

Minutes of the Finance Committee

Wednesday, October 8, 2008

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

Present: Supervisors Pat Haukohl (Chair), Bill Zaborowski, Jim Heinrich, Pamela Meyer, Jean Tortomasi, and Steve Wimmer. Rob Hutton arrived at 8:31 a.m. and left at 11:58 a.m. Wimmer left the meeting at 1:57 p.m.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Ann Olson, Building Operations Manager Mark Keckeisen, Administration Director Norm Cummings, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Senior Financial Analyst Clara Daniels, Senior Financial Analyst Bill Duckwitz, Collections & Business Services Manager Sean Sander, Accounting Services Manager Larry Dahl, Information Systems Manager Mike Biagioli, Risk/ Purchasing Manager Laura Stauffer, Senior Financial Analyst Linda Hein, Employee Benefits Specialist Pete Hans, and Treasurer Pam Reeves. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of September 17, 2008

MOTION: Tortomasi moved, second by Wimmer to approve the minutes of September 17. Motion carried 6-0.

Hutton arrived at 8:31 a.m.

Executive Committee Report of October 6, 2008

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Reviewed UW-Extension, Federated Library, Community Development Block Grant, and the Non-Departmental budgets.
- Approved parameters for the Information Systems network operations audit.
- Approved the list of In-Rem properties to be sold for less than \$5000.
- Went on a capital projects tour.

Review Correspondence

Haukohl said the Virchow Krause report entitled "Waukesha County Report on Federal and State Awards for the Year Ended December 31, 2007" is now available and copies will be given to the committee. She said there were a couple minor findings but did not think it needed to be agendaized. However, if anyone felt it should be on a future agenda, they should contact her or Mary in the County Board Office.

Contract Procurement Process for Camera & Card Access Security Equipment Services

Keckeisen advised the contract was awarded to Innovative Systems, the highest rated proposer, for a total contract cost of \$120,000 for three years. The budgeted amount was \$40,000 (approximate) for the first year. A total of three vendors submitted RFP's for consideration.

MOTION: Hutton moved, second by Heinrich to approve the contract procurement process for camera and card access security equipment services. Motion carried 7-0.

Review Five-Year Budget Projections and 2009 Cost to Continue

Cummings distributed “Five Year Financial Forecast: 2009-2013.” Cummings said this report was completed in May and some projections have changed, particularly due to the current economic environment. Cummings reviewed long term strategic planning under fiscal constraint which included identifying core services, prioritizing programs and services, reduced federal/state revenues which are not keeping up with inflationary costs (especially federal funds), and investing for future payoffs.

Cummings explained the forecast environment which included no growth in state revenues; increased cost of vehicle fuel and utilities; personnel compensation costs increasing 4%; budget year property tax base value growth of 2.1% in 2009, 6% in 2010 (Cummings thinks is too high), and 7% in 2011-2013; continuation of existing services, programs, and personnel; capital projects plan, debt service plan reflect impact of 2008 reduced borrowing of \$10 million vs. budget of \$12 million and assumes borrowing \$10 million in 2009 and 2010; and growing levy funding over five years.

Cummings reviewed revenue and expenditure projections for the five-year forecast which shows an overall funding shortfall (gap) by 2013 of \$16.6 million. Major revenue sources are either frozen or are decreasing. These include Long Term Care, Autism, BCA, Youth Aids, Transportation Aids, Mental Health Center fees, DD SSI, and Child Support. The top three hardest hit areas will be Justice and Public Safety, Health & Human Services, and Public Works.

Cummings said it will important to close the gap while meeting needs. This includes budget savings from 12 unfunded positions to control position cost increases; addressing jail capacity issues - \$200,000 for potential use of out-of-county jails and \$185,000 to offset reduced federal prisoner revenue to free-up capacity; and investing for future reductions in projected gap – green initiatives and energy conservation, and transit alternatives initiative (meet needs at lower cost). Haukohl asked how the \$3.2 million gap for 2009 was closed. Cummings replied levy increases, program reductions in Human Services, and efficiencies including unfilled positions.

Zaborowski mentioned that he may propose, for the 2010 budget, privatizing the County’s golf courses whereby this was discussed briefly. Haukohl suggested he talk with Sander and Cummings further as a study was done on this. The study indicated privatization would not be in the financial interest of the County.

Discuss and Consider the 2009 Operating Budget for the Department of Administration (Includes End User Operations & Technology Fund)

Cummings and staff were present to discuss the proposed 2009 operating budget as outlined in the budget book and their PowerPoint presentation. Total all funds, department-wide, revenues are budgeted at \$10,539,443, an increase of 3.0% or \$307,359 from the 2008 budget; the County tax levy is budgeted at \$5,370,345, a decrease of 6.1% or \$350,340; and expenditures are budgeted at \$16,004,788, an increase of \$19,032 or 0.1%. The positions summary showed a

decrease of 4.03 for a total of 98.56 FTE positions. Cummings and staff went on to review the financial summaries, program highlights, and activities.

Hutton left the meeting at 11:58 a.m.

MOTION: Tortomasi moved, second by Wimmer to tentatively approve the 2009 operating budget for the Department of Administration. Motion carried 6-0.

Fund Transfer 08-034000-1: County Board (Internal Audit) – Transfer Funds from Personnel Expenses to Operating Expenses

Schubert discussed the fund transfer as outlined which involves transferring \$78,900. She advised that \$75,000 is for the transit audit and \$3,900 is for new software to replace Lotus Notes. Schubert said the software will run off the main network so we can get rid of an old server. This will result in a savings of about \$4,000 to \$5,000 per year starting in 2010.

MOTION: Heinrich moved, second by Zaborowski to approve fund transfer 08-034000-1. Motion carried 6-0.

The committee recessed at 12:10 p.m. and reconvened at 1:02 p.m.

2009 Budget Overview

Swartz referred to the summary section of the budget book and said the County tax levy in 2009 will be \$503 on an average home value of \$281,100. This tax increase represents a \$3 or 0.5% increase over last year. The ten-year average increase (tax levy), is 1.3%. The 2009 total net expenditure budget is \$256,390,398. This reflects a 0.1% increase after eliminating interdepartmental chargeback transactions, included in gross expenditures to conform with GAAP, but in effect result in double budgeting. Revenues are down \$4.6 million from \$150 million last year and fund balance is up \$14.6 million. Swartz went on to highlight the 2009 Budget Summary by Functional Area by Agency. He pointed out that in 2004 the tax levy for Justice and Public Safety and Human Services was 56% of the budget and in 2009 this will total 64% of the budget. Swartz said one way they solved the budget gap was with personnel cost-to-continue. This would have been over \$3 million but they got that down to \$2.2 million due to reducing unfunded positions – about 12 FTE positions totaling about \$815,000. Swartz encouraged the committee to read the 2009 expenditure and revenue highlights. He advised the total number of FTE positions in the County is 1,528.92, a decrease of 14.13 from 2008.

Witkowski went on to review the stats/trends section of the budget book. She noted that 42.7% of the levy is used for mandated services and this has been increasing over the last five years. The 2008 population of Waukesha County was up 0.29% from 2007 for a total of 382,697 residents. The 2008 equalized property value (excluding TID's) was \$52,055,313,050, an increase of 2.16%. The proposed 2008 levy rate was \$1.78. The rate had decreased for 18 consecutive years but is proposed to increase to \$1.79 for 2009 mainly due to the slowest growth in property values in 22 years. Waukesha County's property tax rate is ranked 70th of 72 counties (for 2008 budget) – the 3rd lowest in the state. Witkowski advised that the property tax levy per capita is actually going down if we adjust for inflation – we're down to \$1.14 for 2008. The outstanding debt per capita, for 2008, is \$205 which is the same as 2007. For debt

service as a percent of operating expenditures, we have a goal of less 10%. The 2008 estimate is 6.43%.

Payment of Special Assessments and Tax Certificates Issue

Reeves referred to her handout entitled “History of Tax Certificates Issued” and “Delinquent Special Assessments Paid to Municipalities.” For 2008, a total of \$990,152.98 was paid to municipalities for delinquent special assessments. This compares to \$950,478.62 paid out in 2007. In 2007, 3,326 tax certificates were issued totaling \$9,762,678.34. This compares to 2,662 tax certificates issued in 2006 totaling \$7,619,628.47.

Discuss and Consider the 2009 Operating Budget for the Treasurer’s Office

Reeves reviewed her budget as outlined in the proposed 2009 budget book. Both revenues and expenditures are each budgeted at \$654,113, a decrease of \$41,861 or 6.0% from the 2008 budget. The County tax levy is budgeted at -\$7,556,440, a decrease of \$62,977 or 0.8. The number of positions remain unchanged from 2008 for a total of 6.04 FTE positions.

Wimmer left the meeting at 1:57 p.m.

Reeves went on to review the financial summary, program highlights, and activities.

MOTION: Heinrich moved, second by Tortomasi to tentatively approve the 2009 operating budget for the Treasurer’s Office. Motion carried 5-0.

MOTION: Tortomasi moved, second by Heinrich to adjourn at 2:18 p.m. Motion carried 5-0.

Respectfully submitted,

Approved on: _____

Pamela Meyer
Secretary