

## **Minutes of the Finance Committee**

**Wednesday, September 2, 2015**

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

**Present:** Supervisors Jim Heinrich, Richard Morris, Bill Zaborowski, Duane Paulson, Eric Highum, and Larry Nelson. Steve Whittow arrived at 8:16 a.m.

**Also Present:** Chief of Staff Mark Mader, Principal Risk Management Analyst Mark Jatczak, Risk/Purchasing Manager Laura Stauffer, Administration Director Norm Cummings, County Board Supervisor Kathleen Cummings, Public Works Director Allison Bussler, Building Operations Manager Shane Waeghe, Business Services & Collections Manager Andy Thelke, and Senior Financial Analysts Linda Hein and Steve Trimborn. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of August 19**

**MOTION:** Morris moved, second by Zaborowski to approve the minutes of August 19. Motion carried 6-0.

### **Schedule Next Meeting Date**

- September 16

Whittow arrived at 8:16 a.m.

### **Announcements**

Mader noted the capital projects plan was distributed yesterday. Supervisors can attend any or all standing committee meetings to hear those discussions.

### **Claims Report for Six Months Ended**

Jatczak reviewed the Workers Compensation report as outlined. During the first six months of 2015, 53 claims were opened and of those, 32 remained open at the end of six months. The total incurred was \$200,151. Since 2011, 444 claims have opened, 48 remained open, and \$3,534,906 was incurred. Jatczak highlighted the larger claims that opened and closed.

Stauffer reviewed the claims history report as outlined. During the first six months of 2015, 4 general liability claims were opened, two remained open at the end of six months, and the total incurred was \$7,500. Four auto liability claims were opened, 2 remained open, and \$8,853 was incurred. Regarding auto physical damage, 17 claims were opened, 5 remained open, and the total incurred was \$47,012. Eight property damage claims were opened, 5 remained open, and \$43,660 was incurred. Stauffer highlighted the larger claims that opened and closed.

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

### **Workers Compensation Trends and Experience Modification Rating Factor**

Stauffer referred to her report which included information on expected versus actual losses for 2010 through 2015. The Wisconsin Compensation Rating Bureau calculates experience modifiers (mods) based on the experience rating plan that is filed with the Office of the Commissioner of Insurance. Experience mods are used to calculate insurance and Workers Compensation premiums based on risks, losses, etc. If losses are as expected for a particular class, the mod is 1.0. The mod for more adverse losses will be above 1.0 and less than 1.0 for lower losses. The County's benchmark is to be below 1.0. Figures for 2010 through 2015 were 1.14, 1.08, 1.08, 0.99, 0.98 and 0.91, respectively.

### **Annual Report on County Equalized Property Values and Tax Incremental Financing (TIF) District Update**

N. Cummings distributed the 2015 statement of changes in equalized values by class and item from the Wisconsin Department of Revenue, net new construction in 2015, and excerpts from the 2015 adopted budget pertaining to county equalized property values for 2006-2015, equalized property values per municipality for 2014 and 2015, and county median housing values for 2007-2016.

N. Cummings said the latest recession was unprecedented in the area of housing which was hit hard. However, foreclosures have come down. He indicated the total equalized property value (excluding tax incremental districts) increased 2.4% from 2014 to 2015 which compares to a 4.1% increase from 2013 to 2014. This includes real estate such as residential, commercial, manufacturing, agricultural, forest, etc. and personal property such as watercrafts, machinery, furniture fixtures, etc. N. Cummings discussed the possibility of losing additional personal property revenues in the future and how that would affect the County. For residential inflation, the medium home value in 2014 was \$246,300 compared to \$251,000 in 2015, an increase of 1.9%. N. Cummings said new residential construction totaled \$387,624,500 which is good and better than last year but not nearly as good as past years. He noted new housing is what drives our county. New commercial construction totaled \$151,908,900 which is positive. He referred to new manufacturing construction as a light year at \$17,110,200 although not bad considering we are coming out of a recession.

MOTION: Zaborowski moved, second by Nelson: to accept the report on county equalized property values. Motion carried 7-0.

### **Update on Asbestos Analysis for Former Human Services Building**

Bussler and Waeghe were present to discuss this item. Bussler indicated they plan to contract with a vendor to do asbestos testing at the former Human Services building. A line item is in the budget and funding available to enable them to do this type of testing anywhere in the County. The demolition cost is an estimate and this testing will allow staff to refine that estimate. N. Cummings believes the demolition cost will go down and if so an amendment will be made to the capital project plan. Answering Heinrich's question, Bussler estimated testing will cost around \$15,000 to \$20,000. A consensus of the committee supported using funds for asbestos testing at the former Human Services building.

**Proprietary Funds Report for Six Months Ended**

Thelke and Hein reported on the County's enterprise and internal service funds in detail as outlined in the report. Thelke advised those funds that showed a net loss at the end of six months in 2015 were the Naga-Waukeee Golf Course (-\$70,784); Wanaki Golf Course (-\$121,760); Moor Downs Golf Course (-\$80,870); Naga-Waukeee Ice Arena (-\$5,903); Eble Park Ice Arena (-\$4,512); and Vehicle/Equipment Replacement (-\$209,314). Those funds that showed a net income were Materials Recycling (\$361,347); Airport (\$60,830); Central Fleet (\$123,777); Radio Services (\$182,958); Records Management (\$63,360); Communications (\$161,132); Risk Management/Workers Compensation (\$307,168); Collections (\$138,658); End User Technology (\$192,261); and Health Insurance (\$883,534).

MOTION: Highum moved, second by Zaborowski to accept the Proprietary Funds report for six months ended. Motion carried 7-0.

MOTION: Paulson moved, second by Morris to adjourn at 10:15 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski  
Secretary