

Minutes of the Finance Committee

Wednesday, August 22, 2018

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

Present: Supervisors Jim Heinrich, Tim Dondlinger, Tyler Foti, Tom Michalski, Duane Paulson, and Ted Wysocki. Heinrich and Foti left the meeting at 11:45 a.m. **Absent:** Richard Morris.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Parks System Manager Steve Brunner, Senior Landscape Architect Nicki Jensen, Budget Manager Linda Witkowski, Business/Collections Services Manager Andy Thelke, Administration Director Norm Cummings, Information Technology Manager Mike Biagioli, Business Services Manager Donn Hoffmann, Principal Financial Projects Analyst Danielle Igielski, WOW Development Board President Laura Catherman, Parks & Land Use Director Dale Shaver, Business Manager Lyndsay Johnson, Financial Analyst Josh Joost, Human Resources Manager Jim Richter, and Senior Human Resources Analyst Renee Gage.

Approve Minutes of July 18

MOTION: Wysocki moved, second by Foti to approve the joint meeting minutes of July 18. Motion carried 6-0.

MOTION: Wysocki moved, second by Foti to approve the regular meeting minutes of July 18. Motion carried 6-0.

Next Meeting Date

- September 5

Chair's Executive Committee Report of August 20

Heinrich advised the Executive Committee approved three ordinances, five appointments, and determined sale values on County-owned foreclosure properties less than \$5,000. They also heard a report by Internal Audit Manager Lori Schubert on the Parks & Land Use and Public Works Permitting Processes Review and an update on the County's customer service program. Chair Decker reported on the County Board Chair Conference, and Workforce Development and Transportation Issues, and chairs gave standing committee reports.

State Legislative Update

Heinrich and Mader referenced a recent update by Legislative Policy Advisor Sarah Spaeth that addressed Dark Store issues.

Discuss and Consider Ordinance 173-O-031: Authorize Department Of Parks And Land Use To Acquire Real Estate Interests To Complete The Lake Country Trail STH 67 Underpass Project, Waukesha County Project I.D. 3852-05-00

Brunner and Jensen were present to discuss this ordinance which authorizes the Parks and Land Use Department to acquire additional real estate interests related to the Lake Country Trail State Highway 67 Underpass, project #201607. It was determined during the preliminary design phase

(30% completion) of the project that additional real estate interests were necessary to complete the Project. According to staff, the amount currently budgeted in the capital project should be sufficient for this purpose. Any modification of the project budget overall will require future County Board approval. This ordinance requires no additional tax levy.

MOTION: Foti moved, second by Paulson to approve Ordinance 173-O-031. Motion carried 6-0.

Special Revenue and General Funds Report for Six Months Ended

Witkowski said that for six months of 2018, total General Fund expenditures were at about \$75.7 million or 42.9% of the total modified expenditure budget versus expenditures for the same period in 2017 at \$74.8 million or about 45.3% of total 2017 actual expenditures. In 2018, for the first six months, expenditures are higher than the prior-year by about \$925,500 or 1.2%, mostly in personnel. Operating revenues achieved during the first six months of 2018 were at \$36.1 million or about 41.2% of the modified revenue budget versus about \$37.5 million for the first six months of 2017 or approximately 44.8% of total 2017 revenues. In 2018, for the first six months, revenues were lower than the prior year by about \$1.5 million or 0.4%. At this time, overall year-end results are projected to be favorable (revenues exceeding expenditures) by about \$1.4 million, or 0.8% of the \$176 million expenditure budget. Witkowski went on to highlight the Special Revenue Funds report and indicated as of the first six months of 2018, all funds are projected to finish the year with overall favorable results, except for the Land Information Systems Fund, which is currently projecting an unfavorable variance of about \$96,000 (due to anticipated below-budget document recording fees). Witkowski also advised of potential year-end fund transfers.

MOTION: Michalski moved, second by Dondlinger to accept the Special Revenue and General Funds report for six months ended. Motion carried 6-0.

Status Report on the Contingency Fund for Six Months Ended

Witkowski said there were no contingency fund transactions during the first quarter although during the second quarter, \$100,000 was transferred to repair the School Section Lake dam, previously approved via ordinance.

MOTION: Paulson moved, second by Foti to accept the Contingency Fund status report as of June 30, 2018. Motion carried 6-0.

Capital Projects Status Report for Six Months Ended

Duckwitz reviewed the 2018 six-month status report on capital projects as outlined including project title, current appropriations, expenditures, balances and percent complete for design, bid, and construction. No major concerns were voiced.

MOTION: Michalski moved, second by Wysocki to accept the Capital Projects Status Report for Six Months Ended. Motion carried 6-0.

Mid-Year Status Report on Department of Administration Capital Projects

Thelke, Biagioli, and Hoffmann gave an update on Department of Administration capital projects including Countywide cashiering, enterprise content management, Payroll/Human Resources information systems, and County Board Room technology upgrade. It was noted that the HRIS project deadline has been moved back to mid-year 2019. No major concerns were voiced.

Mid-Year Department of Administration Budget Status Report

Cummings, Thelke, and Biagioli gave an update on the Department of Administration's strategic objectives. These included the Countywide Information Governance Plan, selecting a vendor to replace the current Payroll/Human Resources information systems, continuing implementation of the on-site shared clinic to reduce healthcare costs, identifying new and tracking existing LEAN projects, and exploring opportunities to move functions off County servers onto cloud service environments. No major concerns were voiced.

Discuss and Consider Ordinance 173-O-036: Authorize Use Of Jail Assessment Revenue For Medical Services For Jail Inmates

Cumming discussed this ordinance to expand the allowable uses of jail assessment revenue to include funding for jail medical services. Previously, the County Board limited use of jail assessment revenues to funding jail-related capital projects (including multi-year assets, e.g., equipment related) and debt service payments related to jail facility project costs. The ordinance also limits the amount the jail assessment revenues that can be used to fund the jail medical services contract to 20% of the actual revenues received two years prior, provided that there is still sufficient revenues to fund other obligations (i.e., enough funding available for jail equipment replacement plan, jail capital projects in the five-year capital plan, and debt service on qualified capital projects). For example, the Sheriff's department would be eligible to budget approximately \$115,000 in 2019 (20% of the \$573,000 received in 2017). Staff went on to discuss funding uses for the previous three years, the current-year budget, and three projected future years. The county has received about \$575,000 in jail assessment revenues the previous three years, on average. This ordinance would affect the 2019 budget, allowing the County to mitigate increases in tax levy-funded jail medical services with the use of jail assessment revenues.

MOTION: Paulson moved, second by Dondlinger to approve Ordinance 173-O-036. Motion carried 6-0.

Ordinance 173-O-033: Amend Waukesha County Code of Ordinances, Section 7-95 Regarding Travel Expenses

Cummings and Igielski discussed this ordinance which will amend the County Code of Ordinances to update travel reimbursement rates and practices to take effect September 1, 2018. To increase efficiency for County staff, travel advances will be allowed up to 100% of estimated travel. The current County Code with respect to in-state hotel rates have not been updated since 2012 and normally the state rate in certain cities is unavailable. For in-state hotels, the maximum reimbursement will be \$120.00 except for Green Bay, Madison, La Crosse, Wisconsin Dells, Appleton, Lake Geneva, or Door County, for which maximum reimbursement shall be \$145 per day or actual cost, whichever is less.

MOTION: Wysocki moved, second by Dondlinger to approve Ordinance 173-O-033. Motion carried 6-0.

Ordinance 173-O-034: Approve WOW Consortium Agreement and Authorize Waukesha County As The Fiscal Agent Of The Workforce Development Board

Cummings and Catherman discussed this ordinance to approve the Waukesha-Ozaukee-Washington (WOW) consortium agreement and authorize Waukesha County as the fiscal agent of the

Workforce Development Center. The WOW Board is one of Wisconsin's eleven regional boards and is charged with addressing local economic workforce issues in Waukesha, Ozaukee, and Washington Counties. The WOW Board works in collaboration with local elected officials, economic development corporations, businesses, and the community to address macroeconomic workforce issues in the three-county area.

WOW Board staff and board members, Waukesha County staff, Waukesha, Ozaukee, and Washington County Board Chairs, and workforce system stakeholders evaluated allowable board, fiscal agent, and staffing structures and best practices to determine the most efficient and cost effective model. Waukesha, Ozaukee, and Washington Counties had previously entered into a Consortium Agreement pursuant to the Workforce Innovation and Opportunity Act to define the three-county workforce development area and the roles of the counties under the Workforce Innovation and Opportunity Act. It is now desirable that Waukesha County serve as the administrative entity, grant recipient and fiscal agent for the WOW Board. In light of these changes, it is necessary to update the Consortium Agreement.

MOTION: Wysocki moved, second by Michalski to approve Ordinance 173-O-034. Motion carried 6-0.

Discuss and Consider Ordinance 173-O-038: Create One Workforce Development Board Director Position And Modify Waukesha County Parks And Land Use 2018 Budget To Appropriate Waukesha-Ozaukee-Washington Workforce Development Board Grant Funds

Shaver and Catherman were present to discuss this ordinance as outlined which creates one regular, full-time (1.00 FTE) Workforce Development Board Director position (salary range \$93,772 - \$128,621) in the Workforce Innovation and Opportunity Act (WIOA) Fund in the Parks & Land Use Department. This ordinance also appropriates \$434,700 of total expenditure authority and increases General Government revenues by a corresponding amount for the fourth quarter of 2018.

This new position is a result of Waukesha County agreeing to serve as the administrative entity, grant recipient, fiscal agent, and oversight manager of the Waukesha, Ozaukee, and Walworth (WOW) Counties Board. The position will implement grant-programs working with sub-grantee vendors, work with stakeholders on macroeconomic workforce issues, and serve as a liaison with representatives of the WOW counties.

Personnel Costs of \$42,300 are related to the Workforce Development Board Director position as well as programmatic support costs and extra help. Operating Expenses of \$392,400 is largely to support sub-grantee programs mentioned previously. Other miscellaneous operating expenses are mainly budgeted to provide office supply costs, office rent, staff development and travel, and software/computer maintenance.

All position costs and any Workforce Development grant programming and related expenses are funded through federal Workforce Innovation and Opportunity Act annual allocations. Staff indicate that the total grant expenditures are estimated to be expended by December 31, 2018 and any amounts remaining will be submitted as part of the County's carryover ordinance process.

This ordinance is estimated to have no direct tax levy impact and is conditioned upon the approval and execution of a mutually agreeable Fiscal Agent Agreement.

MOTION: Michalski moved, second by Foti to approve Ordinance 173-O-038. Motion carried 6-0.

Discuss and Consider Ordinance 173-O-030: Execute Sub-grantee Agreements And HUD Grant Agreement For Community Development Block Grant (CDBG) And Home Investment Partnership (Home) Programs For The 2019 Program Year

Shaver discussed this ordinance as outlined which authorizes the County Executive to execute agreements with the Federal Government to accept up to \$2,837,246 of CDBG and Home grants and program income. If the HUD funding allocation awards are less than the estimated amount, the CDBG and Home Consortium Boards will make appropriate reductions to sub-grantee grant amounts and send a notification of any decreases to the Finance Committee. The Community Development expenditures will be limited to the amount of the HUD award notifications. All sub-grantee agreements for projects will include clauses providing for grant funding decreases, if necessary. If the final Federal appropriation amount is greater than the estimated amount of \$2,837,246 an ordinance to appropriate the additional funding will require County Board approval to increase the CDBG and Home program expenditure appropriations and revenue budgets accordingly. This ordinance has no direct tax levy impact.

MOTION: Paulson moved, second by Michalski to approve Ordinance 173-O-030. Motion carried 6-0.

Contract Procurement Process for the Golf Reservation and Point of Service (POS) System

Shaver and Brunner were present to discuss this item and advised this 5-year contract was awarded to Pro-Shopkeeper Computer Software, Co. DBA Cub Prophet Systems, the highest rated proposer, for a total contract cost of \$131,732. The one-time startup cost of \$9,550 will be paid using savings from the cashing project and \$15,000 of the \$24,000 for first year maintenance costs will be from the default of the golf module.

MOTION: Foti moved, second by Michalski to approve the contract procurement process for the golf reservation and POS system. Motion carried 6-0.

Discuss and Consider Ordinance 173-O-035: Accept The 2018 State Of Wisconsin Department Of Transportation Highway Safety Grant And Modify Waukesha County Sheriff Department's 2018 Budget To Authorize Grant Expenditures

Johnson and Joost were present to discuss this ordinance which authorizes the appropriation of \$64,201 of Wisconsin Department of Transportation grant award funds in the Sheriff's 2018 budget. This amount reflects the difference between the \$50,000 included in the 2018 budget for this revenue and the \$114,201 that was ultimately awarded. The funding will be used to increase enforcement activities on road segments identified by the State as "at risk" based on crash frequency or severity due to alcohol use, travel speed, or lack of seat belt use. All awarded funds will be used for additional overtime and associated benefit costs. County indirect or administrative costs are not covered by this grant funding. This ordinance has no tax levy impact.

MOTION: Paulson moved, second by Dondlinger to approve Ordinance 173-O-035. Motion carried 6-0.

Ordinance 173-O-037: Authorize Vacation And Sick Leave Benefits For Newly-Hired Corrections, Telecommunications And Law Enforcement Staff

Richter and Gage discussed this ordinance as outlined and said effective upon passage, this ordinance would authorize the Sheriff's Department and Department of Emergency Preparedness to offer accelerated vacation and sick leave benefits to newly hired Correctional Officers, Telecommunicators and associated law enforcement supervisory staff meeting certain experience criteria. To qualify, new employees in these categories must have worked in a similar position for at least three years no more than twelve months prior to the hire date.

Under this program, qualifying Correctional Officers and Telecommunicators will be granted 40 hours of sick leave upon hire. Thereafter, they will earn additional sick leave in accordance with the applicable County policy. They will also receive up to 10 days of paid vacation, pro-rated based on the start date. Thereafter they will accrue vacation time in accordance with the applicable County policy. Employees hired under this program will not be eligible for a vacation payout if they terminate employment within six months of their start date.

Qualifying individuals hired into a law enforcement, corrections or telecommunications supervisory position will receive the exempt vacation benefit in the first year of employment. Thereafter, they will accrue vacation based on the applicable County policy.

Providing an accelerated benefit program may allow the affected departments to hire and retain qualified individuals that might not otherwise choose Waukesha County over competing employment opportunities. Hiring experienced staff can reduce time in on-the-job training. If vacancies can be filled more quickly under this incentive program, overtime costs will be reduced. The amount of savings would depend on the number and timing of hires under this program. This ordinance requires no additional tax levy.

MOTION: Wysocki moved, second by Dondlinger to approve Ordinance 173-O-037. Motion carried 6-0.

Heinrich and Foti left the meeting at 11:45 a.m.

Ordinance 173-O-039: Approve Modifications To Compensation And Benefit Structures For Non-Represented Employees

Richter and Gage discussed this ordinance which implements changes to the salary structure for selected jobs, modifies the non-base performance award system and the step promotion policy to maintain market competitiveness resulting from the 2018 Compensation Study of the County's total compensation structure. The financial analysis of the salary structure changes is based on a five-year projection comparing the County's current salary structure for position classifications with the one proposed in this ordinance. This reflects the County's ongoing review of compensation every five years and captures significant impacts that occur more immediately following a change.

The effective date for this ordinance is January 1, 2019. Employees in classifications with step ranges addressed in this ordinance will be placed at the step closest to, but not less than their current pay rate as of the effective date of this ordinance. Employee placement and future movement will open up the range maximum to step 15 for the four classifications currently capped at 14 steps.

Employees already earning more than the top rate of their new pay range will be red-circled until range maximum exceeds employee's current salary. The projection assumes an employee turnover rate consistent with percentages of 12% and it factors in related Social Security and Wisconsin Retirement System costs. Since some positions are funded entirely or partially with non-tax levy revenue sources, this projection assumes about 29% of position costs will not have a levy impact, based on current funding sources.

Compensation Study - Salary and Benefit Cost Estimate						
Year	2019	2020	2021	2022	2023	Total
Cost (Including Benefits)	\$249,446	\$32,888	\$92,218	\$87,600	\$80,797	\$542,948
29% Non-Levy Revenue Offset	\$72,339	\$9,538	\$26,743	\$25,404	\$23,431	\$157,455
Net Costs	\$177,106	\$23,351	\$65,475	\$62,196	\$57,366	\$385,493

The net tax levy impact for these salary structure changes is estimated at \$385,000 over five years or about 1.1% of estimated base expenditures. The proposed 2019 budget includes the fiscal impacts of this ordinance.

The non-base performance award modification puts into place the opportunity for department heads to recognize, provide a higher reward, and differentiate high performing staff. It is anticipated that a very small number of staff would be eligible for the additional non-base compensation. Employees must be evaluated as exceptional and historical trends show that only a small percentage of the eligible employees would receive this additional compensation. The fiscal impact is estimated at \$60,000 (\$43,000 levy impact) and will be managed within 2019 department personnel budgets.

The step promotion policy modification affects a small number of classifications for those employees in the step ranges, and the fiscal impact is minimal. Any costs are included in the 2019 department budgets.

MOTION: Michalski moved, second by Dondlinger to approve Ordinance 173-O-039. Motion carried 4-0.

MOTION: Wysocki moved, second by Michalski to adjourn at 11:55 a.m. Motion carried 4-0.

Respectfully submitted,

Thomas A. Michalski

Thomas A. Michalski
Secretary