

Waukesha County Board of Supervisors

Minutes of the Finance Committee Wednesday, June 22, 2022

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

Present: Supervisors Jim Heinrich, Larry Bangs, Darryl Enriquez, Tyler Foti, Joel Gaughan, and Richard Morris. **Absent:** Ted Wysocki.

Also Present: Chief of Staff Sarah Spaeth, Legislative Policy Advisor Alex Ignatowski, Administrative Specialist Mary Pedersen, Workforce Development Board Director Laura Catherman, Principal Financial Projects Analyst Bob Ries, Fiscal Specialist Laurie Wirth, Administration Director Andy Thelke, Accounting Services Manager Danielle Igielski, Press Secretary Nicole Armendariz, Register of Deeds Jim Behrend, Business Services Administrator Donn Hoffmann, Human Resources Manager Renee Gage, Senior Financial Analysts Michelle Czech and Alex Klosterman, Employee Benefits Administrator Andrea Mohr, Budget Management Specialist Stephanie Hall, Community Development Manager Kristin Silva, Public Works Director Allison Bussler, Highway Operations Manager Bob Rauchle, Business Managers Steve Trimborn and Rhiannon Cupkie, Health & Human Services Director Liz Aldred, Clinical Services Manager Kirk Yauchler, Aging & Disability Resource Manager Mary Smith, Principal Assistant Corporation Counsel Debbie Price, Engineering Services Manager Karen Braun, and Administrative Assistant Maria Bauer.

Approve Minutes of May 24

MOTION: Gaughan moved, second by Morris to approve the minutes of May 24. Motion carried 6-0.

Contract Procurement Process for Windows to Work Case Management & Coordination

Catherman advised this contract was awarded to Forward Careers, Inc., the highest rated proposer, for a total contract cost of \$84,375. The budgeted amount is \$85,000. Forward Careers, Inc. was the only contractor to submit a bid.

MOTION: Foti moved, second by Gaughan to approve the contract procurement process for Windows to Work case management and coordination. Motion carried 6-0.

Contract Procurement Process for WIOA Adult Dislocated Worker & WIOA Youth Services

Catherman said this contract was awarded to Forward Careers, Inc., the highest rated proposer, for a total of \$1,150,000. The budgeted amount is \$1,445,000. Forward Careers, Inc. was the only contractor to submit a bid.

MOTION: Enriquez moved, second by Morris to approve the contract procurement process for WIOA adult dislocated worker and WIOA youth services. Motion carried 6-0.

Review County Investment Policies

Ries discussed this item including division purpose, scope, objectives, delegation of authority, prudence, reporting requirements, internal controls, eligible investments, cash liquidity, competitive selection of investment advisors and instruments, Waukesha County investment types, and portfolios.

1st Quarter Investments Report

Ries reviewed the investments report including valuation at cost, valuation at market, total investment income and balances, and the County's portfolios. Ries indicated the total return for the quarter was down 7 basis points from the previous quarter, at 0.17%. For the year ending March 31, 2022, County investments returned 0.87%. Total interest earnings for the quarter were \$420,828, down \$82,896 from the 4th quarter due to a decrease in realized gains/losses on the sale of securities of \$97,037 as compared to the prior quarter. Average invested balances increased \$37.8 million compared to the previous quarter, consistent with the County's normal cash flow trend. The rolling four quarter average of quarterly invested balances has increased in recent quarters, due to the receipt of APRA funds from the federal government. Ries reviewed ten years of historical information for investment income, investment balances, and rate of return. The average invested balance is much higher than the 1st quarter for any of the quarters shown due to the receipt of \$39.3 million in Federal ARPA funds during the 2nd quarter of 2021. Due to the significantly lower rates in the market, both interest income and rate of return have fallen to the levels last seen since the last period of low rates following the 2008 recession. The 1st quarter of 2022 was impacted by increased losses on the sale of securities due to the higher yields present in the market.

MOTION: Bangs moved, second by Foti to accept the 1st quarter investments report. Motion carried 6-0.

Ordinance 177-O-025: Modify The 2022 Department Of Administration – Special Purpose Grant Fund By \$315,000 And Increase American Rescue Plan Act Funding To Redesign Current Webpage And Transition To Cloud Environment

Thelke, Igielski, and Armendariz discussed this ordinance which modifies the 2022 Department of Administration budget to appropriate \$315,000 of additional expenditure authority in the Special Purpose Grant Fund and increases general government revenue of \$315,000 from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program. This ordinance is addressing the funding objective of public sector effective service delivery. The department is proposing a redesign of the County website and transition to a cloud-based environment to improve stability, version control, and cyber security. There are instances where CSLFRF will be accounted for outside of the Special Purpose Grant Fund. In instances where Waukesha County claims base budget expenditures in departments, a separate revenue account is used to track the use of these funds.

This project is being proposed through ordinance versus in the 2023 budget process due to timing related to hiring a contractor and completing the work required to make this transition. The estimated annual ongoing impact of enhanced functionality and transitioning the County website to a cloud environment is \$65,000.

MOTION: Enriquez moved, second by Gaughan to approve Ordinance 177-O-025. Motion carried 6-0.

Ordinance 177-O-026: Modify The 2022-2026 Capital Plan For The Creation Of Capital Project #202215 Enterprise Resource Planning System Replacement And Modify The 2022 Department Of Administration – Special Purpose Grant Fund By \$200,000, Funded With American Rescue Plan Act Funding Revenue

Igielski, Gage, and Thelke discussed this ordinance which modifies the 2022-2026 capital plan to create capital project #202215 Enterprise Resource Planning System Replacement. This ordinance also modifies the Department's 2022 to appropriate \$200,000 in additional expenditure authority in the Special Purpose Grant Fund and increases general government revenue of \$200,000 from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program.

This ordinance is addressing the funding objective of public sector capacity – effective service delivery. This project meets the County objective of cost avoidance/ROI through replacement of our current Human Resource Information System, Time and Attendance System, and a Financial System. Two of these systems will no longer be enhanced and are required to be replaced (Human Resource Information System and Financial System) and the third system (Time and Attendance) does not meet the operational needs of departments with 24/7/365 operations. These funds will be used to engage a consultant to assist in the analysis of current process and procedures and assist the county through the vendor selection process.

The net annual ongoing impact of these systems is estimated at approximately \$95,000 (after deducting ongoing software maintenance fees for the current systems, which will go away). It is expected that the County will gain efficiencies through process improvements, centralization of databases, minimization of shadow- or paper-based systems, implementation of electronic workflows, enhanced communication, streamlined processes, better reporting tools, and development of mobile applications.

MOTION: Gaughan moved, second by Foti to approve Ordinance 177-O-026. Motion carried 6-0.

Annual Report on the Waukesha Employee Health & Wellness Center

Mohr, Gage, and Thelke discussed this report for January 1, 2021-December 31, 2021 which included information on aggregate participation, visit details, COVID-19 impact, post-visit surveys, estimated employee out-of-pocket savings, expenses and cost avoidance, and medical/prescription claims.

Ordinance 177-O-022: Modify The 2022 Community Development Fund Budget To Accept Additional Home Investment Partnership (Home) Program Funds And Actual Community Development Block Grant (CDBG) Program Funds

Silva said this ordinance modifies the 2022 Community Development – HOME Investment Partnership Program and CDBG operating expenditures appropriations to match the HUD-approved HOME and CDBG programs grant amounts. The 2022 HUD awarded amounts for the County's HOME program is at \$1,634,455 which is \$173,949 higher than the 2022 adopted budget appropriations of \$1,460,506. In addition, the 2022 HUD awarded amounts for the County's CDBG program is \$1,461,566 which is \$38,434 less than the 2022 adopted budget appropriations of \$1,500,000. The adopted budget is not based on the final HUD grant notification due to timing delays in receiving the federal budget appropriation grant award notification. This ordinance also authorizes subgrantee agreements necessary to cover allocations to be made by the County Executive, Community Development Block Grant Board, and the HOME Consortium Board for the changes in funding. This ordinance results in no direct tax levy impact.

MOTION: Morris moved, second by Enriquez to approve Ordinance 177-O-022. Motion carried 6-0.

Ordinance 177-O-024: Modify The 2022 Department Of Public Works – Special Purpose Grant Fund For Additional Fixed Asset Purchases And Increase American Rescue Plan Act Funding Revenue

Bussler and Igielski discussed this ordinance which modifies the 2022 Department of Public World budget to appropriate \$550,000 of additional expenditure authority in the Special Purpose Grant Fund and increases general government revenue of \$550,000 from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program.

This ordinance is addressing the funding objective of investment in water and sewer infrastructure. The Department proposed the following projects to meet this objective:

Project Title	Project Description	County Objective	Eligible Cost Category	\$ Amount
Road and Catch Basin Sweeper Truck	Adding a vacuum and street sweeper truck to reduce non-point source pollution.	Cost Avoidance/ Return on Investment.	5.9 Nonpoint Source Pollution Management	\$400,000
Brine Tanker Truck	Purchase of 4,000 gallon tanker truck for transportation and distribution of salt brine.	Cost Avoidance/ Return on Investment.	5.9 Nonpoint Source Pollution Management	\$275,000
Catch Basin Rebuild	Rebuilding catch basin structures to reduce risk of flooding and improve storm water run-off quality.	Cost Avoidance/ Return on Investment.	5.6 Stormwater	\$100,000
Recycled Water for Brine	Expand current capacity for brine water with an additional 60,000 gallon tank.	Cost Avoidance/ Return on Investment.	5.9 Nonpoint Source Pollution Management	\$50,000
Subtotal of new expenditure appropriations				\$550,000
Subtotal of projects already included in the 2022 budget (Brine Tanker Truck)				\$275,000
Total Projects				\$825,000

There are instances where CSLFRF will be accounted for outside of the Special Purpose Grant Fund such as for the Brine tanker truck which was already appropriated in the 2022 budget split between the Vehicle Replacement Fund and the Transportation Fund using available county resources. In instances where Waukesha County claims base budget expenditures in departments, a separate revenue account is used to track use of these funds.

These projects are being proposed through ordinances versus in the 2023 budget process to limit further significant wear and tear on existing equipment, timing required to procure this equipment, and the time required to hire a contractor and complete the Catch Basin project.

The ongoing operating costs for the catch basin sweeper truck is estimated at \$14,000, which includes fuel, maintenance, and replacement costs, offset by State reimbursement for use on State Highways. Brine tanker truck ongoing operating costs are estimated at \$22,000 which includes the cost of replacement offset by fuel and staff time saved by reducing the number of trips necessary to distribute salt brine. The brine tank storage is estimated to result in an ongoing savings of \$5,400 by using onsite stormwater which displaces the need for water utility expenses and reduces the amount of water disposal costs. There are no ongoing costs associated with the catch basin rebuild project.

MOTION: Enriquez moved, second by Gaughan to approve Ordinance 177-O-024. Motion carried 6-0.

Ordinance 177-O-027: Modify The 2022-2026 Capital Plan And 2022 Capital Project Budget To Modify Scope For Capital Project #202014 HHS Technology System Enhancements, Funded With American Rescue Plan Act Funding Revenue

Aldred discussed this ordinance which modifies the scope of capital project #202014 HHS Technology System Enhancements to convert current paper forms into electronic forms. In addition, this ordinance modifies the 2022 capital project budget for #202014 HHS Technology System Enhancements to appropriate \$52,000 of additional expenditure authority and increases general government revenue by \$52,000 from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program.

This project is eligible for ARPA-CSLFRF funding through the objective of Public Sector Capacity and Effective Service Delivery for Health and Human Service System enhancements. The department currently utilizes approximately 400 distinct paper forms to collect client data. Staff are requesting to convert these paper forms into electronic forms to allow for direct entry of client data into existing systems. This initiative would reduce the amount of paper forms collected, handled, and stored by the department by nearly 300,000 paper forms annually.

This project is being proposed through ordinance versus in the 2023 budget process to provide sufficient time to hire a contractor and for the contractor to build the 400 electronic forms into the existing system. This project is expected to generate operational benefits, including more efficient access to client records, easier cross-division collaboration, and a reduction in physical storage needs. The transition to digital forms will also marginally reduce office supply costs.

MOTION: Foti moved, second by Gaughan to approve Ordinance 177-O-027. Motion carried 6-0.

Ordinance 177-O-028: Modify The 2022-2026 Capital Plan And 2022 Capital Project Budget To Create Capital Project #202217 Mental Health Center Remodel, Funded With American Rescue Plan Act Funding Revenue

Aldred and Yauchler were present to discuss this ordinance which modifies the 2022-2026 Capital Plan to create capital project #202217 Mental Health Center Remodel. This ordinance also modifies the 2022 Capital Project budget to increase expenditures \$875,000 in the Department of Health and Human Services – Special Purpose Grant Fund.

The County currently operates a Mental Health Center (MHC) inpatient hospital for acute crisis care with a physical capacity of 28 beds. For several years, the MHC has operated with significantly fewer clients than capacity allows for. The Department of Health and Human Services (HHS) indicates that this is due to a number of factors, including utilizing HHS- and other community-provided resources to more effectively transition patients back to the community following an acute inpatient stay and identifying alternatives to inpatient care. In addition, the county has had difficulty recruiting positions at the MHC, including psychiatrists and nurses, which limits the capacity for coverage.

Lower MHC census levels have made it difficult for the department to generate client fee revenue to cover its fixed costs. The proposed project would remodel the facility to be more in-line with actual census levels, from a 28-bed facility down to a 16-bed facility. Staff believe that the smaller capacity should be able to absorb patient caseloads going forward because a new subacute Crisis Stabilization service unit will allow to more quickly transition patients out of the inpatient hospital into a more appropriate level of care.

This is estimated to reduce program costs at the MHC by about \$760,000 which includes a reduction in staffing of about 9 FTE, including fewer psychiatric technicians, registered nurses, and other positions. There would also be smaller reductions in variable operating expenses including lower prescription drug costs, and reductions in interdepartmental charges, largely from lower technology costs related to fewer

staff. Similarly, budgeting for fewer clients would result in lower budgeted client fee revenue of about \$382,000. This would be partially offset by an expansion in Medicaid eligibility for clients. Department management indicates that the county would receive additional Medicaid revenues, estimated at \$158,400, as a result of reducing the existing MHC acute crisis inpatient hospital capacity. Under current regulations, clients aged 21-64 are not eligible for Medicaid reimbursement for treatment at inpatient facilities larger than 16 beds. By reducing the capacity of the facility, the County would begin to receive revenue for clients in this age range that otherwise had no funding source (e.g., private insurance). Overall, there is a projected net favorable levy impact of \$536,000 from reducing the size of the inpatient hospital.

Staff anticipate requesting to use most of these savings to help fund its proposed new subacute Crisis Stabilization unit at the MHC. It is estimated that this new program area would cost approximately \$1,036,000 which includes additional personnel costs for a human services supervisor to oversee the operation, contracted staffing to serve clients and other operating expenses, and related interdepartmental charges, mostly for technology and collections services. Operational expenses would be partially offset by projected client fee revenues of about \$588,000, resulting in an increase in net levy need of about \$448,000. The total impact of these changes is estimated to reduce tax levy need by about \$88,000 annually when fully operational. Staff anticipate making most of these changes in the 2024 budget to align with the completion of the capital project. This capital project would be funded through the American Rescue Plan Act (ARPA) – Coronavirus State and Local Fiscal Recovery Fund (CLSFRR) program which makes funding available to address prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges.

The department is seeking approval for this capital project outside of the normal capital plan review schedule to help ensure that there is enough lead time to complete construction and prepare operations for the 2024 budget. Recent supply chain issues have extended the timeline necessary to acquire materials for construction.

MOTION: Gaughan moved, second by Enriquez to approve Ordinance 177-O-028. Motion carried 6-0.

Ordinance 177-O-029: Modify The 2022 Department Of Health And Health Service – Special Purpose Grant Fund For Criminal Justice Collaborating Council Pretrial Supervision And Increase American Rescue Plan Act Funding General Government Revenue

Aldred discussed this ordinance which modifies the 2022 Department of Health and Human Services – Special Purpose Grant Fund budget to increase operating expenditures by \$32,000 and increase general government revenues from the American Rescue Plan Act (ARPA) by \$32,000. The Criminal Justice Collaborating Council plans to use this funding to support one additional contracted case manager position for the pretrial supervision program to address a backlog in caseload resulting from the pandemic. The cost estimate of \$32,000 reflects a partial-year. Staff anticipates continuing this contracted position through 2023 at a full-year cost of \$67,000 and funded with ARPA revenues to correspond with the Courts Backlog Project approved during 2021. These costs are eligible under final ARPA grant rules that allow for reimbursement under the category of public sector capacity: administrative needs that were caused by or exacerbated by the pandemic.

MOTION: Gaughan moved, second by Foti to approve Ordinance 177-O-029. Motion carried 6-0.

Ordinance 177-O-030: Modify The Department Of Health And Human Services 2022 Budget And Authorize The Utilization Of Unspent 2021 Grant Funds From The Specialized Transportation Assistance Program For Counties Provided By The Wisconsin Department Of Transportation

Smith discussed this ordinance which authorizes the Aging and Disability Resource Center – General Fund to utilize the carryover of \$16,991 of Wisconsin Department of Transportation, Specialized Transportation grant funding from 2021 to 2022. This funding, along with \$3,398 of tax levy match, will provide \$20,389 to a contracted specialized transportation provider for vehicle maintenance, repairs, and replacement of their two-way radio communication system. The grant funds must be committed by June 30, 2022 and be used by December 31, 2022. This ordinance does not result in a direct tax levy impact as the 20% tax levy match of \$3,398 will be covered by estimated available tax levy as a result of vacant positions and is already included in the 2022 budget.

MOTION: Morris moved, second by Enriquez to approve Ordinance 177-O-030. Motion carried 6-0.

Closed Session

MOTION: Foti moved, second by Gaughan to convene in closed session at 10:30 a.m. pursuant to Section 19.85(1)(g), Wisconsin Statutes regarding Ordinance 177-O-031: Authorization to Enter into a Settlement Agreement in the Eminent Domain Lawsuit of the Estate of Joseph Delmer Putna v. Waukesha County, Case Number 2020-CV-264. Motion carried 6-0.

MOTION: Morris moved, second by Bangs to return to open session at 10:56 a.m. Motion carried 6-0.

Next Meeting Date

- July 20

Executive Committee Report of

Heinrich said the Executive Committee approved several ordinances and appointments and heard an educational overview of the Bridges Library System.

Announcements

Spaeth noted the County Board picture will be taken at 6:30 p.m. in the courtyard before the County Board meeting.

MOTION: Morris moved, second by Foti to adjourn at 10:59 a.m. Motion carried 6-0.

Respectfully submitted,

Tyler J. Foti

Tyler J. Foti
Secretary