

## Minutes of the Finance Committee

Wednesday, September 6, 2017

Vice Chair Paulson called the meeting to order at 8:16 a.m.

**Present:** Supervisors Duane Paulson (Vice Chair), Tom Michalski, Tim Dondlinger, Richard Morris, and Ted Wysocki. Chair Jim Heinrich arrived at 8:56 a.m. **Absent:** Steve Whittow.

**Also Present:** Chief of Staff Mark Mader, Collections/Business Services Manager Andy Thelke, Financial Analyst Kayla Kaboskey, Golf Clubhouse Supervisor Tom Halla, Parks System Manager Steve Brunner, County Board Chair Paul Decker, Risk/Purchasing Manager Laura Stauffer, Principal Risk Management Analyst Mark Jatzcak, Administration Director Norm Cummings, and Criminal Justice Collaborating Council (CJCC) Coordinator Rebecca Luczaj. Recorded by Mary Pedersen, County Board Office.

### Approve Minutes of August 16

MOTION: Morris moved, second by Dondlinger to approve the minutes of August 16. Motion carried 5-0.

### Next Meeting Date

- September 20

### Proprietary Funds Report for Six Months Ended

Thelke and Kaboskey discussed the County's enterprise and internal service funds in detail as outlined in the report. Brunner and Halla were present to answer questions pertaining to the golf courses and ice arenas. Kaboskey distributed revised data for the Health Insurance fund as it relates to the 2017 year-end estimate.

Those funds that showed a net loss at the end of six months in 2017 were the Naga-Waukee Golf Course (-\$91,901); Wanaki Golf Course (-\$156,444); Moor Downs Golf Course (-\$29,464); Naga-Waukee Ice Arena (-\$26,412); Eble Park Ice Arena (-\$26,528); Airport (-\$101,890); Vehicle/Equipment Replacement (-\$90,427); and End User Technology (-\$326,725).

Those funds that showed a net income were Central Fleet (\$4,144); Radio Services (\$270,684); Records Management (\$72,989); Communications (\$172,833); Risk Management/Workers Compensation (\$132,404); Collections (\$152,428); and Health Insurance (\$1,609,947).

Wysocki was concerned with the net losses associated with the golf course(s) and said with a private lessee, the County would not incur any costs. Mader said the County could still incur costs and those costs would have to be paid with tax levy as opposed to them currently being absorbed within the enterprise fund. Wysocki said it is possible those costs could be incurred by the lessee. At Wysocki's request, Thelke suggested a future conversation specific to the golf courses including County/indirect costs. Mader suggested that occur with a review and direction from the directors of both the Administration and Parks & Land Use departments.

Heinrich arrived at 8:56 a.m.

MOTION: Paulson moved, second by Wysocki to accept the Proprietary Funds report for six months ended. Motion carried 6-0.

### **Collections Report for Six Months Ended**

Thelke reviewed his report titled "Collections Division Delinquent Collection/Referral Analysis: 2017 Six Month Report" as outlined. Total collections during the first six months decreased 2.7% from 2015 and increased 3.0% from 2015. Tax intercept collections totaled \$1,041,064 versus \$1,088,502 for the same period in 2015. A total of 4,852 tax intercept payments were received on accounts in 2017 compared to 4,984 in 2016. Total collections were \$2,303,369 and the amount retained by the County was \$1,485,385. This compares to the same time period in 2016 when these figures were \$2,367,073 and \$1,592,415, respectively.

MOTION: Wysocki moved, second by Michalski to accept the Collections report for six months ended. Motion carried 6-0.

### **Workers Compensation Trends and Experience Modification Rating Factor**

Stauffer distributed information on loss trends. The Wisconsin Compensation Rating Bureau calculates experience modifiers (mods) based on the experience rating plan that is filed with the Office of the Commissioner of Insurance. Experience mods are used to calculate insurance and Workers Compensation premiums based on risks, losses, etc. If losses are as expected for a particular class, the mod is 1.0. The mod for more adverse losses will be above 1.0 and less than 1.0 for lower losses. The County's benchmark is to be below 1.0. Figures for the County for 2012 through 2017 were 1.08, 0.99, 0.98, 0.91, 0.82 and 0.84, respectively. Answering Heinrich's question, Stauffer said she is expecting the mod to increase slightly next year but it should still be below 1.0. Stauffer noted in the 70s and 80s the mod was always above 1.0 and in 1986 it was 1.70. This was when the County was insured by insurance companies. The lowest was 0.75 in 2001.

Stauffer and Jatzak discussed a plan developed several years ago to reduce the mod factor. The plan focused on employee injuries and ergonomic issues in the Highway Division and Sheriff's Department which are a large percentage of the claims.

### **Claims Report for Six Months Ended**

Jatzak reviewed the Workers Compensation report as outlined. During the first six months of 2017, 43 claims were opened and of those, 28 remained open at the end of six months. The total incurred was \$527,489. Since 2013, 425 claims have opened, 59 remained open, and a total of \$4,152,336 was incurred. Jatzak highlighted the larger claims that have opened and closed.

Stauffer reviewed the claims history report for six months ended as outlined. During the first six months of 2017, eight general liability claims were opened, three remained open, and the total incurred at the end of six months was \$13,799. Three auto liability claims were opened, two remained open, and the total incurred was \$472. A total of seven auto physical damage claims were opened, four remained open, and the total incurred was \$85,439. A total of 20 property damage claims were opened, 11 remained open, and the total incurred was \$68,858. Stauffer highlighted the larger claims that have opened and closed.

MOTION: Michalski moved, second by Morris to accept the claims report for six months ended. Motion carried 6-0.

### **Annual Report on County Equalized Property Values and Tax Incremental District (TID) Update**

Cummings distributed information on 2017 net new construction, 2016/2017 Waukesha County property value comparisons, equalized property value by municipality, and 2017 statement of changes in equalized values by class and item. From 2016 to 2017, the equalized value (including residential, commercial, manufacturing, agricultural, etc.) increased \$2,220,576,600 or 4% for a total of \$54,158,131,600. This compares to 2015 to 2016 when the equalized value increased \$1,749,930,500 or 3.49% for a total of \$51,937,555,000. Cummings said after the recession, it was not until 2015 that we started increasing in value. He noted we are happy if we hold our own in manufacturing value and that is what we have been doing. Total manufacturing increased 2% from 2016 to 2017. It was a good year for commercial but most of the increase was due to TIDs. Agricultural decreased \$107,200 or -1% while personal property increased \$42,213,700 or 4%. Cummings said net new construction in the Town of Brookfield increased \$161,015,100 or 15.7%. Of that, \$100 million is The Corners, which is unprecedented. Net new construction in 2017 totaled \$937,892,300, an increase of 1.81% (including TIDs). He noted 2017 property values (not including TIDs) increased \$1,993,365 or 3.9% for a total of \$52,982,985. The City of Brookfield has the highest equalized tax base, followed by the cities of Waukesha then New Berlin.

Cummings indicated two relatively small Waukesha TIDs will be closing out this year: Phoenix Heights and Downtown-Eastside. Menomonee Falls will close two TIDs in 2019 currently valued at \$95 million and \$93 million. Cummings said he will be attending a TID review board in the Village of Mukwonago tonight where he will voice his objections with a proposed TID including that it is for 16 years and involves \$1 million in business incentives for luxury apartments. He noted that Waukesha County has the second highest number of TIDs in the state. Cummings went on to discuss concerns he has with the state changing TID laws.

MOTION: Paulson moved, second by Michalski to accept the annual report on County equalized property values. Motion carried 6-0.

#### **Report on Alcohol Treatment Fees and Revenue Goals**

Luczaj reviewed the report titled "Alcohol Treatment Court Program Fee Revenue Summary 2009-2017" as outlined. Alcohol Treatment Court (ATC) Program fees were implemented in June of 2009. Client fee collections include revenue from two categories of enrolled clients: tax levy funded 3<sup>rd</sup> OWI offenders and federal grant-funded 4<sup>th</sup> OWI offenders (and a select number of 3<sup>rd</sup> OWI offenders). Caseload capacity is 40 to 45 clients and the caseload as of August 2017 was 39. Of those, 26 are 3<sup>rd</sup> OWI offenders and 13 are 4<sup>th</sup>.

Actual revenues during the first half of 2017 totaled \$10,416 (\$24,416 is budgeted for the full year). Luczaj indicated revenues for May through July are low which is due to changes in the billing system that delayed the billing process two to three months. She expects the revenue goal will be met.

MOTION: Dondlinger moved, second by Wysocki to accept the report on ATC Program fees and revenues. Motion carried 6-0.

MOTION: Morris moved, second by Dondlinger to adjourn at 11:19 a.m. Motion carried 6-0.

Respectfully submitted,

Thomas A. Michalski  
Secretary