

Minutes of the Finance Committee

Wednesday, September 19, 2018

Chair Heinrich called the meeting to order at 9:00 a.m.

Present: Supervisors Jim Heinrich, Duane Paulson, Tom Michalski, Tim Dondlinger, Tyler Foti, Richard Morris, and Ted Wysocki.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Senior Civil Engineer Kevin Yanny, Aging & Disability Resource Center (ADRC) Manager Mary Smith, Human Resources Manager Jim Richter, Inspector Jim Gumm, Business Manager Lyndsay Johnson, Financial Analyst Josh Joost, Chief of Staff Shawn Lundie, Senior Human Resources Analyst Teri Henning, County Board Chair Paul Decker, Senior Financial Analyst Mark Yatchak, Budget Management Specialist Bill Duckwitz, Landscape Architect Stephen Siodlarz, Highway Operations Manager Bob Rauchle, County Board Supervisor Dave Swan, Senior Financial Analyst Rhiannon Cupkie, Emergency Preparedness Director Gary Bell, Administration Director Norm Cummings, Business/Collections Services Manager Andy Thelke, Information Technology Manager Mike Biagioli, Public Works Director Allison Bussler, Judge Jennifer Dorow, Clerk of Courts Gina Colletti, Facilities Manager Shane Waeghe, Engineering Services Manager Carolynn Gellings, Sheriff Eric Severson, Principal Business Analyst John Gorski, Business Services Administrator Donn Hoffmann, Register of Deeds Jim Behrend, Parks & Land Use Director Dale Shaver, and Parks System Manager Rebecca Mattano. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of September 5

MOTION: Paulson moved, second by Morris to approve the minutes of September 5. Motion carried 7-0

Next Meeting Date

- October 3

Chair's Executive Committee Report of September 17

Heinrich said the Executive Committee discussed and reviewed all projects in the 2019-2023 Capital Projects Plan and approved one ordinance and two appointments.

Contract Procurement Process for CTH YY – Underwood Creek Structure, Professional Design Services, Capital Project #201302

Yanny advised this contract was awarded to Ayres & Associates, the highest rated proposer, for a total contract cost of \$119,740. The budgeted amount is \$170,000. Nine contractors submitted bids for consideration.

MOTION: Michalski moved, second by Morris to approve the contract procurement process for CTH YY – Underwood Creek structure, professional design services. Motion carried 7-0.

Contract Procurement Process for Senior Dining Catering

Smith advised this three-year contract was awarded to Taher, the highest rated proposer, for a total contract cost of \$2,748,653. The first year cost is \$889,273 and the first year budgeted amount is \$936,010. Three contractors submitted bids for consideration.

MOTION: Paulson moved, second by Michalski to approve the contract procurement process for Senior Dining Catering. Motion carried 7-0.

Ordinance 173-O-048: Approve Modifications To Retiree And Active Employee Life Insurance Program

Richter discussed this ordinance as outlined and said currently, the County provides a life insurance program for active regular full-time and part-time employees, including access to dependent life insurance. County retirees are allowed to continue life insurance coverage, with the premiums paid by the retiree until they reach the age of 65, after which the benefits are reduced and the County pays the premiums for the remainder of the retiree's life.

Over time, this practice of providing retirees with free insurance coverage for life has made it increasingly difficult to obtain affordable life coverage for the County as a whole. The high cost of insuring older retirees with no incentive to terminate coverage they do not pay for has a disproportionate impact on the blended active plus retiree rate providers are willing to bid. This ordinance addresses that issue by phasing in reduced coverage caps and implementing a requirement that retirees pay the full cost of retiree life insurance. For employees retiring on or after January 1, 2019, life insurance coverage will terminate upon attaining age 70. While over time these changes will reduce the cost to the County of providing life insurance to retirees to zero, the primary reason for this change is to attract the interest of insurers for all life coverage, which has diminished under the current structure.

In addition to the changes to the retiree life insurance program, this ordinance also modifies the active employee program to purchase dependent life insurance (\$20,000 for a spouse and \$10,000 for other dependents), and up to \$150,000 in additional term life insurance for themselves. The full cost of this insurance will be paid by the employee. This ordinance requires no additional tax levy.

MOTION: Dondlinger moved, second by Wysocki to approve Ordinance 173-O-048. Motion carried 7-0.

State Legislative Update

Spaeth advised of new federal rules affecting the Child Support Program which would have a negative impact on State and County revenues. She is also working with Health & Human Services staff and the Wisconsin Counties Association to pursue legislation targeting increases in foster care caseloads. She will also be meeting with legislators on this issue.

Discuss 2018 Overtime in the Sheriff's Department

Gumm and Johnson were present to discuss this item. Johnson distributed information on overtime costs – actual vs. adopted budget from 2013 through 2018. Gumm discussed ongoing budget challenges and said while the 2018 estimate for overtime is about \$1.4 million, staff anticipate the actual cost will be about \$2.4 million. Gumm discussed ways the Sheriff's Department is reducing overtime but noted there are costs/mandates out of their control. Johnson said she expects a future fund transfer, most likely from excess fuel funds and they anticipate some additional revenues. However, Gumm said the option of using fuel funds will be eliminated beginning next year. A reduction in the workforce increases overtime and while recruitment remains a priority, it is also a challenge. He discussed challenges keeping resignations at a minimum due to better pay and benefits offered by outside agencies. In the first eight months of 2018, there were more than 20 resignations. Also, the amount of applicants and the quality of applicants have decreased over the years which makes recruitment difficult. Competition from outside agencies further reduces the pool of applicants. This issue was discussed at length.

Ordinance 173-O-042: Modify The 2018 Budget Of The Department Of Parks And Land Use, And Authorize The Department Of Parks And Land Use To Accept Funding From The State Of Wisconsin Department Of Natural Resources' Hunter Education Public Shooting Range Grant And Federal Wildlife Restoration – Hunter Education Grant Program For The Mukwonago Park Archery Range Accessible Path

Siodlarz discussed this ordinance which authorizes the department to accept \$12,108 in State of Wisconsin DNR Hunter Education State and Federal grant program and appropriate an increase of \$4,608 in the 2018 adopted budget, and appropriate \$4,608 in additional expenditures for the purpose of constructing an asphalt path within the Mukwonago Park archery range. The grant requires that the path be built in compliance with the accessibility requirements of the Americans with Disabilities Act.

The 2018 adopted budget included \$10,000 in expenditures for this project, to be partially offset by \$7,500 or a 75% cost share in DNR grant revenues. Total project costs are anticipated to increase from \$10,000 to \$16,144, with \$4,608 in additional expenditure authority via this ordinance, and \$1,536 through managed departmental savings in the three-year maintenance and projects plan. Offsetting revenues are increased from \$7,500 to \$12,108 to maintain the 75% DNR cost share. It was noted that the increased costs are due to higher asphalt costs and a less favorable bidding climate than previously budgeted.

MOTION: Paulson moved, second by Michalski to approve Ordinance 173-O-042. Motion carried 7-0.

Ordinance 173-O-044: Modify The 2018 Transportation Fund Budget For Additional State Routine Maintenance And Discretionary Maintenance Expenses

Rauchle and Cupkie were present to discuss this ordinance which appropriates additional expenditure authority in the State Highway Operations Program, funded with projected above-budget revenues earned through the Wisconsin Department of Transportation's Routine Maintenance and Discretionary Maintenance agreements (RMA and DMA). Additional expenditure authority is needed for a new DMA project to repair concrete work on State Highway 59. In addition, above-average expenditures were incurred for snow/ice removal from severe winter weather in January through April 2018, additional maintenance work on state highways (e.g., pavement markings and repair), and retirement/separation payouts from turnover of long-term employees. The ordinance would increase expenditure authority and revenues \$717,000 for overtime, retirement/separation payouts, materials for concrete repair etc., vehicle costs include repair and fuel, and administrative costs. These expenditures are funded with state highway maintenance revenues and do not result in a direct tax levy impact.

MOTION: Paulson moved, second by Dondlinger to approve Ordinance 173-O-044. Motion carried 7-0.

Ordinance 173-O-046: Approve Third Amendment To Lease With New Cingular Wireless At The Health And Human Services Smokestack

Bell discussed this ordinance which approves an amendment to the agreement between the Emergency Preparedness Department and New Cingular Wireless PCS LLC for additional space to build an equipment shelter located at the Health and Human Services Smokestack site (500 Riverview Lane, Waukesha). The amendment also extends the term of the lease by three five-year renewal terms beginning on December 1, 2023, for a potential total period of 15 years. Under the terms of the lease, Cingular will pay the County \$44,400 annually in 2019. There is no payment

increase for the additional space, but the lease includes an automatic escalator clause of 5% annually. The revenue will be applied to the Radio Services proprietary fund. The department anticipates no additional expenditures due to this lease. This ordinance results in no direct levy impact.

MOTION: Morris moved, second by Paulson to approve Ordinance 173-O-046. Motion carried 7-0.

Review Revenues Section of the Capital Projects Plan

Duckwitz and Cummings explained fund balances and revenues as outlined in the proposed 2019-2023 Capital Projects Plan.

Discuss the Following Capital Projects: a) Enterprise Content Management #200910; b) CTM M, Calhoun Rd. to East County Line #201008; c) CTH O & I Intersection Reconstruction #201603; d) Courthouse Project – Secure Courtroom Construction #201418; and e) Courthouse Project – Renovate 1959 Courthouse #201705

Enterprise Content Management #200910

Thelke, Biagioli and committee members discussed this capital project as outlined in the Capital Projects Plan. No major concerns were voiced.

The committee tentatively supported this project 7-0.

CTM M, Calhoun Rd. to East County Line #201008

Bussler and committee members discussed this capital project as outlined in the Capital Projects Plan. No major concerns were voiced.

The committee tentatively supported this project 7-0.

CTH O & I Intersection Reconstruction #201603

Bussler and committee members discussed this capital project as outlined in the Capital Projects Plan.

The committee tentatively supported this project 7-0 but Wysocki, Morris, and Paulson were opposed to it being delayed which is due to funding issues.

Courthouse Project – Secure Courtroom Construction #201418 and Courthouse Project – Renovate 1959 Courthouse #201705

Bussler, staff, and committee members discussed this capital project as outlined in the Capital Projects Plan.

The committee tentatively supported these two projects 7-0 but recognized the need for operational funding.

Ordinance 173-O-041: Transfer Of Frontier Park From Waukesha County To The Village Of Butler

Shaver explained this ordinance which authorizes the County to transfer ownership of Frontier Park to the Village of Butler. In January 1965, the County Board authorized the execution of a lease with the Village for the purpose of developing and operating a park. The Village purchased the property for \$27,450 through a grant from the State of Wisconsin which paid for half of the acquisition costs and then conveyed the property to the County in April 1965. The County and the

Village thereafter entered into a 99-year lease through which the Village agreed to assume all development costs and all liability with respect to the 28.53 acre property. The Village was not required to pay any rental payments and the County was not responsible for any maintenance, development, or operation costs. The Village has developed the property into what is known as Frontier Park and the County desires to transfer ownership of the park back to the Village.

MOTION: Paulson moved, second by Dondlinger to approve Ordinance 173-O-041. Motion carried 7-0.

Ordinance 173-O-045: Modify 2018 Capital Budget To Increase Expenditures For Capital Project 201808 Eble Park Ice Arena Refrigeration System

Shaver and Mattano were present to discuss this ordinance which appropriates an additional \$50,000 of expenditure authority for the Eble Ice Arena refrigeration project (#201808) due to a higher-than-budgeted bid for replacement of the dehumidification system. This ordinance uses \$50,000 of Tarmann Parkland Acquisition Fund balance to fund the cost increase. The County Board approved enrolled ordinance 170-87 in 2016 which allows for the use of Tarmann Fund balance to fund Parks and Land Use capital projects as long as the fund balance does not fall below \$4,000,000,000. This project was initially approved with a \$308,000 budget in 2018, also funded with Tarmann Fund balance. The additional \$50,000 in fund balance use is not expected to cause the Tarmann Fund to decrease below the \$4,000,000 threshold. There is no direct tax levy impact resulting from this ordinance.

MOTION: Morris moved, second by Paulson to approve Ordinance 173-O-045. Motion carried 7-0.

Resolution 173-R-001: Application For Cost-Share Tree Planting Grant From Bay-Lake Regional Planning Commission

Mattano discussed this resolution which establishes the County's intent to apply for a grant from the Bay-Lake Regional Planning Commission to fund tree planting under a program originating from the U.S. Forest Service Great Lakes Restoration Initiative. The department intends to apply for funds in the amount of \$15,062 for the purchase of 93 trees of six different species to be planted at three different parks around the County. The trees would be planted using volunteer and County staff labor and equipment valued at \$6,288 which would more than meet the grant's 25% match requirement. The department has included the expenditure and revenue impact of this grant in the 2019 proposed budget. This resolution results in no direct levy impact.

MOTION: Paulson moved, second by Foti to approve Ordinance 173-R-001. Motion carried 7-0.

MOTION: Dondlinger moved, second by Wysocki to adjourn at 12:37 p.m. Motion carried 7-0.

Respectfully submitted,

Thomas A. Michalski

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Secretary