

Minutes of the Finance Committee

Wednesday, November 2, 2016

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

Present: Supervisors Jim Heinrich (Chair), Tim Dondlinger, Tom Michalski, Richard Morris, Duane Paulson, Ted Wysocki, and Bill Zaborowski.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Wisconsin River Rail Transit Commission Member Dick Mace, Director of Government Relations for Watco Companies Ken Lucht, Administration Director Norm Cummings, Principal Financial Projects Analyst Bob Ries, Budget Manager Linda Witkowski, County Board Supervisors Kathleen Cummings and Jennifer Grant, Inspector Jim Gumm, Deputy Inspector Torin Misko, County Board Chair Paul Decker, and Senior Financial Analysts Steve Trimborn, Clara Daniels, and Mark Yatchak. Recorded by Mary Pedersen, County Board Office

Approve Minutes of October 19, 21, and 24

MOTION: Paulson moved, second by Wysocki to approve the minutes of October 19 and 24. Motion carried 7-0.

MOTION: Dondlinger moved, second by Zaborowski to approve the minutes of October 21 as amended. Motion carried 7-0.

Next Meeting Date

- November 16

Review Year-End Estimated Governmental Fund Balances (General, Special Revenue, Capital, Debt)

Ries distributed information on General and Special Revenue fund expenditures and current and projected fund balances of which N. Cummings discussed in detail. N. Cummings noted most of the fund balance for General and Special Revenue is reserved/assigned. The County will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short term borrowing to fund daily operations and to maintain the County's Aaa/AAA bond ratings. The unrestricted governmental (general and special revenue) fund balance to governmental expenditure ratios will be maintained at a minimum of 11%. The current target is between 15 and 16% or about eight weeks of working capital for operations. The 2016 and 2017 ratios are 18.9% and 16.5%, respectively. Fund balance reserves will not be used to offset continuous operation costs. To the extent possible, reserves will be used to provide operating efficiencies over the long term. As of December 31, 2017 the projected unassigned fund balance is \$32,139,574. This includes the general, special revenues, enterprise, internal service, and debt service funds, and capital projects.

Public Comment

Mace spoke in opposition to Amendment SUP-2 (see page 2) and said eliminating these funds from the River Rail Transit Commission could result in its demise. This would have a negative effect on railroad commodities and the economy which he discussed further. Lucht, also speaking in opposition, distributed background information titled "Public/Private Partnerships Growing your Economy." This included information on the Wisconsin & Southern Railroad (WSOR) and its customer base, areas served, commodities shipped, the benefits of freight rail, and the WisDOT/WSOR partnership. He said they expect about 700 new jobs in the next couple of years which will

result in \$90 million in new private sector investments. One rail car equals four trucks and modal diversion of rail saves the nation over \$1.4 billion annually in highway repair costs. The public/private partnership has been in place for over 35 years and Waukesha County joined in the mid-80s. The partnership helps fund major capital projects such as bridges, ties and rail and rebuilding the infrastructure for today's modern standards.

Discuss and Consider Additional Supervisor Budget Amendments

Witkowski distributed additional background information from County Executive Paul Farrow on Amendments SUP-1 and SUP-2.

Amendment SUP-2

Department: Sheriff & Non-Departmental

Fund: General Fund

Proposed by Supervisor Peter Wolff: I move to amend the 2017 Sheriff and Non-Departmental budgets as follows: increase Sheriff General Patrol Personnel costs by \$29,000 for the funding of 0.50 FTE Administrative Assistant position (currently authorized but unfunded) and increase General Patrol Tax Levy by \$29,000. Decrease Non-Departmental General Fund Operating Expenses \$29,000 for the Wisconsin River Rail Transit System (WRRTS) contribution and decrease Tax Levy by \$29,000.

Wolff said he proposed this amendment after the Sheriff appeared at committee meetings explaining how budget constraints due to the County Executive's proposed budget will negatively affect services. He noted filling this position was the Sheriff's first priority. Wolff felt the tax dollars earmarked for the Wisconsin River Rail Transit Commission (WRRTC) would be better spent funding the Sheriff's Department and the commission could seek private funds elsewhere. Wysocki spoke in opposition to the amendment and felt this is a needed function and will likely be more critical in the future. Paulson also spoke in opposition and said destroying the commission was not the answer. Answering Dondlinger's question, Lucht explained WisDOT relies on local, grassroots planning which is why transit commissions were set up years ago. Without the commission, WisDOT would likely not have a program. A county has never dropped out but if Waukesha County defunded and dropped out of the transit commission, the commission would be required to reprioritize its capital priorities to areas in the state that are members. About 80-90% of counties are currently covered by a commission. Wolff said counties that do not have a commission still have maintained railroads. Mace said most of those counties do not have small regional railroads like in this part of the state which he explained further. Gumm spoke in support of the amendment and explained how this position will improve Sheriff's Department operations and services whereby victim/accident reports will be typed more quickly to meet the needs of our citizens. Dondlinger, expressing the importance of both entities, asked about finding \$29,000 elsewhere in the budget. Paulson suggested the possibility of using tax levy. Heinrich noted the sheriff received a budget increase when most other departments saw decreases.

MOTION: Dondlinger moved, second by Wysocki to approve Amendment SUP-2. Motion defeated 0-7.

Amendment SUP-1

Department: Sheriff & Parks and Land Use

Fund: General Fund & Walter J. Tarmann – Park & Open Space Land Acquisition Fund

Proposed by Supervisor Jennifer Grant: I move to amend the 2017 Sheriff, Parks and Land Use – General Fund, and Walter J. Tarmann – Park & Open Space Land Acquisition Fund budgets as follows: increase Sheriff General Investigations Personnel costs by \$100,000 for the funding of a previously unfunded 1.0 FTE Detective position (currently authorized) and increase Tax Levy

\$100,000. Decrease Tax Levy by \$100,000 for Parks – General Fund Parks Programs for the three year projects plan for the maintenance of the County’s grounds and park facilities and increase other revenue by \$100,000 of landfill siting revenues. Decrease Fixed Assets by \$100,000 for Walter J. Tarmann – Park & Open Space Land Acquisition Fund for a reduction in park land acquisitions in the 2017 budget and decrease other revenue \$100,000 for landfill siting revenues in the same fund.

Grant advised \$1.3 million in landfill siting fees has accumulated in the Tarmann Fund since 2010. The Tarmann Fund was created solely for the purpose of purchasing properties for parkland. Typically, Tarmann funds remain unspent year to year and the current balance is \$4 million. The \$100,000 would instead fund a previously unfunded detective position. While the Sheriff would have discretion to use the funds as he chooses, Gumm confirmed the Sheriff has given his word that these funds will be used to fund this position which investigates heroin overdoses. Wysocki agreed with the Sheriff’s Department’s needs and noted it should be reviewed in depth but did not agree with taking funds from the Tarmann Fund. Grant said she is not taking funds from the Tarmann Fund because landfill siting fees should not be in there to begin with. N. Cummings explained these funds were put in the Tarmann Fund years back due to the economy at that time but that this procedure is temporary. Once the fund is below \$4 million, investment income goes back into the Tarmann Fund and there is no more money to appropriate. He noted in the past, changes to the Tarmann Fund were done through ordinances. He advised when the Sheriff’s Department unfunded this detective position, they added a deputy position.

MOTION: Morris moved, second by Dondlinger to approve Amendment SUP-1. Motion defeated 2-5. Dondlinger and Michalski voted yes.

Amendment SUP-3

Department: Capital Projects

Fund: Capital Projects

Proposed by Supervisor Kathleen Cummings: I move to amend the 2017 capital projects budget as follows: increase expenditures by \$40,000 for the Minooka Restroom Shelter project #201602 for the construction of a family restroom and increase revenue by \$40,000 with Tarmann Park and Open Space Land Acquisition Fund Balance.

This amendment was approved at the previous County Board meeting through the ordinance to approve the capital projects plan.

MOTION: Paulson moved, second by Michalski to approve Amendment SUP-3. Motion carried 7-0.

Ordinance 171-O-056: Adopt 2017 Waukesha County Budget

MOTION: Paulson moved, second by Morris to approve Ordinance 171-O-056 as amended. Motion carried 7-0.

MOTION: Paulson moved, second by Wysocki to adjourn at 11:04 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski
Secretary