

Minutes of the Finance Committee

Monday, October 21, 2019

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

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

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, County Board Chair Paul Decker, Reporter Darryl Enriquez of The *Freeman*, County Board Supervisors Bill Mitchell and Kathleen Cummings, Administration Director Andy Thelke, Budget Management Specialist Bill Duckwitz, Budget Manager Linda Witkowski, Parks & Land Use Director Dale Shaver, Business Manager Peter Mudek, Human Resources Manager Renee Gage, Employee Benefits Administrator Andrea Mohr; Citizens Ron Buettner, William Kerr, and Ron Sontag; and Senior Financial Analysts Steve Trimborn, Clara Daniels, and Stephanie Kirby.

Public Comments

Sonntag spoke in support of keeping Wanaki Golf Course operational and said there are many solutions available to help the course prosper. Kerr said he would support any amendments that help keep it open and prosperous.

Schedule Next Meeting Date(s)

- November 6 & 20

Discuss and Consider 2020 Capital Projects, Debt Service, and Non-Departmental Budgets (General Fund, Health & Dental Insurance Fund, Contingency Fund)

Thelke, Duckwitz, Gage, and Mohr were present to discuss this item. The proposed 2020 Debt Service Fund lists total debt at \$14,944,779 – an increase of \$154,261 from the 2019 budget. The County tax levy in the Debt Service Fund totals \$14,254,500 – an increase of \$350,000. Expenditures in the Capital Projects budget total \$27,844,700 – an increase of \$2,839,500 from the 2019 budget. The County tax levy in the Capital Projects budget totals \$1,355,927 – an increase of \$300,000. Regarding the Non-Departmental Fund (General), revenues total \$1,699,500 – a decrease of \$83,000 or 4.7% from the 2019 budget. The County tax levy totals \$92,100 – an increase of \$32,000 or 53.2%. Expenditures total \$1,791,600 – a decrease of \$51,000 or 2.8%. Thelke, Gage, and Duckwitz presented the 2020 Health and Dental Insurance Fund within Non-Departmental. Both revenues and expenditures total \$26,540,000 – an increase of \$1,396,400 or 5.6%. Staff noted that revenues and expenditures in the Contingency Fund remain unchanged from 2019 and totals \$1,200,000. There is no tax levy in this fund. No major concerns were voiced.

MOTION: Paulson moved, second by Wysocki to tentatively approve the 2020 Debt Service budget. Motion carried 7-0.

MOTION: Paulson moved, second by Morris to remove \$50,000 in funding for the Administration Center first floor reconfiguration project (#202007). Motion carried 6-1. Dondlinger voted no.

MOTION: Michalski moved, second by Dondlinger to tentatively approve all other projects in the 2020 Capital Projects budget. Motion carried 7-0.

MOTION: Paulson moved, second by Morris to tentatively approve the remainder of the 2020 Non-Departmental budget. Motion carried 7-0.

Discuss and Consider Amendments to the 2020 Waukesha County Operating Budget

Dondlinger presented Amendments LUPE 1 and LUPE 2:

Department: Parks and Land Use
Fund: Golf Course Fund

LUPE 1: Dondlinger

I move to amend the 2020 Parks and Land Use Golf Course Fund Wanaki Program budget as follows:

Appropriate \$65,000 of Tarmann Fund Balance. Appropriated Fund balance from non-golf operations provides one-time resources to reduce the risk of golf operations ending 2020 with negative fund balance.

Increase personnel costs by \$30,930, operating expenses by \$21,415, and interdepartmental charges by \$12,655.

Amendment provides the minimum level of course maintenance to allow the course to open if leased or sold. Minimal maintenance levels do not provide for clubhouse operations or grounds keeping at a level to support play.

Amendment directs Parks and Land Use staff to either lease for golf course operations or sell Wanaki Golf Course as detailed below:

1. Decision to lease shall be made no later than February 15, 2020.
 Any lease agreement executed shall be competitively bid to allow for the most favorable revenue share with the County.

 Any lease agreement shall place no net expense burden on the County including the cost of lease management, clubhouse operations, course maintenance, and capital improvements.
2. If no lease offers meet minimum requirements, pursue sale for golf operations via deed restriction at no less than 80% of highest and best use value by March 31, 2020.
3. If no viable sale bid for golf use is received proceed with sale for outdoor recreation purposes at no less than 80% of highest and best use value by June 30, 2020.
4. If no viable sale bid is received for outdoor recreation purposes proceed with sale for highest and best use.

Golf Course Fund-Wanaki	County Executive	Proposed Amendment	
		Amt. Increase	County Board
Wanaki Expenditures			
Personnel Costs	\$25,000	\$30,930	\$55,930
Operating Expenses	\$20,500	\$21,415	\$41,915
Depreciation	\$0	\$0	\$0
Interdepartmental Charges	\$22,983	\$12,655	\$35,638
Total Expenditures	\$68,483	\$65,000	\$133,483
Wanaki Revenues			
Charges for Services	\$0	\$0	\$0
Other revenue	\$0	\$0	\$0
Tax Levy	\$0	\$0	\$0
Total Revenues	\$0	\$0	\$0
Gain (loss)	(\$68,483)	(\$65,000)	(\$133,483)
Cash Flow	(\$68,483)	(\$65,000)	(\$133,483)
Transfer In of Fund Balance	\$0	\$65,000	\$65,000
Fund Balance Impact	(\$68,483)	\$0	(\$68,483)

Department: Parks and Land Use
Fund: Golf Course Fund

LUPE 2: Dondlinger

I move to amend the 2020 Parks and Land Use Golf Course Fund Wanaki Program budget as follows:

Appropriate \$135,000 of Tarmann Fund Balance. Appropriated Fund balance from non-golf operations provides one-time resources to reduce the risk of golf operations ending 2020 with negative fund balance.

Increase personnel costs by \$529,860, operating expenses by \$410,807 (including \$73,331 in depreciation expenses), and \$345,093 in interdepartmental charges.

Increase charges for service revenues by \$1,188,600.

Unless an agreement to lease Wanaki for golf course operations is accepted by the County on or before February 15, 2020, this Amendment provides for county run golf course operation until November 1, 2020.

Amendment adds the following program text to the 2020 Wanaki Program budget:

Budgeted expense, revenue and appropriated fund balance provide for the operation of Wanaki in 2020. Wanaki will cease operations as a course operated by County personnel no later than November 1, 2020.

Golf Course Fund-Wanaki	County Executive	Proposed Amendment Amt. Increase	County Board
Wanaki Expenditures			
Personnel Costs	\$25,000	\$529,860	\$554,860
Operating Expenses	\$20,500	\$337,476	\$357,976
Depreciation	\$0	\$73,331	\$73,331
Interdepartmental Charges	\$22,983	\$345,093	\$368,076
Total Expenditures	\$68,483	\$1,285,760	\$1,354,243
Wanaki Revenues			
Charges for Services	\$0	\$1,188,600	\$1,188,600
Other revenue	\$0	\$0	
Tax Levy	\$0	\$0	\$0
Total Revenues	\$0	\$1,188,600	\$1,188,600
Gain (loss)	(\$68,483)	(\$97,160)	(\$165,643)
Cash Flow	(\$68,483)	(\$23,829)	(\$92,312)
Transfer In of Fund Balance	\$0	\$135,000	\$135,000
Fund Balance Impact	(\$68,483)	\$111,171	\$42,688

Dondlinger said it is his goal to keep Wanaki a golf course and to do so in a fiscally prudent manner. Dondlinger said he does believe Administration has done everything in their power to operate the courses effectively. He does not believe the County should operate the courses in the future with levy support and pointed out he has a privately run course in his district that pays \$40,000 annually in taxes.

Cummings presented Supervisor Amendment 2:

Department: Parks and Land Use
Fund: Golf Course Fund

Supervisor Amendment 2: Kathleen Cummings and Jeremy Walz

I move to amend the 2020 Budget as follows:

WANAKI GOLF COURSE

Increase personnel costs by \$560,790, operating expenses by \$432,222 (including \$73,331 in depreciation expenses), and interdepartmental charges by \$357,748 in the Wanaki Golf Course budget to operate the golf course in 2020, with no closure date.

Increase charges for service revenues \$1,188,600 in the Wanaki Golf Course budget for golf course fees, and fund balance appropriations by \$461,609. The \$461,609 satisfies the ice arena's debt to the Parks and Land

Use – Golf Course Fund established as part of the Naga-Waukee Ice Arena construction as part of enrolled ordinance 149-134.

Amendment establishes a loan from the Tarmann Fund to the Parks and Land Use – Ice Arena Fund at no interest, payable at such time that the Ice Arena’s General Fund loan has been paid in full, and projections indicate that five years of principal payments can be made without exhausting Ice Arena Fund cash reserves.

Golf Course Fund Wanaki	County Executive	Proposed Amendment Amt. Increase	County Board
<u>Wanaki Expenditures</u>			
Personnel Costs	\$25,000	\$560,790	\$585,790
Operating Expenses	\$20,500	\$358,891	\$379,391
Depreciation	\$0	\$73,331	\$73,331
Interdepartmental Charges	<u>\$22,983</u>	<u>\$357,748</u>	<u>\$380,731</u>
Total Expenditures	\$68,483	\$1,350,760	\$1,419,243
<u>Wanaki Revenues</u>			
Charges for Services	\$0	\$1,188,600	\$1,188,600
Other revenue	\$0	\$0	
Tax Levy	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenues	\$0	\$1,188,600	\$1,188,600
Gain (loss)	(\$68,483)	(\$162,160)	(\$230,643)
Cash Flow	(\$68,483)	(\$88,829)	(\$157,312)
Transfer In of Fund Balance	\$0	\$461,609	\$461,609
Fund Balance Impact	(\$68,483)	\$372,780	\$304,297

COUNTY BOARD

Establish a committee, appointed by the County Board Chair with County Board approval that has the purpose of enhancing and leveraging marketing and volunteer groups and any non-profits that may be established to assist the golf course to make Wanaki Golf Course profitable and sustainable. In addition to marketing, the committee, volunteers and groups will further leverage marketing through golf shows, celebrating the 50th Anniversary of Wanaki, marketing events, further enhancing its reputation as a community asset, establishing cooperative ventures and fundraising. Said group may also address any other issues addressing sustained financial viability of Wanaki Golf Course.

The seven member committee shall be submitted for appointment as soon as possible for a two year term and shall include:

- One citizen member with a business marketing background
- One Waukesha County Board Supervisor
- One member from the administration
- One staff member from Wanaki Golf Course
- Three members with demonstrated interest in saving Wanaki Golf Course, preferably at least one of whom represents a Wanaki women’s league, and one of whom represents a men’s league.

Cummings likened Wanaki Golf Course to a County park and pointed out that parks do not support themselves. Cummings said if the board feels we shouldn’t be in the golf course business then all courses should be up for lease or sale. Cummings asked that the board have this policy discussion over five years. Cummings said the goal of her amendment is to make Wanaki profitable and sustainable.

Shaver indicated that the County Executive is supportive of Dondlinger’s amendments, and would not veto them, whereby he went on to explain that these provide for a good exit strategy. Decker affirmed Shaver’s statements.

MOTION: Paulson moved, second by Morris to approve LUPE 1. Motion carried 7-0.

MOTION: Dondlinger moved, second by Morris to approve LUPE 2. Motion carried 7-0.

MOTION: Paulson moved, second by Dondlinger to approve Supervisor Amendment 2. Motion defeated 0-7.

Paulson presented Supervisor Amendment 1.

Department: Health and Human Services – Mental Health Outpatient-Clinical
Fund: General Fund Supervisor

Amendment: Duane Paulson

I move to amend the 2020 Health and Human Services-Mental Health Outpatient-Clinical operating budget as follows:

Increase personnel costs by \$82,731 for the costs of a sunset 1.00 FTE clinical therapist with an effective start date of March 1, 2020. The position will implement and supervise contracted crisis stabilization services, conduct assessments and crisis planning, provide clinical consultation and track data to gauge success on project outcomes.

Increase operating expense appropriations by \$75,269 (including \$67,875 for a contracted consultant and contracted crisis stabilization workers, \$5,594 for travel-related program costs, and \$1,800 for program supplies).

Increase general government revenues in the HHS-Mental Health Outpatient-Clinical budget by \$158,000 for the U.S. Department of Justice – Bureau of Justice Assistance (BJA) Justice and Mental Health Collaboration Program grant. HHS staff received grant award notification on 9/27/20. The grant period is anticipated to last until September 30, 2021, but could be eligible for another grant allocation through 2024.

		Proposed Amendment Amount	
HHS-MH Outpatient-Clinical General Fund Budget	County Executive	Incr. (Decr.)	County Board
Expenditures			
Personnel Costs	\$5,223,276	\$82,731	\$5,306,007
Operating Expenses	\$5,279,216	\$75,269	\$5,354,485
Interdepartmental Charges	\$412,536	\$0	\$412,536
Total HHS-MH Outpatient-Clinical Expenditures	\$10,915,028	\$158,000	\$11,073,028
HHS-MH Outpatient-Clinical Revenues			
General Government	\$1,383,567	\$158,000	\$1,541,567
Fine/Licenses	\$348,100	\$0	\$348,100
Charges for Services	\$1,337,788	\$0	\$1,337,788
Interdepartmental	\$0	\$0	\$0
Other Revenue	\$1,735,504	\$0	\$1,735,504
Appr. Fund Balance	\$0	\$0	\$0
County Tax Levy (Credit)	\$6,110,069	\$0	\$6,110,069
Total HHS-MH Outpatient-Clinical Revenues	\$10,915,028	\$158,000	\$11,073,028

MOTION: Paulson moved, second by Dondlinger to approve Supervisor Amendment 1. Motion carried 7-0.

Discuss and Consider Tarmann Fund and Golf Course Fund Budgets

MOTION: Michalski moved, second by Paulson to approve the budget for the Tarmann Fund. Motion carried 7-0.

MOTION: Paulson moved, second by Dondlinger to approve the Golf Course Fund budget as amended by LUPE 1 and LUPE 2. Motion carried 7-0.

MOTION: Paulson moved, second by Wysocki to adjourn at 11:40 a.m. Motion carried 7-0.

Respectfully submitted,

Thomas A. Michalski

Thomas A. Michalski
Secretary