

## Minutes of the Finance Committee

Wednesday, January 30, 2008

Chair Haukohl called the meeting to order at 8:45 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Ted Rolfs, Jim Heinrich, Rodell Singert, and Rob Hutton. Hutton left the meeting at 10:30 a.m. **Absent:** Pamela Meyer and Jean Tortomasi.

**Also Present:** Legislative Policy Advisor Mark Mader, Emergency Preparedness Director Rich Tuma, Senior Financial Analyst Lyndsay Johnson, Information Management Panel Member Bill Mitchell, Public Works Director Rich Bolte, Highway Operations Manager Peter Chladil, Business Manager Betsy Crosswaite, Budget Specialist Linda Witkowski, Administration Director Norm Cummings, Accounting Services Manager Larry Dahl, Budget Manager Keith Swartz, and Internal Audit Manager Lori Schubert. Recorded by Mary Pedersen, County Board Office.

### Approve Minutes of 1-16-08

MOTION: Rolfs moved, second by Heinrich to approve the minutes of January 16. Motion carried 5-0.

### Schedule Next Meeting Dates

February 20.

### Announcements

Singert referred to Sheriff Dan Trawicki's guest opinion in yesterday's Waukesha Freeman on officers in schools. Singert had concerns with cost recovery and cost equity.

### Ordinance 162-O-094: Accept Homeland Security-Urban Area Security Initiative FY2006 Program Funding And Modify The 2008 Capital Budget To Create Capital Project 200828 VHF Overlay

Tuma said they are requesting approval of a new capital project to install VHF radio overlay of the County's current 800 MHz trunked radio system. The project is estimated to cost \$615,000 to complete and is funded with \$615,000 in federal funding. The purpose of the VHF radio overlay is to enhance communications interoperability of the County's current system. Tuma said if a mass casualty event were to occur in the county and mutual aid from other jurisdictions was required to come to the County's aid, this communications overlay would provide departments with the ability to use VHF radios on the County's trunked radio system.

Hutton referred to the fiscal note and asked about future technology changes and how they will affect the need for future VHF overlays. Tuma said they will be able to use this VHF overlay system in the statewide radio plan. Their plan is to do a system of systems so VHF can talk to 800 and vice versa in a more seamless application. This will enhance VHF coverage capabilities in Waukesha County once the State puts in the statewide VHF system. Tuma noted this will not become obsolete, not for a long time.

MOTION: Singert moved, second by Heinrich to approve Ordinance 162-O-094. Motion carried 5-0.

### **Report on the Information Management Panel**

Mitchell explained dissatisfaction with the Spillman system and advised action has been taken. A letter signed by Administration Director Cummings was sent to Spillman asking for reimbursement for the Spillman mobile and the geo base products, neither of which are performing. Tuma explained the multiple problems they've had with the Spillman mobile product including lost connectivity, excessive log-in time, etc. Spillman has not worked with us on these issues as expected, nor have they addressed other needs which they had promised would be taken care of. Staff is working with Corporation Counsel to determine how we should proceed next. Tuma said other products exist that fit our needs and they'll be looking at these products. An RFP will follow.

Mitchell said they heard an update on the tax records system in the Treasurer's Office. This has also been a challenging project but progress is being made. The vendor seems to be very responsive and they're doing whatever they can to make it work. IS staff has been very helpful as well. All 2006 books have been run and they're starting on 2007. To make matters more challenging, the Treasurer's Office has three other major issues going on as well: countywide cashiering, an RFP has been issued for banking services due to problems with the current vendor, and there is the transition of a new deputy treasurer.

Mitchell said the Novell to Microsoft migration is going very well; faster than expected, and under budget.

Mitchell said the citizen member on the panel, Jim Herzfeld, is a great resource. Mitchell felt strongly that Herzfeld be involved next year after the panel is dissolved.

Regarding countywide cashiering, through the RFP process, a vendor has been identified.

Mitchell said they heard an update on the Aging & Disability Resource Center (ADRC) at the Human Services Center. Hardware is currently being wired and they don't anticipate any software problems. Staff are happy with the way things are going and they're working with an architect.

### **Ordinance 162-O-092: Modify The Transportation Fund 2007 Budget For Additional State And County Highway Maintenance**

Bolte said the good news is they're not requesting contingency funds. The bad news is the number of winter events that occurred in 2007, particularly December. Bolte said they have done a good job keeping roads clear for travel and they continue to strive for that. However, winter weather such as this has major implications on the budget. Crosswaite said they're asking for an additional \$885,000 for the highway fund budget. These expenses are being funded with \$90,000 in revenues from municipal salt sales and \$795,000 in State revenues. Crosswaite said revenues generated from the State basically help subsidize other expenses. Bolte said they did more work for the State than anticipated and these extra revenues would have been put into fund balance.

MOTION: Singert moved, second by Heinrich to approve Ordinance 162-O-092. Motion carried 5-0.

**Ordinance 162-O-093: Modify The 2008 Capital Budget To Create Project 200827 State Salt Shed And Appropriate WIDOT Funding**

Bolte said they're requesting a modification to the 2008 capital budget to provide funding authorization, and recognize a revenue, to construct an additional salt shed at the Highway Operations Center in Waukesha. Bolte said the State can choose to build a shed wherever it wants but it makes sense to build it near the trucks, near the brine making equipment, and where operational costs can be minimized. The State has a policy of making sure 100% of the salt storage is under cover for two reasons: one, they can buy salt cheaper at the beginning of the season and it helps if there's enough storage capacity and two, it probably reduces the State's anxiety with regards to deliveries and availability.

The State has provided the County with \$500,000 in funding to construct the additional shed. Sketches of the site with possible shed locations were distributed. County staff will decide how it should be built. Chladil said it is important certain components of the brine making equipment stay dry and this will be a consideration when choosing a type of building. Bolte estimated the cost of the shed would be in the \$350,000/ \$400,000 range but they won't know for sure until they get contractor prices. The \$500,000 also includes site work, mitigation work, etc. The State will own the shed and pay all maintenance costs. Bolte advised that no County tax dollars will be used.

MOTION: Singert moved, second by Heinrich to approve Ordinance 162-O-093. Motion carried 5-0.

**Update on the Second Shift Highway Operation**

Bolte said they hired three workers who are currently going through orientation and will start next Monday. The shift is from 7:00 p.m. to 3:30 a.m. Bolte said they have identified a number of duties these workers can perform at night when they're not plowing snow. These include guardrail work, right-of-way fence work, brine production, etc. Bolte advised they are available to respond to emergency calls on the state highway system anywhere in the county. Some limited pothole repair may also be done at night and the State has provided them lighting. Staff will first weigh the pros and cons.

**Review Brine Usage for Winter Road Maintenance vs. Rock Salt**

Bolte said the brine maker is in place which is distributed to the salt shops and loaded onto the trucks that have this capability. With brine, Bolte said his workers have indicated they can dial down their spreaders and get the same results.

To answer Rolfs' question, Bolte did not think there was any excess salt waste. If anything, he believes we could use more people to provide better service as their job is to provide safe winter roads. The users have an expectation and staff have a mission to meet that expectation. It may be unreasonable, but the users expect it. Rolfs believes when there is increased usage, there is waste. This morning he saw a County truck dumping salt onto a dry road. Bolte noted that even with what appears to be a dry road, there can be problems which he explained further. Bolte said the contract with the state simply does not reward or encourage salt conservation. Bolte said he's been trying to get a lump sum contract with the state for years, to no avail. Singert said when it comes to winter road maintenance, Waukesha does a lot more than other counties he's seen. Rolfs was concerned there is no incentive to reduce salt usage, not only due to cost but also for environmental reasons.

Haukohl noted that she gets complaints from constituents when the snow plows haven't gone through or that they don't use enough salt.

Hutton left the meeting at 10:30 a.m.

**Ordinance 162-O-095: Establish An Internal Service Fund For Health And Dental Insurance**

Cummings and Dahl discussed this ordinance as outlined which authorizes the establishment of a new internal service fund in 2009 to account for the County's self-insured health and dental plans and related activities, which are currently budgeted in the General Fund. In 2007, total premiums for the health insurance, benefit, including employee contributions, were about \$15.4 million. Dental insurance premiums were another \$1.1 million. The ordinance also authorizes the transfer of the insurance reserves from the General Fund into the new internal service fund.

Cummings said these costs will continue to be budgeted in each department. One of the benefits of establishing an internal service fund is its visibility. As with the General Fund, reserves for claims payments would be maintained and investment revenue accrued to the average balance. Cummings said they will have to double budget the health insurance expenditure/revenue numbers, but this format will save taxpayer's money in the end which he explained further. The 2009 internal service fund would include revenues for premiums charged to departments, employees and retirees, as well as investment income accruing to the reserve balances. Budgeted expenditures would include claims payments (including an actuarial estimate for incurred but not reported claims), plan administration fees and stop-loss insurance coverage. Based on recent experience, total budgeted revenues and expenses in the fund are expected to exceed \$17 million. Haukohl confirmed that this fund would be reviewed by the Finance Committee along with the other internal service funds

MOTION: Rolfs moved, second by Singert to approve Ordinance 162-O-095. Motion carried 4-0.

**Review and Discuss the Non-Departmental Fund (NDF) Internal Audit**

Haukohl said this was examined by the Executive Committee and they concurred with the report. Schubert, Cummings, and Dahl were present to review the five internal audit recommendations outlined in the report to improve the administration of the fund. These recommendations focus on adherence to the terms of the contract with the Waukesha County Historical Society; adherence with County policies regarding obtaining proper County Board approval for the release of funds, as specified in the approved budget; review and approval of invoices for payment; appropriate coding of expenditures; and reclassification of some of the expenditures from the NDF to operating departments. Overall, the audit determined that the funds are being administered as designed.

**Future Agenda Items**

Update on Health & Human Services IS Capital Projects (Haukohl)

MOTION: Singert moved, second by Heinrich to adjourn at 11:14 a.m. Motion carried 4-0.

Respectfully submitted,

Approved on: \_\_\_\_\_

Pamela Meyer  
Secretary