

Minutes of the Executive Committee

December 7, 2009

Chair Dwyer called the Executive Committee meeting to order at 8:30 a.m. and led the committee in the Pledge of Allegiance.

Executive Committee Members Present:

Jim Dwyer
Pat Haukohl
Bonnie Morris

Dave Swan
Tom Schellinger
Fritz Ruf

Absent:

Duane Paulson

Also Present:

Director of Administration Norm Cummings
Employee Benefits Administrator Pete Hans
Senior Financial Advisor Bill Duckwitz

Chief of Staff Mark Mader
Community Development Coordinator Glen Lewinski
Senior Financial Analyst Clara Daniels

Update on Fund Balances

Cummings said fund balance is divided into five categories. One category is nonspendable fund balance, which includes such assets as the vehicles in the vehicle replacement fund. Undesignated or unreserved fund balances are cash, cash that will be received or assets that have not yet been designated and are similar to a checking account balance. Restricted fund balance is funds that will be available in the future and include such items as debt service. Unrestricted fund balance does not indicate total health since it does not recognize borrowing. Fund balance equals actual assets minus liabilities. Waukesha County puts away a percentage of its operating funds toward fund balance and spends it as necessary.

Cummings distributed a handout titled *General & Special Revenue Funds, Expenditures, Undesignated Fund Balance*. He said the county maintains unrestricted fund balance 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. Fund balance reserves are used to provide operating efficiencies over the long term and not used to offset continuous operating costs. The unrestricted governmental fund balance to governmental expenditures ratio is maintained at a minimum of 11% and a target of 15%, which equals approximately eight weeks of working capital for operations. The ratio has been going down but less fund balance is being used. At the end of 2006, a relatively low \$4.6M was owed in delinquent taxes as compared to the current estimate of \$10.2M. The county makes taxes whole to the municipalities and technical college system thusly reducing the fund balance with the expectation that the taxes will be received eventually. If the amount of delinquent taxes increases the ratio will go lower and fund balance will be handled differently.

Dwyer said the actual amount in the county's fund balance is becoming alarmingly low considering the levy is capped and equalized value has dropped. A few more years of this type of economy and Waukesha County's economic situation will not be as good. Cummings said Moody's expects the fund balance to go lower. Two more years of this kind of economy could see the bond rating dropping. Some good news is that the special revenue funds indicate \$500K to \$800K in the black and the 2010 budget is balanced without making union concessions. The unpaid furlough days will help the bottom line and help keep people from being laid off.

Next Cummings distributed and reviewed a handout titled *Waukesha County, Wisconsin, Combining Balance Sheet – All Non-major Capital Projects Funds* dated December 31, 2008. Cummings explained the funds are reserved if a project is operating. Capital project fund balance is not used until all the capital projects for that year are closed.

Dwyer asked are there other fund balances? Cummings said many funds are restricted by county and state laws or county decree. Whatever the county lists in the official statement for borrowing is what the funds have to be used for.

Update on the 2010 Non-departmental Budget

Cummings said this is the first year there has been a separate fund for health and dental insurance allowing expenditures and revenues to be reported. Prior to the 2010 budget, funds were budgeted in departments for each employee through the general fund and passed through to United Health Care. The 2009 budget includes a lot of appropriated fund balance because the county budgeted for incurred claims rather than reported claims. The county is trying to keep the fund as low as possible by making wellness a major objective. The impact of wellness programs will not be known for several years when the costs can be analyzed.

Cummings said this would be a good year for retirees in the county's retired employee health insurance program. Monies are budgeted in reserve for this program in case expenses are higher than anticipated and allows for the suppression of rates in the end. Increased deductibles save more money than higher premiums.

Cummings said higher premiums make people want to use the plan more while higher deductibles make employees better consumers who go to the doctor less often.

Hans said 2009 was the first year of Waukesha County's full service wellness program, which hopes to create a healthier workforce and reduce insurance costs. The program provides employees the opportunity to have blood drawn and tested for a number of health issues, a health assessment and a consultation with a nurse over the phone. Employees learn about their current health issues and what areas could use more attention. One third of employees currently participate in the program and the goal is to increase participation. The program will have modest growth of \$15K in 2010 due to the increase in employee participant rewards and the addition of spouses. It is important to include spouses because they generate health insurance claims.

Morris asked if nonsmokers get special benefits? Hans said special benefits are currently not given but it is a big issue with the unions. It is a good way to provide incentives for better health.

Discuss and Consider Ordinance 164-O-068: Accept and Appropriate Funds from the State of Wisconsin Department of Commerce Funded through the American Recovery and Reinvestment Act Under the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X)

MOTION: Swan moved, Ruf second, to approve Ordinance 164-O-068.

Lewinski said this ordinance authorizes the Community Development division to accept \$120K of American Recovery Reinvestment Act Residential Lead Base Paint Hazard funds from the State Department of Commerce to identify elevated lead levels in residential homes and perform lead assessments/abatement if lead problems are identified. The funding period for this program is September 1, 2009 to February 15, 2012. The funding will allow for the assessment and abatement of lead hazards in homes by working with the City of Waukesha and/or Waukesha County's Public Health and Environmental Health divisions to do the lead assessments and abatements. Lead abatement is expected to be performed on approximately ten homes at the cost of up to \$10K each for an estimated total cost of \$100K. The lead assessment portion is estimated at \$1K for ten homes for a total cost of \$10K. CDBG plans to use third party contracted services to perform application reviews processing services and to ensure the work is successfully completed for a total cost of \$8K. CDBG staff will manage and administer the grant including grant reporting and payment processing services at an estimated cost of \$2K.

Lewinski said in applying for the grant, the county had to identify the number of children with elevated lead numbers and the number of homes built before 1978 in the county. In the past Waukesha County was unable to qualify for the grant due to the number of older homes and affected children. Getting the grant was challenging because the county is competing with cities that are much older and have larger numbers of affected children. The City of Waukesha got an additional \$150K grant because of the number of older homes. Daniels said of the 1,700 children tested by Public Health, six tested positive.

Motion carried 6-0.

Presentation on CDBG Housing Initiatives

Lewinski distributed a handout titled CDBG Financial Status Report. He said the 2008 CDBG subgrantee grant allocation balance is \$547,966.75, which is quite good considering the grant required the balance to be below \$2.3M by this date. The City of Muskego- Revolving Business Loans project requested a carryover due to the delays on the Janesville Road project. The City of Waukesha – Historic Spring project needs to build up as much grant money as possible due to the large cost of the project.

Lewinski distributed a handout titled *HOME Amendments 2009 and CDBG Amendments 2009*. He explained that the amendments are out-of-cycle necessities that have been made to the plan. CDBG amendments include funding to Hebron House, 180° Juvenile Diversion Program (transfer from Enlight), WCEDC and the Offender Employment Program. HOME amendments included funding to Washington County Habitat for Humanity, Jefferson County Habitat for Humanity, rental rehab project in Jefferson-Rock River Restoration, purchase/rehab program, WPHD and Waukesha County for real estate attorney fees.

Lewinski said three out-of-cycle proposals were submitted relating to tax credits and encompassing a funding mechanism through the Wisconsin Housing and Economic Development that provides monies through the syndication of projects that meet certain criteria. Not a lot of these of applications are submitted.

The projects include:

Broadway Commons – The proposed facility will be built next to the YMCA in the City of Waukesha and provide 42 units for people with disabilities. The facility would be connected to the YMCA, which would allow residents easy access to physical and occupational therapy.

Summit Meadows – This proposal would build 80 units of workforce apartments for the growing population in the Pabst Farms area.

Oconomowoc School Lofts – This project would convert an old school near Pabst Farms into a mixed development with housing and space for the school district.

Discuss and Consider the Following Appointments:

Swan moved, Haukohl second, to approve the appointment en masse.

- 164-A-026: Appointment of Scott Thistle to the Waukesha Housing Authority
- 164-A-027: Appointment of Jo L. Kapfhammer to the Federated Library Board
- 164-A-028: Appointment of Fritz Ruf to the Federated Library Board
- 164-A-029: Appointment of Peter Wolff to the Federated Library Board
- 164-A-030: Appointment of William F. Luebke to the Veterans Service Commission

Motion carried 6-0.

Discuss Topics for WCA's Annual Conference Breakout Sessions

Dwyer said to forward any ideas for WCA's conference session to him by January 15, 2010 and he will forward the compiled list to WCA.

Approve Minutes of November 16, 2009

MOTION: Ruf moved, Haukohl second, to approve the minutes of November 16, 2009 as amended.
Motion carried 6-0.

Correspondence

Dwyer distributed and reviewed the list of correspondence. Supervisors may request copies of listed items from Jicha.

Committee Reports by Committee Chairs for the Following Meetings:

November 17, 2009 Personnel – Schellinger said the committee approved the Sheriff's Department contract with the City of Pewaukee, reviewed the new employee application system, H1N1 influenza pandemic preparedness policy and the plan for vacation carryover for employees involved in the H1N1 clinics. The committee also discussed union bargaining in closed session.

December 3, 2009 Public Works – Swan said the committee heard an update on Wisconsin Coach Lines Route 218, approved the contract for the extension of Route 10 into Waukesha County by the Milwaukee County Transit System for 2010, Ordinance 164-O-065 and a bid for the Expo Center Dairy and Horse Barn roof. They heard updates on the following capital projects: Medical Examiner Expansion, Courts Project Secured Corridor and the HHS building.

November 18, 2009 Finance – Haukohl said the committee approved Ordinances 164-O-062, 164-O-061 and 164-O-060, heard third quarter reports on investments and general funds, reviewed the contract procurement process for the following services: HHS architect/engineer, financial advisor and HHS construction management, and approved fund transfers for Circuit Court Services and UW-Extension.

MOTION: Haukohl moved, Ruf second, to adjourn the meeting at 11:04 a.m. Motion carried 6-0.

Respectfully submitted,

Bonnie J. Morris
Secretary