading the bathrooms, replacing hot water heaters, installing new floors, replacing defective windows and doors, replacing furniture in common areas, upgrading electrical systems, painting, and performing security upgrades in various buildings. The department may request contingency funds if other critical repair and replacement needs arise.

Wysocki had concerns with this process and that necessary projects, listed above and identified in the budget, are being delayed.

MOTION: Paulson moved, second by Nelson to approve Fund Transfer 2021-400-01. Motion carried 6-0.

**Contract Procurement Process for Children's Long-Term Support**

Davis and Smith were present to discuss this item. This five-year contract was awarded to Lutheran Social Services of Wisconsin and Upper Michigan, Inc., the only contractor to submit a bid, for a total of \$13,159,065. The first-year cost is \$2,453,920 and the first-year budgeted amount is \$2,460,000.

MOTION: Wysocki moved, second by Paulson to approve the contract procurement process for Children's Long-Term Support. Motion carried 6-0.

**Risk Management Determination of Liability and Workers Compensation Claim Payable Reserve**

Stauffer indicated the County is required to reserve funds for any unpaid claims which she explained in detail. Additional reserves of \$958,487 were booked which results in a year-end reserve balance of \$5,546,005. This equates to a reserve confidence level of approximately 60%. Stauffer said ideally, she likes this figure to be around 75%. Stauffer discussed her handout titled "Liability Loss Triangles" which included claim/actuary information for 1988 through 2020.

**Year-End Report on General Funds and Special Revenue Funds**

Duckwitz discussed this report which included information on adopted 2020 budgets, carryover requests, year-end variances, and favorable/unfavorable budget impacts. Regarding the General Fund, the report indicated a positive variance of \$7.9 million or 4.0% of the modified expenditure budget of \$200 million. This included expenditures under budget by \$15.0 million or 7.5% of the budget and non-levy revenues under achieved by \$7.1 million of \$108.6 million budgeted. No major concerns were raised.

MOTION: Wysocki moved, second by Paulson to accept the Year-End Report on General and Special Revenue funds. Motion carried 6-0.

**Approve Minutes of April 27**

MOTION: Paulson moved, second by Nelson to approve the minutes of April 27. Motion carried 6-0.

**Next Meeting Date**

- June 16

**Executive Committee Report of May 17**

Heinrich said the Executive Committee heard an update on Waukesha County's Center for Growth and approved two ordinances and one appointment.

**Legislative Update**

Ignatowski gave an update on the State budget process.

MOTION: Wysocki moved, second by Gaughan to adjourn at 10:25 a.m. Motion carried 6-0.

Respectfully submitted,

*Thomas A. Michalski*

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Secretary