

## Minutes of the Finance Committee

Wednesday, February 17, 2016

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. Steve Whittow arrived at 8:19 a.m.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, County Board Candidates Chuck Wood and Michael Starich, UW-Extension Director Jerry Braatz, Senior Financial Analysts Steve Trimborn and Mark Yatchak, Administration Director Norm Cummings, Human Resources Manager Jim Richter, Principal Financial Projects Analyst Bob Ries, Accounting Services Manager Larry Dahl, Business Manager Lyndsay Johnson, Senior Financial Analyst Steve Trimborn, and Parks System Manager Duane Grimm. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of February 3**

**MOTION:** Zaborowski moved, second by Morris to approve the minutes of February 3. Motion carried 6-0.

### **Next Meeting Date**

- March 2

### **Ordinance 170-O-091: Authorize Waukesha County University Of Wisconsin Extension Office To Accept And Appropriate The City Of West Allis Revenue For The Strategic Planning Services**

Braatz discussed this ordinance which authorizes the department to accept \$57,108 in revenues from the City of West Allis to teach and facilitate strategic planning services for the City of West Allis. Braatz noted this is a collaboration between the Waukesha and Milwaukee UW-Extension offices and involves a three-part process. Braatz said \$23,300 will be used for mileage, supplies and additional staff educator costs and \$8,000 for interdepartmental charges. The 2016 revenue budget will be increased \$31,300 for these expenditure increases. The remaining revenue of about \$25,800 will fund existing County staff costs budgeted in 2016 and will help in meeting their 2016 revenue budget. The additional work will not impact existing assignments.

Whittow arrived at 8:19 a.m.

Answering Mader's question, Braatz said he performed a thorough analysis of how much time this project would take. All of his time associated with the project will be covered with the revenues and none of his time will be donated.

**MOTION:** Paulson moved, second by Highum to approve Ordinance 170-O-091. Motion carried 7-0.

### **Chair's Executive Committee Report of February 15**

Heinrich said the Executive Committee approved two ordinances and three appointments and heard a report on the Wisconsin Counties Association legislative exchange conference.

### **Ordinance 170-O-090: Walter J. Tarmann Fund Management And Use Of Funds In Excess Of A \$4 Million Cap**

Cummings discussed this ordinance which limits accumulation of fund balance in the Tarmann Fund to \$4 million for five years (2016-2020) to manage fund build-up greater than current and future needs. The fund balance as of December 31, 2015 was about \$6.3 million. Funds in excess of the \$4 million limit can be applied to Parks and Land Use capital projects in the County Board approved 2016-2020 Capital plan. Stewardship revenues from past and future land acquisitions will continue to be placed in the Tarmann Fund. Investment income previously budgeted in the fund will now be budgeted in the Treasurer's budget while the cap is in place, directly offsetting County tax levy. Investment income to the fund in 2015 is estimated at \$50,000. This ordinance further directs the use of \$500,000 of Tarmann Fund balance in the 2016 Parks and Land Use Pavement Management Plan capital project (#200824), replacing funds to be acquired through debt borrowing of the same amount. As a result, planned 2016 debt borrowing is reduced by \$500,000 from \$12,000,000 to \$11,500,000. It is anticipated that further reductions will be made in reducing planned debt borrowing in the 2017-2020 budget years.

MOTION: Morris moved, second by Paulson to approve Ordinance 170-O-090. Motion carried 7-0.

### **Contract Procurement Process for the Payroll/Human Resources Study**

Richter advised the contract was awarded to SoftResources LLC, the highest rated proposer, for a total contract cost of \$64,600. The amount budgeted for this study is \$75,000. A total of six contractors submitted bids for consideration.

MOTION: Zaborowski moved, second by Morris to approve the contract procurement process for the payroll/human resources study. Motion carried 7-0.

### **Year-End Investments Report**

Ries reviewed his report including the highlights, investment yield, investment revenue, average daily balance, average investment rates, and the investment portfolios. Total interest earnings for the fourth quarter were \$367,386, down \$69,029 from the third quarter due largely to an increase of \$33,225 in realized losses on the sale of securities as compared to the prior quarter. A decrease of \$46,502 in par value adjustments on the Treasury Inflation Protected (TIP) securities based on the CPI was also a contributing factor. In spite of the drop in interest earnings, the total return for the quarter was up two basis points from last quarter, to 0.24%. The main factor was the \$51.5 million decrease in average invested balances, much of which occurred in short term funds. As short term funds currently have the lowest return, having less of them in the average balance will skew the total return higher. The investment balance for the fourth quarter was \$177,410,188.

MOTION: Whittow moved, second by Highum to accept the year-end investments report. Motion carried 7-0.

### **Annual Report on Interest Allocations**

Ries reviewed his reports titled "Summary of Current Interest Allocations," "Prior Interest Allocations," and "Analysis of Investment Income and Allocations – Fiscal Year 2015" which included information on the County fund to which the funds are allocated, how it was authorized, rationale, and if rescinded, when and why. The majority of investment income, about 80%, goes into the Treasurer's General Fund to reduce the County tax levy. Funds are also allocated to Risk Management, Federated Library, Vehicle Replacement, golf courses and ice arenas, Clerk of Courts, Debt, capital projects, etc.

MOTION: Zaborowski moved, second by Nelson to accept the annual report on interest allocations. Motion carried 7-0.

**Ordinance 170-O-094: Transfer Carryover Funds From 2015 Unexpended Appropriations To 2016 Budgeted Appropriations**

Dahl and Ries discussed this ordinance including department, amount approved, project, and justification. Staff are requesting that a total of \$2,752,967 be carried over from 2015 accounts into 2016 budgets to enable the purchase of goods and services that, for whatever reason, were not completed in 2015.

Heinrich asked does Administration staff look into why a project may not have been completed? Ries said yes and indicated there have been instances in the past where requests were denied.

MOTION: Paulson moved, second by Whittow to approve Ordinance 170-O-094. Motion carried 7-0.

**Ordinance 170-O-092: Amend The 2016 Sheriff's Department Budget For The Purchase Of Rifle Optics**

Johnson discussed this ordinance which authorizes the department to appropriate funds that the department will receive by returning 27 rifle optics due to manufacturer defect in order to purchase replacement rifle optics. Staff are requesting to appropriate \$8,800 in revenue that will be received by returning the optics to purchase replacement optics and because of increased prices, \$5,000 in carryover funds will be used to complete the purchase. This ordinance results in no additional direct tax levy impact.

MOTION: Whittow moved, second by Paulson to approve Ordinance 170-O-092. Motion carried 7-0.

**Ordinance 170-O-093: Amend The 2016 Sheriff's Department Budget For The Expenditure Of Seized Funds To Participating Agencies In February 2016**

Johnson discussed this ordinance which authorizes the department to transfer forfeited assets (seized funds) to those state and local agencies that contributed directly to the seizure of that property. The department receives funds from the Federal Government and acts as a trustee for a portion of these funds on behalf of participating Metro Drug Unit agencies. The amount, not to exceed \$14,031, will be disbursed to the following agencies: City of Waukesha (\$3,670); City of New Berlin (\$2,706); City of Brookfield (\$2,685); Village of Menomonee Falls (\$2,706); City of Muskego (\$559); Village of Hartland (\$410); Village of Pewaukee (\$559); Village of Elm Grove (\$375) and Village of Eagle (\$361). This ordinance results in no additional direct tax levy impact.

MOTION: Highum moved, second by Zaborowski to approve Ordinance 170-O-093. Motion carried 7-0.

**Ordinance 170-O-087: Accept County Conservation Aids Grant For Okauchee Lake 2016 Muskie Stocking**

Grimm discussed this ordinance which authorizes the department to accept \$1,980 of County Conservation Aid Grant revenues from the Department of Natural Resources (DNR) for the purpose of stocking muskies in Okauchee Lake. The total estimated cost to complete this project is approximately \$5,250. Remaining project costs not covered by the grant will be funded by two muskellunge clubs in Wisconsin who will also stock the fish. Grimm noted the County is the pass

through agency and the only way the clubs could apply for this grant was through the County. This ordinance results in no direct tax levy impact.

Answering Paulson's question, Grimm said he would be the person to oversee the actual stocking operations.

MOTION: Highum moved, second by Whittow to approve Ordinance 170-O-087. Motion carried 7-0.

**Ordinance 170-O-088: Waukesha County Land Conservancy Partnership Acquisition – Dennis And Lorna Grimm Property**

Grimm discussed this ordinance which authorizes the department to provide a grant to the Waukesha County Land Conservancy of \$37,500 from the Walter J. Tarmann Parkland Acquisition Fund. Grimm advised the Land Use Committee amended this ordinance and fiscal note to include \$6,950 in land acquisition costs, inadvertently omitted. The County does not incur these costs as they will be shared equally between the Conservancy and the State. The grant provides a portion (about 20%) of the \$150,000 necessary for the Conservancy to purchase approximately 60 acres in the Village of Summit. The remaining land acquisition costs will be funded with \$40,975 from the Conservancy and a financial contribution from the DNR of \$78,475. The County's contribution is not eligible for DNR stewardship grant reimbursement. Rather, this reimbursement is included in a portion of the State's contribution as stated above.

This ordinance also authorizes a buyout option that allows the County to purchase the 60-acre parcel in the future if the Conservancy seeks to sell the property. The buyout price of \$40,975 would include the Conservancy's original contribution of \$37,500 and the Conservancy's land acquisition transaction costs of \$3,475. Funds are available in the Tarmann Fund resulting in no change to the 2016 expenditure budget. The Conservancy will be responsible for maintenance of the site. This ordinance results in no direct tax levy impact.

MOTION: Paulson moved, second by Morris to approve Ordinance 170-O-088. Motion carried 7-0.

**State Legislative Update**

Spaeth explained the following bills currently being considered or that have been approved at the State level pertaining to shoreland zoning, dementia care, heroin/opiate prevention and education, treasurers' published notices, medical examiner fees, probation and parole holds and extended supervision reimbursements, recycling funding, and maximizing Federal funds for certain highway projects. Spaeth said talks will resume on potential changes to Aging & Disability Resource Centers in mid-April and study committees will start this summer.

MOTION: Highum moved, second by Morris to adjourn at 10:43 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski  
Secretary