

Minutes of the Finance Committee

Wednesday, August 19, 2020

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

Present: Supervisors Jim Heinrich, Duane Paulson, Tom Michalski, Tyler Foti, Joel Gaughan, and Ted Wysocki. Larry Nelson arrived at 8:17 a.m.

Also Present: Chief of Staff Sarah Spaeth, Legislative Policy Advisor Alex Ignatowski, Senior Civil Engineers Kevin Yanny and Karen Braun, Civil Engineer Nathan Beth, Administration Director Andy Thelke, Budget Manager Bill Duckwitz, Accounting Services Manager Danielle Igielski, Accounting Services Coordinator Lisa Davis, Human Resources Manager Renee Gage, Employee Benefits Administrator Andrea Mohr, Administrative Services Manager Randy Setzer, Principal Financial Projects Analyst Bob Ries, Community Development Manager Kristin Silva, Airport Manager Kurt Stanich, Senior Financial Analyst Marisa McRae, Budget Manager Bill Duckwitz, Budget Management Specialist Michelle Beasley, and Justice Services Coordinator Rebecca Luczaj.

Approve Minutes of July 22

MOTION: Paulson moved, second by Foti to approve the minutes of July 22. Motion carried 6-0.

Next Meeting Dates

- August 25 (6:45 p.m.)
- September 2 (8:15 a.m.)

Chair's Executive Committee Report of August 17

Heinrich said the committee reviewed the proposed scope for the IT project implementation audit and heard an update on IT projects.

Nelson arrived at 8:17 a.m.

Contract Procurement Process for Construction Management Services, CTH ES, Bridge Over Fox River, Capital Project #201004

Yanny advised the contract was awarded to Collin's Engineers, Inc., the highest rated proposer, for a total negotiated contract cost of \$76,317.40. The budgeted amount is \$77,000. Eight contractors submitted proposals for consideration.

MOTION: Gaughan moved, second by Michalski to approve the contract procurement process for construction management services, CTS ES, bridge over Fox River, Capital Project #201004. Motion carried 7-0.

Contract Procurement Process for Pavement Management System Consulting, Capital Project #201416 and #201406

Braun and Beth were present to discuss this item. Braun indicated this three-year contract was awarded to Transmap Corporation, the highest rated proposer, for a total contract cost of \$166,927. In each of the three years, \$100,000 is budgeted. Ten contractors submitted proposals for consideration.

MOTION: Nelson moved, second by Wysocki to approve the contract procurement process for pavement management system consulting, Capital Project #201416 and #201406. Motion carried 7-0.

Presentation on COVID-19 Funding Sources

Thelke, Duckwitz, and Igielski discussed pending funding sources available in response to COVID-19. Additional ordinances will be coming in September to address ongoing funding needs.

Ordinance 175-O-030: Accept The State Of Wisconsin Routes To Recovery Grant And Modify Waukesha County's Non-Departmental 2020 Budget To Authorize Grant Expenditures

Thelke, Duckwitz, and Igielski were present to discuss this ordinance which authorizes the County to accept \$6,600,414 of federal CARES Act funding distributed through the Wisconsin Department of Administration's Routes to Recovery Program to respond to the COVID-19 pandemic. This ordinance also appropriates \$5,236,000 of expenditure authority which is net of approximately \$1.4 million of revenues expected to be earned that cover expenditures already in the base budget. The State will reimburse for eligible expenses incurred from March 1, 2020 through October 31, 2020.

Year-to-date, the County has incurred and claimed reimbursement for \$722,713 of eligible costs and incurred another \$327,651 of costs that will be claimed. County administration is requesting to appropriate the entire allocation of \$6,600,414, less the \$1,364,414 that is anticipated to be earned with existing staff time (e.g., EOC, contact tracing, eligible paid sick leave) that is already in the budget, for a net budget adjustment of \$5,236,000. It is possible that the County will not need to spend the balance of the grant amount before the grant deadline of October 31 and remaining funds will be returned to the State.

The additional expenditure authority would be appropriated in the Non-Departmental General Fund budget and will only be used to fund eligible expenses. It was noted that the pandemic response has consumed considerable amounts of staff time that are ineligible for reimbursement. The Department of Administration will report back on incurred expenditures and reimbursements regularly to the Finance Committee.

Approval of this ordinance will allow the county to cover a significant portion of pandemic response expenses with grant funds, limiting the need to use the \$300,000 of contingency funds approved by the County Board in March. The majority of this ordinance results in no direct tax levy impact but replacing desktop computers with laptops to facilitate remote working capabilities will increase the ongoing replacement costs in future years. Departments will need to review their technology inventory and manage increased costs within their future budget requests.

MOTION: Wysocki moved, second by Nelson to approve Ordinance 175-O-030. Motion carried 7-0.

Ordinance 175-O-031: Modify The Department Of Health And Human Services 2020 Budget To Accept The Urban Black And Hispanic Grant Funding And Appropriate Additional Expenditures

Davis discussed this ordinance which authorizes the Department of Health and Human Services to accept federal Substance Use Prevention and Treatment Block Grant funding from the US Department of Health and Human Services and appropriate \$100,000 in expenditures to educate minority populations in Waukesha County about substance use services and recovery support available. The Department indicates that it intends to use the grant to provide substance use treatment to uninsured or underinsured minority residents using trauma informed care principles and utilizing interpreter services when needed. In addition, the Department plans to use grant funds to provide training for department

staff members including cultural humility and provide outreach brochures in multiple languages. This ordinance results in no direct levy impact.

MOTION: Nelson moved, second by Foti to approve Ordinance 175-O-031. Motion carried 7-0.

Ordinance 175-O-032: Modify The Department Of Health And Human Services 2020 Budget To Accept The ADRC Critical Relief Funds For COVID-19 Pandemic Response Funding And Appropriate Additional Expenditures

Davis discussed this ordinance which authorizes the Department of Health and Human Services Aging and Disability Resource Center division to accept \$34,892 of federal grant funds from the US Department of Human Services Administration for Community Living. The Department intends to use these funds to provide laptops to ADRC staff to be able to work remotely while serving clients accessing ADRC services. Replacing desktop computers with laptops will increase the ongoing replacement costs in future years and potentially have a tax levy impact. Departments will need to review their technology inventory and manage increased costs within their future budget requests.

MOTION: Michalski moved, second by Gaughan to approve Ordinance 175-O-032. Motion carried 7-0.

Ordinance 175-O-033: Modify The Department Of Health And Human Services 2020 Budget To Appropriate Expenditures For Aging And Disability Resource Center And Increase General Government Revenue

Davis discussed this ordinance which authorizes the Department of Health and Human Services to increase operating expenditure appropriations by \$34,892 for the carryover of funding from 2019 to 2020 to improve technology capability in the Human Services Center to provide virtual community presentations and better serve staff and committees in their support of the ADRC services offered. The Department intends to use these funds to upgrade the Human Services Board Room to enable audio and visual capability while having virtual meetings. This ordinance has no levy impact.

MOTION: Nelson moved, second by Paulson to approve Ordinance 175-O-033. Motion carried 7-0.

Ordinance 175-O-038: Modify The Department Of Health And Human Services 2020 Budget To Accept The ADRC Family First Coronavirus Response Act Funding And Appropriate Additional Expenditures

Davis discussed this ordinance which authorizes the Department of Health and Human Services to accept \$193,229 of Family First Coronavirus Response Act (FFCRA) funding from the US Department of Health and Human Services Administration Special Programs for the Aging. This funding was made available to provide meal options to individuals that previously attended the congregate meal sites hosted by the Health and Human Services Aging and Disability Resource Center Division. The Department intends to use these fund to purchase and deliver shelf stable meals (that can last recipients a week) which will be delivered to homebound older citizens. This funding is intended to cover the higher cost to provide shelf stables meals than serving citizens at the congregate meal sites. This ordinance results in no direct levy impact.

MOTION: Paulson moved, second by Michalski to approve Ordinance 175-O-038. Motion carried 7-0.

Ordinance 175-O-034: Modify The Department Of Health And Human Services 2020 Budget To Accept The CARES COVID-19 Planning Grant Funding And Appropriate Additional Expenditures

Davis discussed this ordinance which authorizes the Department of Health and Human Services to accept \$30,000 of federal CARES Act funding provided through the Wisconsin Department of Health Services to update the County's Public Health Preparedness Pandemic Plan. The updated plan will focus on support for local infrastructure to conduct disease investigations, policy on isolation of positive cases, and how to expand local contact tracing so that people in contact with probable-case individuals are identified and monitored where appropriate. This ordinance appropriates \$30,000 of operating expenditure authority for contracted assistance needed to update the plan. This ordinance has no levy impact.

MOTION: Paulson moved, second by Nelson to approve Ordinance 175-O-034. Motion carried 7-0.

Ordinance 175-O-035: Modify The Department Of Health And Human Services 2020 Budget To Accept The Collaborative Crisis Intervention Services To Youth (CCISY) Grant Funding And Appropriate Additional Expenditures

Davis discussed this ordinance which authorizes the Department of Health and Human Services to accept and appropriate \$68,173 of Collaborative Crisis Intervention Services to Youth (CCISY) grant funding from the State of Wisconsin Department of Health Services which seeks to work with youth, community providers and law enforcement to educate residents about suicide prevention and mental health services and support youth in Waukesha County. This funding is a one-year extension of a five-year grant that had been allocated in prior budget years. The Department plans to use the funding to contract with an outside consultant to provide suicide education and prevention training to community partners.

MOTION: Gaughan moved, second by Foti to approve Ordinance 175-O-035. Motion carried 7-0.

Ordinance 175-O-036: Modify The Department Of Health And Human Services 2020 Budget To Accept COVID Behavioral Health Part 1 Funding And Appropriate Additional Expenditures

Davis discussed this ordinance which authorizes the Department of Health and Human Services to accept COVID Behavioral Health federal funding from the US Department of Health and Human Services to provide additional support to clients with non-Serious Mental Illness, enhanced telehealth capabilities, and streamline admissions of individuals with Serious Mental Illness to the Community Support Program (CSP) and Comprehensive Community Services (CCS). The Department indicates that it intends to use the grant funds to hire a limited term employee Licensed Clinical Therapist for \$13,271, purchase laptops for outpatient CSP staff to enable telehealth capabilities for \$41,390, obtain a contracted certified peer specialist for \$8,430, and other miscellaneous costs of \$6,309. Replacing desktop computers with laptops will increase the ongoing replacement costs in future years and potentially have a tax levy impact. Departments will need to review their technology inventory and manage increased costs within their future budget requests.

MOTION: Gaughan moved, second by Nelson to approve Ordinance 175-O-036. Motion carried 7-0.

Ordinance 175-O-037: Modify The Department Of Health And Human Services 2020 Budget To Accept State Opioid Response Grant Funding And Appropriate Additional Expenditures

Davis discussed this ordinance which authorizes the Department of Health and Human Services to accept State Opioid Response grant funding from the Department of Health Services and appropriate \$84,366 in expenditures to provide treatment to individuals with substance abuse disorders, which was received above what was already included in the 2020 adopted budget. The Department indicates that it intends to use the grant to expand case management and wrap around contracted services, medication assisted treatment options, residential treatment, intensive outpatient treatment, and intensive outpatient treatment to individuals with substance abuse. There is no levy impact for this ordinance.

MOTION: Nelson moved, second by Paulson to approve Ordinance 175-O-037. Motion carried 7-0.

Ordinance 175-O-039: Approve Vacation Payout And Additional Carryover For Public Health Staff And Other Specific Classifications Involved In COVID-19 Pandemic Response

Gage, Mohr, and Setzer were present to discuss this ordinance which allows for employees in certain classifications that were assigned to the pandemic response, who will be prevented from using the majority of their earned vacation time, to elect a one-time payout of any portion of their unused vacation time in 2020 at 100% of hours at their regular rate of pay. The ordinance also allows an additional week of carryover of vacation time into 2021, above the one-week currently allowed (if available).

This vacation payout is eligible for Federal CARES Act reimbursement under the State of Wisconsin Department of Administration Routes to Recovery grant program. The anticipated payout is estimated to cost approximately \$150,000. The budget appropriation and related revenue for these payouts are included in a pending ordinance to accept and appropriate Routes to Recovery grant funding. This ordinance results in no tax levy impact.

MOTION: Paulson moved, second by Gaughan to approve Ordinance 175-O-039. Motion carried 7-0.

Investments Report for Six Months Ended

Ries reviewed the investments report including valuation at cost, valuation at market, total investment income and balances, and the County’s portfolios. The total return for the quarter was down 7 basis points from the last quarter, at 0.43%. For the year ending June 30, 2020, County investments returned 2.11%. Total interest earnings for the quarter were \$769,787, down \$164,717 from the 1st quarter due to a decline in interest rates in the market. Average invested balances decreased \$9.9 million compared to the previous quarter as proceeds from the annual bond issue were received at the end of the quarter. Interest income is also down \$285,550 from the 2nd quarter of 2019. The average daily balance, total investments, was \$181,532,248 at the end of the 2nd quarter.

MOTION: Paulson moved, second by Wysocki to accept the investments report for six months ended. Motion carried 7-0.

Ordinance 175-O-028: Execute Subgrantee Agreements And HUD Grant Agreement For Community Development Block Grant (CDBG) And Home Investment Partnership (HOME) Programs For The 2021 Program Year

Silva discussed this ordinance which authorizes the County Executive to execute agreements with the Federal Government to accept up to \$2,912,013 of Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) grants and program income as shown below.

Funding Purpose	CDBG	HOME	TOTALS
2021 Subgrantee HUD Grant Amounts	\$1,464,022	\$1,447,991	\$2,912,013
2021 Revolving Loan/Program Income	\$240,000	\$200,000	\$440,000
2021 Estimate	\$1,704,022	\$1,647,991	\$3,352,013

If the Federal Housing and Urban Development (HUD) funding allocation awards are less than the estimated amount, the CDBG and HOME Consortium Boards will make appropriate reductions to subgrantee 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. According to the Department of Parks and Land Use, all subgrantee 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 \$2,912,013 an ordinance to appropriate the additional funding will require future 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: Nelson moved, second by Paulson to approve Ordinance 175-O-028. Motion carried 7-0.

Ordinance 175-O-029: Approve Resolution Petitioning the Secretary Of Transportation For Airport Improvement Aid

Stanich discussed this ordinance as outlined which approves a resolution petitioning the Secretary of Transportation for Airport Improvement Aid and authorizes the Waukesha County Director of Public Works to sign the petition on the County's behalf. This ordinance allows the County to petition for potential state and federal funding for airport improvement projects but does not obligate the County to commit to any specific project. Any acceptance of funds or project expenditure authority would still be subject to County Board approval through the annual capital and operating budgeting processes or separate ordinance budget modification.

Stanich briefly discussed a revised version of this ordinance which was requested by Corporation Counsel and approved by the Public Works Committee (attached).

MOTION: Michalski moved, second by Wysocki to approve Ordinance 175-O-029 as amended by the Public Works Committee. Motion carried 7-0.

General Funds and Special Revenue Funds Report for Six-Months Ended

Duckwitz discussed these six-month report as outlined. Regarding Special Revenue, all funds were projected to finish the year with overall favorable results. Health and Human Services staff will request ordinances to appropriate additional expenditure authority for the Aging and Disability Resource Contract Fund to be covered with increased revenue allocations. Public Works staff may request a funds transfer or ordinance to cover estimated above-budget personnel costs related to higher overtime expenses and retirement payouts.

Regarding General Funds, Duckwitz said expenditures were at about \$81.7 million or 42.3% of the total modified expenditure budget versus expenditures for the same period in 2019 at \$80.5 million or about 46.2% of total 2019 actual expenditures. In 2020, for the first six months, expenditures were higher than the prior year by about \$1.2 million or 1.5%, mostly in personnel costs. Operating revenues achieved during the first six months of 2020 were at \$37.2 million or about 36.5% of the modified revenue budget versus about \$37.2 million for the first six months of 2019 or approximately 42.4% of total 2019 revenues. In 2020, for the first six months, revenues are approximately at the same level as the prior year. Duckwitz advised of potential year-end fund transfers.

MOTION: Paulson moved, second by Foti to accept the General Funds and Special Revenue Funds report for six-month ended. Motion carried 7-0.

Status Report on the Contingency Fund for Six-Months Ended

Duckwitz indicated there was one Contingency Fund transaction by the end of the second quarter for \$300,000 to cover expenditures related to COVID-19 (Resolution 174-3) leaving a balance of \$900,000.

MOTION: Wysocki moved, second by Nelson to accept the status report on the Contingency Fund for six-months ended. Motion carried 7-0.

Capital Projects Status Report for Six Months Ended

Beasley reviewed the 2020 six-month status report on capital projects as outlined which included information on project title, current appropriations, expenditures and balances, and percent complete for design, bid, and construction. No major concerns were voiced.

MOTION: Paulson moved, second by Michalski to accept the capital projects status report for six months ended. Motion carried 7-0.

Report on Alcohol Treatment Fees and Revenue Goals

Luczaj discussed the report titled “OWI Treatment Court Program Fee Revenue Summary 2009-2020” as outlined. Program capacity is 40 participants and the current caseload (as of August 2020) is 24. Actual revenues during the first half of 2020 totaled \$20,786. The amount budgeted for all of 2020 is \$29,000.

MOTION: Paulson moved, second by Gaughan to accept the report alcohol treatment fees and revenue goals. Motion carried 7-0.

State Legislative Update

Ignatowski updated the committee on the recent executive order and election results.

MOTION: Foti moved, second by Gaughan to adjourn at 11:47 a.m. Motion carried 7-0.

Respectfully submitted,

Thomas A. Michalski

Thomas A. Michalski
Secretary