

## **Minutes of the Finance Committee**

**Wednesday, March 22, 2017**

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

**Present:** Supervisors Jim Heinrich, Tim Dondlinger, Tom Michalski, Richard Morris, Duane Paulson, and Ted Wysocki. Steve Whittow arrived at 8:20 a.m.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, City of Waukesha Alderman Joe Pieper, Budget Manager Linda Witkowski, Senior Landscape Architect Jason Wilke, Corporation Counsel Erik Weidig, Emergency Preparedness Director Gary Bell, Senior Financial Analyst Steve Trimborn, Budget Management Specialist Bill Duckwitz, Parks System Manager Steve Brunner, Human Resources Manager Jim Richter, Senior Human Resources Analyst Renee Gage, and Principal Human Resources Analyst Terri Sgarlata. Recorded by Mary Pedersen, County Board Office.

### **Public Comment**

Pieper spoke in support of Ordinance 171-O-088 (see page 2).

### **Approve Minutes of March 8**

MOTION: Morris moved, second by Michalski to approve the minutes of March 8. Motion carried 6-0.

### **Next Meeting Date**

- April 19

Whittow arrived at 8:20 a.m.

### **Chair's Executive Committee Report of March 20**

Heinrich highlighted the following items discussed at the last Executive Committee meeting.

- Discussed the golf course cash receipting audit report and reviewed the proposed scope of the Audit Plan.
- Approved the ordinance titled "Establish Parks and Land Use Capital Project Reserve Fund" and the re-appointment of Christine Howard to the Health & Human Services Board.
- Heard updates on the Wisconsin Counties Association (WCA) regional meeting, National Association of Counties (NACo) legislative conference, Regional Transit Leadership Council Executive Committee, and Wisconsin Workforce Development Association Board.
- Heard standing reports by committee chairs.
- Legislative Policy Advisor Sarah Spaeth gave a state legislative update.

### **Announcements**

Paulson commented on the golf course cash receipting audit and said improvements outlined by this and previous audits have not been made and felt penalties need to be imposed.

### **Annual Report on Grant/Sunset Positions**

Witkowski discussed the report titled “2017 Sunset Position Changes as of February 2017.” A net of two positions were added between February 2016 and February 2017 for a total of 93 full-time and 16 part-time/extra help positions. Two positions were eliminated in Health & Human Services and two were added in the Sheriff’s Department and two in the District Attorney’s Office. These changes are included in the adopted 2017 budget.

Sunset positions are typically created via ordinance with grant funds or they are contracted and if those funds are reduced or eliminated, the position is reduced accordingly. Paulson said this is not always the case. There was a position in the Sheriff’s Department whereby funds were reduced but the position was not. Witkowski said that was the Sheriff’s decision but it is possible the dollar amount could have been offset by overtime or temporary/extra help costs.

MOTION: Paulson moved, second by Michalski to accept the annual report on grant/sunset positions. Motion carried 7-0.

### **Contract Procurement Process for Architectural and Engineering Services for the Menomonee Park Beach House Renovation Project**

Wilke advised this two-year contract was awarded to Galbraith Carnahan Architects, the highest rated proposer, for a total contract cost of \$91,350. The first year budgeted amount is \$93,000 and the first year cost is \$80,050. Seven contractors submitted RFPs for consideration but only two were interviewed.

Answering Heinrich’s questions, Wilke said five contractors were not interviewed due to low scores during the initial evaluation. Also, regarding the other contractor that was interviewed, while their cost was half that of the winning bid, they did not score as well because they are just getting into the remodeling sector. Evaluation Committee members did not believe they could handle this somewhat complex project at this time. Wilke noted cost is not known until the end of the process.

MOTION: Wysocki moved, second by Morris to approve the contract procurement process for architectural and engineering services for the Menomonee Park beach house renovation project. Motion carried 7-0.

### **Ordinance 171-O-088: Approve Northview Tower And Ground Space Lease With US Cellular**

Bell discussed this ordinance to approve an agreement between the County and US Cellular Operating Company, LLC for the continued lease of the Northview tower and ground space for use as a cellular tower, effective November 1, 2017 for a period of five years. Based on a recent review of lease agreements involving County cellular towers, and tower agreements in similar areas, the annual lease is reduced \$5,500 from the previous year bringing the total US Cellular rent for this site to \$27,230 in 2017. The rent received from US Cellular will increase 4% annually during the duration of the lease agreement and any subsequent renewals.

The agreement also allows for the extension of the lease to allow for four automatic 5-year renewal periods (unless terminated by the County or US Cellular based on contract terms), possibly extending the contract through 2042. Upon commencement of the agreement, the County will

assume ownership of the tower and ground space, previously owned by US Cellular. This will allow the County to lease space to additional cellular companies at the site, resulting in additional rental revenue. Bell distributed information on current rent trends. This ordinance is estimated to have no direct tax levy impact.

At Heinrich's request, Weidig explained defaults and legal remedies. Regarding the latter, Weidig said stricter language is normally standard and did not know why it was not included with this agreement. Also at Heinrich's request, Bell explained tower placement of assets. Paulson requested clarification on the 5-year lease and renewal terms.

MOTION: Morris moved, second by Dondlinger to approve Ordinance 171-O-088. Motion carried 7-0.

**Ordinance 171-O-089: Establish Parks And Land Use Capital Project Reserve Fund**

Duckwitz and Brunner were present to discuss this ordinance. The Parks and Land Use Department administers some capital projects that are partly funded with state and federal revenues. The Wisconsin Department of Transportation provides oversight for design and construction review of these projects for which the County is charged. These projects are subject to federal audit and could result in final payments years after the County closes out these projects in accordance with County policies, therefore, these delayed payment requests must be provided for. Since 1991 the County has used a policy to resolve similar delayed payment issues for federally funded highway capital projects, by receiving Finance Committee approval each year to set aside a portion of project fund balances into a reserve fund to cover future-year payments. It is anticipated that a reserve fund for Parks and Land Use capital projects would first be needed for year-end 2017 for the expected closure of the Bikeway Pavement Improvement capital project (#200014). It is recommended that a portion of remaining capital project will be reserved upon completion of projects that are funded in part with federal or state aid.

Heinrich indicated the Executive Committee suggested an amendment to the ordinance to include verbiage whereby the fund could not exceed \$50,000 at any time. Duckwitz noted the capital project fund balance could only be replenished when a project closes. Paulson moved to amend the ordinance and add at the end "and the total amount in the Parks & Land Use Capital Project reserve fund is not to exceed \$50,000."

MOTION: Paulson moved, second by Morris to approve Ordinance 171-O-089 as amended. Motion carried 7-0.

**Capital Projects Cost Performance Report and Approve Closeout Reserves**

Duckwitz discussed the report titled "Capital Projects 2016 Year-End Report" which included information on project title, project status, percent complete, original appropriations, and fund balance. He asked that the highway project reserve account be increased \$22,000 for the CTH V V, CTH Y to Jackson Drive and the CTH F rehabilitation, Busse Road to STH 190 projects. After these funds have been reserved, the two projects will be closed.

MOTION: Morris moved, second by Wysocki to increase the highway project reserve account \$22,000 for the CTH V V, CTH Y to Jackson Drive and the CTH F rehabilitation, Busse Road to STH 190 projects. Motion carried 7-0.

MOTION: Paulson moved, second by Morris to accept the capital projects cost performance report. Motion carried 7-0.

#### **Annual Report on Employee Evaluations and Awards**

Richter, Sgarlata, and Gage were present to discuss this report. For 2016, the total possible cost if all eligible employees received the maximum base and non-base awards would have been \$1,738,509. The total budgeted for base and non-base awards was \$1,191,088 and the actual cost was \$1,117,455. Staff went on to review aggregate evaluation ratings for 1,200 employees: 0 received unacceptable ratings, 9 received needs to build, 227 received effective, 721 received commendable, and 243 received exceptional. A rating of commendable or better is required to be considered for a performance award.

MOTION: Wysocki moved, second by Michalski to accept the annual report on employee evaluations and awards. Motion carried 7-0.

#### **State Legislative Update**

Spaeth discussed current activities/bills and the proposed state budget pertaining to Income Maintenance fraud revenues, advertising on bus shelters, Children & Family Aids, the Veterans Grant Program, Birth to Three Program, Children's Long Term Support, General Transportation Aids, local road improvement programs, State Highway Routine Maintenance Program, funding for bridges, federal swap bill, 911 modernization, ESInet System, collections fees, etc.

MOTION: Michalski moved, second by Whittow to adjourn at 10:51 a.m. Motion carried 7-0.

Respectfully submitted,

Thomas A. Michalski  
Secretary