

Minutes of the Finance Committee

Wednesday, June 18, 2008

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl (Chair), Bill Zaborowski, Pamela Meyer, Jean Tortomasi, and Steve Wimmer. Jim Heinrich arrived at 8:33 and Rob Hutton arrived at 8:36. Hutton left at 10:00, returned at 10:18, and left for the remainder of the meeting at 10:45.

Also Present: Legislative Policy Advisor Mark Mader, Enterprise Operations Manager Andy Thelke, Accounting Services Manager Larry Dahl, Budget Manager Keith Swartz, Parks & Land Use Director Dale Shaver, Parks System Manager Duane Grimm, Executive Assistant Meghan Sprager, Employment Services Manager Sue Zastrow, Health & Human Services Director Peter Schuler, Land Resources Manager Perry Lindquist, and Labor Relations Manager Jim Richter. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 5-21 & 5-27

MOTION: Tortomasi moved, second by Meyer to approve the minutes of May 21. Motion carried 5-0.

MOTION: Tortomasi moved, second by Wimmer to approve the minutes of May 27. Motion carried 5-0.

Schedule Next Meeting Dates

Haukohl announced that the next Finance Committee meeting, scheduled for July 2, will start at 8:00 a.m. As a reminder, the July 30 meeting was rescheduled to August 6.

Heinrich arrived at 8:33 a.m.

Chair's Executive Committee Report of 6-16

Haukohl advised the June 2 Executive Committee meeting was cancelled. The following issues were discussed at the last Executive Committee meeting.

- Reviewed 2009 Community Development Block Grant (CDBG) applications. They received twice as many applications as available funding. A follow up report on the board's recommendations will occur in August.
- Approved the ordinance to establish the Aging & Disability Resource Center (ADRC) Board. It will consist of 13 members including one County Board Supervisor, Bill Zaborowski.
- There have been some delays with the transit audit and staff expect the report to be completed by August 1. The Committee also discussed the upcoming Information Systems network audit.
- Supervisor Wolff will bring forward an ordinance to restrict the scheduling and time allotment for presentations at County Board meetings.

Hutton arrived at 8:36 a.m.

Review Correspondence

Haukohl said Executive Committee correspondence from the last meeting is available for anyone interested. One was a letter from the State to the County regarding the sharing of the emergency management coordinator with Ozaukee County. Ozaukee no longer wants to share this position and the state would prefer each county have their own coordinator as well. We will look into keeping our current coordinator, Bill Stolte, as our solo coordinator.

Ordinance 163-O-014: Reallocation Of Interest Income To The Golf Course Fund

Dahl said up until now we haven't been returning investment income to the golf course fund. This would change that and involve the interest on a balance of about \$900,000. The prevailing rate would result in interest of about \$30,000 to \$40,000 per year. Dahl distributed copies of "Summary of Interest Allocations." The downside is that less money will go into the Treasurer's general investments. Reallocating the interest income will allow for operations, maintenance and capital investment and will allow user fee rates charges to be maintained at competitive levels, and continue to avoid any direct taxpayer subsidy in the golf course operations.

MOTION: Tortomasi moved, second by Hutton to approve Ordinance 163-O-014. Motion carried 7-0.

Ordinance 163-O-012: Discontinue Yearly Revenues Generated From Parks And Retzer Nature Center To Walter J. Tarmann Fund

Grimm said this ordinance discontinues the County's policy of transferring parks user fees and other non-tax levy revenues, which would exceed 30% of General Fund parks operations direct costs and 20% of Retzer Nature Center direct costs, to the Tarmann Parks and Open Space Land Acquisition Fund. The Tarmann Fund would be funded with landfill siting fees, land acquisition grants, investment income on cash balances and fund balance. Staff believe that these revenues are stable and sufficient to fund land acquisitions as planned for the foreseeable future. The current balance in the Tarmann Fund is about \$5.7 million.

Haukohl noted that the fund balance allocation to the bottom line is not new money. We're basically transferring revenues from one area to another because it is coming from the Tarmann Fund balance itself. At one time, new tax levy was added each year. We're not using tax levy anymore, we're using revenues. Meyer suggested that if there are any unspent funds that some be used for river corridors, etc.

MOTION: Hutton moved, second by Wimmer to approve Ordinance 163-O-012. Motion carried 7-0.

Ordinance 163-O-013: Agree To Waive Renegotiation Of Existing Agreements Affecting The Veolia Emerald Park Landfill And The Veolia Emerald Park Landfill Western Horizontal Expansion

Shaver gave background and history on this issue. This ordinance authorizes the County to waive its right to renegotiate the terms of a 1999 agreement with the Veolia Emerald Park Landfill in Muskego, allowing the current terms to apply to an expansion of that facility. This will result in the County and other affected municipalities continuing to receive the tonnage fee specified in the current agreement, escalated 5.2% annually. Last year, the County received \$363,187 from this

landfill. If the tonnage remains constant, this would increase to about \$382,100 at the rate effective January 1, 2008. Shaver distributed copies of an aerial map of the expansion area.

In addition, the ordinance grants a fee exemption to Veolia to compensate them for two errors they made favoring the affected municipalities of Waukesha and Racine County, the Cities of Muskego and Franklin, and the Town of Norway in the amount of \$239,852. The ordinance proposes to make Veolia whole for their errors by granting a one-time exemption of 61,031 tons of shredder fluff from the direct payment to municipalities. At the 2008 rate of \$3.93 per ton, this would provide a refund to Veolia in the amount of \$239,852, which is the combined total impact of their past errors. Waukesha County's portion of the reimbursement for the errors would be about \$36,000 since the County receives 15% of the direct fee payments. Veolia would have the option of taking the exemption immediately or over a period of years.

Shaver discussed other provisions of the agreement which include additional well tests by Veolia, paying for new wells if needed, sociological payments, etc. Shaver said, comparing this landfill agreement to others, this is a very good agreement. To answer Heinrich's questions, Shaver said the agreement is for the life of the expansion which is expected to be about 10 years.

MOTION: Heinrich moved, second by Wimmer to approve Ordinance 163-O-013. Motion carried 7-0.

Ordinance 163-O-019: Create One Position Of Criminal Justice Collaboration Coordinator And Abolish One Position Of Programs And Projects Analyst

Zastrow and Schuler were present to discuss this ordinance. Zastrow said when the Criminal Justice Collaborating Council was created, the County contracted with an individual to staff the council. After a couple of years we created a full-time County position – Programs & Projects Analyst – which included a sunset clause of December, 2008, at which time the position would be reviewed. The incumbent has left County employment. The council asked Human Resources to further review the position. They have concluded that they need someone with strong leadership skills and strong facilitating skills to do research on programs, etc. Therefore, a new spec for Criminal Justice Collaboration Coordinator was drafted at a higher level. If they are unable to find a candidate with this higher level of skills, they can underfill as a Programs and Projects Analyst and promote when appropriate. They are also removing the sunset clause. Schuler discussed program components and philosophy.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 163-O-019. Motion carried 7-0.

Hutton left the meeting at 10:00 a.m.

Presentation on the Materials Recycling Facility

Lindquist gave a PowerPoint presentation entitled "Waukesha County Recycling System and Capacity Study Final Report" which included information on MRF background and fund projections, capacity of existing MRF (limitations and potential for expansion), collection system trends (dual stream system vs. single stream system), future projections and options for the MRF, and key study findings and recommendations.

The County is the “responsible unit” for 25 of 37 communities in Waukesha County. It is a County-owned/private operated facility averaging 24,000 tons per year of recyclables with a 50% revenue share on material sales (\$1.38 million in 2007). Communities with contracts pay for collection and over the last eight years, \$5.3 million in dividends were given back to these communities. The MRF currently uses a dual stream system whereby paper is collected and processed separate from containers. Lindquist discussed 3-year MRF fund projection assumptions and said the 2012 project fund balance is expected to be \$14 million.

Lindquist discussed the economic analysis from the study report for single collection savings and how this would affect the current MRF which is set up for dual stream collections. Single stream collection would decrease personnel costs due to automation. The large cart allows every other week collection of recyclables, resulting in faster collection at households and higher rates of recycling. However, with the current dual stream facility, this would increase MRF labor and capital costs, increase residue level at the MRF, and potentially decrease quality of processed recyclables. There would be higher volumes to process, and an increased net cost per ton of processing. Nationwide, haulers are pushing for single stream collection to save money.

Hutton returned at 10:18 a.m.

The existing dual stream system at the MRF can handle future dual stream for the short term, however, the container processing line is over capacity, and tip floor space and baled storage space is not adequate. In addition, the current facility cannot be expanded on the current 2-acre site. It has become apparent that the County must expand or build a new MRF in the future. If a 1-acre site to the north is purchased, we could expand tipping and storage areas and add new processing equipment. The expanded MRF cost is about \$6.5 million plus the cost of acquiring the property. Operations will be affected during the expansion. However, this is not an ideal location for a regional MRF (Milwaukee & Wauwatosa). They will still have issues with truck traffic flow patterns. The two other options would be to build a new single stream MRF or send recyclables to a privately-owned processing facility.

Lindquist reviewed key findings of the study. Switching to single stream could save participating communities \$0.7 million per year in collection and disposal costs. Also, recycling tons increase considerably with a single stream system. Nationally, 25% of MRF’s have switched to single stream as this system has significant overall collection and operating advantages. The study strongly recommends a single stream system, primarily due to higher recycling rates, savings in trash disposal, and increased competition. Overall, the pros outweigh the cons. Projected 2010 net revenues from a regional single stream MRF are 14.5 times larger than converting the current program to single stream.

Lindquist discussed a possible MRF location in Wauwatosa. He went on to discuss single stream economic assumptions, recommended RFP process, County response, and major issues for a regional MRF. Tortomasi felt to “better keep our edge” we should keep the site in Waukesha County. Lindquist said the next steps are to coordinate community collection contracts. A consultant has been selected and community resolutions are in the works. They will continue to

review future options for the MRF including conversion to single stream system, explore possible new community partnerships, and update and gather input from local officials.

Hutton left the meeting at 10:45 a.m.

Swartz commented about risk with a regional center and decreased tonnage due to economical issues. Lindquist said there are risks either way: either the risk of a monopoly or economic risks. Meyer felt the possibility of a monopoly was a huge issue.

Ordinance 163-O-020: Ratification Of 2008-2009-2010 Wisconsin Professional Police Association Collective Bargaining Agreement

Richter said this ordinance ratifies the contract between the County and the deputy sheriffs. It includes some increases in health insurance deductibles, out of pocket maximums, and some prescription drug co-pays. The monthly uniform allowance will increase about \$50 per year. Across-the-board salary increases are as follows: 2% on 1-5-08, 1% on 7-5-08, 2% on 1-3-09, 1% on 7-5-09, 2% on 1-2-10, and 1% on 7-3-10. Effective 1-1-09, additional compensation of \$1.50 an hour will be given to employees when they are assigned to function as field training officers.

MOTION: Heinrich moved, second by Tortomasi to approve Ordinance 163-O-020. Motion carried 6-0.

Future Agenda Items

Discuss Interest Allocations (Haukohl)

MOTION: Heinrich moved, second by Wimmer to adjourn at 11:17 p.m. Motion carried 6-0.

Respectfully submitted,

Approved on: _____

Pamela Meyer
Secretary