

Minutes of the Finance Committee

Wednesday, March 18, 2015

Chair Heinrich called the meeting to order at 8:30 a.m.

Present: Supervisors Jim Heinrich, Duane Paulson, Richard Morris, Bill Zaborowski, Eric Highum, and Larry Nelson. Steve Whittow arrived at 8:36 a.m.

Also Present: Chief of Staff Mark Mader, Business Manager Lyndsay Johnson, Matt Masterson of The *Freeman*, Budget Specialist Bill Duckwitz, Sheriff Eric Severson, Business Manager Lyndsay Johnson, Inspector Jim Gumm, Jail Administrator Mike Giese, Deputy Inspector Torin Misko, Budget Analyst Joshua Joost, Land Resources Manager Perry Lindquist, Solid Waste Manager Rebecca Mattano, Administration Director Norm Cummings, Springsted Vice President Joe Murray, Budget Specialist Bill Duckwitz, Senior Financial Analysts Steve Trimborn and Clara Daniels, Principal Risk Management Analyst Mark Jatzak, Risk/Purchasing Manager Laura Stauffer, Human Resources Manager Jim Richter, Principal Human Resources Analyst Terri Sgarlata-Lutz, Criminal Justice Collaborating Council (CJCC) Coordinator Rebecca Luczaj, and Business Services & Collections Manager Andy Thelke. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of February 18

MOTION: Paulson moved, second by Zaborowski to approve the minutes of February 18. Motion carried 6-0.

Schedule Next Meeting Date

- April 8

Chair's Executive Committee Report of March 16

Heinrich highlighted the following items discussed at the last Executive Committee meeting.

- Heard an update on information technology projects. Handouts are available.
- Approved Ordinance 169-O-100, also on this agenda, and two appointments.
- Heard a report by Chair Paul Decker on the National Association of Counties (NACo) conference.

Whittow arrived at 8:36 a.m.

Ordinance 169-O-101: Expenditure Of Seized Funds – Amend The 2015 Sheriff's Department Budget For Multiple Purchase, March 2015

Severson and Johnson discussed this ordinance as outlined. The department currently has a balance of \$181,500 in undesignated seized funds. Staff are requesting to use up to \$24,600 to purchase the following: tamperproof inmate property boxes (\$5,000); intercom/installation (\$3,650); freezer (\$3,000); tablet and phone (\$1,450); SWAT training (\$3,500); and ballistic vests (\$8,000). Staff estimate the on-going operating and maintenance costs for these items to be minimal and will be the responsibility of the department. These additional costs will be absorbed within the current and future base budget. None of these purchases are planned for inclusion in a replacement plan. Future equipment replacements, if necessary, are expected to be purchased with non-tax levy funding. This ordinance results in no additional direct tax levy impact in 2015.

Heinrich felt the \$181,500 was a significant amount of money and asked how they determine when to reduce that balance and by how much. Severson said he had always been conservative and advocated for never taking it down to more than 50% because they don't know what challenges or emergencies could arise in the future. However, due to actions by the Attorney General he is more conservative than before because the availability of seized dollars will be drastically reduced.

MOTION: Paulson moved, second by Highum to approve Ordinance 169-O-101. Motion carried 7-0.

Ordinance 169-O-100: Amendment Of Collaborative Materials Recycling Facility (“MRF”) Capital Project 201409 Relating To Transfer Station And Additional Construction Costs

Lindquist and Mattano gave history on this project. This ordinance authorizes a change in scope for the joint MRF capital project to eliminate the conversion of the existing Waukesha County MRF facility to a transfer station at a budgeted project cost of \$600,000. A previous ordinance approved the compensation of municipalities for the cost of hauling recyclable materials directly to the joint MRF facility in Milwaukee eliminating the need to operate a transfer station saving annual operating costs. The project scope will also be modified to prepare the current County MRF for sale at an estimated cost of \$100,000. Any future sale of this County property will be subject to County Board approval. Lindquist advised all sale proceeds would also go into the MRF fund. Cummings said any of that \$100,000 spent would be justifiable.

Lindquist said the ordinance further modifies the use of the remaining \$500,000 project appropriation within the total project budget of \$7.7 million for a single stream recyclable joint facility with the City of Milwaukee as follows: \$250,000 for design and construction of subgrade concrete conveyor pits. These construction costs were anticipated, but the extent of subgrade issues were not able to be determined prior to construction; and \$250,000 to be designated as additional project contingency. Lindquist noted the joint MRF opened a few days ago. No additional direct tax levy impact is anticipated in this ordinance.

MOTION: Paulson moved, second by Morris to approve Ordinance 169-O-100. Motion carried 7-0.

Ordinance 169-O-103: Authorize The Issuance Of Not To Exceed \$10,000,000 General Obligation Promissory Notes For Capital Projects

Cummings distributed information on this item including the 10-year debt service repayment schedule and the 2015 debt service budget. Murray advised they are anticipating an April 28 sale date with funds available in May and an estimated true interest cost of 2.024% for a total principal and interest cost \$11,305,108. Murray said it is estimated the borrowing will come in about \$865,000 under what was budgeted in the capital plan. Cummings added that the savings is over ten years.

Nelson said the emailed market updates from Springsted have been very helpful. Cummings said anyone interested in getting on the email list can let him know.

MOTION: Nelson moved, second by Zaborowski to approve Ordinance 169-O-103. Motion carried 7-0.

Report on New Jobs Created from LevLoan Program

Cummings distributed information on this item which listed each of the nine companies who received a loan, how many jobs were estimated by each and how many were actually created. It was estimated that 74 new positions would be created, however, the actual figure is 110.5.

Paulson referred to United Tool, Inc. who estimated nine new positions but so far has only created two. He asked if there will be any follow-up. Cummings said some of these loans are new and the program has not reached the three-year mark. He indicated he would do a follow-up and report back in the fall.

MOTION: Highum moved, second by Whittow to accept the LevLoan report on job creation. Motion carried 7-0.

Capital Projects Cost Performance Report

Duckwitz discussed the report titled "Capital Projects 2014 Year-End Report" which included information on project number and title, project status, funding appropriations, and balance. No major concerns were voiced.

MOTION: Paulson moved, second by Zaborowski to accept the capital projects cost performance report. Motion carried 7-0.

State Legislative Update

Spaeth distributed information on how the governor's budget impacts the County. For the most part, larger amounts of State funding will remain flat such as general transportation aids, Youth Aids, shared revenue, etc. The most concerning is moving property assessments from municipalities to counties which would cost the County about \$2.3 million annually. Other groups are also opposed and this may be pulled from the governor's budget. The largest reduction would be in the recycling program and would result in a \$165,000 cut for the County. The governor's budget moves the Pretrial Intoxicated Driver Intervention Grant Program from the Department of Transportation to the Department of Health Services (DHS), however, no funding is being transferred. The Legislative Fiscal Bureau informed her funding is available in the DHS budget to cover it. The governor's budget proposes drug testing for those receiving public assistance/benefits but it does not disclose the County's role. The governor's budget includes language allowing a private entity or resource center to provide some or all Aging & Disability Resource Center (ADRC) services. Overhead costs for this program of about \$884,742 would need to be absorbed in the County's budget. Spaeth was told this item will remain in the governor's budget to allow for flexibility. The Joint Finance committee will start voting on the budget the first week in April.

Year-End Claims Report

Jatzak referred to the report titled "Workers Compensation 2010-2014 Claims History Summary." A total of 91 claims were opened in 2014 and 30 remained open at year-end. The total incurred was \$463,862. Since 2010, a total of 501 claims were opened, 50 remained open at year-end 2014, and the total incurred was \$4,289,159. Jatzak highlighted some of the larger claims that opened and closed, and programs implemented aimed at reducing employee injuries.

Stauffer referred to the report titled "Waukesha County Claims History 2010-2014." For general liability, 24 claims were opened, 6 remained open, and the total incurred at year-end was \$21,183. Twelve auto liability claims were opened in 2014, 1 remained open at year-end, and the total

incurred was \$15,417. A total 20 auto physical damage claims were opened, 12 remained open, and the total incurred was \$65,109. Also, 29 property damage claims were opened, 15 remained open, and the total incurred was \$48,342. Stauffer highlighted some of the larger claims that opened and closed.

MOTION: Paulson moved, second by Zaborowski to accept the year-end report on claims. Motion carried 7-0.

Annual Report on Employee Performance Evaluations & Awards

Richter and Sgarlata-Lutz were present to discuss this item and copies of the report were distributed. For 2014, the total possible cost if all 361 eligible employees received maximum base and non-base awards would have been \$1,211,032. The total budgeted for base and non-base awards was \$904,000 and the actual cost was \$785,757. Richter reviewed aggregate ratings for the County's 1,152 employees: 0 employees received unacceptable ratings, 10 received needs to build, 207 received effective, 651 received commendable, and 284 received exceptional. Sgarlata-Lutz noted the number of employees in each category has remained consistent over the years.

MOTION: Paulson moved, second by Nelson to accept the annual report on employee performance evaluations and awards. Motion carried 7-0.

Contract Procurement Process for Benefit Consultation Services

Richter advised the contract was awarded to Benefits Consultation Services, the highest rated proposer, for a total contract cost of \$127,000 for three years. The first year cost is \$45,000 and the first year budgeted amount is \$65,000. Eight contractors submitted RFPs for consideration and of those, three were interviewed.

MOTION: Zaborowski moved, second by Nelson to approve the contract procurement process for benefit consultation services. Motion carried 7-0.

Update on Alcohol Treatment Court Fees and Revenue Goals

Luczaj discussed her report titled "Alcohol Treatment court Program Fee Revenue Summary: 2009-2015." For 2014, revenues were budgeted at \$52,049 and actual revenues totaled \$46,528. For 2015, \$25,580 in revenues was budgeted for the year and as of March 11, \$4,299 had been collected. Client fee collections include revenues from tax levy-funded 3rd OWI offenders, federal grant-funded 4th OWI offenders plus a select number of 3rd OWI offenders (through September 2014). Revenues include tax levy, federal grant funds, and client fees. Luczaj discussed variables that can affect revenues and why revenues are lower than anticipated. The caseload as of March 11 was 33.

MOTION: Paulson moved, second by Nelson to accept the report on Alcohol Treatment Court fees and revenue goals. Motion carried 7-0.

Ordinance 169-O-102: Accept 2011 Justice Assistance Grant (JAG) Crisis Intervention Team And Crisis Intervention Partners (CIT/CIP) Training Grant Awarded Through The Wisconsin Department Of Justice (DOJ) And Modify Waukesha County Department Of Health And Human Services - Criminal Justice Collaborating Council 2015 Budget To Authorize Grant Expenditure

Luczaj discussed this ordinance which authorizes the department to accept and appropriate \$50,000 of federal grant funding, awarded through the Wisconsin Department of Justice (DOJ). The grant funding period runs from March 1, 2015 through June 30, 2015. This grant will provide training to local law enforcement officers (including municipal police and Sheriff's deputies) and individuals in related professions (e.g., correctional officers, social workers, probation agents) to help properly recognize individuals with mental illness and refer them to appropriate mental health services.

Luczaj said \$36,400 will be used to provide a stipend of \$1,300 per officer (for up to 28 officers) to law enforcement agencies within the county (including the Sheriff's Department) to help cover law enforcement coverage costs that will be needed while their officers complete the week-long training session. Stipends will not be provided for individuals attending the shorter two-day training for individuals in related fields and the one-day advanced training session planned later in the year. The remaining \$13,600 will be used to subcontract with the National Alliance on Mental Illness (NAMI) of Waukesha County to facilitate these training sessions. The DOJ does not allow reimbursements for County indirect costs related to this grant funding. This ordinance has no direct impact on the 2015 tax levy.

MOTION: Paulson moved, second by Whittow to approve Ordinance 169-O-102. Motion carried 7-0.

Year-End Collections Report

Thelke discussed the report titled "Collections Division Delinquent Collection/Referral Analysis: 2014 Year-End Report." Total 12-month collections increased 11.0% from 2013 and increased 18.8% from 2012. Tax intercept collections totaled \$1,526,870 in 2014 versus \$1,276,907 in 2013. A total of 6,522 tax intercept payments were received on accounts in 2014 (5,609 in 2013). Collections totaled \$3,415,323 in 2014 compared to \$3,078,158 in 2013. The amount budgeted in 2014 was \$2,875,700. The total amount retained by the County was \$2,421,589 in 2014 compared to \$2,132,047 in 2013.

Heinrich noted the efficiency ratio increased in 2014 from 2013. Thelke said he expected that to decrease in 2015 which he explained further.

MOTION: Highum moved, second by Morris to accept the year-end report on Collections. Motion carried 7-0.

Future Agenda Items

- November 2015: Update on New Jobs Created from LevLoan Program
- Review Governor's Proposal to Allow Privatization of ADRC Services
- Update on Drug Court Funding

MOTION: Paulson moved, second by Whittow to adjourn at 11:55 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski
Secretary