

## **Minutes of the Finance Committee**

**Wednesday, March 16, 2016**

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

**Present:** Supervisors Larry Nelson, Duane Paulson, Richard Morris, Steve Whittow, Bill Zaborowski, and Eric Highum. **Absent:** Jim Heinrich (Chair).

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Senior Civil Engineer Ed Hinrichs, Airport Manager Kurt Stanich, Parks & Land Use Director Dale Shaver, Parks System Manager Dave Burch, Budget Specialist Bill Duckwitz, Senior Financial Analyst Steve Trimborn, Land Resources Manager Perry Lindquist, Washington County Aquatic Invasive Species Coordinator Brad Steckart, Budget Manager Linda Witkowski, Human Resources Manager Jim Richter, Principal Human Resources Analyst Terri Sgarlata, and Criminal Justice Collaborating Council (CJCC) Coordinator Rebecca Luczaj. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of March 2**

MOTION: Morris moved, second by Zaborowski to approve the minutes of March 2. Motion carried 6-0.

### **Next Meeting Date**

- April 6

### **Chair's Executive Committee Report of March 14**

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

- Approved Ordinance 170-O-099 to modify the 2016 capital budget due to higher costs associated with replacing the first Wanaki golf course bridge.
- Approved the 2016-2018 Audit Plan and the Financial Management Information System (FMIS) audit scope.
- Heard a report on the February National Association of Counties Legislative Conference.
- Discussed the new reporting format for information technology updates.
- Approved three appointments.

### **Review Correspondence**

Nelson advised of letters from Nate Rice, Silver Lake Management District Commissioner, and Dave Zimmermann, County Board Supervisor, urging County Board approval of Ordinance 170-O-098 (see page 3).

### **State Legislative Update**

Spaeth briefed the committee on the following bills that were approved at the State level pertaining to recycling, increased funding for drug and alcohol courts, dementia care, shoreland zoning, and probation and parole hold reimbursements. Spaeth said she will monitor and provide updates on proposed changes to the State's Aging & Disability Resource Centers which she explained further.

### **Contract Procurement Process for CTH C, Mill Street to Oakwood Drive – Construction Management Services**

Hinrichs advised the contract was awarded to R.A. Smith National, the highest rated proposer, for a total contract cost of \$173,764.05. The budgeted amount is \$180,000. Ten contractors submitted bids for consideration.

MOTION: Highum moved, second by Zaborowski to approve the contract procurement process for CTH C, Mill Street to Oakwood Drive – construction management services. Motion carried 6-0.

**Update on Ordinance 170-O-074 Regarding the Airport Hangar Lease Agreement with Quad/Air LLC**

Mader indicated the ordinance and fiscal note did not change whereby he highlighted revisions that were made to the airport hangar lease agreement with Quad/Air LLC. Stanich indicated Quad/Air pulled the original agreement prior to County Board approval but after committee approval back in February. Quad/Air has requested an early termination option after three years during the first five-year term with the ability to extend for two additional five-year terms. The County is comfortable with the early three-year termination. However, the County wants to ensure ample time, or at least compensation, to cover potential revenue losses if Quad/Air were to leave the hangar. Stanich said he is fairly certain we could have a new tenant occupying the hangar in six to eight months if and when that were to occur. The revised agreement indicates Quad/Air has the right to terminate the lease on December 31, 2018. However, if they give the County 90 day's notice, Quad/Air will be required to pay the County an equivalent of eight months rent. With 180 day's notice, three months rent and 270 days, one month rent.

**Ordinance 170-O-099: Modify The 2016 Capital Budget For Project To Replace First Wanaki Golf Course Bridge**

Burch discussed this ordinance which increases capital project expenditures to cover higher-than-budgeted costs related to the first bridge replacement at Wanaki Golf Course. Higher costs are due to permitting requirements from the DNR, including erosion and sediment control, and re-routing of the Fox River during construction. Also, several large construction projects in the area have resulted in increased demand for specialized equipment and have likely led to higher market costs for construction.

This first bridge replacement will serve golf course users and allow golf course staff to more efficiently transport heavier maintenance vehicles and equipment through the course. Currently, without a bridge that can safely support heavier equipment, staff transport equipment a longer distance along CTH K (Lisbon Road) through a gate to access equipment located on the west side of the Fox River. The remaining three bridges planned for replacement will support lighter duty traffic. Plans to revise budgetary estimates for these replacements will be included in the next proposed capital plan.

This bridge replacement will be funded from Golf Course Fund Balance reserves which are sufficient to cover the overage. After accounting for this bridge replacement, uncommitted Golf Course Fund Balance remaining is estimated at about \$365,000. This ordinance is estimated to have no direct impact on County tax levy.

MOTION: Morris moved, second by Zaborowski to approve Ordinance 170-O-099. Motion carried 6-0.

**Report on First Year Operations of the Materials Recycling Facility (MRF)**

Lindquist discussed this item including amount and types of materials processed, benefits of single stream collection, recyclables processed/shipped and sales revenues, first year financial and operational challenges, community dividends, State grant funding cuts, and the MRF financial plan structure. Lindquist advised of recycling excellence awards of which the County received.

Material sales were budgeted at \$100 per ton but actual price per ton in 2015 was \$81.64. Lindquist discussed factors including lower oil prices, the Chinese economy, less materials (e.g., newspapers). Total revenue is \$2.6 million compared to the budgeted \$3.1 million. Total net expenses for the MRF operation in 2015 was \$823,974 compared to the budgeted amount of \$1,076,400. This does not include \$1.6 million in community dividends and grants. The cash balance at year-end 2015 was \$6,414,339 (\$6.6 million was projected). Those communities that switched to a single sort automated system has resulted in a \$4 million/year savings.

**Ordinance 170-O-098: Amend 2016 Adopted County Budget And Authorize Department Of Parks & Land Use To Execute A State Grant Agreement And Intergovernmental Agreement With Washington County To Implement An Aquatic Invasive Species (AIS) Program**

Lindquist and Steckart discussed this ordinance which authorizes acceptance and appropriation of \$50,000 in DNR Aquatic Invasive Species (AIS) grant funds. This includes \$22,000 to fund position related costs from Washington County to allow a Washington County AIS employee to provide contracted 0.5 FTE program hours and \$6,000 to fund a temporary seasonal intern to assist with grant activities. The grant will also fund a study estimated at \$15,000 to be conducted by SEWRPC for the purpose of collecting data at Waukesha County lakes and developing a strategic plan. An additional \$7,000 will fund related travel, training, and supply costs. The grant includes a local match requirement of 25% consisting of in-kind services to be performed by the department which will be absorbed in their existing 2016 budget. Indirect County costs are not covered by this grant funding. This ordinance has no direct impact on the 2016 tax levy.

This ordinance also authorizes the department to negotiate and execute intergovernmental agreements with Washington County, as well as local lake districts and the Southeast Wisconsin Regional Planning Commission (SEWRPC), to achieve programmatic goals of the grant. If staff request additional grant funding in future years, it will do so through the annual budget process. Steckart explained the program in detail. Lindquist said staff will apply for a subsequent three-year grant on behalf of both counties in the future.

MOTION: Paulson moved, second by Whittow to approve Ordinance 170-O-098. Motion carried 6-0.

**Annual Update on Grant/Sunset Positions**

Witkowski discussed the report titled “2016 Sunset Position Changes as of February 2016” which included information on department, position title, funding source, and total sunset positions.” In 2015 there were 92 full-time and 15 part-time extra help sunset positions. In 2016, there was one less full-time and one additional part-time position overall. Four positions that were funded with Affordable Health Care Act dollars were eliminated which were offset by two additional food stamp training and employment related positions. One librarian position was added and one full-time position was made into a part-time position. Another deputy medical examiner was also added to handle additional contracts.

MOTION: Paulson moved, second by Zaborowski to accept the grant/sunset positions update. Motion carried 6-0.

**Ordinance 170-O-100: Establish Salaries For Register Of Deeds, Treasurer, And County Clerk For 2017 – 2020**

Richter discussed this ordinance as outlined which involves adjusting the annual salaries for the Register of Deeds by 1.5% (2017 - \$75,488; 2018 - \$76,620; 2019 - \$77,769; and 2020 - \$78,936), the Treasurer by 1.5% (2017 - \$74,485; 2018 - \$75,602; 2019 - \$76,736; and 2020 - \$77,887), and the County Clerk by 1.5% (2017 - \$74,485; 2018 - \$75,602; 2019 - \$76,736; and 2020 - \$77,887).

The total net costs for 2017 through 2020 are \$264,187; \$268,152; \$273,822; and \$276,257, respectively.

By a 5-2 vote, this ordinance was approved by the Human Resources Committee, a consensus of which had also recommended the 1.5% increases back in February. The County was requesting 2% increases for the Register of Deeds, Treasurer, and County Clerk at that time.

MOTION: Morris moved, second by Zaborowski to approve Ordinance 170-O-100. Motion carried 4-2. Whittow and Highum voted no.

### **Annual Report on Employee Performance Evaluations and Awards**

Richter and Sgarlata discussed this report which was distributed. For 2015, the total possible cost if all eligible employees received the maximum base and non-base awards would have been \$1,761,598. The total amount budgeted for base and non-base awards was \$1,329,855 and the actual cost was \$1,003,853. Since the last report, more than 100 employees were moved into this system so total cost is slightly higher and more employees will be added in the future. Richter went on to review aggregate evaluation ratings for the County's 468 eligible employees: 0 received unacceptable ratings, 3 received needs to build, 29 received effective, 257 received commendable, and 179 received exceptional. An additional 9 employees would have received unacceptable or needs to build ratings had they not separated their employment. A rating of commendable or better is required in order to be considered for a performance award.

MOTION: Paulson moved, second by Morris to accept the 2015 annual report on performance evaluations and awards. Motion carried 7-0.

### **Update on Alcohol Treatment Court Fees and Revenue Goals**

Luczaj distributed copies of her report titled "Alcohol Treatment Court Program Fee Revenue Summary – 2009-2015." Actual revenues in 2015 were \$33,256 compared to the budgeted amount of \$25,580. She noted the current caseload is 39 and the program capacity is 40-45.

MOTION: Zaborowski moved, second by Whittow to accept the update on Alcohol Treatment Court fees and revenue goals. Motion carried 6-0.

### **Update on Drug Court Funding**

Luczaj said there are no changes in the funding status since her last report. Currently, Drug Court has two funding sources; both grants – state and federal. The federal grant began October 1, 2015 and goes through September 30, 2017. The state grant is for three years and ends December 31, 2016. Luczaj said she will be applying for the next round of state funding and applications for this five-year grant are due in June 2015. The grant period is January 2017 through December 2021. She is fairly confident the County will receive the additional state funding which she explained further. If the County loses the federal grant, this will occur in September of 2017 at which time other options will need to be explored.

MOTION: Highum moved, second by Morris to adjourn at 11:08 a.m. Motion carried 6-0.

Respectfully submitted,

William J. Zaborowski  
Secretary