

Minutes of the Finance Committee

Wednesday, July 21, 2010

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

Present: Supervisors Pat Haukohl (Chair), Bill Zaborowski, Dave Falstad, Ted Rolfs, and Jim Heinrich. **Absent:** Rob Hutton and Pamela Meyer.

Also Present: Chief of Staff Mark Mader, Parks & Land Use Director Dale Shaver, Enterprise Operations Manager Andy Thelke, Expo Center Manager Terry Adlam, Budget Manager Keith Swartz, Administration Director Norm Cummings, Clinical Services Manager Mike DeMares, Human Resources Manager Jim Richter, Community Development Coordinator Glen Lewinski, and Legislative Associate Mary Pedersen.

Exposition Center Overview

Thelke and Adlam gave an overview of the Expo Center including expenditures and revenues, Expo Center free use, and marketing. The Center consists of 165 acres with 40,000 square feet of exhibit space and 1,600 parking stalls. The Arena has 21,000 square feet of meeting and exhibit space. The Forum Complex has a combined square footage of 22,500 and consists of three halls. The Forum provides space for banquets, corporate seminars, mass vaccinations, public hearings, animal training, senior meal preparation, etc. There are over 135 acres of outdoor space for events such as the Waukesha County Fair, horse and dog shows, the Highland Games, concerts, car shows, tractor pulls, a haunted house, etc. The barns are used for the County Fair, horse shows, haunted houses, etc. There is a horse complex and camper rail also used during the County Fair and other shows.

Adlam noted that ethnic weddings are a big business which brings in around 600 to 1,000 people each, often from the Milwaukee area. She noted that many festivals are losing money due to the economy and some are going out of business. In turn, revenues for the County from beverage sales have gone down and the County Fair is a key source for these revenues. Thelke said the overall number of concerts and car shows held at the Expo have decreased in the last few years as well. He indicated that horse shows are becoming a smaller portion of their business. Adlam said the number of horse shows each year have decreased from 10 to 12 paying shows to about four, primarily because we don't have enough stalls nor are there covered rings. These shows are only marginally profitable and will probably go away altogether in the future. To add the necessary improvements would be a "mammoth" investment.

Thelke indicated Expo Center expenditures in 2005 were \$784,000 and because this was still an enterprise operation, it included depreciation expenses. Revenues in 2005 were \$607,000. In 2006, the Expo Center was converted to a general fund operation and expenditures were \$676,000 while revenues were \$679,000. Expenditures in 2009 were \$662,000 while revenues were \$565,000. Thelke advised revenues are down in most areas and while the Expo is still busy, we are missing some of the larger corporate events and venues such as The Taste of Summer. Adlam said once the economy recovers it will probably take another couple of years before business rebounds. Thelke went on to review 2009 revenues by event type. Entertainment brought in \$137,900; consumer

sales - \$137,400; hobby shows - \$86,500; meetings - \$65,700; tradeshow - \$49,800; grounds events - \$29,200; religious - \$22,300; banquets - \$12,800; fundraisers - \$10,900; weddings - \$7,000; and miscellaneous income - \$6,300. While the dollar values have changed over time, the make up of the revenues has not changed much.

Thelke spoke of free use events for programs such as 4-H. In 2009, free use events had a value of about \$140,000. Adlam said they will look into free use in the future. Besides lost revenues, there are expenses such as overhead and labor to set up and tear down for these events. Haukohl felt this loss of revenue combined with added expenses should be looked into whereby Adlam and Shaver concurred. Cummings said a recommendation should be made on free use next year some time. Thelke noted that 71% of free use is by 4-H.

Thelke said the marketing approach includes retaining and increasing customers, supporting the business community, and building referrals. Adlam advised she is on the Board of the Waukesha/Pewaukee Convention and Visitor Bureau and works closely with them. This is especially beneficial for advertising. She noted the Internet has helped business quite a bit and will be key in the future. Haukohl asked Adlam if they have worked with the Waukesha County Economic Development Corporation (WCEDC) for business connections, etc. Adlam advised that she participated in some listening sessions and plans to initiate contact with them in the next year or so. Adlam spoke of other area facilities such as the Country Springs for events such as weekday meetings. She said we cannot compete with them and that isn't who we are or what we do. Shaver noted that the program which allows Huber inmates to do maintenance-type work at the Expo Center and other County facilities has expanded and is working very well.

History of the County's Relationship with the Workforce Development Center

Cummings distributed copies of newspaper articles from 1994 entitled "Ground broken for job center – County ready with system to develop workforce," and "Job center may be emulated by others, state official says." Cummings advised the Workforce Development Center opened in 1995. It was financed with a \$500,000 contribution from the County and a \$500,000 contribution from WCTC. The rest, about \$1 million, was financed with a 10-year loan, structured so that by the end of the term, the mortgage would be satisfied and the \$4 per square foot cost would cease. Cummings said the Center is a "one-stop shopping place" for the unemployed. The three major lease holders are the County, the State, and WCTC. The Center houses a number of programs such as economic assistance, W-2, the Private Industry Council, job training (non-profit and for-profit agencies), and WCEDC.

Ordinance 165-O-033: Approve Five-Year Lease Extension At The Workforce Development Center

Cummings reviewed this ordinance which involves extending a 5-year lease between Waukesha County and the Waukesha County Technical College (WCTC) Foundation for the Workforce Development Center (WDC) on WCTC grounds. The lease includes payments of operating costs currently at \$5.76 per square foot in 2010 and will be adjusted annually in proportion to the increases or decreases in the Consumer Price Index (CPI). Similar to the current lease, an additional \$0.55 per square foot per annum will be added to operating costs for a sinking fund to be used for capital improvements and maintenance and will not be subject to the CPI adjustment. Beginning in 2011, the County must pay an additional \$1.46 per square foot for each year (\$6,236)

for the term of the agreement to WCTC Foundation, Inc. as a management fee. This fee is not subject to any CPI adjustments. Assuming a CPI increase of 2.5% for 2011, the rent is estimated to increase from \$26,929 in 2010 to \$33,784 in 2011. The Health & Human Services Economic Support Program, which uses office space at the WDC, receives a 50% federal match for program costs. Therefore, half of the rent increase (\$3,427) would be paid with federal funding.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 165-O-033. Motion carried 5-0.

Ordinance 165-O-034: Ordinance To Appropriate Additional Funding From The State Of Wisconsin To Provide Federal Financial Participation Matching Funds For Medicaid Covered Services Programs

DeMares discussed this ordinance which involves accepting State funds to provide federal financial matching funds for Medicaid covered services totaling \$169,313. The matching of funds allows tax levy budgeted for the 2010 adopted budget to be used in other Health & Human Services areas. DeMares advised that \$60,000 will be used to enhance Mental Health programming for peer support and crisis intervention. The remaining \$109,313 will be used to partially offset state revenue reductions from the budgeted 2010 Community Aids/Basic County Allocation of \$63,751 and Wisconsin Medicaid Cost Report reimbursement of \$45,562.

MOTION: Falstad moved, second by Heinrich to approve Ordinance 165-O-034. Motion carried 5-0.

Ordinance 165-O-035: Ratification Of The 2010 – 2011 AFSCME Master Collective Bargaining Agreement

Richter was present to explain this ordinance which included changes to the contract language and personnel policy, employee benefits, and classification and compensation. This ordinance covers about 425 employees in the County's largest bargaining unit. A voluntary settlement was made between the County and the Union and was subsequently voted on and approved by the employees.

Upon approval of this ordinance, effective 1/1/2011, the Point of Service Health Plan will be modified as follows: increase out-of-network deductible from \$200 single/\$600 family to \$450 single/\$1,350 family; modify the prescription drug co pay from \$10/\$15-\$25-\$100 to \$10-\$25-\$40-\$100; an across-the-board increase of 1% will be applied to the 2009 rates of pay effective 1/2/10 and 1% will be applied to the 2010 rates of pay effective 1/1/11. Other changes affect the funeral leave provision, sick leave language, leave by union officials for union training, and Building Service Worker I and II positions.

The net County costs for the wage increases will result in an additional \$180,937 for 2010 and \$196,118 for 2011. The changes in the prescription costs will result in a savings of about 2% on the health plan.

Zaborowski was concerned with the salary increases, along with other County benefits, given the current economic environment. Richter felt the salary increases were reasonable given many factors which he explained in detail. Rolfs believes employees should contribute more towards their health insurance.

MOTION: Rolfs moved, second by Heinrich to approve Ordinance 165-O-035. Motion carried 4-1. Zaborowski voted no.

Ordinance 165-O-032: Modify The 2010 Budget To Appropriate Additional U.S. Department Of Housing And Urban Development Community Development Block Grant Program And Special Activity Program Funds

Lewinski discussed this ordinance to accept and appropriate an additional \$118,714 in federal funds and be allowed to appropriate \$2,990 of Community Development Block Grant designated fund balance. The funds will be used for sub-grantee training session costs and to cover the following recommended program allocations: up to \$40,000 for Hebron House reconstruction, \$25,000 to the Community Medical Center, and \$20,000 to Lutheran Social Service for Birth to Three and Childcare for Children with Special Needs programming. The balance of \$13,714 will remain unallocated.

MOTION: Rolfs moved, second by Zaborowski to approve Ordinance 165-O-032. Motion carried 5-0.

Approve Minutes of 7-7-10

MOTION: Falstad moved, second by Heinrich to approve the minutes of July 7. Motion carried 5-0.

Schedule Next Meeting Dates

- August 4 & 18 (Rolfs advised he could not attend on the 18th).

Chair's Executive Committee Report of 7-19-10

Haukohl highlighted the last Executive Committee meeting.

- Approved the location for the new Health & Human Services building.
- Heard an update on information technology projects.
- Approved various ordinances and appointments that were included in the last set of referrals.

MOTION: Falstad moved, second by Zaborowski to adjourn at 10:32 a.m. Motion carried 5-0.

Respectfully submitted,

Pamela Meyer
Secretary