

Minutes of the Finance Committee

Wednesday, November 18, 2015

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

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

Also Present: Chief of Staff Mark Mader, Principal Financial Projects Analyst Bob Ries, Collections & Business Services Manager Andy Thelke, Senior Financial Analyst Linda Hein, Budget Manager Linda Witkowski, Budget Specialist Bill Duckwitz, Senior Financial Analyst Clara Daniels, Risk/Purchasing Manager Laura Stauffer, Community Development Block Grant (CDBG) Coordinator Kristin Silva, Human Services Manager Kathy Mullooly, Impact 2-1-1 Director Jeff Waite, and County Executive Paul Farrow. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of November 4

MOTION: Paulson moved, second by Zaborowski to approve the minutes of November 4. The minutes were amended to include Nelson's presence as he was inadvertently omitted. Motion carried 6-0 as amended.

Next Meeting Date

- December 9

Announcements

Nelson said 25% of today's sales at The Chancery will be donated to Friends of the Waukesha Public Library.

3rd Quarter Investments Report

Ries discussed this report as outlined which included highlights, valuation at cost and market, the County's portfolios, and total County investment income, balances, and rates. The total return for the quarter was down 10 basis points from the last quarter to 0.22%. The main factor contributing to the decrease was an increase in realized losses on the sale of securities of \$94,110 in the 3rd quarter. For the year ending September 30, 2015 the overall portfolio returned 1.22%. Total interest earnings for the quarter were \$436,415, down \$129,623 from the 2nd quarter due largely to the increase in realized losses. A decrease of \$12,431 in par value adjustments on the Treasury Inflation Protected (TIP) securities based on the CPI was also a contributing factor. The total County investment balance at the end of the 3rd quarter was \$202,014,547.

MOTION: Highum moved, second by Zaborowski to accept the 3rd quarter investments report. Motion carried 6-0.

3rd Quarter Proprietary Funds Report

Thelke and Hein reviewed the County's various enterprise and internal service funds. Those funds that showed a net income at the end of the 3rd quarter were the Naga-Waukee Golf Course (\$282,872); Materials Recycling (\$1,355,100); Central Fleet (\$144,314); Radio Services (\$52,699); Records Management (\$4,282); Communications (\$102,893); Risk Management/Workers Compensation (\$644,369); Collections (\$101,555); End User Technology (\$113,348); and Health Insurance (\$855,133). Those funds that showed a net loss were the Wanaki Golf Course (\$35,451);

Moor Downs Golf Course (\$42,757); Naga-Waukee Ice Arena (\$71,774); Eble Park Ice Arena (\$67,647); Airport (\$30,917); and Vehicle/Equipment Replacement (\$185,039).

At Paulson's request, Thelke said he would provide additional information at the year-end report on prescription drug rebates and at Heinrich's request, information on MRF rebates (actuals versus estimates).

MOTION: Nelson moved, second by Highum to accept the 3rd quarter Proprietary Funds report. Motion carried 6-0.

3rd Quarter Special Revenue and General Funds Report

Witkowski and Duckwitz reviewed the 3rd quarter Special Revenue and General Funds report as outlined. As of nine months, all Special Revenue funds are projected to finish the year with favorable or break-even results. At this time, none of the special revenue funds are anticipating a request for budget modification through either fund transfers between appropriation units or by appropriating additional revenue through an ordinance.

For nine months of 2015, total General Fund expenditures were at \$110 million or 66.9% of the total modified expenditure budget versus \$107.5 or 68.7% for the same period in 2014. Operating revenues were \$51.9 million or 64.4% of the modified revenue budget versus \$50.5 million or 65.2% of revenues recognized for the first nine months of 2014. The report indicates an estimated overall favorable result projected for the 2015 General Fund at year-end of \$1.9 million (about 1.2% of the \$164.3 million general fund budget). Witkowski reviewed each fund in detail Investment income in the Treasurer's Department is projected to be lower than budgeted by about \$2.1 million as interest rates continue to be low. Penalty and interest on delinquent taxes are also below budget by an additional \$580,000. Offsetting favorable results for year-end 2015 include Health and Human Services of \$2 million, mainly due to position vacancy and turnover savings and some higher state and federal funding. Other major favorable variances are estimated in the Clerk of Courts by \$470,000, Public Works by \$290,000 and Parks and Land Use by \$460,000. Witkowski advised of potential year-end fund transfers for Emergency Preparedness, Sheriff, Health and Human Services, Parks and Land Use, and Clerk of Courts.

MOTION: Nelson moved, second by Zaborowski to accept the Special Revenue and General Funds report for six months ended. Motion carried 6-0.

Resolution 170-R-007: To Terminate Coverage With LGPIF And Elect Property Insurance Coverage From The New Municipal Property Insurance Company (MPIC)

Stauffer discussed this resolution and the County's intent to transfer its property insurance coverage from the Local Government Property Insurance Fund (LGPIF) to the Municipal Property Insurance Company (MPIC). Currently, the County acquires general property insurance coverage through the LGPIF administered by the State of Wisconsin Office of the Commissioner of Insurance. The County has been notified that the annual premium for coverage through the LGPIF will be raised from \$218,000 in 2015 to \$383,000 in 2016, an increase of \$165,000.

Waukesha County is a founding member of the Wisconsin Municipal Mutual Insurance Company (WMMIC) through which it has acquired general liability coverage and claims administration services since 1987. Over the course of its participation in WMMIC, the County has received more in dividends than it has paid out in premiums. In an effort to provide a new source of cost effective property insurance coverage to Wisconsin municipalities, WMMIC has partnered with the Cities and Villages Mutual Insurance Corporation (CVMIC) and the League of Wisconsin

Municipalities Mutual Insurance Corporation (LWMMIC) to create the MPIC. WMMIC has invested \$3,000,000 in MPIC, earned through prior year surpluses, and would participate proportionately in any future dividends. This new company would have the ultimate potential for as many as 343 members.

The preliminary estimate for County property insurance coverage through MPIC is about \$275,000, or \$108,000 less than for coverage available through LGPIF. The expectation would be that a long term relationship with MPIC would result in the same stability of premiums that WMMIC has provided.

Paulson and Heinrich expressed concerns this did not go out for bid. Stauffer said Administration staff felt this was unnecessary because it would be most beneficial to stay with WMMIC which she explained further.

MOTION: Nelson moved, second by Zaborowski to approve Resolution 170-R-007. Motion carried 6-0.

Contract Procurement Process for HOME Program Administration

Silva advised this three-year contract was awarded to Wisconsin Partnership for Housing Development, the only contractor to submit a proposal, for a total contract cost of \$375,984. She did not know of any other non-profits in the area that do this type of work because most do it in-house. Both Silva and Paulson, a member of the evaluation committee, praised the work of this contractor, our current provider. Silva noted this bid came in lower than the last three-year contract. Heinrich noted that the amount budgeted for this contract was not listed on the form. Silva was unsure why but said there is certainly enough money to cover the cost.

MOTION: Paulson moved, second by Nelson to approve the contract procurement process for HOME Program administration. Motion carried 6-0.

Update on Impact 2-1-1 Service Provider Including Oversight, Structure, Programming and Cost

Mullooly and Waite gave an update on Impact 2-1-1, the County's service provider for the 24-hour crisis/after-hours helpline to report such issues as child and elder abuse, mental health issues, etc. Impact 2-1-1 took over the contract in 2013 after the Mental Health Association (MHA) dissolved. Mullooly said the 2014 contract with Impact 2-1-1 totals \$60,000. Nelson noted there is a huge savings between the 2012 budget (\$195,530) when the MHA had the contract and the estimated 2015 budget (\$87,434) with Impact 2-1-1. Mullooly believes customers are getting better service as well. Waite discussed protocols and budget and activity statistics as outlined in the handouts.

Future Agenda Items

- Discuss Future Funding of the Walter J. Tarmann Parkland Acquisition Fund (Heinrich)

MOTION: Paulson moved, second by Highum to adjourn at 10:33 a.m. Motion carried 6-0.

Respectfully submitted,

William J. Zaborowski
Secretary