

## **Minutes of the Finance Committee**

**Wednesday, February 19, 2020**

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

**Present:** Supervisors Duane Paulson, Tom Michalski, Tim Dondlinger, Richard Morris, and Ted Wysocki. **Absent:** Jim Heinrich (Chair), and Tyler Foti.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Park System Manager Steve Brunner, Human Resources Manager Renee Gage, Baker Tilly Partner Andrea Jansen, Accounting Services Manager Danielle Igielski, Transit Manager Brian Engelking, Public Works Director Allison Bussler, Highway Operations Manager Bob Rauchle, Business Manager Rhiannon Cupkie, Principal Financial Projects Analyst Bob Ries, Accounting Services Manager Lisa Davis, Administration Director Andy Thelke, Budget Management Specialist Bill Duckwitz, Park System Manager Rebecca Mattano, Budget Manager Linda Witkowski, Corporation Counsel Erik Weidig, Risk/Purchasing Manager Laura Stauffer, County Board Chair Paul Decker, Citizen Michael Starich, Attorney Nick Kotsonis, Wisconsin Coach Lines President Tom Dieckelman, Health & Human Services Director Antwayne Robertson, Baird Director Justin Fischer, Senior Financial Analysts Stephanie Kirby and Clara Daniels, and Senior Human Resources Analyst Jane Barwick.

### **Approve Minutes of January 22**

MOTION: Wysocki moved, second by Dondlinger to approve the minutes of January 22. Motion carried 5-0.

### **Next Meeting Date**

- March 18

### **Chair's Executive Committee Report of February 17**

Mader and Paulson covered the 2019 audit report of the Waukesha Employee Health and Wellness Center.

### **Update on Wanaki Lease RFP Process**

Brunner gave an update on the request for proposal (RFP) process to lease Wanaki Golf Course. The RFP committee rejected the proposal that was received and the potential sale of the golf course was discussed as the next step.

### **Contract Procurement Process for Benefits Consultation Services**

Gage indicated this three-year contract for benefits consultation services was awarded to HNI Risk Services, the highest rated proposer, for a total contract cost of \$180,000. The first-year budgeted amount is \$70,000 and the first-year contract cost is \$60,000. Seven contractors submitted proposals for consideration.

MOTION: Wysocki moved, second by Michalski to approve the contract procurement process for benefits consultation services. Motion carried 5-0.

### **Audit Planning Report by Baker Tilly**

Jansen and Igielski were present to discuss this item as outlined in the Baker Tilly handout which included information on auditing standards, audit phases, communications, and timeline.

Jansen noted the County has not had any material weaknesses in their financial statements for many years. The primary reason for an external audit is to issue an opinion as to whether the County's financial statements can be relied upon by outside users. The Comprehensive Annual Financial Report (CAFR) should be released in June or July. Jansen further explained review of controls pertaining to departments, and GASB 84 and 88 pertaining to debt disclosure obligations.

### **Year-End Report on Investments**

Ries reviewed this report including the highlights, investment yield, investment revenue, average daily balance, average investment rates, and investment portfolios. The total return for the quarter was up four basis points from the last quarter, at 0.61%. For the year ending December 31, 2019, County investments returned 2.35%. Total interest earnings for the quarter were \$939,058, down \$252,988 from the 3rd quarter, due to a decrease in average invested balances of \$54.8 million compared to the previous quarter, consistent with the County's normal cash flow trend. A \$57,019 increase in realized gains on the sale of securities as compared to the 3rd quarter, as well as a one-time gain of \$64,250 on US Treasury Inflation Protected securities to correct an error in the County's investment software program helped offset the impact of the decreased investment balances. Interest income is also up \$204,186 from the 4th quarter of 2018. Total County investment balances at the end of the 4th quarter was \$153,181,532.

MOTION: Dondlinger moved, second by Wysocki to accept the Year-End Investments Report. Motion carried 5-0.

### **Annual Report on Interest Allocations**

Ries reviewed this report titled "Summary of Current Interest Allocations" which included information on the County fund to which the funds are allocated, how it was authorized, and rationale. He went on to review "Analysis of Investment Income and Allocations – Fiscal Year 2019" which included fund allocation totals per quarter.

MOTION: Dondlinger moved, second by Wysocki accept the annual report on interest allocations. Motion carried 5-0.

### **Ordinance 174-O-088: Modify The 2019 Transportation Fund Budget For Additional Transit Expenses And State Highway Operations Expenses**

Bussler, Rauchle, Cupkie, and Engelking were present to discuss this ordinance which modifies the 2019 Transportation Fund budget by increasing operating expenditure appropriations in the Transit program by \$120,000 and increasing interdepartmental revenues by \$49,000 and charges for services revenue by \$71,000. The County's Transit program is provided through third-party contracts and is administered by the City of Waukesha (Waukesha Metro). Federal and state funding provided through the Wisconsin Department of Transportation (WisDOT) covers a specific percentage of transit costs. Farebox revenues paid by riders also fund the program. Waukesha Metro bills the County for net Transit costs ("local share"), after subtracting the WisDOT and Farebox revenues received. Transit program costs are above-budget by \$120,000 mostly due to declining ridership and lower farebox revenues, largely due to the weekday commuter routes. This includes routes 901/904/905 (from various locations in Lake Country to the City of Waukesha, downtown Milwaukee, and the University of Wisconsin-Milwaukee) and route 906 (between the Village of Mukwonago, Village of Big Bend, City of New Berlin, and downtown Milwaukee), which were over budget by \$75,000 and \$19,000, respectively.

There are other revenue sources in the Transportation Fund, in the Highway Operations program, that are above-budget and available to fund increased Transit expenditure appropriations. This includes WisDOT reimbursements to the County for storage of equipment and salt of \$49,000 and

charges to municipalities for the production, storage, and handling of winter materials (e.g., road salt, brine) sold to municipalities of \$71,000.

This ordinance also modifies the 2019 Transportation Fund budget by increasing operating expenditure appropriations by \$190,000 and general government revenues by \$190,000 in the State Highway Operations Program. The department performed more maintenance work on State Highways through the State Routine Maintenance Agreement (RMA) and Discretionary Maintenance Agreements (DMA) than the budget anticipated, resulting in above-budget material expenses (e.g., crack filler, replacement guardrails) by \$190,000. These additional expenditure appropriations are funded with above-budget WisDOT reimbursement revenues. This ordinance does not result in a direct tax levy impact.

Bussler reminded the committee that the department tried to offset the transit loss early by proposing an ordinance to end Route 906 in December but the board rejected it.

MOTION: Wysocki moved, second by Dondlinger to approve Ordinance 174-O-088. Motion carried 5-0.

**Ordinance 174-O-093: Modify The 2020 Budget By Transferring Carryover Funds From 2019 Unexpended Appropriations To 2020 Budgeted Appropriations**

Witkowski was present to discuss this ordinance as outlined including account number, amount approved, projects, and justification. Funds were appropriated in the 2019 budget for certain items or services which for various reasons were deferred to 2020. Requests by departments to carry other unspent funds are recommended for carry-over after review by the County Executive. A total of \$944,112 is being requested to be carried forward from 2019 accounts into the 2020 budgets to enable the purchase of goods and services as indicated on the carry-over schedule. The funding necessary to cover the carry-over expenditures will be provided by appropriating the related revenues in the amount of \$520,482 and related 2019 fund balance in the amount of \$423,630 for a total of \$944,112.

MOTION: Michalski moved, second by Morris to approve Ordinance 174-O-093. Motion carried 5-0.

**Ordinance 174-O-090: Modify The 2020 Health And Human Services Budget To Accept Additional Revenue And Expenditures Related To The Child And Family Aids Allocation And Create Three Positions**

Davis and Roberts discussed this ordinance as outlined which authorizes the department to accept \$628,000 in State Department of Children and Families revenues, and appropriate additional expenditure authority of \$295,539 for personnel costs and \$332,461 for operating expenses. The additional funding will be used to provide in-home screening and therapy, service navigation to initiate faster treatment, expansion of parent-child interaction therapy services, and contracted case aides to support safety services for at risk families, support family involvement in services, and improve the ability of children to continue in their home school after placement.

This will be accomplished in part by creating three regular, full-time (3.00 FTE) positions which consists of a Health and Human Services Coordinator (salary range \$83,949 to \$120,890) in the Children and Family Division, a Social Worker (salary range \$54,122 to \$71,573) in the Intake and Shared Services Division, and a Fiscal Specialist position (salary range \$39,437 to \$52,002) in the Administrative Services Division. Estimated personnel costs for these positions in 2020 include \$132,182 for the Human Services Coordinator, \$96,411 for the Social Worker, and \$66,946 for the Fiscal Specialist for a total of \$295,539.

These positions will address increasing workloads in their respective areas. The Human Services Coordinator is needed for the Children and Long Term Services (CLTS) and Children Community Options Programs (COP). The Social Worker position is needed in the Intake and Shared Services Access Unit to assist with Child Protective Services reports. The Fiscal Specialist is needed to provide fiscal support related to the additional CLTS and COP work.

Operating expenses will be increased \$332,461. This includes \$312,461 for contracted services to assist with the increasing workloads (i.e., case aides, mentioned above) and a contracted coordinator for family drug court. The ordinance also includes \$20,000 for cell phone applications that provide additional safety to social workers in the field (e.g., home visits) by readily sharing location and other information with the department. The department plans to build this ongoing funding into their 2021 budget request and manage the cost to continue for these items within the overall Health and Human Services budget. This ordinance results in no direct levy impact.

Paulson expressed concerns regarding his preference relating to a sunset of the positions involved. Staff indicated this funding is ongoing funding and depending on funding, all positions are reviewed. Wysocki expressed his concerns pertaining to the funding from the State. Wysocki said he will reverse his vote based on Nelson's discussion yesterday.

MOTION: Morris moved, second by Dondlinger approve Ordinance 174-O-090. Motion carried 5-0.

**Ordinance 174-O-091: Modify The Department Of Health And Human Services 2020 Budget To Accept The WIC Fit Families Grant And Appropriate Additional Expenditures**

Davis discussed this ordinance as outlined which authorizes the department (Public Health Division) to accept a Fit Families Supplemental Nutrition Assistance Program Education (SNAP-Ed) grant funding from the State of Wisconsin and appropriate \$15,606 in expenditure authority to implement the Fit Families Program for low-income children, ages two to four years old, and their families who are eligible for SNAP-Ed. The department indicates that the grant will be used to provide information related to healthy eating and exercise to families enrolled in the program.

Expenditures include \$13,561 for additional personnel costs, which includes an increase in existing, part-time staff of 0.15 FTE (or about 312 hours) to carry out the program. Operating expenses of \$1,829 include educational materials, travel expenses, and printing. Interdepartmental charges of \$216 are for related postage expenses. This ordinance results in no direct levy impact.

MOTION: Michalski moved, second by Dondlinger to approve Ordinance 174-O-091. Motion carried 5-0.

**Ordinance 174-O-092: Authorize The Issuance Of Not To Exceed \$18,000,000 General Obligation Promissory Notes For Capital Projects**

Fischer, Thelke, and Duckwitz discussed this ordinance which authorizes the issuance of \$18.0 million General Obligation Promissory Notes for the public purpose of paying the cost of capital projects included in the County's 2020 Capital Projects Expenditure Plan consisting of justice and law enforcement projects; public works projects; and parks, environment and education projects.

They are projecting below a 2% rate on the issue and Duckwitz indicated a favorable variance from budget is anticipated.

MOTION: Morris moved, second by Michalski approve Ordinance 174-O-092. Motion carried 5-0.

**Ordinance 174-O-087: Authorize The Department Of Parks And Land Use To Enter Into An Agreement And Accept Grant Funding From The Waukesha County Land Conservancy To Complete Habitat Restoration In The Middle Fox River Watershed And Modify The Department's 2020 Budget**

Mattano discussed this ordinance which authorizes the Department of Parks and Land Use to accept grant funding to complete habitat restoration in the Middle Fox River Watershed. This ordinance also appropriates \$15,000 of personnel cost expenditure authority and increases the general government revenue budget by \$15,000. The National Fish and Wildlife Foundation awarded grant funds to the Waukesha County Land Conservancy which will pass along funding to Waukesha County to conduct restoration activities. The department plans to use this funding to pay for a natural land management intern (temporary extra help) to help carry out these activities. As part of the grant award, the department has pledged to provide \$10,503 in matching staffing, which is already included in the 2020 budget, and equipment usage toward these efforts. The grant award is through December 31, 2020. This ordinance pertains to a one-time grant and there is no direct tax levy impact.

MOTION: Wysocki moved, second by Morris to approve Ordinance 174-O-087. Motion carried 5-0.

**State Legislative Update**

Spaeth updated the committee on legislative issues pertaining to Waukesha County.

**Closed Session**

MOTION: Morris moved, second by Wysocki to convene in closed session at 10:40 a.m. pursuant to Section 19.85(1)(g), Wisconsin Statutes, to confer with staff and Corporation Counsel who is rendering oral advice concerning strategy to be adopted with respect to the potential compromise of pending litigation: (a) Jayson Schenker vs. Waukesha County; (b) Patrick Lambo vs. Waukesha County, and to approve the closed session minutes of December 11, 2019. Motion carried 5-0.

**Open Session**

The committee returned to open session at 11:10 a.m.

**Approve compromise settlement for Worker's Compensation case entitled Patrick Lambo vs. Waukesha County**

MOTION: Wysocki moved, second by Dondlinger to approve the compromise settlement for Patrick Lambo vs. Waukesha County. Motion carried 5-0.

MOTION: Morris moved, second by Wysocki to adjourn at 11:10 a.m. Motion carried 5-0.

Respectfully submitted,

*Thomas A. Michalski*

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Secretary