

**Minutes of the Finance Committee
Wednesday, May 18, 2022**

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

Present: Supervisors Jim Heinrich, Larry Bangs, Darryl Enriquez, Tyler Foti, Joel Gaughan, Richard Morris, and Ted Wysocki.

Also Present: Chief of Staff Sarah Spaeth, Legislative Policy Advisor Alex Ignatowski Administrative Specialist Mary Pedersen, Public Health Manager Ben Jones, Accounting Services Manager Kristen Tranel, Health & Human Services Director Liz Aldred, Parks System Manager Steve Brunner, Risk/Purchasing Manager Laura Stauffer, Administration Director Andy Thelke, Budget Management Specialist Stephanie Hall, Baird Senior Vice President Justin Fischer, Budget Manager Bill Duckwitz, IT Manager Lance Spranger, Community Development Manager Kristin Silva, UW-Extension Director Jerry Braatz, Administration Director Andy Thelke, Human Resources Manager Renee Gage, Senior Human Resources Analyst Jane Barwick, Sheriff Eric Severson, Inspector Jim Gumm, Deputy Inspector Patrick Esser, Business Manager Josh Joost, Financial Analyst Cathy Kienast, and County Board Chair Paul Decker, Senior Financial Analysts Clara Daniels, Alex Klosterman and Michelle Czech.

Next Meeting Date

- May 24, 6:30 p.m.

Executive Committee Report of May 16

Heinrich said the Executive Committee approved several ordinances and appointments and heard a report on American Rescue Plan Act funding.

Committee Welcome and Opening Remarks of the Chair

Heinrich thanked supervisors for serving on the Finance Committee. He noted the additional budget meetings in October and said anyone interested in meeting with the County Executive to discuss proposed department operating budgets should let him know. He welcomed questions and encouraged discussion and asked them to raise their hand before speaking. He asked that they contact the office when they will be absent or need to leave early/arrive late for quorum purposes. He also asked that phones be silenced during meetings.

Nomination and Election of Vice-Chair and Secretary

MOTION: Morris moved, second by Foti to elect Wysocki as Vice Chair of the Finance Committee. Motion carried 7-0.

MOTION: Morris moved, second by Enriquez to elect Foti as Secretary of the Finance Committee. Motion carried 7-0.

Committee Duties and Responsibilities as Written in the County Code of Ordinances

Spaeth discussed the duties and responsibilities of the Finance Committee as written in the County Code of ordinances.

Ordinance 177-O-017: Modify The Department Of Health And Human Services – Public Health Division 2022 Budget To Accept Federal Centers For Disease Control And Prevention Covid-19 Crisis Response Workforce Development Grant Funds Provided By The Wisconsin Department Of Health Services And Appropriate Additional Expenditures

Aldred and Jones discussed this ordinance which authorizes the Department to accept the COVID-19 Crisis Response Workforce Grant of \$435,600 and modifies the 2022 budget to appropriate \$125,671 of additional expenditure authority and increase general government revenue of \$125,671. The COVID-19 Crisis Response Workforce Grant can be used to evaluate organizational effectiveness, provide programmatic training, and purchase supplies and equipment to support COVID-19 prevention, preparedness, response, and recovery initiatives. The grant period is through June 30, 2023. Approximately \$310,000 of this grant is not included in the ordinance and is meant to reimburse existing staff time participating in training and performing grant management through the life of the grant which is already included in the base budget. Some of the remaining funds may also be included to continue grant objectives in the 2023 budget request. This ordinance does not result in a direct tax levy impact.

MOTION: Gaughan moved, second by Bangs to approve Ordinance 177-O-017. Motion carried 7-0.

Ordinance 177-O-018: Modify The Department Of Health And Human Services – Public Health Division 2022 Budget To Accept Federal Centers For Disease Control And Prevention Immunization COVID-19 Supplemental Grant Funds Provided By The Wisconsin Department Of Health Services And Appropriate Additional Expenditures

Aldred said this ordinance authorizes the Department to accept the Immunization COVID-19 Supplemental Grant of \$530,700 and modifies the 2022 Public Health budget to appropriate \$119,287 of additional expenditure authority in the Public Health Division and increase general government revenue of \$119,287. The Immunization COVID-19 Supplemental Grant will be used to provide the COVID-19 vaccine to underserved or under-vaccinated communities. The grant period is through June 30, 2024. The remaining, unappropriated portion of this grant (\$411,400) will be used, in part, to reimburse existing staff time dedicated to public communication efforts and performing grant management through the life of the grant, which is already included in the base budget. Some of the remaining funds may also be included to continue grant objectives in the 2023 and 2024 budget requests. This ordinance does not result in a direct tax levy impact.

MOTION: Foti moved, second by Gaughan to approve Ordinance 177-O-018. Motion carried 7-0.

Ordinance 177-O-009: Modify The 2022-2026 Capital Plan And 2022 Budget For Capital Project 202204, Lake Country Trail STH 67 Underpass

Brunner discussed this ordinance which modifies the 2022-2026 capital plan and 2022 capital project budget to increase expenditure authority by \$556,900. This is for the design phase for the Lake Country Trail State Trunk Highway (STH) 67 Underpass project (#202204). This will also increase general government revenues by \$428,600 and the use of Capital Project fund balance by \$128,300. This ordinance also moves the design phase (\$556,900) of the project up from 2023 to 2022 and the construction phase (\$2,332,000) up from 2025 to 2023. The project cost remains the same, but an additional \$128,300 of Capital Project Fund balance will be needed in 2022 to cover the County's share of project costs. This is offset by a reduction in the need for County funds in the same amount in future years.

In the previously adopted capital project, the department planned to apply for \$2.1 million in funding from the Federal Transportation Alternatives Project (TAP) in February 2022. Based on the estimated

funding schedule, this would have allowed for the design phase in 2023 and construction phase in 2025. Since then, the Department has worked with WisDOT to secure alternative funding that would allow for a more expedited project schedule than TAP funding would allow. The Department applied for and was awarded funds sufficient to cover the \$2.1 million federal revenue budget through the federal Congestion Mitigation and Air Quality (CMAQ) Program in February of 2022 and in April of 2022, an advance of the funding was provided by the Bipartisan Infrastructure Law (BIL). This ordinance does not impact the tax levy.

MOTION: Foti moved, second by Morris to approve Ordinance 177-O-009. Motion carried 7-0.

Risk Management Determination of Liability & Workers Compensation Claim Payable Reserve

Stauffer indicated the County is required to reserve funds for any unpaid claims. Additional reserves of \$1,191,466 were booked which results in a year-end reserve balance of \$5,935,624. This equates to a reserve confidence level of between 75-85%.

2022 Bond Issuance Process and Bond Rating

Thelke discussed this item as outlined in his handout including the state of Waukesha County, County governance and management, budget philosophy and trends, County socio-economic trends, five-year capital projects and debt service, and details of the Series 2022A Notes.

Fischer and Thelke discussed the handout titled "Waukesha County Summary of 2022 Financing Plan" which included information on bond financing structure, estimated interest rate, tentative timeline, and existing and combined debt service. Fischer said the estimated interest rate for the \$11,300,000 bond for capital projects and vehicle replacements is around 3.25%. Fischer noted the County has retained their AAA/Aaa bond rating. The ordinance to accept the bond will be considered by the Finance Committee and County Board on May 24.

Educational Presentation on the Department of Administration

Thelke and Spranger were present to discuss this item as outlined in their handout which included information on the duties and responsibilities of the Department and its divisions, major 2022 objectives, and staff contact information.

Year-End General Funds and Special Revenue Funds Report

Duckwitz discussed this report which included information on adopted 2021 budgets, carryover requests, year-end variances, and favorable/unfavorable budget impacts. Regarding the General Fund, the report indicated a positive variance of \$9.0 million or 4.6% of the modified expenditure budget of \$195.9 million. This included expenditures under budget by \$5.4 million or 2.7% of the budget and non-levy revenues above-budget by \$3.6 million of 3.5% of the \$102.6 million budgeted. Duckwitz reviewed each of the special revenue funds as outlined including year-end favorable/unfavorable budget variances. No major concerns were raised.

MOTION: Gaughan moved, second by Morris to accept the Year-End Report on General and Special Revenue funds. Motion carried 7-0.

Ordinance 177-O-008: Authorization To Execute Amended Memorandum Of Understanding With City Of Waukesha Regarding Waukesha County's "Urban County" Community Development Block Grant Program

Silva discussed this ordinance which authorizes the Community Development Block Grant Program to modify the existing memorandum of understanding (MOU) with the City of Waukesha to increase the

amount apportioned to the City to 60% (increased from 50%) of the funding that the City would have received from U.S. Department of Housing and Urban Development (HUD) had it kept its Community Development Block Grant (CDBG) entitlement community status. The total amount allocated to the County from HUD is not affected by this MOU and may vary from year-to-year. Based on the last HUD grant award, the city would be allocated approximately, \$263,000, an increase of \$44,000. In addition, this ordinance increases the City's representation on the CDBG board from one member to two members. This ordinance does not result in a direct levy impact.

MOTION: Morris moved, second by Enriquez to approve Ordinance 177-O-008. Motion carried 7-0.

Ordinance 177-O-010: Modify The 2022 Budget Of The Waukesha County UW-Extension To Accept Donation Revenue And Appropriate Expenditures

Braatz discussed this ordinance which authorizes the Waukesha County UW-Extension Department to accept donations totaling \$12,527 and to appropriate \$12,527 of operating expenses for the 4-H program and Juvenile Community Garden. These expenditures are funded with donations from community partners and citizens. The funds provided will provide an additional \$5,000 for the 4-H Kids Zone at the Waukesha County Fair, \$500 for the 4-H Summer Camp, \$6,923 for the 4-H program, and \$104 for the Juvenile Community Garden. This ordinance results in no direct additional tax levy impact.

MOTION: Wysocki moved, second by Bangs to approve Ordinance 177-O-010. Motion carried 7-0.

Ordinance 177-O-013: Authorize The Waukesha County Sheriff's Department To Contract With The Hamilton School District To Provide School Resource Officer Services

Severson, Joost, and Gumm discussed this ordinance which authorizes the Sheriff's Office to continue to provide school resource officer services to the Hamilton School District. The contract will require the County to provide one deputy sheriff to the school district on student contact days and requested teacher in-service days. In addition, the contract allows for separate charge for summer school should the district request school resource officer coverage. The number of days billed to the district can be changed based on a mutual written agreement between the Department and the Hamilton School District. The actual charge will be based on the number of days of service provided and includes mileage. The daily rate charges will be adjusted annually to reflect the average cost of a deputy sheriff. The 2021-2022 school year charge was \$87,502. The contract term will be from July 1, 2022 through August 15, 2025. The 2022 Sheriff's Office budget includes the continuation of the school resource officer contract in the Hamilton School District.

Wysocki felt we cannot afford to put deputies in schools when we do not have enough to patrol our streets or secure our courtrooms and will be voting against this ordinance. We also have an overtime issue that is exasperated by a lack of deputies. Severson disagreed and said before school resource officers, deputies were often taken off the streets to deal with problems at schools. He also felt Ordinance 177-O-017, also on today's agenda, will help alleviate the shortage. Gumm commented on violent threats in schools in today's environment and said the use of school resource officers reap benefits for the county that are immeasurable.

MOTION: Foti moved, second by Enriquez to approve Ordinance 177-O-013. Motion carried 6-1. Wysocki voted no.

Ordinance 177-O-014: Authorize The Waukesha County Sheriff's Department To Contract With The Arrowhead Union High School District To Provide School Resource Officer Services

Joost discussed this ordinance which authorizes the Sheriff's Office to continue to provide school resource officer services to the Arrowhead Union High School District. The contract will require the County to provide one deputy sheriff to the school district on student contact days and requested teacher in-service days. In addition, the contract allows for separate charge for summer school should the district request school resource officer coverage. The number of days billed to the district can be changed based on a mutual written agreement between the Department and the Arrowhead Union High School District. The actual charge will be based on the number of days of service provided and includes mileage. The daily rate charge will be adjusted annually to reflect the average cost of a deputy sheriff. The 2021-2022 school year charge was \$86,841. The contract term will be from July 1, 2022 through August 15, 2025. The 2022 Sheriff's Office Budget includes the continuation of the school resource officer contract in the Arrowhead Union High School District.

Wysocki had the same concerns as stated above for Ordinance 177-O-013.

MOTION: Morris moved, second by Gaughan to approve Ordinance 177-O-014. Motion carried 6-1. Wysocki voted no.

Ordinance 177-O-015: Authorize The Waukesha County Sheriff's Office To Continue Contracted Police Services With The Town Of Lisbon

Joost discussed this ordinance which authorizes the Sheriff's Office to continue to provide police services to the Town of Lisbon. The Department has provided municipal patrol coverage to the Town since 2008. The negotiated contract will require the County to provide patrol coverage, along with necessary equipment for one deputy 24 hours a day (about 5.01 full-time equivalents (FTE's), factoring in training, benefit time, etc.) as well as dedicated supervision of four hours per week through a shared supervisor position. The contract charges for 2022 are \$765,287. In addition, the contract allows for separate charges for all overtime costs incurred from policing functions. The Town of Lisbon will pay the County for the base service level in monthly installments based on the annual budgeted costs of supplying contract police services (with actual overtime charges reimbursed quarterly). Proportional charges for indirect costs are also included in the contract amount, therefore, there is no direct tax levy impact. Charges will be adjusted annually to reflect the adopted budget. The contract term will be from January 1, 2023 through December 31, 2027.

Wysocki had the same concerns as stated above for ordinances 177-O-013 and 177-O-014.

MOTION: Foti moved, second by Morris to approve Ordinance 177-O-015. Motion carried 6-1. Wysocki voted no.

Ordinance 177-O-016: Adopt 2023 Waukesha Deputy Sheriff's Labor Union Contract Extension Agreement, Provide A Salary Adjustment For Sworn Non-Represented Law Enforcement Supervisors, And Modify The 2022 Sheriff's Department Budget

Severson, Gumm, Thelke, and Gage discussed this ordinance which approves an extension of an existing labor agreement between Waukesha County and the Waukesha Deputy Sheriff's Labor Union (WDSLUI), which covers Deputy Sheriffs and Detectives, from the end of 2022 to the end of 2023. The existing contract period had been from 2020 through 2022.

This ordinance also approves a \$3.00/hour increase in pay for all employees covered in WDSLUI, as well as all non-elected sworn officers, which includes Lieutenants, Captains, the Deputy Inspector, and the Inspector. The pay increase would go into effect for the pay period beginning June 4, 2022.

The pay increase is being proposed to help improve retention and recruitment of Deputy Sheriff positions. The county provides wages that are in-line with comparable counties but municipalities have typically paid more for police services. In addition, the labor market has become increasingly competitive. Waukesha County currently ranks near the middle of pay levels among other counties (according to maximum wage rate) but ranks last compared to nearby municipalities that have been surveyed. The \$3.00/hour pay adjustment would move Waukesha County up to be more within the range of what municipalities offer. The \$3.00/hour increase is being applied to all non-elected sworn officers, not just the members of the WDSLUI, to prevent wage compression issues. The sworn officer classifications are hierarchical, and the proposed pay adjustment is applied uniformly to help maintain a consistent difference in compensation levels from one position to the next. This is done to encourage qualified individuals to seek promotion to higher classifications that require more experience and responsibility. This ordinance affects a total of 176 budgeted positions.

The partial-year impact of the \$3.00/hour wage increase in 2022 is estimated to cost \$810,000, with an annualized impact of approximately \$1.4 million. These costs include wages, overtime, and the impact of FICA and Wisconsin Retirement System pension contributions. The total cost impact will be partially offset by municipal funding for sunset patrol contract positions and other revenues. Based on existing contracts, approximately \$317,000 of the annual costs would be offset by additional revenues, leaving a net annual ongoing cost impact to the county of about \$1.1 million. It should be noted that cost recovery through the municipal patrol contracts is based on the adopted budget, so this cost increase for the remainder for 2022 would need to be absorbed by the County, estimated at \$182,000 of the \$810,000 in total costs. Going forward, the Department will review the cost increases with municipalities, who will need to decide whether to continue purchasing patrol services at the current levels.

Tax levy support for the net \$1.1 million ongoing operating impact from the \$3.00/hour pay adjustment would need to be phased-in over multiple years. This proposal includes the use of \$810,000 of American Rescue Plan Act (ARPA) funding to cover the current-year impact of the pay increase, and assumes the use of ARPA funds to gradually phase-in tax levy support. After the ARPA grant eligibility period has ended, General Fund balance would be applied to continue the phase-in. The number of years needed to phase-in tax levy support will depend upon multiple factors, including the levy limit growth factor (net new construction) and other budget priorities. This phase-in approach is similar to how the County has addressed other new cost impacts in the past, including hiring additional telecommunicators when new municipalities join county dispatch. The use of ARPA funding is eligible through the "public sector capacity" provision. ARPA funding must be spent or obligated by December 31, 2024 and completed by December 31, 2026.

This ordinance also approves an across-the-board pay increase for Deputy Sheriffs and Detectives of 2% for 2023 for the one-year extension of the WDSLUI contract. The total cost impact for 2023 is estimated at about \$316,000, with tax levy impact of \$242,000 after applying offsetting municipal patrol contract and other revenues of \$74,000. The across-the-board increase for the non-represented sworn officers will be included in the non-represented compensation ordinance considered by the County Board later in the year.

This ordinance was discussed and debated at length. Wysocki said he will vote no. He felt this should be included in the budget due to its magnitude and the cost was too high. Heinrich felt this should have been communicated to the County Board before it came down as an ordinance and also thought the cost was too high.

MOTION: Foti moved, second by Morris to approve Ordinance 177-O-016. Motion carried 5-2. Heinrich and Wysocki voted no.

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

Respectfully submitted,

Tyler J. Foti

Tyler J. Foti
Secretary