

Waukesha County Board of Supervisors

Minutes of the Finance Committee Wednesday, November 17, 2021

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

Present: Supervisors Jim Heinrich, Duane Paulson, Tom Michalski, Tyler Foti, Joel Gaughan, Larry Nelson, and Ted Wysocki. Wysocki left the meeting at 10:10 a.m.

Also Present: Chief of Staff Sarah Spaeth, Administrative Specialist Mary Pedersen, Workforce Development Board Director Laura Catherman, Business Manager Steve Trimborn, Accounting Services Coordinator Lisa Davis, Business/Collections Services Manager Lyndsay Johnson, Financial Analyst Britan Smith, Principal Financial Projects Analyst Bob Ries, Budget Manager Bill Duckwitz, Senior Financial Analyst Clara Daniels, Engineering Services Manager Karen Braun, County Board Chair Paul Decker, and Principal Assistant Corporation Counsel Debbie Price.

Ordinance 176-O-081: Amend The 2021 Budget And Authorize Acceptance And Appropriation Of Worker Advancement Initiative Funds For Workforce Development Services In Waukesha, Ozaukee, And Washington Counties

Catherman and Trimborn were present to discuss this ordinance which authorizes the Department of Parks and Land Use – Workforce Innovation and Opportunity Act (WIOA) Fund to accept \$1,118,512 of American Rescue Plan Act funding from the Wisconsin Department of Workforce Development to fund a Worker Advancement Initiative program. Catherman said this ordinance appropriates \$1,007,000 of additional operating expense authority to fund contracted services to assist eligible individuals with obtaining job training opportunities and support services to obtain economic self-sufficiency. The services provided through this grant are similar to the services provided under the Workforce Innovation and Opportunity Act funding; the difference is that this program has fewer eligibility barriers (e.g., removes income qualifications). Remaining grant funds of \$111,512 can be used for administrative costs recovery which is already included in the department's base budget. Department management plans to request carryover of unused grant funds into the 2022 budget. This ordinance has no direct impact on county tax levy.

MOTION: Wysocki moved, second by Nelson to approve Ordinance 176-O-081. Motion carried 7-0.

Approve Minutes of November 3

MOTION: Gaughan moved, second by Wysocki to approve the minutes of November 3. Motion carried 7-0.

Next Meeting Date

- December 15

Executive Committee Report of November 8

Heinrich said the Executive Committee, at their last meeting, approved three ordinances, heard a presentation on the final County Board District Map, and discussed holding joint meetings at budget time, and issuing iPads to County Board Supervisors.

Fund Transfer 2021-HHS-01: Transfer Funds from Personnel Expenses to Operating and Interdepartmental Expenses

Davis discussed this fund transfer for the Aging & Disabilities Resource Center totaling \$3,094,173. Operating expenses are anticipated to be higher than budget due to state carryover of Dementia Care grant funds, vaccine outreach, and printing of ADRC resource guides. Interdepartmental postage expenses are higher than anticipated due to COVID-19 that resulted in more communication through the mail instead of in-person outreach. Salary expenses are less than anticipated due to higher turnover and positions open for longer periods.

MOTION: Paulson moved, second by Gaughan to approve Fund Transfer 2021-HHS-01. Motion carried 7-0.

3rd Qtr. Proprietary Funds Report

Johnson discussed this report on the County's enterprise and internal service funds. Those funds that showed a net income were the Naga-Waukeee Golf Course (\$449,190); Moor Downs Golf Course (\$102,472); Naga-Waukeee Ice Arena (\$10,557); Vehicle/Equipment Replacement (\$1,639,439); Central Fleet (\$122,128); Risk Management/Workers Compensation (\$1,083,321); Collections (\$70,774); End User Technology (\$1,614,104); and Health Insurance (\$761,993). Those funds that showed a net loss were the Eble Park Ice Arena (-\$91,388); Materials Recycling (-\$553); Airport (-\$67,414); and Radio Services (-\$130,074).

MOTION: Wysocki moved, second by Paulson to accept the 3rd qtr. Proprietary Funds report. Motion carried 7-0.

3rd Qtr. Investments Report

Ries said the total return for the quarter was down 6 basis points from the last quarter, at 0.20%. For the year ending September 30, 2021, County investments returned 1.04%. Total interest earnings for the quarter were \$536,890, down \$35,867 from the 2nd quarter due to a decrease in realized gains/losses on the sale of securities of \$41,272 as compared to the prior quarter. Interest income was down \$193,685 from the 3rd quarter of 2020 due to the lower rates in the market. Average invested balances increased \$43.3 million compared to the previous quarter, consistent with the County's normal cash flow trend as well as the receipt of APRA funds from the federal government in mid-May. The market-based report shows that the PFM and Galliard outperformed the benchmarks for the 3rd quarter, the Galliard Corporate portfolio matched the benchmark, and the Dana portfolio underperformed. For the year ending September 30, 2021, all portfolios outperformed the benchmark. Movement in interest rates was slightly higher for longer maturities during the quarter (5 year 1.02% up from 0.89%, 10 year 1.54% up from 1.46%), leading to lower but moderate market returns.

MOTION: Foti moved, second by Paulson to accept the 3rd quarter investments report. Motion carried 7-0.

3rd Qtr. Report on Special Revenue and General Funds

Duckwitz indicated for nine months of 2021, total General Fund expenditures were \$128.7 million or 65.8% of the total modified expenditure budget versus expenditures for the same period in 2020 at \$127.3 million or 69.3% of total 2020 actual expenditures. Operating revenues achieved during the first nine months of 2021 were at \$62.3 million or about 61.1% of the modified revenue budget versus about \$58.1 million or 57.4% of revenues recognized for the first nine months of 2020.

Overall, the nine-month projection estimates that the General Fund will finish favorably by \$3.9 million or 2.0% of the modified expenditure budget of \$195.6 million. Contributing to this projected favorable variance is an estimated \$1.7 million in federal funding for staff time redeployed to the pandemic response. These personnel costs were already in the base budget and the additional revenues will either offset lower revenues or generate favorable financial results. The funding is expected to come from a combination of American Rescue Plan Act (ARPA) – Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), the federal Centers for Disease Control and Prevention (CDC) Epidemiology and Laboratory Capacity (ELC) grant, and other allocations from the state. Regarding Special revenue funds, as of nine months, all funds are projected to finish the year with favorable or break-even results. Duckwitz went on to discuss departmental highlights and advised of possible fund transfers at year-end.

MOTION: Michalski moved, second by Wysocki to accept the 3rd quarter report on Special Revenue and General Funds. Motion carried 7-0.

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

Ordinance 176-O-083: Modify The 2022-2026 Capital Plan And 2021 Capital Project Budget To Increase Land Acquisition Expenditures For Capital Project #201502 CTH O, I-94 To USH 18

Braun discussed this ordinance which modifies the 2022-2026 Capital Plan and 2021 Capital Project budget to increase expenditure authority by \$444,000 and increase general government revenue by \$444,000 for land acquisition expenses for the CTH O, I-94 to USH 18 rehabilitation project (#201502). Land acquisition funding through the Surface Transportation Program (STP) requires the county to pay 100% of the costs for land acquisition upfront and later be reimbursed by the Wisconsin Department of Transportation (WisDOT) for the eligible 80% STP funding after land acquisition is completed. The county's current budget for land acquisition of \$111,000 assumed that the county would only have to directly pay for the 20% share of land acquisition costs, similar to how design and construction is accounted for with STP, and omitted the additional 80% of expenditure authority needed (\$444,000). Because the county is required to pay 100% of the costs upfront, an additional \$444,000 in expenditure authority is needed to cover the federal/state share of the costs. The \$444,000 will be reimbursed by WisDOT, resulting in no net increase to the county's share of the costs. There is no tax levy impact associated with this ordinance.

MOTION: Paulson moved, second by Gaughan to approve Ordinance 176-O-083. Motion carried 6-0.

Ordinance 176-O-084: Modify The 2022-2026 Capital Plan And 2021 Capital Project Budget To Increase Land Acquisition Expenditures For Capital Project #201610 CTH O, CTH I To CTH ES

Braun discussed this ordinance, similar to 176-O-083, which modifies the 2022-2026 capital plan and 2021 capital project budget to increase expenditure authority by \$760,000 and increase general government revenue by \$760,000 for land acquisition expenses for the CTH O, CTH I to CTH ES rehabilitation project (#201610). Land acquisition funding through the Surface Transportation Program (STP) requires the county to pay 100% of the costs for land acquisition upfront and later be reimbursed by the Wisconsin Department of Transportation (WisDOT) for the eligible 80% STP funding after land acquisition is completed. The county's current budget for land acquisition of \$190,000 assumed that the county would only have to directly pay for the 20% share of land acquisition costs, similar to how design and construction is accounted for with STP, and omitted the additional 80% of expenditure authority needed (\$760,000). Because the County is required to pay 100% of the costs upfront, an additional \$760,000 in expenditure authority is needed to cover the

federal/state share of the costs. The \$760,000 will be reimbursed by WisDOT, resulting in no net increase to the county's share of the costs. There is no tax levy impact associated with this ordinance.

MOTION: Paulson moved, second by Gaughan to approve Ordinance 176-O-084. Motion carried 6-0.

Closed Session

MOTION: Paulson moved, second by Foti to convene in closed session at 10:14 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 Howard J. Timm and Tricia M. Timm v. Waukesha County, Waukesha County Case Number 2019-CV-22; and to approve the closed session minutes of October 20, 2021. Motion carried 6-0.

Open Session

MOTION: Paulson moved, second by Nelson to return to open session at 10:33 a.m. Motion carried 6-0.

Discuss the Concept of Joint Committee Meetings During the Budget Process

Spaeth referred to the 2022 County Board committee meetings calendar and discussed holding joint committee meetings in October for the budget process. Although some concerns were brought up about start times and longer meetings, a consensus of the committee spoke in support of the change, at least for 2022 and then it can be revisited.

MOTION: Foti moved, second by Gaughan to adjourn at 10:54 a.m. Motion carried 6-0.

Respectfully submitted,

Thomas A. Michalski

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Secretary