

Minutes of the Finance Committee

Wednesday, September 7, 2016

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

Present: County Board Supervisors Jim Heinrich, Tim Dondlinger, Tom Michalski, Richard Morris, Duane Paulson, Ted Wysocki, and Bill Zaborowski. Paulson left the meeting at 10:10 a.m.

Also Present: Chief of Staff Mark Mader, County Board Supervisor Darlene Johnson, Business Services & Collections Manager Andy Thelke, Budget Manager Linda Witkowski, Administration Director Norm Cummings, Principal Risk Management Analyst Mark Jatczak, and Purchasing/Risk Manager Laura Stauffer. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of August 17

MOTION: Zaborowski moved, second by Morris to approve the minutes of August 17. Motion carried 7-0.

Next Meeting Date

- September 21

Proprietary Funds Report for Six Months Ended

Thelke reported on the County's enterprise and internal service funds in detail as outlined in the report. Those funds that showed a net loss at the end of six months in 2016 were the Naga-Waukee Golf Course (-\$47,646); Wanaki Golf Course (-\$86,287); Moor Down Golf Course (-\$26,227); Eble Park Ice Arena (-\$47,716); Airport (-\$1,732); and End User Technology (-\$6,131).

Those funds that showed a net income were the Naga-Waukee Ice Arena (\$9,164); Materials Recycling (\$63,326); Vehicle/Equipment Replacement (\$29,362); Central Fleet (\$34,343); Radio Services (\$189,945); Records Management (\$70,580); Communications (\$194,960); Risk Management (\$197,735); Collections (\$138,260); and Health Insurance (\$539,818).

MOTION: Zaborowski moved, second by Paulson to accept the Proprietary Funds report for six months ended. Motion carried 7-0.

Annual Report on County Equalized Property Values and Tax Incremental District (TID) Update

Cummings distributed general information on TIF (Tax Incremental Finance) districts including definition, how they work and are determined, examples of calculations, 2015 and 2016 Waukesha County property values, 2016 statement of changes in equalized values by class and item, TID value increments for 2010 through 2015 and per municipality, etc.

Cummings indicated the City of Brookfield has the highest equalized tax base, followed by the cities of Waukesha then New Berlin. From 2015 to 2016 the equalized value (including residential, commercial, manufacturing, agricultural, etc.) increased \$1,749,930,500 or 3.49% for a total of \$51,937,555,000. Menomonee Falls has the most value in TIF districts, over \$300,000,000, and the

City of Waukesha has the most TIF districts overall totaling 14. Total all TIF districts countywide, the current value is \$947,000,000. Cummings went on to give an update on some of the current TIF districts. Cummings said the tax base is beginning to return to pre-2008 recession levels but there is still \$1 billion less in residential than in 2009. Manufacturing is at \$1.4 billion and commercial is still not where it was before but getting closer. Housing needs to improve in order to return to pre-recession figures. The property tax base from 2015 to 2016 (not including TIF districts) increased \$1.5 billion or 3.13%. Based on the inflationary rate, an average home in Waukesha County increased from \$250,980 to \$256,650, an increase of 2.6%.

MOTION: Wysocki moved, second by Paulson to accept the report on county equalized property values. Motion carried 7-0.

Claims Report for Six Months Ended

Jatzak reviewed the Workers Compensation report as outlined. During the first six months of 2016, 48 claims were opened and of those, 27 remained open at the end of six months. The total incurred was \$233,855. Since 2012, 428 claims have opened, 53 remained open, and \$3,850,389 has been incurred. Jatzak highlighted the larger claims that opened and closed.

Paulson left the meeting at 10:10 a.m.

Stauffer reviewed the claims history report for six months ended as outlined. During the first six months of 2016, 8 general liability claims were opened, 2 remained open at the end of six months, and the total incurred was \$8,014. Nine auto liability claims were opened, 1 remained open, and \$7,232 was incurred. Regarding auto physical damage, 15 claims were opened, 5 remained open, and the total incurred was \$124,325. A total of 14 property damage claims were opened, 12 remained open, and \$57,373 has been incurred. Stauffer highlighted the larger claims that opened and closed.

MOTION: Michalski moved, second by Morris to accept the claims report for six months ended. Motion carried 7-0.

Workers Compensation Trends and Experience Modification Rating Factor

Stauffer referred to her report which included information on expected versus actual losses for 2010 through 2015. The Wisconsin Compensation Rating Bureau calculates experience modifiers (mods) based on the experience rating plan that is filed with the Office of the Commissioner of Insurance. Experience mods are used to calculate insurance and Workers Compensation premiums based on risks, losses, etc. If losses are as expected for a particular class, the mod is 1.0. The mod for more adverse losses will be above 1.0 and less than 1.0 for lower losses.

The County's benchmark is to be below 1.0. Figures for 2011 through 2016 were 1.08, 1.08, 0.99, 0.98, 0.91, and 0.82 respectively, and annual incurred losses continue to trend downward. Stauffer noted in the 70s and 80s the mod was always above 1.0 and in 1986 it was 1.70. This was when the County was insured by insurance companies. The lowest was 0.75 in 2001.

Stauffer briefly discussed an action plan that was developed in 2008/2009 to reduce the mod factor. The plan focused on Highway Division and Sheriff Department employee injuries and ergonomic issues, a large percentage of the claims, and wellness initiatives in partnership with the Human Resources Division.

State Legislative Update

Spaeth gave an overview of the Wisconsin Counties Association (WCA) budget priorities for the 2017-19 state legislative session. WCA's priorities include creating a joint agency statute that makes collaboration among counties easier, support for establishing a federal swap program to maximize transportation dollars, clarification to "cause" protection status for employees as well as funding for transferring 17-year-old offenders to the juvenile system, general transportation aids, 911 services, and child welfare services. Spaeth also indicated she is working with the Wisconsin Airport Management Association to plan a legislative lobbying day in March.

In response to Heinrich's question, Spaeth said WCA formed a workgroup to examine shoreland zoning policy and make recommendations for the next session. Parks & Land Use Director Dale Shaver is serving on the workgroup and Spaeth will update the committee once it makes its recommendations.

MOTION: Michalski moved, second by Zaborowski to adjourn at 11:16 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski
Secretary