

Waukesha County Board of Supervisors

Minutes of the Finance Committee Wednesday, September 20, 2023

Chair Heinrich called the meeting to order at 8:15 a.m.

Present: Supervisors Jim Heinrich, Larry Bangs, James Batzko, Darryl Enriquez, Joel Gaughan, Richard Morris, and Gary Szpara

Also Present: Chief of Staff Sarah Spaeth, Administrative Specialist Barbara Hollander, Chairman Paul Decker, Senior Landscape Architect Nicki Jensen, Park System Manager Steve Brunner, Director of Public Works Allison Bussler, Senior Civil Engineer Ed Hinrichs, Senior Civil Engineer Kevin Yanny, Departmental Executive Assistant Ashley Fischer, County Clerk Meg Wartman, Information Technology Manager Lance Spranger, Principal Information Technology Professional John Gorski, PMO Manager John Hinchey, Director of Administration Andy Thelke, Human Resources Manager Renee Gage, Principal Human Resources Analyst Whitney Ruiz, Collections Supervisor Michele Gallun, Principal Financial Analyst Linda Hein, Budget Manager Bill Duckwitz, Accounting Services Manager Danielle Igielski, Financial Analyst Britan Smith

Approve Minutes of August 16

MOTION: Gaughan moved, second by Bangs to approve the minutes of August 16. Motion carried 7-0

Next Meeting Date

October 4

Announcements

Heinrich highlighted the recent Wisconsin Counties Association conference.

Discuss and Consider Ordinance 178-O-042 Authorize The Waukesha County Department Of Parks And Land Use To Accept Cash Donation From The Friends Of Retzer Nature Center And Modify The Department's 2023 Budget To Appropriate Expenditures

Jensen presented that this ordinance authorizes the Department of Parks and Land Use to accept a \$30,000 cash donation from the Friends of Retzer Nature Center for the specific purpose of making facility improvements, including the purchase of furniture and materials for the Citizen Science Learning Lab at the Retzer Nature Center. This ordinance also authorizes modification of the Department's 2023 budget to appropriate expenditures.

MOTION: Szpara moved, second by Batzko to approve Ordinance 178-O-042. Motion carried 7-0

Discuss and Consider Ordinance 178-O-045 Authorize Department Of Parks And Land Use To Apply For And Accept Grant Funding From The State Of Wisconsin Department Of Transportation's Federal Transportation Alternative Grant Program For The New Berlin Trail Rehabilitation Project

Brunner presented that this ordinance authorizes the Department of Parks and Land Use to apply for and accept grant funding through the State of Wisconsin Department of Transportation's Federal Transportation Alternative Program (TAP) for the New Berlin Trail Rehabilitation project. The project was

updated to include \$787,000 for the rehabilitation of 1.0 mile of pavement on the New Berlin Trail. TAP grant revenue is anticipated to cover 80% of the increased cost.

MOTION: Morris moved, second by Enriquez to approve Ordinance 178-O-045. Motion carried 7-0

Discuss and Consider the following Capital Projects:

Ice Arena Facility Improvement Plan (Item 40)

Brunner was present to discuss the above-listed capital project as outlined in the 2024-2028 Capital Projects Plan. No major concerns were voiced.

MOTION: Gaughan moved, second by Enriquez to recommend approval of the above-listed capital project to the Executive Committee. Motion carried 7-0

CTH F at Busse Road (Item 27)

CTH D at Sunnyslope Road (Item 28)

CTH ES STH 164 to CTH U (Item 30)

Bussler, Yanny and Hinrichs were present to discuss the above-listed capital projects as outlined in the 2024-2028 Capital Projects Plan. No major concerns were voiced.

MOTION: Morris moved, second by Enriquez to recommend approval of the above-listed capital projects to the Executive Committee. Motion carried 7-0

Election System Replacement (Item 45)

Wartman and Gorski were present to discuss the above-listed capital project as outlined in the 2024-2028 Capital Projects Plan. No major concerns were voiced.

MOTION: Bangs moved, second by Batzko to recommend approval of the above-listed capital project to the Executive Committee. Motion carried 7-0

Discuss and Consider Ordinance 178-O-050 Modify the 2023 Waukesha County Budget and Approve Modifications to Compensation and Benefit Structures for Non-Represented Employees

Thelke and Gage presented that this ordinance approves modifications to compensation and benefits for employees to maintain market competitiveness identified in the County's 2023 Compensation Study, and modifies the 2023 Waukesha County budget. It is expected that many departments will have no issues making their 2023 budgets with these changes because of high turnover levels in 2023. The ordinance does include an appropriation of \$291,000 of American Rescue Plan Act (ARPA) funds in 2023, and authorizes DOA to transfer up to that amount if it is needed by departments.

Gage highlighted the modifications to the compensation structure and policies as follows:

- I. Modify the Base Performance Award policy by increasing the maximum performance award levels by one percentage (1%) point.
- II. Modify the Non-Base Performance Award policy by increasing the maximum performance award level by one percentage (1%) point for employees at the maximum of the range.
- III. Modify the Base and Non-Base Performance Award policy to allow Effective performance rated employees to be eligible for Base and Non-Base Performance Awards.

- IV. Modify the performance award policy to provide competency-based merit increases for Telecommunicators during a training period until full competency has been attained.
- V. Modify the job classification range assignments for open salary and step salary ranges as listed in the ordinance effective October 21, 2023.

Other changes included the insurance effective date for new employees, adding Martin Luther King Day as a County-recognized paid holiday, adding an additional floating holiday, vacation policy changes to allow for pro-rated vacation days in the first year of hire, exceptions for advanced placement into the vacation accrual schedule based on prior work experience, hours of allowed compensatory time accrual, shift premiums for Psychiatric Technicians, and a salary range adjustment of 3% to be applied to the non-represented, seasonal and temporary 2023 salary ranges.

Gaughan voiced his concern about using ARPA money for ongoing expenses. Thelke explained that ARPA funds are eligible to be used for this purpose. The county received a \$3.4 million increase in shared revenue, which could be used for this purpose this year, but it is not recommended. If ARPA funding is used for capital project commitments, it has to be used by the end of 2026. We want to use it as soon as possible and make sure we have expended those dollars. That is the main reason. With putting shared revenue into the capital plan, if it is not used immediately, it lapses to fund balance, which allows us to use that over the full five-year period. It gives us that flexibility as we're dealing with our debt service and our capital project funding. As we go into 2025, that downpayment is no longer needed, so shared revenue becomes available in the operating budget, and we continue on with our operations fully funded using shared revenue. Thelke will provide this explanation to Spaeth for distribution to board members.

In answering Szpara's question, Gage said that floating holiday time is treated like vacation time for employees that terminate employment. However, if the employee leaves before distribution of floating holidays on February 1 and June 1, they do not get paid the non-earned floating holiday. Thelke said floating holidays are treated like vacation time because of the county's conservative vacation allowance.

Regarding the advanced placement in the vacation accrual schedule based upon prior related work experience for difficult-to-recruit and difficult-to-retain qualified candidates, Bangs said that three weeks is very generous for a new hire regardless of position. Thelke said this is an exception policy that we would be using based on their years of experience they bring to the job for those difficult-to-recruit positions. Applicants may take the job knowing they are losing vacation time, but the county may have to increase their compensation more than we would like. This policy is for higher level manager and director positions when they come to the county with extensive experience. Szpara said we should accommodate for these positions.

Heinrich asked why the change in vacation accrual applies to represented employees, and why the represented employees are not bargaining for this benefit. Gage said that administratively, it is easier for the Human Resources team because their systems are very manual. With all of the recruitment, retention and hiring, it is one more thing to track. Gage added that this is a benefit for new employees. The bargaining members are all senior employees and this benefit has no value to them. Thelke said unions are looking to maximize the compensation for longer term employees, and this benefit is to make employment at the county desirable from a recruitment standpoint, and that includes the Sheriff's Department.

Thelke summarized the fiscal note for each change/recommendation.

In response to Bangs request, Spaeth will provide a copy of last year's report showing the percentage of employees at the Effective rating and above.

Enriquez voiced his concern over the amount of work involved by staff with implementing the new salary adjustments, and the questions from managers. Thelke responded that the county is investing in a new HCM system that should be able to provide the tools to keep more current with these items, and allow for faster responses to questions. Gage responded that they have already been communicating with managers, there is data on the county's intranet site, and there will be a communication going out after next week's board meeting. Any of the employees affected by the change will receive individual letters from HR by October 20 letting them know we care about them; we're making adjustments and changes and exactly what they are.

Heinrich voiced his concern with ARPA funds being used for operations.

MOTION: Gaughan moved, second by Enriquez to approve Ordinance 178-O-050. Motion carried 6-1 (Heinrich voted no)

Annual Report on County Equalized Property Values and TID Update

Thelke discussed his handouts on changes in equalized values by class and item, net new construction, equalized values reduced by TID value increments, and TID value increments per municipality. Thelke indicated net new construction for 2023 is 1.79%. Thelke explained how tax incremental districts affect equalized property values.

MOTION: Szpara moved, second by Bangs to accept the annual report on County equalized property values and TID update. Motion carried 7-0

Collections Report for Six Months Ended

Thelke and Gallun were present to discuss their report titled "Collections Division Delinquent Collections/Referrals Analysis: 2023 Six Month Report." Gallun said total collections during the first six months decreased 2.6% from 2022 and 0.4% from 2021. Tax intercept collections totaled \$1,259,146 through 6/30/2023 versus \$1,588,758 through June 30, 2022. A total of 4,567 tax intercept payments were received in 2023 versus 3,695 in 2022. Collections in the first six months totaled \$2,741,202 and the total amount retained by the County was \$1,525,092.

MOTION: Batzko moved, second by Enriquez to accept the collections report for six months ended. Motion carried 7-0

Proprietary Funds Report for Six Months Ended

Hein and Smith were present to discuss the County's enterprise and internal service funds as outlined in their report. Hein said those funds that showed a net loss at the end of six months in 2023 were the Naga-Waukee Ice Arena (-\$33,490); Materials Recycling (-\$280,352); Airport (-\$195,552); and Vehicle/Equipment Replacement (-\$1,155,258). Those funds that showed a net income were the Naga-Waukee Golf Course (\$142,621); Moor Downs Golf Course (\$85,234); Eble Park Ice Arena (\$32,282); Central Fleet (\$30,452); Radio Services (\$140,435); Risk Management/Workers Compensation

(\$1,130,806); Collections (\$59,425); End User Technology (\$3,926,895); and Health Insurance (\$2,369,542).

MOTION: Szpara moved, second by Batzko to accept the Proprietary Funds report for six months ended. Motion carried 7-0

General Funds and Special Revenue Funds Report for Six Months Ended

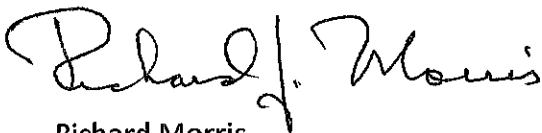
Duckwitz highlighted the General Funds report and said for the first six months of 2023, total General Fund expenditures were at about \$91.5 million or 43.9% of the total modified expenditure budget versus expenditures for the same period in 2022 at \$87.2 million or about 46.8% of total 2022 actual expenditures. In 2023, for the first six months, expenditures are higher than the prior year by about \$4,291,600 or 4.9%. Operating revenues achieved during the first six months of 2023 are at \$41.7 million or about 36.8% of the modified revenue budget versus about \$43.4 million for the first six months of 2022 or approximately 41.7% of total 2022 revenues. In 2023, for the first six months, revenues are about \$1,716,300 or 4.0% lower than at the same time in 2022. Overall year-end results are projected to be favorable (revenues exceeding expenditures) by about \$5.8 million, or 2.8% of the \$208.2 million expenditure budget. Duckwitz went on to highlight each department/fund as outlined.

For Special Revenue Funds, as of the first six months, all funds are projected to finish the year with overall favorable or break-even results. Departments likely to require budget action (e.g., funds transfers between appropriations or ordinances appropriating additional expenditure authority) include Health and Human Services – ADRC Contract Fund. Duckwitz went on to highlight each department/fund as outlined.

MOTION: Gaughan moved, second by Morris to accept the General and Special Revenue funds report for six months ended. Motion carried 7-0

MOTION: Batzko moved, second by Szpara to adjourn at 11:06 a.m. Motion carried 7-0

Respectfully submitted,



Richard Morris
Secretary – Finance Committee