

## **Minutes of the Finance Committee**

**Wednesday, November 7, 2018**

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

**Present:** Supervisors Duane Paulson, Tom Michalski, Tim Dondlinger, Tyler Foti, Richard Morris, and Ted Wysocki. **Absent:** Chair Jim Heinrich.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Administration Director Norm Cummings, Principal Financial Projects Analyst Bob Ries, Budget Management Specialist Bill Duckwitz, Technical Intern Pam Matthews, Public Works Director Allison Bussler, Sheriff Eric Severson, Jail Administrator Mike Giese, Senior Correctional Facility Manager Angela Wollenhaupt, Business Manager Lyndsay Johnson, Inspector Jim Gumm, Financial Analyst Josh Joost, County Board Chair Paul Decker, County Board Supervisor Peter Wolff, and Senior Financial Analysts Rhiannon Cupkie, Mark Yatchak, Clara Daniels, and Steve Trimborn.

### **Approve Minutes of October 17, 19 & 22**

MOTION: Dondlinger moved, second by Michalski to approve the minutes of October 17, 19, & 22. Motion carried 6-0.

### **Next Meeting Date**

- November 21

### **Announcements**

Paulson said according to the Statutes one must vote either yes or no to a motion if in attendance.

### **Review Estimated Year-End Governmental Fund Balances**

Ries distributed information on general and special revenue fund expenditures and current and projected fund balances of which Cummings discussed in detail. Cummings noted most of the fund balance for general and special revenue is reserved/assigned. The County maintains unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and maintain the County's Aaa/AAA bond ratings. The unrestricted governmental (general and special revenue) fund balance to governmental expenditure ratios will be maintained at a minimum of 11%. The current target is between 15% and 16% or about eight weeks of working capital for operations. Based on the handout, the 2018 and 2019 ratios are 20.8% and 18.5%, respectively. Fund balance reserves will not be used to offset continuous operation costs. To the extent possible, reserves will be used to provide operating efficiencies over the long term. Projected unassigned fund balances at year-end 2018 and year-end 2019 are \$203,707,050 and \$211,804,577, respectively. This includes the general, special revenues, enterprise, internal service, and debt service funds, and capital projects.

Cummings said in 2020, they might consider using more fund balance to meet some of our capital needs. Paulson said if our goal is 15-16%, why have the annual ratios been higher over the last several years? Cummings said 15-16% is the minimum. The rating agencies actually prefer it higher but if we spend it down too fast, that will be looked upon negatively by the rating agencies.

## **Individual Supervisor Amendments to the Proposed 2019 Waukesha County Budget**

Mader advised two additional amendments to the 2019 County budget were submitted for consideration and are as follows:

### ***Supervisor Amendment SUP-2: Submitted by Supervisor Jennifer Grant***

***Department: Sheriff/Airport***

***Fund: General Fund/Enterprise Fund***

SUP-2 amends the 2019 Airport and Sheriff's Department budgets as follows: Decrease County tax levy by \$62,563 in the Airport Fund budget and replace with General Fund balance of \$62,563 to fund ongoing costs until the airport is able to phase out the continued use of general fund balance. Increase tax levy \$62,563 in the Sheriff's Department budget. Decrease General Fund balance from prior year Seized Funds revenue by \$40,745 budgeted for drug buy money in the Sheriff Department's Special Investigations program. The increase in tax levy will replace the use of prior year Seized Funds revenue for drug buy money. Increase personnel costs in the Sheriff Department's Inmate Security/Services – Jail program by \$21,818 to fund correctional officer overtime expenses related to the implementation of the jail's Security System Recording and Display Equipment Replacement capital project (#201615). Spaeth discussed the amendment on Grant's behalf and distributed a handout outlining Grant's talking points and intent.

To answer Paulson's question, Severson said they did not ask Grant to propose this amendment but he does support it. Paulson noted Severson did state during the budget review process, prior to this amendment, that he could live within the proposed budget. Some committee members were concerned with the change in policy as it pertains to airport tax levy vs. fund balance usage in the future. Spaeth noted this is small in comparison with other projects where we have used fund balance to phase out tax levy of which she gave examples. Severson said this amendment is sustainable for a budget that has and will continue to be unsustainable which he referred to as "kicking the can down the road." Wysocki said while we cannot continue to "kick the can down the road" we cannot take away from one department to fund another. Cummings noted while cost to continue was over \$400,000, expenditures in the Sheriff's budget increased over \$1 million – a huge increase. He said there are plenty of asset forfeiture funds for drug buy money and this is an allowable use of these funds. Severson disagreed and said he refuses to fund drug buy money with asset forfeitures. Cummings said taking money away from the airport is a concern and this is not good budgeting. Bussler said while it has been a goal to remove tax levy from the airport, this does not always happen. The need for tax levy goes up and down at the airport each year. Business deals with airport contractors are precarious and could fail or they go elsewhere whereby she discussed current issues with Spring City and Stein. If these agreements fall through, they will need more tax levy.

There was no motion to approve Amendment SUP-2. The amendment was defeated 2-4. Paulson, Foti, Michalski, and Wysocki voted no.

### ***Supervisor Amendment SUP-1: Submitted by Supervisor Peter Wolff***

***Department: Non-Departmental***

***Fund: General Fund***

SUP-1 will amend the 2019 Non-Departmental budget as follows: Decrease operating expenses by \$20,000 by decreasing expenditures for employee advertising by \$10,000 and for strategic planning by \$10,000. Decrease appropriated General Fund balance by \$20,000 and retain a higher level of

fund balance that could be used for unanticipated department shortfalls with future County Board action. This results in no change to tax levy in the budget.

Wolff explained the amendment and Cummings said he did not have any major problems with it. He said budgeting for Non-Departmental is difficult to estimate year to year of which he gave examples but \$20,000 was not too concerning.

Dondlinger moved but there was no second to approve Amendment SUP-1. The amendment was defeated 3-3. Morris, Paulson, and Wysocki voted no.

**Ordinance 173-O-056: Adopt 2019 Waukesha County Budget**

MOTION: Dondlinger moved, second by Foti to approve Ordinance 173-O-056. Motion carried 6-0.

MOTION: Wysocki moved, second by Morris to adjourn at 9:33 a.m. Motion carried 6-0.

Respectfully submitted,

Thomas A. Michalski  
Secretary