

DRAFT

**Minutes of the Executive Committee
June 14, 2010**

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

Committee Members Present:

Jim Dwyer
Fritz Ruf
Janel Brandtjen

Pat Haukohl
Duane Paulson
Jean Tortomasi

Absent :

Dave Swan

Also Present:

Airport Manager Keith Markano
Director of Public Works Allison Bussler
Parks and Land Use Director Dale Shaver
Internal Audit Manager Lori Schubert
Joe Petri
Eric Waldron of Wipfli
Scott Owens of Wipfli
Supervisor Dave Falstad
Legislative Policy Advisor Sarah Spaeth
Senior Financial Analyst Clara Daniels
Chief of Staff Ellen Nowak
Collections and Business Services Manager Sean Sander
Waukesha County Economic Development Corporation Executive Director Bill Mitchell

Chief of Staff Mark Mader
Buildings Operations Manager Mark Keckeisen
Community Development Coordinator Glen Lewinski
Programs and Policy Advisor Windy Jicha
Health and Human Services Director Peter Schuler
Administrative Services Manager Russ Kutz
Jane Jerszak of Wipfli
Janice Ahlstrom of Wipfli
Supervisor Bill Zaborowski
Clinical Services Manager Mike DeMares
Supervisor Pauline Jaske
Supervisor Kathleen Cummings
Principle Information Technology Professional Ann Christman
Health and Human Services Deputy Director Don Maurer

Correspondence

Dwyer said a list of correspondence would be distributed to supervisors after the meeting. Supervisors should request copies of listed items from Jicha.

Approve Minutes of May 17, 2010

MOTION: Paulson moved, second Tortomasi, to approve the minutes of May 17, 2010. Motion carried 6-0.

Legislative Update

Spaeth said the Governor's Juvenile Corrections Review Committee is looking for ways to solve the Department of Correction's deficit. One possible solution would be to close one of the state's two juvenile detention centers (Ethan Allen or Lincoln Hills). Both facilities are currently running at 50% capacity. Leaving both open increases costs significantly. Dwyer said the review committee has been having hearings around the state. Spaeth said Ethan Allen has had approximately 150 staff complaints, which the review committee found evident when they toured the facility.

Committee Reports by Committee Chairs for the Following Meetings:

Finance – May 19 and 25, 2010 – Haukohl said at the May 19 meeting, the committee heard a report on first quarter investments, approved two contract procurement processes and approved a fund transfer for the District Attorney's Office. The committee approved the bond ordinance (165-O-012) at the May 25 meeting.

Personnel – May 18, 2010 – Paulson said the committee elected Steve Wimmer Vice Chair and Gilbert Yerke Secretary and approved the elected officials' salaries ordinance.

Judiciary – June 11, 2010 – Tortomasi said the committee approved two ordinances and heard a presentation on the 180-Degree Youth Diversion Program.

Land Use – May 18, 2010 – Ruf reported that the Land Use Committee approved three ordinances and one resolution that have been approved by the board.

HHS – May 20 and June 10, 2010 – Brandtjen said Pauline Jaske was elected Vice Chair of the committee and Kathleen Cummings Secretary. The committee also heard reports on Veterans' Services and the ADRC. Brandtjen said the Brookfield Senior Center Waukesha County senior meal site will be receiving a donation from Roundy's.

Public Works – May 25 and June 10, 2010 – Mader said the committee approved Ordinance 165-O-022.

Presentation and Discussion of the Department of Health and Human Services (DHHS) Billing and Accounts Receivable Function Audit

Schubert reviewed the scope of the audit as found on pages two and three of the audit report. Ahlstrom said DHHS provides a myriad of services with a wide array of regulations governing the process. There are many masters to please. The audit indicates there is intense manual processes involved in the billing process which adds risk and a need for good internal controls.

Waldron reviewed the structure of the report including the executive summary, which addresses the high-level issues of the audit. He said the audit team used its background of cross-functional experience and knowledge to complete the audit. The auditors walked through cases from beginning to end reviewing key controls and performing detailed testing and transaction tracing. They tried to take a no-surprise approach by discussing issues with DHHS staff as they were uncovered. Ahlstrom, Waldron, Jerszak and Owens reviewed the audit reporting including observations and recommendations for process and efficiency improvements; overview, observation, and findings by significant process area; and the Avatar PM System assessment.

Brandtjen asked how many cases were in a sample? Waldron said ten records were in each sample. Schubert explained that sampling could be done in two ways. For this audit, ten records were sampled from all areas and traced from day one of processing to the end. It is an intense process. Jerszak said after reviewing the county's billing process; the team found the process included a lot of manual intervention. Moving to electronic billing would eliminate manual errors.

Brandtjen asked how many other counties has Wiplfi worked with? Ahlstrom said Wiplfi normally works with Milwaukee County and numerous counties across the country.

The committee debated at length if the number of errors found during the sampling could be extrapolated into a statistic such as the number of errors per 1,000 records. Schubert explained that the sampling technique used for this audit does not allow for the extrapolation of errors to a larger population. Fewer transactions are reviewed but put through intense testing. The technique used for this report follows records through the entire process to see if flow and overall process is working. It is more important to determine if the system is working versus determining the number of errors per 100 or 1,000 records. Jerszak said when errors are found, the focus should be on where checks and balances should be put in place to mitigate future risk.

Haukohl asked when errors were found, did anyone check to see if they occurred more than once? Schuler said DHHS staff checks records several times. Due to the results of the audit, three more checks will be put in place to minimize the possibility of errors. Maurer said records go through many reviews. If a certain error happened in quantity, the records would not pass the necessary testing for state and other funding

sources. The idea is to find where the potential for errors is high and eliminate risk. There may be very few errors but any error could result in lost funding.

Maurer said the plan is to automate the system and eliminate manual entries. Christman said some billing will need to be automated by 2012 in order to continue receiving state funding. Maurer said an RFP is being written to begin the automation process. At one time, DHHS hoped to find one system to capture all fiscal data and fulfill state mandated programs without duplication. Unfortunately, at this time the state requires different mandated software for certain programs. DHHS is looking for a centralized system to track who is involved in the programs.

Paulson asked if any of the errors would have caused fines? Jerszak said it would depend on the compliance plan, whether the service would require corrected rebilling and resubmission. Medicare and Medicaid expect records to be rebilled if errors are found. Paulson asked would any of the errors mentioned in the audit cause Waukesha County to be penalized for lack of compliance? Jerszak said Medicare has no safety zone for accuracy. Rebilling should occur whenever an error is found. Maurer said the department is interested in accuracy. Schuler said if errors are found, they are rebilled.

Zaborowski said regarding the chart on page 31, a note should be included to explain significant issues that affect billing. Schubert said the Mental Health Center is a full-cost facility. Balances are broken down into payments for those who cannot pay the bill in full. Payments are spread out long term and remain in the system until paid. Balances are not written off. Sander said this population becomes more collectable over time as patients get their lives together. The county establishes an early relationship with clients so when their situation improves, they pay more. Schuler said the nature of the illnesses treated at the Mental Health Center needs to be taken into consideration. They are some of the most seriously ill people DHHS treats. Recovery is slow for these clients and some may never be fully healthy. Overzealously collecting in the beginning is counter-productive to treatment and could cause relapse. Some collections take 20 years while some people will never be able to pay their bills in full. Maurer said regarding the chart on page 31, \$32M is not the amount DHHS ever hopes to collect. There is a huge percentage of this amount that will never be collected.

Haukohl asked why doesn't DHHS staff think the recommendation to download data from People Link to Excel to Avatar is a good option? Maurer said dedicating resources to set up the download will delay getting the electronic records system in place.

Jaske asked how will staff perform additional quality checks when they are already stretched to capacity? Kutz said staff is trained to review records and made aware of issues. They are juggling time.

Haukohl asked what steps can the county take to make sure payments are not denied by insurers? Jerszak said the county needs to have a good relationship with insurance companies to make sure the bills are consistent with billing processes. Paulson asked how much money is lost by not challenging denied payments? Jerszak said the number of denials and the reasons would have to be tracked to come up with an amount. Waldron said the current process is not ideal but there is a plan in place to improve the process.

Owens said regarding the Avatar PM System, there is a shortage of resources, namely staff. The capacity has been reached with what the current staff can accomplish. The IT Department is responsible for larger scale implementations and interfaces but most opportunities for improvement are suggested by those working with the system. Maurer said they frequently hear comments such as, "it would be nice if the system did this or that..." but it is important not to have knee-jerk reactions and make immediate changes. Christman said there is a division between DHHS and Department of Administration (DOA) Information Technology (IT). DOA IT is hands off with single department software and it is handled by the department.

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Falstad asked are the auditors reasonably confident Avatar will fit with the new automation system. Owen said Avatar may not be selected as the software of choice. Haukohl said the county board needs to put on pressure to get a case management system. It is time to move forward with automation.

MOTION: Haukohl moved, Brandtjen second, to accept the Department of Health and Human Services Billing and Accounts Receivable Function Audit as submitted. Motion carried 6-0.

Waukesha County Economic Development Update

Mitchell said for the first time in six quarters, 58 of the 60 manufacturing companies polled by WCEDC have increased order activity but have not opened hiring, a key indicator of economic development. All but four have had credit frozen by the banks. The atmosphere is very conservative and cautious. He expects to see hiring increase during the second quarter of 2011. Loan activity is down due to the current economic climate. The revolving loan program may begin loaning money directly to businesses if the bank loan provisions do not change and the loan loss reserves are increased. Loan activity rates and activity are similar in the surrounding counties and regions except for Kenosha. Kenosha is relatively insulated from the economic climate but may begin feeling the impact of I-94 construction. WCEDC has issued second revolving loans to companies and it is working very well. WCEDC is investigating ways to support growth in food processing and manufacturing, product packaging for the fast food and retail restaurant trade, and spices, which are all doing really well.

Mitchell said Waukesha Electric had considered leaving Waukesha County and asked WCEDC to identify state, federal and local incentives and resources to stay. A \$70M expansion would allow the company to begin making the largest transformers used for wind and renewable energy projects. The expansion will add 200 jobs with recruitment starting in August. A large number of engineers are set to retire from Waukesha Electric in approximately seven years and it will be a challenge to fill the positions. WCEDC contacted University of Wisconsin-Milwaukee, Milwaukee School of Engineering and Marquette to alert them of the upcoming need for engineers. Waukesha Engine secured \$12.5M in aid from tax incremental funding (\$8.5M), state tax credits and federal energy assistance credits. Waukesha Electric has agreed to help Easter Seals and the Training Center consolidate and move to a new facility since the expansion will demolish the building currently used by the Training Center. WCEDC is also helping Waukesha Electric at Waukesha Planning Commission meetings to help coordinate the expansion. Mitchell is waiting for the tax credit authorization forms. The next step is for WCEDC to investigate the supply chain that will support the expansion because it will create 2.5 jobs in the community for every one job created by the expansion. Mitchell said the story of this development is being written and will be released to the press when the process is done. The story is too good not to publish.

Mitchell said WCEDC is working on a sustainability initiative for small businesses going green with interest going beyond the Waukesha County borders. Interested calls have been coming in from areas throughout the state and country. WCEDC green teams cannot continue to help one company at a time so it was decided to expand the website to include access to sustainability tools. Mitchell passed around a flow chart of the sustainability pages of the website. This project will consume WCEDC for the next four months. It will give all Waukesha County business access to the data for a cost with fees covering website maintenance. Because of the \$400K cost of the program, Mitchell sought the help of former State Secretary of Commerce Dick Leinenkugel and Community Development Block Grant (CDBG) for funding. The CDBG board approved \$205K in funding. To date, \$26K of the \$75K goal has been raised through private industry donations. He hopes to achieve the goal by the October 2010 annual meeting.

Discuss and Consider Ordinance 165-O-021: Repeal and Recreation of Section 9-1 of the Waukesha County Code of Ordinances to Establish an Airport Operations Commission for Advice, Direction and Review of all Airport Operations

MOTION: Ruf moved, Tortomasi second, to approve Ordinance 165-O-021.

Bussler reviewed the Waukesha County Organizational Study Workgroup Report dated April 29, 2010 as submitted with Ordinance 165-O-021 including the introduction and background of the workgroup, workgroup process and methodology, options, the Airport Commission's role, staffing organizational structure, etc. Markano gave a brief history of the airport. Bussler said the county code instituting the Airport Commission in 1992 was confusing because it both gave and took away many powers included in the state statute. The workgroup worked to clear up the confusion in the county code by making the following recommendations regarding the role of an airport advisory body.

- Rename the current Airport Commission the "Waukesha County Airport Operations Commission" since "Airport Commission" is used in Wisconsin Statutes to identify a different type of airport authority than what currently exists in Waukesha County. The use of "operations commission" is consistent with a similar organizational structure in the county at the Waukesha County Communication Center.
- Amend the Waukesha County Code by removing reference to sec. 114 of the Wisconsin Statutes. Elimination of the statutory reference would create consistency with the actual authority granted to the commission through the code.
- Clarify the Waukesha County Code to state that the Waukesha County Airport Operations Commission is an appointed body by the county executive, confirmed by the county board, to serve as advocates for airport services and advise the county executive on airport service matters.

The committee also made the following recommendation regarding the administrative staffing organization for the airport:

- Place airport services within the Department of Public Works as a new division with the airport manager reporting to the Department of Public Works Director. Airport staff will physically remain at the airport providing direct service.

Paulson said he is not comfortable with the word "directing" in line 49 of the ordinance as it pertains to the duties of the Airport Operations Commission. It gives the feeling that the commission has the ability to direct the airport manager.

Paulson made a motion to remove the word "directing" from line 49 of Ordinance 165-O-021. Brandtjen said the word "directing" does not necessarily give authority. Paulson said the paragraph does not change if the word "directing" is removed. Dwyer recommended Paulson make the amendment on the county board floor because the Public Works Committee had already approved the ordinance. Paulson agreed.

Paulson reported that moving the airport into the Department of Public Works will not change any of the employees' status.

Haukohl said moving the airport to the Department of Public Works is an appropriate move. Adding the word "operations" to the Airport Commission title is confusing. The Airport Commission does more than focus on operations so the title should remain Airport Commission. Bussler said the committee spent a lot of time discussing the powers of the Airport Commission and the confusion surrounding its duties. Changing the name helps to avoid confusion. Commission members were asked for alternate naming options.

Haukohl said she would like "shall have a special interest in aeronautics" (line 32) removed from the ordinance. The commission should consist of someone from the neighborhood. Paulson said it is important to have a person with special aeronautic interest. Commissioner Crowley is now very much involved. Language limiting membership to someone in the neighborhood is too detailed. How would "neighborhood" be defined? Shaver said the new language was written for flexibility. It would be nice if

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someone could be appointed who is a county board supervisor from the district, lives in the neighborhood and has an interest in aeronautics. Markano said the new language increases the pool of volunteers. Bussler said the neighborhood person (Crowley) worked out really well after much skepticism. It is a good balance. Ruf said it is reasonable to have someone from the neighborhood. Brandtjen said the appointment should not be tied into where a volunteer lives.

Motion carried 6-0.

Discuss and Consider Ordinance 165-O-020: Approve Placement of Advisory Referendum Question on November Ballot

MOTION: Haukohl moved, Tortomasi second, to approve Ordinance 165-O-020.

Bussler reviewed a handout titled *Constitutionally Protect the Segregated Transportation Fund* and explained that it is an executive summary of the ordinance. Approval of this ordinance would put an advisory referendum question on the November ballot to protect the state segregated transportation fund. The State of Wisconsin funds its transportation network through user fees (from gas tax and registration fees) placed in a segregated transportation fund. The state transferred approximately \$1.2 billion from the state's segregated transportation fund to the state's general fund and replaced it with approximately \$800M in general obligation bonds, which reduced the amount available for transportation purposes by approximately \$400M. Wisconsin's constitution currently does not allow the state to borrow money in order to fund ongoing operations. The practice of "transferring" money from the transportation fund to the state's general fund and then issuing general obligation bonds to repay the transportation fund goes against the spirit of that constitutional provision. Using general obligation bonds has hurt the state's bond rating. The debt service for these bonds are paid out of the state's general fund, which hinders its ability to fund other programs like shared revenue, youth aids, community aids and courts. Gas tax and registration fees are down in Wisconsin. These fees comprise more than 90% of the state's segregated transportation fund. The declining revenues are insufficient to meet the pending transportation needs. Transferring more money out of this fund will cripple Wisconsin's transportation infrastructure. This problem is not unique to Wisconsin but Wisconsin is in the minority to not have language separating the funding.

Bussler said County Executive Vrakas always comments that this is not a partisan issue but rather part of the blame game. It will not be easy to change the constitution. Since this ordinance was released to the county board, a change was recommended to make it more consistent with other counties. Bussler recommended deleting the following sentence (lines 50-52):

This amendment would require that transportation funds, collected or received, be used solely to fund Wisconsin's transportation systems and infrastructure.

Bussler said the Public Works Committee discussed and approved the changes but were unable to amend the ordinance because it is not the presenting committee. Dwyer recommended an amendment be made on the county board floor because the Public Works Committee had already approved the ordinance.

Haukohl asked if the gas tax and registration fees are the only monies in the fund? Bussler said these fees make up 90% of the fund. Ruf asked will this protect waterway funds? Bussler said more than roads are protected.

Motion carried 6-0.

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Discuss and Consider Ordinance 165-O-022: Amend Waukesha County 2010 Budget to Discontinue the Energy Efficiency Revolving Loan Program and Transfer the 2010 Appropriated Funding of \$440,000 to Increase Capital Project 200918 Energy Efficiency and Conservation Block Grant Implementation for Additional Project Expenditures

MOTION: Haukohl moved, Brandtjen second, to approve Ordinance 165-O-022.

Shaver said Waukesha County was notified in spring 2009 that it would receive an award of \$2,217,900 from the Department of Energy through the Energy Efficiency and Conservation Block Grant Program. The funds were appropriated in the 2010 budget as such: \$1,651,900 for capital project 200918, \$440K for an Energy Efficiency Revolving Loan Fund and \$126K for Departments of Parks and Land Use and Public Works general fund budgets. The funding for the revolving loan program was put into a special revenue account to help small businesses in Waukesha County with sustainability projects. The rules for the revolving loan program, released in spring 2010, were filled with many conditions and restrictions that were not business friendly. In order to run the program, Waukesha County would have set aside 50% of the \$440K for a loan loss fund. Businesses will not be eager to participate in a program that expects to lose 50% of its fund. Revolving loan program projects would have to pay prevailing wage rates, which are higher than planned. It was decided that the revolving loan program was not a good idea. Waukesha County notified the Department of Energy of the issues surrounding the revolving loan fund concept and asked that the \$440K set aside for the program be allocated to other county energy conservation and efficiency projects. Approval of this ordinance would transfer \$440K from the revolving loan fund to capital project 200918 for the purchase and installation of solar hot water systems for the Law Enforcement Center and Jail.

Keckiesen said of the \$440K, \$200K would be used for the Law Enforcement Center and \$250K for the jail. Both facilities use large quantities of hot water. He then explained how the return on investment for solar hot water heaters is determined. As the cost of energy goes up, the return on investment improves.

Motion carried 6-0.

Discuss and Consider Ordinance 165-O-023: Accept and Appropriate Additional Funds Under the Community Development Block Grant – Emergency Assistance Program from the Wisconsin Department of Commerce

MOTION: Paulson moved, Haukohl second to approve Ordinance 165-O-023.

Lewinski said approval of this ordinance will allow the acceptance and appropriation of \$2,552,600 of Federal Supplemental Disaster Community Development Block Grant funding for residential flood damage and rehabilitation in the City of Oconomowoc, Village of Mukwonago, Town of Oconomowoc and the Highlander Golf Course. Waukesha County will get \$6K to administer the funding. The state attempted to spread the state allocation to all counties affected by the flooding.

In response to Paulson's question, Lewinski explained the first part of this grant, issued several years ago, allowed for the demolition of an existing structure in Oconomowoc. Funding provided by this grant will construct a new community center on that site. Oconomowoc approved the location of the building.

Tortomasi asked is there a timeframe tied to the funding? Lewinski said the timeline will be released after the paperwork is signed and submitted.

Motion carried 6-0.

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Discuss and Consider the Following Appointments:

165-A-008: Appointment of Duane Paulson to the Marsh Country Health Alliance Commission

MOTION: Haukohl moved, Tortomasi second, to approve Appointment 165-A-008. Motion carried 6-0.

165-A-009: Appointment of Peggy Bull to the Community Development Block Grant Board

MOTION: Haukohl moved, Brandtjen second, to approve Appointment 165-A-009. Motion carried 6-0.

165-A-010: Appointment of Karen Fiedler to the Metro Recycling and Disposal Facility Committee

MOTION: Paulson moved, Tortomasi second, to approve Appointment 165-A-010. Motion carried 6-0.

165-A-011: Appointment of Janel Brandtjen to Serve as an Alternate to the Marsh Country Health Alliance Commission

MOTION: Paulson moved, Haukohl second, to approve Appointment 165-A-011. Motion carried 6-0.

165-A-012: Appointment of Fritz Ruf to the Park & Planning Commission

MOTION: Tortomasi moved, Brandtjen second, to approve Appointment 165-A-012. Motion carried 6-0.

165-A-013: Appointment of Bonnie Morris to Serve as an Alternate to the Park & Planning Commission

MOTION: Haukohl moved, Brandtjen second, to approve Appointment 165-A-013. Motion carried 6-0.

165-A-014: Appointment of Marian Onesti to the Federated Library Board

MOTION: Paulson moved, Haukohl second, to approve Appointment 165-A-014. Motion carried 6-0.

165-A-015: Appointment of Michael Crowley to the Airport Commission

MOTION: Paulson moved, Haukohl second, to approve Appointment 165-A-015. Motion carried 6-0.

MOTION: Brandtjen moved, Haukohl second, to adjourn the meeting at 12:46 p.m. Motion carried 6-0.

Respectfully submitted,

Janel Brandtjen
Secretary