

Minutes of the Finance Committee

Wednesday, June 20, 2018

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

Present: Supervisors Jim Heinrich (Chair), Tim Dondlinger, Tyler Foti, Richard Morris, and Ted Wysocki. **Absent:** Tom Michalski and Duane Paulson.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Treasurer Pam Reeves, Senior Financial Analysts Rhiannon Cupkie and Mark Yatchak, Public Works Director Allison Bussler, Waukesha Metro Transit Director Brian Engelking, Wisconsin Coachlines President Tom Dieckelman, Airport Manager Kurt Stanich, Programs and Projects Analyst Matt Grenoble, Budget Management Specialist Bill Duckwitz, Community Development Manager Kristin Silva, Parks System Manager Steve Brunner, Senior Landscape Architect Jason Wilke, SOPHIA representatives Peggy Fullmer and Barbara Farr, and SOPHIA/Waukesha County Transit Coalition Members Ray Grosch, Karen Schmiechen, and David Liners.

Public Comment

Farr discussed the importance of continuing the job-related transit routes after funding ends December 2018. The annual report on transit routes is discussed below.

Approve Minutes of May 16 and May 22

MOTION: Morris moved, second by Wysocki to approve the minutes of May 16 and May 22. Motion carried 5-0.

Next Meeting Date

- July 18 (joint & regular meeting)

Chair's Executive Committee Report of June 18

Heinrich advised the Executive Committee discussed projected operational funding needs by the Sheriff's Department for the courthouse capital project and future budget issues, approved the ordinance to amend the Spring City Aviation, Inc. operating agreement, went into closed session to discuss potential litigation regarding the opioid crisis, heard an update on the economic development, transportation, and the Washington, D.C./local county government trip, and heard standing committee reports.

Educational Presentation on the Treasurer's Office

Reeves gave an overview of the Treasurer's Office as outlined in her handouts and said most of their duties and responsibilities are statutorily required. These include tax collection, the tax foreclosure process, investment receipts and disbursements, issuance of tax certificates, publish and disburse unclaimed funds, pay withholding taxes to the State and IRS, prepare and mail delinquent tax notices, assist municipal clerks in balancing tax and assessment rolls, prepare and file sales and use tax reports, and banking responsibilities.

Annual Report on Transit Routes and Contracts with City of Waukesha

Engelking, Bussler, and Cupkie were present to discuss this item as outlined in Engelking's report. In 2017, there were a total of 486,899 rides, a decrease of 3.4% from 2016. Operating expenses totaled \$3,584,332, an increase of 3.0% from 2016 and operating revenues totaled \$669,945, a

decrease of 13.5% from 2016. Operating investments totaled \$2,914,388, an increase of 7.8% from 2016. Total rides per revenue hour was 16.57, a decrease of 1.7% from 2016 but still above their goal of 10 rides per revenue hour. Engelking went on to review each of the transit routes as outlined.

Bussler noted she will be meeting with the SOPHIA and Waukesha Transit Coalition members present today after the meeting.

Answering Heinrich's question, Engelking indicated that any route proposed to be eliminated would first be brought before the Public Works Committee and a public hearing.

Wysocki discussed concerns with 10 being a benchmark whereby Engelking explained this was an industry standard. Bussler said they continue to research new options and technology to reduce costs as ridership declines nationwide. Engelking said he expects to see a variety of public transportation options in the future, not just busses. Deregulation will be key which he and Bussler explained further.

MOTION: Dondlinger moved, second by Wysocki to accept the annual transit report. Motion carried 5-0.

Ordinance 173-O-021: Approve First Amendment To Spring City Aviation, Inc. Operating Agreement

Bussler and Stanich discussed this ordinance which amends an existing agreement between the County and Spring City Aviation, Inc. (herein, "Spring City") signed in 2015. Under the current contract, the County agreed to allow Spring City to perform multiple aeronautical services at the County airport. Spring City agreed to build a new hangar by July 8, 2018 or the County would terminate its aeronautical service-providing rights and Spring City would be required to pay the County three years' worth of land lease payments for the hangar lot, estimated at about \$40,000.

Spring City will not be able to meet this deadline for hangar construction but indicated that the company is making efforts to meet this obligation. This agreement would extend the deadline for Spring City to enter into a land lease agreement for the new hangar to August 31, 2018 with 90 subsequent days to commence construction and completion by July 31, 2019. The new land lease agreement is expected to generate an additional \$14,000 annually for the airport. If Spring City does not meet the above deadlines, its authority to provide aeronautical services would cease and it would be required to pay the three years' worth of land lease payments to the County as specified in the original contract. The existing agreement term is through July 7, 2020, with the option for two consecutive five-year extensions.

Wysocki indicated a concern that another original agreement needed to be amended. Bussler indicated it occurs at many airports.

MOTION: Morris moved, second by Dondlinger to approve Ordinance 173-O-021. Motion carried 5-0.

Ordinance 173-O-022: Approve Aircraft Maintenance Hangar Lease Agreement With Plane Safe Aircraft Maintenance, Inc. At Waukesha County Airport/Crites Field

Bussler and Grenoble discussed this ordinance which authorizes the County to enter into a ten-year lease agreement (July 1, 2018 through June 30, 2028) with the option to extend for two consecutive

five-year periods to lease hangar space for Plane Safe Aircraft Maintenance, Inc. (herein, "Plane Safe") to continue providing aircraft airframe, engine, and accessory maintenance and repair services.

Under this agreement, Plane Safe would lease 11,825 square feet of hangar space at \$1.79 per square foot annually, for \$21,167. This rate is consistent with what was charged during the short-term lease. The County will retain 190 square feet of hangar space for storage until airport management can arrange alternative storage upon which Plane Safe will pay an additional \$340 annually. Land lease payments under this agreement are the same as the previously agreed upon short-term lease agreement, so there is no direct tax levy impact.

MOTION: Morris moved, second by Dondlinger to approve Ordinance 173-O-022. Motion carried 5-0.

Ordinance 173-O-019: Accept Additional Home Investment Partnership (Home) Program Funds And Community Development Block Grant Funds (CDBG) For The 2018 Program Year And Modify The 2018 Budget

Silva discussed this ordinance which modifies the 2018 Park and Land Use - Community Development Grant Fund to increase appropriation authority for operating expenditures by \$702,414 to match the HUD approved CDBG grant and Home program award amounts. The 2018 HUD awarded amount for the County's CDBG program is \$1,426,915 which is \$240,833 more than the 2018 adopted budget appropriation of \$1,186,082. In addition, the 2018 HUD awarded amount for the County's Home Investment Partnership (HOME) program is \$1,410,331 which is \$461,581 more than the 2018 adopted budget appropriation of \$948,750. The adopted budget is not based on the final HUD grant notification due to timing delays in receiving the Federal budget appropriation grant award notification. This ordinance also appropriates \$4 of additional and estimated CDBG program income in order to match the CDBG board funding allocation. This ordinance also authorizes sub grantee agreements necessary to cover allocations to be made by the County Executive, CDBG Board and Home Consortium Board for the increased funding. This ordinance results in no direct tax levy impact.

MOTION: Wysocki moved, second by Foti to approve Ordinance 173-O-019. Motion carried 5-0.

Ordinance 173-O-018: Modify The 2018 Budget Of The Department Of Parks And Land Use, And Authorize Department Of Parks And Land Use To Apply For And Accept Funding From The State Of Wisconsin DNR's Boating And Fishing State And Federal Grant Program For The School Section Lake Boat Launch Replacement Project

Brunner and Wilke discussed this ordinance which authorizes the Department to apply for and accept \$25,000 in State of Wisconsin Department of Natural Resources (DNR) Boating and Fishing State and Federal grant program and appropriate an increase of \$12,500 in the 2018 adopted budget, and \$12,500 in additional expenditures for the design and construction of the School Section Lake Boat Launch Replacement.

The 2018 adopted budget included \$25,000 in expenditures for improvements to the School Section boat ramp to be partially offset by \$12,500 or a 50% cost share in DNR grant revenues. Total project costs are expected to increase from \$25,000 to \$50,000 with \$12,500 in additional expenditure authority via this ordinance, and \$12,500 through managed Departmental savings in the Parks and Land Use three-year maintenance and projects plan. Offsetting revenues will increase from \$12,500 to \$25,000 to maintain the 50% DNR cost share. Staff indicated that the increased

costs are due to higher design and construction costs at the site than previously budgeted. This ordinance results in no direct levy impact.

MOTION: Foti moved, second by Wysocki to approve Ordinance 173-O-018. Motion carried 5-0.

State Legislative Update

Spaeth said she will be addressing Tax Incremental Financing (TIF) districts, foster care, plus other issues of interest, and possibly biennial budgets during the next legislative session.

MOTION: Dondlinger moved, second by Wysocki to adjourn at 10:08 a.m. Motion carried 5-0.

Respectfully submitted,

Thomas A. Michalski

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Secretary