

Minutes of the Finance Committee

Wednesday, November 18, 2020

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

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

Also Present: Chief of Staff Sarah Spaeth, Legislative Policy Advisor Alex Ignatowski, District Attorney Sue Opper, Victim Witness Coordinator Jen Dunn, Senior Landscape Architect Nicki Jensen, Director of Administration Andy Thelke, Budget Director Bill Duckwitz, Employee Benefits Administrator Andrea Mohr, Senior Financial Budget Analyst Stephanie Kirby, Business Services Manager Lyndsay Johnson, Principal Financial Projects Analyst Bob Ries, Financial Analyst Michelle Czech, Budget Management Specialist Michelle Beasley, and County Board Chair Paul Decker.

Approve Minutes of November 4

MOTION: Paulson moved, second by Foti to approve the minutes of November 4. Motion carried 7-0.

Next Meeting Date(s)

- December 9

Chair's Executive Committee Report

Heinrich said the Executive Committee, at their last meeting, interviewed three candidates to fill the District 7 County Board vacancy and heard an update on the redistricting process.

Announcements

Spaeth indicated the County Board Christmas party has been canceled.

Future Agenda Items

- CARES Act Funding Update

Ordinance 175-O-054: Modify The 2020 District Attorney's Office Budget To Accept Grant And Donation Revenue To Purchase A Courthouse Facility Dog

Opper and Dunn discussed this ordinance which authorizes the District Attorney's Office to accept a \$4,000 Children's Justice Act grant from the Wisconsin Department of Justice and a \$1,000 donation from the Waukesha Police Chief's Association.

The purpose of this funding is to supplement \$6,000 of existing, base budget VOCA grant-funded expenditure authority that is being re-prioritized to purchase and care for a courthouse facility dog. The \$6,000 of VOCA funding is currently budgeted for operating expenses and is estimated to be available because of lower training and travel spending, partly due to the COVID-19 pandemic. However, the courthouse facility dog purchase will be classified as a fixed asset (over \$5,000 and a useful life exceeding one year), and this ordinance authorizes the transfer of \$6,000 of VOCA grant-funded operating expenditure authority to fixed assets to help cover most of the cost the dog purchase. The \$7,000 fixed asset budget includes \$6,000 transferred from estimated unspent

operating expense appropriations and \$1,000 of new expenditure authority funded with a donation from the Waukesha Police Chief's Association.

The total budget of \$11,000 is expected to be more than what's needed to purchase and care for the courthouse facility dog through the remainder of the year. The department plans to request a carryover of any unspent funds into 2021 to help cover the cost of caring for the dog. After initial start-up costs, department management estimates that ongoing costs (e.g., food, supplies, medical care) could range from \$1,000 to \$2,200. The department does not intend or anticipate that this program will have any effect on tax levy, as there has already been interest from several other organizations to support this effort through donations, and ongoing costs may also be budgeted in the department's annual VOCA grant budget. The initial purchase and care of the dog is covered with grant and donation revenue.

This ordinance also establishes a two-year pilot program for the courthouse facility dog, whereby renewal after two years will be dependent upon the ability to raise non-levy funds for the ongoing maintenance of the dog and adherence to county policies.

MOTION: Nelson moved, second by Wysocki to approve Ordinance 175-O-054. Motion carried 7-0.

Contract Procurement Process for Pavement Management Design Services 2021-2023

Jensen indicated this three-year contract was awarded to Ruckert & Mielke, the highest rated proposer, for a total contract cost of \$195,400. The first-year budgeted amount is \$65,133. Four contractors submitted bids for consideration.

Wysocki and Paulson said they would like to have seen the proposers interviewed since there is a significant cost difference between the top-rated proposer and the second highest rated proposer.

MOTION: Gaughan moved, second by Foti to approve the contract procurement process for pavement management design services 2021-2023. Motion carried 7-0.

Ordinance 175-O-055: Modify The 2020 Active Employee Program Budget In The Health And Dental Insurance Fund

Thelke and staff discussed this ordinance which increases operating expense appropriations in the Health and Dental Insurance Fund Budget by \$1,600,000 to fund projected above-budget health claims expenses in the active employee health program. Projected above-budget claims expenses are largely due to higher-cost individual claims, for which the county receives a reimbursement from its stop loss insurance carrier for expenses above \$425,000. Within the active employee health program, the County has collected approximately \$2,150,000 in reimbursements to date. This ordinance increases the other revenue budget by \$1,600,000 for stop loss reimbursement revenues to cover this additional expenditure authority. This ordinance is funded with projected above budget stop loss reimbursement revenues and does not result in any direct impact on tax levy.

MOTION: Wysocki moved, second by Michalski approve Ordinance 175-O-055. Motion carried 7-0.

3rd Quarter Report on Special Revenue and General Funds

Duckwitz said as of nine months, all of the Special Revenue funds are projected to finish the year with favorable or break-even results. Regarding General Funds, Duckwitz said total General Fund expenditures are \$128.3 million or 64.3% of the total modified expenditure budget versus

expenditures for the same period in 2019 at \$123.6 million or 70.9% of total 2019 actual expenditures. Operating revenues achieved during the first nine months of 2020 are at \$58.4 million or about 53.9% of the modified revenue budget versus about \$54.2 million or 61.8% of total 2019-year end revenues recognized for the first nine months of 2019. Overall, the nine-month General Fund estimate is expected to finish favorably by \$4.5 million or 2.3% of the total modified expenditure budget of \$199.7 million. Duckwitz went on to discuss departmental highlights and advised of possible fund transfers at year-end.

MOTION: Paulson moved, second by Nelson to accept the 3rd quarter report on Special Revenue and General Funds Proprietary Funds report. Motion carried 7-0.

3rd Quarter Proprietary Funds Report

Johnson discussed the 3rd quarter report on the County's enterprise and internal service funds. Those funds that showed a net income were the Naga-Waukee Golf Course (\$404,990); Wanaki Golf Course (\$315,161); Moor Downs Golf Course (\$101,975); Vehicle/Equipment Replacement (\$1,841,050); Central Fleet (\$95,274); Radio Services (\$98,553); Risk Management/Workers Compensation (\$1,028,883); End User Technology (\$1,412,108); and Health Insurance (\$533,757). Those funds that showed a net loss were the Naga-Waukee Ice Arena (-\$20,511); Eble Park Ice Arena (-\$69,015); Materials Recycling (-\$88,526); Airport (-\$98,868); and Collections (-\$157,007).

MOTION: Wysocki moved, second by Nelson to accept the 3rd quarter Proprietary Funds report. Motion carried 7-0.

3rd Quarter Investments Report

Ries said the total return for the quarter was down 8 basis points from the last quarter, at 0.35%. For the year ending September 30, 2020, County investments returned 1.85%. Total interest earnings for the quarter were \$730,575, down \$39,212 from the 2nd quarter due to a decline in interest rates in the market. Average invested balances increased \$32.8 million compared to the previous quarter, consistent with the County's normal cash flow trend. Interest income is also down \$461,471 from the 3rd quarter of 2019. For the year ending September 30, 2020, all portfolios outperformed the benchmark with the exception of the Galliard Corporate which underperformed the benchmark by 1 basis point. Movement in interest rates was minimal during the quarter, leading to generally lower market returns.

MOTION: Michalski moved, second by Gaughan to accept the 3rd quarter investments report. Motion carried 7-0.

State Legislative Update

Spaeth updated the committee on leadership elections.

MOTION: Paulson moved, second by Gaughan to adjourn at 10:15 a.m. Motion carried 7-0.

Respectfully submitted,

Thomas A. Michalski

Thomas A. Michalski
Secretary