

Minutes of the Finance Committee

Wednesday, November 6, 2019

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

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

Also Present: Chief of Staff Mark Mader, Administration Director Andy Thelke; Senior Financial Analysts Clara Daniels, Steve Trimborn, and Rhiannon Cupkie; Departmental Secretary Tony DeFrances, Wisconsin Coachlines President Tom Dieckelman, Budget Management Specialist Bill Duckwitz, Budget Manager Linda Witkowski, County Board Supervisors Darlene Johnson and Dave Swan, Reporter Darryl Enriquez of The *Freeman*, and Citizens Jerri Hufman, Barbara Pfarr, and Joe Vahuska.

Approve Minutes of October 16, 18, and 21

MOTION: Paulson moved, second by Foti to approve the minutes of October 16 as amended. Motion carried 6-0.

MOTION: Paulson moved, second by Morris to approve the minutes of October 18 as amended. Motion carried 6-0.

MOTION: Wysocki moved, second by Foti to approve the minutes of October 21 as amended. Motion carried 6-0.

Next Meeting Date

- November 20

Chair's Executive Committee Report of October 22

Heinrich indicated the Executive Committee, at their last meeting, approved the appointment of John Gaidosh as Veteran Service Officer.

Foti left the meeting at 8:25 a.m.

Contract Procurement Process for Financial Advisory Services

Thelke indicated this five-year contract was awarded to Robert W. Baird & Co., the highest rated contractor, for a total contract cost of \$73,750 (\$14,750 per year). The first year budgeted amount is \$20,000. Six contractors submitted proposals for consideration.

MOTION: Michalski moved, second by Morris to approve the contract procurement process for financial advisory services. Motion carried 5-0.

Foti returned at 8:30 a.m.

Review Estimated Year-End Governmental Fund Balances

Thelke and Ries distributed information on general and special revenue fund expenditures and current and projected fund balances of which Thelke discussed in detail. He noted most of the fund

balance for general and special revenue is reserved/assigned. The County maintains unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and maintain the County’s Aaa/AAA bond ratings. The unrestricted governmental (general and special revenue) fund balance to governmental expenditure ratios will be maintained at a minimum of 11%. The current target is between 15% and 16% or about eight weeks or working capital for operations. Based on the handout, the 2019 and 2020 ratios are 20.5% and 17.5%, respectively. Fund balance reserves will not be used to offset continuous operation costs. To the extent possible, reserves will be used to provide operating efficiencies over the long term. Projected unassigned fund balances at year-end 2019 and year-end 2020 are \$42,973,116 and \$38,101,545, respectively. This includes the general, special revenues, enterprise, internal service, and debt service funds, and capital projects.

Michalski requested additional information on insurance fund balances.

Public Comments

Pfarr spoke in support of maintaining route 906 for jobs and economic development and said she supports budget funding, regional transportation, and public transit. Huffman also spoke in support of maintaining route 906 and discussed the challenges that can occur if riders need to drive instead.

Individual Supervisor Amendments to the Proposed 2020 Waukesha County Budget

Heinrich covered the amendments previously approved by the committee. Mader advised two additional amendments to the 2020 County budget were submitted for consideration and are as follows:

Department: Public Works

Fund: Transportation Fund

Supervisors: Ted Wysocki, Darlene Johnson & Joel Gaughan

Modify 2020 Public Works Transportation Fund Transit Service Program to increase expenditures \$24,500 for the County share of increased costs for the continuation of Coach Lines Route 906 commuter transit service along the I-43 corridor between Mukwonago, Town Vernon/Big Bend and New Berlin/Muskego and downtown Milwaukee for one daily round trip, effective for six months from 1/1/2020 to 6/30/2020. This is net of a \$0.25 fare increase per trip. Weekday ridership is currently estimated at 35 passengers.

Increase fund balance by \$24,500 as one time use of fund balance to transition route to be discontinued by June 30, 2020.

		Proposed Amendment	
<u>Transit Services Transportation Fund Expenditures</u>	<u>County Executive</u>	<u>Amount Incr. (Decr.)</u>	<u>County Board</u>
Expenditures			
Personnel Costs	\$12,409	\$0	\$12,409
Operating Expenses	\$1,064,510	\$24,500	\$1,089,010
Interdepartmental Charges	\$0	\$0	\$0
Total Expenditures	\$1,076,919	\$24,500	\$1,101,419

<u>Transit Services Transportation Fund Revenues</u>			
General Government	\$0		\$0
Fine/Licenses	\$0		\$0
Charges for Services	\$0		\$0
Interdepartmental	\$0		\$0
Other Revenue	\$109,219		\$109,219
Appr. Fund Balance	\$100,000	\$24,500	\$124,500
County Tax Levy (Credit)	\$867,700		\$867,700
Total Revenues	\$1,076,919	\$24,500	\$1,101,419

This amendment was discussed and debated at length. Johnson and Wysocki discussed the purpose of the amendment and the large number of riders that could use the route in 2020 even if it was just one trip per day. Johnson distributed the list of people who could still use the route and Wysocki distributed a handout highlighting the financial elements. Wysocki referred to this being the only route for the southern portion of the county. Swan discussed his concerns and urged an end to the route. Mader covered the previous financial limitations discussed and concerns expressed on the issue from all sides in previous meetings. Michalski indicated he does not like the short notice the County Board received on this issue and the Wanaki Golf Course closure so he will support the amendment. Heinrich also had concerns with the short timeframe for ending the route.

MOTION: Wysocki moved, second by Paulson to approve the amendment. Motion carried 5-1. Morris voted no.

Department: Capital Projects
Supervisor: James A. Heinrich

Reduce expenditures \$50,000 to reflect that capital project 202007 Administration Center First Floor Reconfiguration was not approved in the 2020-2024 capital plan. Reduce capital project fund balance \$50,000.

Capital Projects	<u>County Executive</u>	<u>Amt. Increase</u>	<u>County Board</u>
<u>Expenditures</u>	\$27,844,700	(\$50,000)	\$27,794,700
<u>Capital Project Revenues</u>			
General Government Revenues	\$3,244,073	\$0	\$3,244,073
Borrowing	\$18,000,000	\$0	\$18,000,000
Other Revenues	\$1,239,800	\$0	\$1,239,800
Fund Balance	\$4,004,900	(\$50,000)	\$3,954,900
Tax Levy	<u>\$1,355,927</u>	<u>\$0</u>	<u>\$1,355,927</u>
Total Capital Revenues	\$27,844,700	(\$50,000)	\$27,794,700

This amendment was discussed and debated at length.

MOTION: Paulson moved, second by Foti to approve the amendment. Motion carried 6-0.

Ordinance 174-O-066: Adopt 2020 Waukesha County Budget

Mader responded to committee concerns and indicated the County Board agenda packet would clearly highlight the amendments approved and recommended by the Finance Committee on the budget.

MOTION: Paulson moved, second by Michalski to approve Ordinance 174-O-066. Motion carried 6-0.

MOTION: Heinrich moved, second by Paulson to adjourn at 10:05 a.m. Motion carried 6-0.

Respectfully submitted,

Thomas A. Michalski

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Secretary