

Minutes of the Finance Committee

Wednesday, September 20, 2017

Chair Heinrich called the meeting to order at 8:30 a.m.

Present: Supervisors Jim Heinrich, Duane Paulson, Tom Michalski, Tim Dondlinger, Richard Morris, Ted Wysocki, and Steve Whittow.

Also Present: Chief of Staff Mark Mader, Jail Administrator Mike Giese, Senior Correctional Facility Manager Angela Wollenhaupt, Financial Analyst Josh Joost, Administration Director Norm Cummings, Budget Management Specialist Bill Duckwitz, Reporter Dave Fidlin of *The Freeman*, Parks & Land Use Director Dale Shaver, Parks System Manager Steve Brunner, Facilities Manager Shane Waeghe, Information Systems Manager Mike Biagioli, Accounting Services Manager Larry Dahl, Collections/Business Services Manager Andy Thelke, Public Works Director Allison Bussler, Highway Operations Manager Pete Chladil, Engineering Services Manager Gary Evans, Airport Manager Kurt Stanich, Departmental Secretary Tony Di Frances, and Human Resources Manager Jim Richter. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of September 6

MOTION: Paulson moved, second by Morris to approve the minutes of September 6. Motion carried 7-0.

Correspondence

Copies of the Finance Committee agendas for October were distributed.

Next Meeting Date

- October 4

Chair's Executive Committee Report of September 11 & 18

Heinrich said the Executive Committee, at their last two meetings, discussed the proposed 2018-2022 Capital Projects Plan, approved scopes for the Parks and Land Use Department and the Department of Administration tax listing audits, determined sale values on County-owned foreclosure properties less than \$5,000, approved appointments, heard updates on the Regional Transit Leadership Council Executive Committee and Wisconsin Workforce Development Association Board, and heard standing committee reports.

State Legislative Update

Mader said the State budget passed.

Contract Procurement Process for Inmate, Juvenile Center, and Mental Health Center Food Services

Giese advised this three-year contract was awarded to CBM Managed Services, the highest rated proposer, for a total contract cost of \$2,524,662. The first year budgeted amount is \$841,000 and the first year cost is \$816,805. The budgeted amount was adjusted to cover the cost which Joost explained further. Four vendors submitted proposals for consideration but two were eliminated early on as they were over-budget.

MOTION: Wysocki moved, second by Whittow to approve the contract procurement process for inmate, Juvenile Center, and Mental Health Center food services. Motion carried 7-0.

Ordinance 172-O-038: Authorize The City Of Oconomowoc Fire Services To Join Waukesha County Dispatch Center At A Pro-Rated Rate

Cummings discussed this ordinance which authorizes the Department of Emergency Preparedness to enter into an agreement with the City of Oconomowoc Fire District to join the Waukesha County Communications Center for central dispatch services. In accordance with the agreement and consistent with Waukesha County Enrolled Ordinance 157-39, the City will make a one-time capital contribution to the County of \$49,120.50 due on the effective date of the agreement (October 1, 2017). This represents 30% of the normal rate because it does not include City police services within its scope. Should the City and County later agree to police services, an additional payment of 70% of the standard rate will be due. This agreement will not require any additional staff since the County is already dispatching the Dousman Fire District group. Other operating expenses related to increased call volume are estimated to be minimal by the Department of Emergency Preparedness and will be absorbed within the existing budget. This ordinance has no impact on the 2017 tax levy. The capital contribution will be reserved for future capital expenditures or equipment replacement at the Communications Center. Related revenues and expenditures will be included in future budgets.

MOTION: Morris moved, second by Dondlinger to approve Ordinance 172-O-038. Motion carried 7-0.

Review the Revenues Section of the Capital Projects Plan

Duckwitz and Cummings explained fund balances and revenues as outlined in the proposed 2018-2022 Capital Projects Plan.

Review Capital Project 201605: Menomonee Park Beach House Renovation

Shaver indicated the existing Menomonee Park beach house was built in the mid 1970's as a bathhouse and shelter building. This project proposes remodeling of the beach house to replace the original mechanical systems, lighting, windows, and doors/frames, while updating bathrooms and ADA accessibility to current code compliance. The lifeguard room will move to the front of the building facing the beach to improve safety and allow for more functional and efficient use of space. Proposed building renovation costs are estimated at \$426,700 and the required utility and site improvements estimated at \$130,000. This project has been updated to reflect that the project will not receive \$300,000 of Department of Natural Resources Stewardship funding. Project scope and costs have been reduced by \$313,600 and will no longer include a partial enclosure of the outdoor pavilion but will focus on renovation and extension of the facility's useful life. The remodeling is expected to extend the life of the building for another 30 years. Expected operating costs would be equivalent to current conditions with some utility savings due to upgrading HVAC and lighting to more efficient equipment and fixtures.

MOTION: Wysocki moved, second by Dondlinger to tentatively approve Capital Project 201605. Motion carried 7-0.

Review Capital Project 201812: IntelliTime Dynamic Scheduling

Biagioli discussed this project which involves a review of a Proof of Concept (POC) with the IntelliTime Dynamic Scheduling Module (DSM) to address current staff scheduling business practices for the Clerk of Courts, Jail Division, and Health & Human Services/Mental Health

Center. These departments currently use a combination of Excel spreadsheets and/or outdated software applications to collect data to manage and schedule staff resources on a 24/7 basis such as variable shift schedules, vacations, sick leave and compensatory time for training and overtime. Current scheduling processes are outdated, having many restrictions and inefficiencies to functionality and while these applications remain operational, they require intensive staff time.

The current vendor has notified the Jail it plans to discontinue all levels of support for their current scheduling module (InTime), having shifted development resources to a new Cloud and Enterprise product platform. The resources budgeted for this project include: 1) process reviews of the POC; 2) customization of business rules; 3) implementation; 4) training and; 5) acquisition of additional licenses for the DSM with improved capabilities for scheduling practices in these departments. Purchasing the additional DSM licenses would only occur if the POCs show clear return-on-investment and meets the business needs for the departments. The annual software license cost for an estimated 365 employees is \$55,000 for the first year.

MOTION: Wysocki moved, second by Dondlinger to tentatively approve Capital Project 201812. Motion carried 7-0.

Review Capital Project 201815: Tax System and Countywide Cashiering Replacement

Thelke said this project replaces the Active Network Payment Manager (TAN) countywide cashiering system and the County's Property Tax Application through the evaluation of current business processes and future business needs. It is necessary to combine tax and cashiering replacement into one project due to interdependencies between the applications and their interfaces with other Line of Business Applications (LOBs) throughout County departments. Replacement of these systems begins with a business process review and analysis of off-the-shelf software available for property tax listing and billing within the State of Wisconsin. Decisions made on how to best incorporate cashiering within the property tax system will establish the framework for the selection of software solution(s). Specific areas affected by property tax system replacement include tax billing, tax collection/settlement and related systems/programs that use tax data such as municipal tax systems, geographic information systems, and internal/shared data warehouses and online payment portals.

TAN replacement may use native cashiering components within the selected tax application or a hybrid approach where multiple systems contribute to the general ledger for centralized financial reporting. Current TAN functionality will be replaced through new system implementation or modification to LOB applications and/or business process modifications. Current live cashiering interfaces to replace include property tax, general ledger to the County Financial Management System (FMIS), accounts receivables to FMIS, and Collections (delinquent receivables). The replacements will also incorporate efficiencies gained through cashiering database centralization, batch processing, and cash handling improvements and consistency of over the counter transactions. Although not planned, the project will create the infrastructure and systems architecture for future LOB integrations (e.g., Sheriff, Health & Human Services, and payment card processing). This project replaces project 200414 in pursuit of a replacement for cashiering and tax functionality outlined above and the integration of credit card processing, data protection and hardware/workstation replacement to improve overall efficiency and security.

MOTION: Morris moved, second by Michalski to tentatively approve Capital Project 201815. Motion carried 7-0.

Review Capital Project 201418: Courthouse Project-Secure Courthouse Construction

Bussler indicated the existing courthouse was constructed in 1959 and remains structurally sound although the courthouse building infrastructure is approaching the end of its useful life. Throughout the life of the courthouse, extensive remodeling has taken place to add additional courtrooms and reconfigure interior space to meet the expanding needs of the services located in the courthouse. Operational and business inefficiencies, particularly for the courts systems, have been created due to both space and building limitations. In addition, existing courtrooms do not meet current design standards. The County retained Zimmerman Architectural Studios to develop a courthouse study to provide a comprehensive analysis of courthouse space requirements and design needs. This study was completed in 2013 and Zimmerman recommended a two-step design approach.

This project addresses step 1. A separate capital project will address step 2. While approving this project in the plan does not obligate future County Boards for step 2 (renovation of the existing courthouse facility as outlined in the aforementioned study, project #201705), it does reflect the County's future guidance for the overall courthouse project. Step 1 involves construction of a new four-story, eight-courtroom facility and relocation of eight existing courtrooms to the new facility. This work also includes the demolition of the existing 1959 jail.

Review Capital Project 201705: Courthouse Project Step 2 – Renovate 1959 Courthouse

Bussler said step 2 of the courthouse project will allow for the renovation of the existing courthouse facility in a three-phase vertical segmented approach to provide newly renovated facilities for all divisions, except the secure courtrooms addressed in step 1 above. Courthouse renovation will also include the installation of new state of the art mechanical, electrical, fire protection, window systems, and new wall, floor and ceiling finishes. This approach will not require temporary offsite relocation of courthouse personnel.

MOTION: Paulson moved, second by Wysocki to tentatively approve Capital Projects 201418 and 201715. Motion carried 7-0.

Review Capital Project 201803: CTH O, CTH ES to STH 59 Rehabilitation

Bussler said this 2.3-mile long project in New Berlin involves the rehabilitation/reconstruction of CTH O to bring it up to current standards. Improvements will include replacing the existing concrete pavement, reconfiguring intersections to improve safety, replacing older traffic signals, minor grading, adding sidewalks, and storm water improvements. Access to other businesses and residences adjacent to Moorland Road will need to be maintained during construction. Therefore, traffic control will be a major challenge for this project. Federal funds will partially offset the cost of design and construction and the Department will apply for \$17,385,000 in federal STP-M funds. The concrete pavement along this portion of Moorland Road (CTH O) now has a pavement condition index (PCI) of 50 which is regarded as fair. While the PCI is not in poor condition, the transverse and longitudinal joints show signs of significant deterioration and it is anticipated that the roadway will be ready for a pavement replacement by 2024. The roadway was first built in 1978 and rehabilitated in 2006. However, that rehabilitation will be at the end of its useful life by 2024 and the concrete pavement will need to be replaced. Pavement issues are further compounded as this portion of Moorland Road is one of the busiest on the County system. With over 30,000 vehicles per day using the corridor, it serves as a major access road between I-43 and I-94. Ongoing operating costs are not expected to change.

Wysocki said he supported this project reluctantly because of the timeframe. He recommended the project be moved forward because the road has become too dangerous. Heinrich said he will voice

Wysocki's concerns to County Board Chair Paul Decker. Bussler said the Moorland Road project is massive and will include four projects totaling over \$50 million. Evans noted there is not enough federal dollars in the southeast program to include in one biennial application and pavements are worse in other areas. Paulson said if the project is moved forward and there are no federal dollars, it will have to be paid with tax levy.

MOTION: Paulson moved, second by Michalski to tentatively approve Capital Project 201803. Motion carried 7-0.

Ordinance 172-O-036: Modify The 2017 Transportation Fund Budget For Additional State Discretionary Maintenance Work And Equipment Purchase

Chladil discussed this ordinance which modifies the 2017 Transportation fund budget to appropriate an additional \$180,000 of state funds for additional highway maintenance work and equipment purchases, based on signed Discretionary Maintenance Agreements (DMAs) with the Wisconsin Department of Transportation.

The first DMA will fund the purchase of a salt conveyer and will require \$90,000 of additional fixed asset appropriations. The second DMA will fund additional asphalt repair work on state highways and is estimated to cost \$150,000. The 2017 budget already includes budget authority for \$60,000 of these project costs for labor, vehicle/equipment, and administrative costs. However, an additional \$90,000 of operating expenses needs to be appropriated to cover material costs (not already included in the 2017 budget). All related expenses will be funded with State highway maintenance revenues. This ordinance is estimated to have no direct tax levy impact.

MOTION: Paulson moved, second by Morris to approve Ordinance 172-O-036. Motion carried 7-0.

Ordinance 172-O-037: Approve Blue Sky Flight Academy LLC As An Aeronautical Service Provider At Waukesha County Airport And Its Operating Agreement

Stanich discussed this ordinance which authorizes an agreement between Waukesha County and Blue Sky Flight Academy under which Blue Sky will provide flight instruction and aircraft storage and rental services at the airport. Blue Sky will initially be allowed to sublease space from an existing County tenant (RFG LLC) but will be required to build its own facility within three years of the agreement start date. The agreement runs from October 1, 2017 through September 30, 2022, with two optional five-year extension periods. Should Blue Sky fail to complete the new facility in three years, they will be required to pay the County three times the annual rent. The value of the facility is estimated at about \$350,000.

For the period during which Blue Sky occupies the subleased space, they will pay the County a fee of about \$1,572 annually, adjusted for inflation. This will be pro-rated for the final three months of 2017. The fee will end when Blue Sky occupies its new facility, at which point they will pay a 2017 rental fee of \$0.3203 per square foot, adjusted annually for inflation. The approximate area to be occupied is currently estimated at 17,000 square feet which would extend to an annual rent of about \$5,445 at the 2017 rate.

The operation of a flight school will have an impact on fuel flowage revenue for the County. For example, two aircraft operating 300 hours per year would generate about \$780 annually in fuel flowage fees.

MOTION: Dondlinger moved, second by Whittow to approve Ordinance 172-O-037. Motion carried 7-0.

Ordinance 172-O-039: Establish Employee Retention/Severance Policy

Richter discussed this annual ordinance as outlined. In the course of developing the proposed budget for any given year, positions may be abolished, or funding reduced (most are typically vacant) for various departments. This ordinance authorizes a benefit policy for County employees that may be laid off in 2018 or thereafter. It does not cover employees who terminate their employment voluntarily prior to their layoff, or who accept employment in another County position or who decline such employment.

Under the proposed retention/severance program, regular full-time employees will be eligible for a severance payment as follows: less than three years of services – three weeks of pay; three years of service but less than ten years – 6 weeks of pay; and more than ten years – nine weeks of pay. Regular part-time employees will be eligible for half the above benefits.

In addition, regular full-time and part-time employees would be eligible for up to four months of the County contribution toward the health plan they are enrolled in at the time of termination. Terminated employees would also be eligible to participate in the Tuition Assistance Program for one year after being laid off.

Currently, there are no layoffs planned for 2018 that would activate this policy. The 2018 County Executive's budget includes \$40,000 for retention/severance, subject to review and approval by County Board committees and the full Board. Future Non-Departmental budget proposals will include estimates for the impact of this policy based on anticipated staffing changes. Any costs related to the tuition assistance benefit will be absorbed in the Human Resources Division budget.

Richter indicated the Human Resources Committee agreed at yesterday's meeting to eliminate this as an annual ordinance and it will instead become an ongoing policy. An ordinance will only come forward if there are changes. He noted there have been no changes in 12 years. Paulson said he could not support this and believes an ordinance should be brought forward annually, promoting dialogue and educating new supervisors. He said too many items are rolled into policy and reviewing this annually would be the responsible thing to do. Richter suggested severance statistics could become an annual report to the Human Resources Committee.

MOTION: Morris moved, second by Michalski to approve Ordinance 172-O-039. Motion carried 6-1. Paulson voted no.

MOTION: Dondlinger moved, second by Whittow to adjourn at 11:15 a.m. Motion carried 7-0.

Respectively submitted,

Thomas A. Michalski
Secretary