

Minutes of the Finance Committee

Wednesday, December 14, 2016

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

Present: Supervisors Jim Heinrich (Chair), Tim Dondlinger, Tom Michalski, Richard Morris, Duane Paulson, Ted Wysocki, and Bill Zaborowski. Dondlinger left the meeting at 10:10 a.m.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Budget Manager Linda Witkowski, UW-Extension Director Jerry Braatz, Federated Library Director Connie Meyer; Business Managers Lyndsay Johnson, Peter Mudek, and Bob Snow; Parks & Land Use Director Dale Shaver, Land Information Systems Manager Don Dittmar, Emergency Preparedness Director Gary Bell, Clerk of Circuit Courts Kathy Madden, Facilities Manager Shane Waeghe, Treasurer Pam Reeves, Principal Financial Projects Analyst Bob Ries, Accounting Services Manager Larry Dahl, Administrative Services Manager Randy Setzer, Accounting Services Manager Will Emslie, Human Resources Manager Jim Richter, Senior Human Resources Analyst Renee Gage, Budget Management Specialist Bill Duckwitz, Administration Director Norm Cummings, County Clerk Kathleen Novack, and Senior Financial Analysts Steve Trimborn, Rob Dunn, and Clara Daniels. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of November 16

MOTION: Wysocki moved, second by Michalski to approve the minutes of November 16. Motion carried 7-0.

Next Meeting Date

- January 18 (Morris absent)

Chair's Executive Committee Report of December 12

Heinrich said the Executive Committee, at their last two meetings, approved a resolution, several ordinances and appointments, heard an update on the Wisconsin Digital Government Summit, and heard standing reports. The Wisconsin Counties Association's lobbying day will be held on January 18.

State Legislative Update

Spaeth reported on the Wisconsin Digital Government Summit. On the state level, Spaeth said committee chairs and membership have been selected. The Transportation Committee held a hearing on the proposed Department of Transportation budget which she highlighted.

Ordinance 171-O-063: Modify The 2016 Budget To Authorize Waukesha County University Of Wisconsin Extension Office To Appropriate The WWBIC And CDBG Revenue For Outreach Education Services

Braatz discussed this ordinance which authorizes the appropriation of \$33,000 in operating expenditures to provide contract work for the Wisconsin Women's Business Initiative Corporation (WWBIC) and Community Development Block Grant (CDBG) to update strategic plans, provide outreach and education on strategic planning efforts, and teach the design and implementation of strategic planning. The department will utilize State educators with specialized knowledge in these areas requiring increased State charges. This ordinance will also increase general government revenues by \$33,000 to be received from WWBIC and CDBG for this contracted work. This results in no additional direct tax levy impact in 2016.

MOTION: Michalski moved, second by Zaborowski to approve Ordinance 171-O-063. Motion carried 7-0.

Fund Transfer 2016-130-01: Federated Library System – Transfer Funds from Interdepartmental Expenses to Operating Expenses

Meyer said the department is projecting the need for an additional \$3,500 due to higher than anticipated library system cataloging license and maintenance expenses because of additional costs associated with the migration of Jefferson County libraries onto the CAFE system in 2016. The exact amount in 2016 was unknown but has been properly accounted for in the 2017 budget. The department estimates \$3,500 of library management service fee appropriations will be available to transfer from interdepartmental charges due to lower than budgeted management charges from the Library State Aids Fund to the CAFÉ Fund.

MOTION: Wysocki moved, second by Dondlinger to approve Fund Transfer 2016-130-01, Federated Library System. Motion carried 7-0.

Fund Transfer 2016-200-01: Sheriff's Department – Transfer Funds from Interdepartmental Expenses to Personnel Expenses

Johnson said the department has experienced greater than budgeted spending on overtime expenses due to position vacancies. As of November 29, the department has exceeded the overtime budget by \$813,000 largely due to the need to pay overtime for shift coverage. The department will be able to absorb the majority of the overtime overage due to underspending of salary and benefit accounts due to position vacancies. Staff are requesting that \$170,000 be transferred from interdepartmental to personnel to address the anticipated overage in personnel. To address the overtime overage noted above, staff are requesting to transfer \$170,000 from vehicle fuel which is anticipated to be below budget largely due to lower fuel cost per gallon.

Answering Paulson's question, Johnson said less was budgeted per gallon in the department's 2017 budget, approximately \$3.67.

MOTION: Morris moved, second by Dondlinger to approve Fund Transfer 2016-200-01, Sheriff's Department. Motion carried 7-0.

Fund Transfer 2016-226-01: Parks & Land Use Department – Transfer Funds from Personnel Expenses to Operating Expenses

Dittmar said operating expenses are estimated to be above budget by approximately \$15,000 mainly due to a one-time contracted service cost incurred during the transition of data services to external servers. To address the contracted service cost, staff are requesting to transfer \$15,000 from personnel. Below budget spending in personnel is mainly due to healthcare plan selection.

MOTION: Michalski moved, second by Dondlinger to approve Fund Transfer 2016-226-01, Parks & Land Use Department. Motion carried 7-0.

Fund Transfer 2016-240-01: Emergency Preparedness Department – Transfer Funds from Operating Expenses to Personnel Expenses

Bell said the department is projecting to need about \$87,500 of additional personnel cost appropriations due to higher than anticipated overtime costs (about \$236,000) related to employee turnover, employees out on medical leave, and training of new telecommunicators. The department implemented a revised scheduling system in the second half of 2016 to better manage and reduce

overtime costs. Higher overtime costs are partially offset by salary and benefit cost savings from position vacancies and turnover. The department estimates \$52,530 of system maintenance appropriations will be available to transfer from operating expenses due to a delay in the implementation of the new Communication Center Console system. In addition, \$35,000 of unplanned building repair and maintenance appropriations are estimated to be available for transfer due to no unanticipated equipment replacements occurring throughout the year.

Heinrich referred to the overtime issue and asked Bell if he anticipates 2017 being another difficult year. Bell said they are implementing new things with staff planning/training which should result in some savings. Retention, however, is an industry-wide problem and modifications will be made in this area also. Bell said he does anticipate this being a problem next year but efforts are being made and staff are hopeful these issues will be resolved eventually. Answering Paulson's question, Bell said three telecommunicators are now being trained and seven positions currently remain unfilled. Once the 2017 budget starts in January, there will be three more additions. Bell explained the hiring process which is done twice per year. Paulson asked if salary is a factor in retaining telecommunicators and Bell said yes. He noted Menomonee Falls telecommunicators worked less and got paid more and hence, none of them requested to be, nor were, transferred to the County.

MOTION: Morris moved, second by Dondlinger to approve Fund Transfer 2016-240-01, Emergency Preparedness Department. Motion carried 7-0.

Fund Transfer 2016-210-01: Circuit Court Services – Transfer Funds from Personnel Expenses to Interdepartmental Expenses

Madden discussed this fund transfer. Circuit Courts has experienced greater than budgeted spending on collections costs and defendant transportation costs. This includes funds totaling \$20,000 for Collections services incurred for Guardian Ad Litem delinquent cost recovery which generates higher revenue for the department. Funds totaling \$40,000 are needed for Sheriff service charges for defendant transportation associated with on-going court proceedings of juveniles who also require placements at the State mental health institutes for inpatient treatment services. To address the collections and transportation costs noted above, staff are requesting to transfer \$60,000 from personnel. The actual personnel costs are under budget year-to-date for 2016 based on management's decision to keep positions vacant due to planned organizational consolidations and electronic case filing.

Madden noted Waukesha County now contracts with Washington County to house secure girls detention. This fund transfer is due to one particular court case and two girls have been housed in Washington County for about two years. Once the case is settled, she believes this will no longer be a budget issue. Paulson asked is the County paying less than if we still housed secure girls at the County facility? Madden said she was unsure. Paulson asked that this issue be reviewed.

MOTION: Wysocki moved, second by Michalski to approve Fund Transfer 2016-210-01, Circuit Court Services. Motion carried 7-0.

Contract Procurement Process for Construction Management Services for Secure Courtroom Construction, Capital Project #201418

Waeghe advised the contract was awarded to Gilbane Building Company, the highest rated proposer, for a total contract cost of \$1,899,500. The budgeted amount is \$2,275,000. Two contractors submitted bids for consideration.

MOTION: Paulson moved, second by Morris to approve the contract procurement process for construction management services for secure courtroom construction, Capital Project #201418. Motion carried 7-0.

Results of the 2016 Tax Foreclosure Process

Reeves distributed statistical information on the final 2016 tax foreclosure process. In June, the County took eleven properties, three of which were repurchased by the homeowners after all outstanding taxes and fees were paid. Two were acquired by the Public Works or Parks & Land Use departments. Seven properties were in the auction, three of which sold at auction. There were two bids over the appraised value. Three properties were retained by the County and will remain for sale at the appraised value. Overall, the County's net profit was \$8,300.

Ordinance 171-O-062: Amend Section 7-67 Of The Waukesha County Code Of Ordinances To Modify Waukesha County Investment Policy

Ries discussed this ordinance as outlined which involves technical corrections to the County Code. It is requested that Section 7-67 (a) (3) of the Waukesha County Code be repealed and recreated to read: General Obligation Bonds or General Obligation Securities. General obligation bonds or general obligation securities of the State of Wisconsin, or of any county, city, drainage district, vocational, technical and adult education district, village, town or school district of the state. Also, that Section 7-67 (a) (10) of the Waukesha County Code be repealed and recreated to read: Out of State General Obligation Bonds or Securities. General obligation bonds or securities of any state, county, city, drainage district, vocational, technical and adult education district, village, town or school district, if the bond or security has a maturity of seven years or less from the date on which it was acquired and, if the bond or security is rated in one of the two highest rating categories assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency.

MOTION: Wysocki moved, second by Dondlinger to approve Ordinance 171-O-062. Motion carried 7-0.

Fund Transfer 2016-360-01: Health & Human Services Department – Transfer Funds from Personnel Expenses to Operating Expenses

Emslie discussed this fund transfer. The department anticipates 2016 operating expenses will exceed budget by \$880,100 or 3%. Of that, approximately \$692,000 in above-budget spending is due to an increase in out-of-home placements for children due to more than anticipated alternate care and court-ordered placements. The remaining above-budget expenses will be addressed through proposed ordinances as well as underspending in other department program areas. Staff estimate personnel budget appropriations to be under budget by \$400,000, largely due to staff vacancy and turnover savings related to the retirement of several senior administrative and psychiatric staff, and temporarily holding positions vacant.

MOTION: Zaborowski moved, second by Dondlinger to approve Fund Transfer 2016-360-01, Health & Human Services Department. Motion carried 7-0.

Fund Transfer 2016-HHS-02: Health & Human Services Department – Transfer Funds from Operating Expenses to Interdepartmental Expenses

Emslie discussed this fund transfer. The 2016 interdepartmental charges budget appropriation is estimated to exceed budget by \$3,750 due to greater than anticipated postage costs while the operating expense budget appropriation is estimated to be under budget due to vacancies in contracted positions.

MOTION: Morris moved, second by Michalski to approve Fund Transfer 2016-HHS-02, Health & Human Services Department. Motion carried 7-0.

Ordinance 171-O-065: Modify The 2016 Budget Of The Department Of Health And Human Services To Appropriate Expenditures For Clinical Services And Increase Other Revenue

Emslie discussed this ordinance which modifies the department's 2016 budget by increasing expenditures \$160,000 in the Clinical Services Division to fund operating expenses related to community-based mental health outpatient services provided throughout the county. The ordinance increases other revenues by \$160,000 for higher than budgeted reimbursements for providing mental health outpatient Medicaid services, based on the most recently settled Wisconsin Medicaid Cost Reporting (WIMCR) review. This ordinance results in no additional tax levy impact.

MOTION: Dondlinger moved, second by Michalski to approve Ordinance 171-O-065. Motion carried 7-0.

Ordinance 171-O-066: Modify The 2016 Health And Human Services General Fund Budget To Transfer Contingency Funds For Additional State Mental Health Institute Costs

Emslie and Setzer discussed this ordinance which authorizes the transfer of \$260,000 of appropriations from the Contingency Fund to cover operating expenses related to inpatient treatment of juveniles at State mental health institutes. Placement costs of juveniles are greater than anticipated due to on-going court proceedings and the need for inpatient client treatment not available in a juvenile correction placement. This transfer would reduce the 2016 Contingency Fund budget by \$260,000 from \$1,200,000 to \$940,000 and increase operating expenses in the 2016 Health and Human Services budget for the treatment of juvenile clients at State mental health institutes by the same amount from \$378,700 to \$638,700. Mader explained amendments by the Health & Human Services Committee which were done for clarification purposes.

MOTION: Paulson moved, second by Wysocki to approve Ordinance 171-O-066. Motion carried 7-0.

Ordinance 171-O-067: Modify The 2016 Department Of Health And Human Services General Fund Budget To Appropriate Additional Expenditures For State Mental Health Institute Costs And Increase Collection Revenue

Emslie discussed this ordinance which modifies the 2016 Health and Human Services budget to appropriate additional expenditures of \$600,000. The additional appropriations will be used to pay for higher than budgeted contracted inpatient treatment costs for juvenile and adult clients at the State mental health institutes incurred in 2016 which includes psychiatric assessment, stabilization, medication management, and treatment. This increases operating expenses in the Clinical Services Division from \$11,435,105 to \$12,035,105. These added budget appropriations are to be funded by \$600,000 of additional collections revenues, mostly from third party insurance and Medicaid generated from the partial reimbursement of services provided at the State mental health institutes. This ordinance results in no additional tax levy impact.

MOTION: Wysocki moved, second by Paulson to approve Ordinance 171-O-067. Motion carried 7-0.

Ordinance 171-O-068: Modify The Department Of Health And Human Services 2016 Budget To Appropriate Additional Expenditures For Ebola Preparedness And Preparedness Activities And Increase Revenues

Setzer and Emslie discussed this ordinance which modifies the 2016 Public Health Division budget to increase expenditures \$80,000 for activities related to a Public Health Preparedness grant. The grant includes \$30,000 for temporary extra help staff to assure collaboration between other public health entities and compliance with safety and health guidelines for the response, containment and treatment of individuals in contact with the Ebola virus, and \$25,600 in contracted services for Ebola planning and training purposes. This grant award was not in the 2016 budget as the grant activities had not yet been determined. There is also a 2015 Public Health Preparedness grant for contracted services of \$24,400 for planning and training for medical treatment and volunteer assistance for mass casualty incidents. This grant was underspent in 2015 and was not requested for carryover in error. This ordinance results in no additional tax levy impact.

MOTION: Paulson moved, second by Michalski to approve Ordinance 171-O-068. Motion carried 7-0.

Ordinance 171-O-064: Amend Section 7-94 Of The County Code Of Ordinances To Modify The Compensation For Election Tabulators

Richter discussed this ordinance which modifies the County Code to increase the compensation for election tabulators. Current per diem rates, which have not changed since 1994, have been determined to be insufficient in attracting and retaining individuals to assist with the accurate and timely tabulation of election results. The current and proposed per diem rates are displayed in the table below.

Election Tabulator Per Diem Rates	Current	Proposed	Change
Meetings of three (3) hours or less	\$25	\$30	\$5
Meetings of three (3) hours or more	\$50	\$60	\$10

Per diem election costs have ranged from \$650 to \$2,500 since 2012 based on the number of elections. The proposed change is estimated to increase costs from \$150 to \$500, based on the requirements of each election year.

In addition, the ordinance modifies the County Code to create rates for election tabulators when County recount costs are reimbursable, proposing a \$30 per diem for meetings of 3 hours or less and \$10 per hour for meetings of 3 hours or more. These costs are not budgeted for and are only allowed if they are reimbursed. If additional County expenditure appropriations are required for a recount, an ordinance or contingency fund transfer will be required. These amendments will be effective December 1, 2016.

MOTION: Paulson moved, second by Michalski to approve Ordinance 171-O-064. Motion carried 7-0.

Ordinance 171-O-069: Approve 2017 Salaries For Seasonal And Temporary Classifications

Richter discussed this ordinance which creates new wage schedules for 19 seasonal and temporary classifications effective January 7, 2017. Parks seasonal and lead parks seasonal classifications will receive salary increases due to these positions being difficult to fill. The estimated 2017 Countywide impact of the changes, including benefit costs, is an increase of about \$114,000 or 3.0%. The Parks seasonal and lead parks seasonal positions accounted for about \$75,000 of the impact for an increase of about 6.5%. All other funds accounted for about \$39,000 of the impact for an increase of 1.5%. Richter explained the new position of recreational instructor who will work with municipalities and whose primary duties are educational and instructional in nature (archery, swim lessons, etc.) The impact of these changes is included in the 2017 adopted budget.

MOTION: Paulson moved, second by Michalski to approve Ordinance 171-O-069. Motion carried 7-0.

Dondlinger left the meeting at 10:10 a.m.

Ordinance 171-O-070: Approve 2017 Salary And Benefit Modifications For Non-Represented Employees

Richter and Gage discussed this ordinance as outlined. Mader advised of a correction, to replace 2017 with 2016 on line 69. The net fiscal impact of this ordinance is estimated at \$377,040 with 2017 wage increases largely offset by the change in the employee cost share for the County's health plan premiums. The 2017 adopted budget includes sufficient funding for these changes. Mader added that the fiscal note indicated the net cost of the ordinance at .46%.

Richter said this ordinance authorizes a 1.5% across-the-board wage increase for all non-represented County employees, effective January 7, 2017. This includes all employees except elected officials, certain temporary and seasonal categories covered by a separate ordinance, and those represented by the Wisconsin Professional Police Association. Richter noted that market data from salary surveys from the Midwest and Wisconsin indicate average salary increases of 2.0% for 2016 and 2.2% for 2017. For southeast Wisconsin, these figures are 1.5% for 2016 (Waukesha County is 1.2%) and 1.66% for 2017. Richter said the County tends to lag in this area.

Richter said this ordinance authorizes changes in the cost sharing formulas for the health plans offered by the County. The employee share of the plan premium will change from 15% to 20% for Choice Plus plan participants and from 10% to 15% for Health Savings Account (HSA) plan participants. Choice Plus participants who do not complete the health risk assessment will pay 25%. He noted the last time the employee share of the plan premium increased was in 2012. Also, starting in 2017, all newly hired employees will be limited to the HSA plan which is the lower cost plan. These increases will result in an approximate \$860,000 savings to the County.

Gage said effective March 4, 2017 registered nurses will be eligible for overtime compensation at the rate of time and one-half for hours worked over 80 hours in a pay period in an effort to retain registered nurses. Richter noted this is purely market driven. Gage noted the industry standard in our area is to pay time and one-half over 40 hours per week.

Richter indicated lead workers will be compensated an additional \$1.50 per hour for hours worked whereby he discussed eligibility criteria.

For the medical salary ranges, Gage said they are recommending the minimum range be dropped, the midpoint range becomes the new minimum, the maximum range becomes the new midpoint and a new maximum be created using the current percentage. She said the reason for this is purely market. For example, a psychiatrist position has been vacant for over a year even though increased efforts have been made to recruit. Gage said this will put us in line with other governmental units in the Midwest. Richter said the County cannot compete with the private sector but some adjustments are needed to retain what we have and be more competitive. Long term solutions and alternatives are being discussed.

Gage said the ordinance lists 22 position classifications to be moved from the Step Salary Ranges to the Open Salary Ranges. In some cases, the new range minimum is higher than the employee's

current salary and their salary will be adjusted accordingly. This is part of an ongoing effort to move more positions into the Open Pay for Performance system.

MOTION: Wysocki moved, second by Zaborowski to approve Ordinance 171-O-070. Motion carried 6-0.

Fund Transfer 2016-540-01: Transfer Funds from the Contingency Fund to Personnel Expenses and Operating Expenses

Cummings said this fund transfer is due to additional costs associated with the recount of the 2016 presidential election and could not have been anticipated in the 2016 budget. These above-budget costs include payments for tabulator workers and supplies and equipment which will be accounted for in the Non-Departmental budget. Recount costs for existing staff time devoted to the recount will be accounted for in departmental budgets except for overtime, extra working hours and additional temporary county staffing (which will be accounted for in Non-Departmental). All recount costs are expected to be reimbursed by the State with revenues from the Green Party who requested the recount.

MOTION: Wysocki moved, second by Michalski to approve Fund Transfer 2016-540-01, Non-Departmental. Motion carried 6-0.

Resolution 171-R-002: Discontinue Payment-In-Full Of Special Assessments And Charges, And Authorize Contracts With Municipalities With Respect To Handling Of Special Assessments And Charges

Cummings provided background information and discussed this resolution as outlined. Effective with special assessments and charges included in the 2017 tax roll, Waukesha County elects to no longer settle in full with municipalities for delinquent special assessments and charges in accordance with Section 74.29, Wis. Stats. The County shall offer all Waukesha County municipalities the opportunity to enter into written contracts with the County in substantially the same form to be approved by Corporation Counsel whereby the County agrees to annually pay a municipality its unpaid special assessments up to an amount not to exceed \$50,000.00 on any particular parcel and its unpaid special charges up to an amount not to exceed \$25,000.00 on any particular parcel in exchange for the municipality assigning all interests in the special assessment and/or charge, together with all rights to collect the same with interest, to the County. The Director of Administration, or his or her designee, is authorized to enter into and execute said contract with any municipality who chooses to accept the County's offer.

While Wysocki spoke of concerns on behalf of municipalities, he indicated he would support this ordinance.

MOTION: Paulson moved, second by Morris to approve Resolution 171-R-002. Motion carried 6-0.

MOTION: Wysocki moved, second by Zaborowski to adjourn at 11:29 a.m. Motion carried 6-0.

Respectfully submitted,

William J. Zaborowski
Secretary