

Minutes of the Finance Committee

Wednesday, July 22, 2020

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

Present: Supervisors Jim Heinrich, Duane Paulson, Tom Michalski, Tyler Foti, Joel Gaughan, Larry Nelson, and Ted Wysocki.

Also Present: Chief of Staff Sarah Spaeth, Legislative Policy Advisor Alex Ignatowski, Business Manager Josh Joost, Public Works Director Allison Bussler, Business Manager Rhiannon Cupkie, Metro Transit Supervisor Brian Engelking, Administration Director Andy Thelke, Business/Collections Services Manager Lyndsay Johnson, Accounting Services Manager Danielle Igielski, Parks & Land Use Director Dale Shaver, Business Manager Steve Trimborn, Business Manager Bob Snow, Interim Clerk of Courts Monica Paz, Financial Analyst Cathy Kienast, Budget Management Specialist Michelle Beasley, Wisconsin Coach Lines President Tom Dieckelman, County Board Chair Paul Decker, Human Resources Manager Renee Gage, Budget Manager Bill Duckwitz, Business Services Administrator Donn Hoffmann, Parks System Manager Rebecca Mattano, Principal Financial Projects Analyst Bob Ries, Information Technology Manager Lance Spranger, Senior Financial Analyst Kayla Kaboskey, Corporation Counsel Erik Weidig, and Risk/Purchasing Manager Laura Stauffer.

Approve Minutes of June 17 and 23

MOTION: Paulson moved, second by Wysocki to approve the minutes of June 17 and June 23. Motion carried 7-0.

Next Meeting Date

- August 19
- August 25

Chair's Executive Committee Report of July 20

Heinrich said the committee heard a presentation on Waukesha County's Center for Growth and approved seven appointments.

Future Agenda Items

- Discuss the Recycling Contract (Wysocki)

Ordinance 175-O-023: Authorize The Waukesha County Sheriff's Department To Contract With The Kettle Moraine School District To Provide School Resource Officer Services From 2020-2023

Joost discussed this ordinance which authorizes the Sheriff's Department to continue to provide school resource officer services to the Kettle Moraine School District. The contract will require the County to provide one deputy 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.

Kettle Moraine will be charged a per diem rate of \$481.36 that will allow for salary and benefit recovery for the County. The number of days billed to Kettle Moraine can be change based on a mutual written agreement between the Department and Kettle Moraine. Kettle Moraine is anticipating

needing 178 days annually of school resource officer services for a total of \$85,682. Charges will be adjusted annually to reflect the average cost of a deputy.

The 2020 Sheriff's Department Budget, as presented to the County Board, includes the continuation of the school resource officer contract in the Kettle Moraine School District. The budget also includes all positions necessary for the continuation of this contract. The contract term will be from August 1, 2020 through August 15, 2023.

MOTION: Nelson moved, second by Paulson to approve Ordinance 175-O-023. Motion carried 7-0.

Ordinance 175-O-022: Grant Waukesha County Public Works Director Temporary Authority To Suspend And Resume Waukesha County Transit Service During COVID-19 Pandemic

Bussler, Cupkie, and Engelking were present to discuss this ordinance which authorizes the Director of Public Works to continue suspensions of transit service currently in place and to make temporary changes to transit service levels in order to make responsible use of county, state, and federal funds while adhering to Centers for Disease Control guidelines. The changes would be only be in effect during the pandemic and up to one-year duration. All changes would need to be publicly posted for at least three business days before going into effect. The department would report all temporary changes to the Public Works Committee. This ordinance results in no ongoing tax levy impact.

According to the County's contracted transit system administrator, Waukesha Metro, ridership has declined significantly during the pandemic, which results in lower farebox revenues. When farebox revenues decline, fixed costs need to be covered with additional county funds. The county was allocated \$2.1 million of federal CARES Act funding to help make up for this revenue loss and allow for the continuation of routes without adverse financial impacts to the county. However, department management indicates that there may be instances where ridership declines so much for particular routes that it would not be a good use of federal funds to subsidize.

In particular, ridership on the 901/904/905 commuter route (from various points in Lake Country to the city of Waukesha, downtown Milwaukee, and the UW-Milwaukee Campus) began declining early in the pandemic, and the number of trips was reduced 25% in response (from 32 trips to 24 trips) on April 6th through a temporary emergency declaration. Ridership has continued to decline, and the total investment per ride (county, state, and federal funding) increased to over \$100 per ride (budgeted at \$17 per ride). The overall route is now experiencing a revenue loss of approximately \$15,000 per month.

It was noted that the Public Works Committee amended line 50 of the ordinance whereby "three" was changed to "five."

MOTION: Wysocki moved, second by Michalski to approve Ordinance 175-O-022. Motion carried 7-0.

Mid-Year Department of Administration Budget Status Report

Thelke and Johnson gave an update on the Department of Administration's 2020 strategic objectives and distributed related budget documents. No major concerns were voiced.

MOTION: Nelson moved, second by Paulson to accept the Mid-Year Department of Administration Budget Status Report. Motion carried 7-0.

Mid-Year Status Report on Department of Administration Capital Projects

Thelke and Johnson gave an update on Department of Administration capital projects. No major concerns were voiced.

MOTION: Paulson moved, second by Wysocki to accept the Mid-Year Report on Department of Administration Capital Projects. Motion carried 7-0.

Review End User Cost Allocation Plan

Thelke, Ries, and Igielski were present to discuss this item as outlined in their PowerPoint titled “End User Technology Fund (EUTF) Overview” including trends, history, tax levy subsidy shifts to EUTF departments, cost allocation bases, preliminary 2020 EUTF allocations, server point allocations, the budget process, and 2020 highlights. The major objective of this plan is to allocate user costs based on IT resources consumed, providing opportunities for departments and programs to create cost savings through good decisions. The plan is for future budgets to continue to reduce reliance on fund balance usage and utilize cost saving measures such as virtualization and cloud usage. The 2021 proposed budget is limited to a 2.5% increase countywide.

Comprehensive Annual Financial Report (CAFR) Overview

Igielski highlighted the Waukesha County CAFR as prepared by Baker Tilly, an outside auditor. This included changes from prior years for the year ending 2019, the auditor’s opinion, management analysis and discussion, introductory and financial sections, General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Proprietary Funds, Fiduciary Funds, Long Term Debt and Capital Assets, and the statistical section.

Igielski noted this report serves the same purpose as a corporate financial report and reflects actual County budgetary results. It is utilized by investors and credit rating agencies for bond issue purposes and also regulators, granting agencies, etc. It is prepared in conformity with generally accepted accounting principles set by the Governmental Accounting Standards Board.

MOTION: Michalski moved, second by Nelson to accept the 2019 CAFR. Motion carried 7-0.

Ordinance 175-O-020: Defer Future Expense On Debt Repayment For Ice Arena Loan Requirements

Shaver and Trimborn discussed this ordinance as outlined which continues the deferment of the principal payments on debt owed by the Ice Arena Fund to the General Fund of \$1,639,984 and to the Golf Course Fund of \$461,609. The deferments were initially authorized in 2007 until 2013 and extended again until 2020. Interest payments were suspended in 2004. Principal payments will resume in 2025 or such time as the Ice Arena Fund is generating sufficient income to begin repaying the debt for five years, whichever occurs first. At year-end 2019, the Ice Arena Fund had cash on hand of approximately \$412,000. The further suspension of payments will require that the debt will continue to be carried as a liability on the Ice Arena Fund financial statements and an asset on the General Fund financial statements.

Paulson indicated he cannot support the ordinance because there is not a plan to pay back the money. He said the County should look at selling the ice arenas. Wysocki said he will be voting no because this not a good financial practice and there is no plan. Shaver and Thelke said they are working on a plan to address the financial stability of the ice arenas and will have that plan in place before the expiration of the deferment.

MOTION: Nelson moved, second by Foti to approve Ordinance 175-O-020. Motion carried 5-2. Paulson and Wysocki voted no.

Ordinance 175-O-024: Modify 2020 Non-Departmental Budget To Correct Drug Buy Payments To Municipal Law Enforcement Agencies

Paz and Snow were present to discuss this ordinance which authorizes the transfer of appropriations from the Contingency Fund to cover additional operating expenses related to the drug buy money that had been recovered by the Clerk of Circuit Court on behalf of multiple law enforcement agencies and recognized in the Waukesha County Sheriff's department budget since 2000. Contingency funds are being requested because this is a one-time payment that was unanticipated in the 2020 budget. This ordinance does not result in a direct levy impact. The amounts due to these local enforcement agencies are as follows:

| Corrected Creditor Agency | <u>Amount</u> |
|--|--------------------------------|
| City of Waukesha PD Narcotics and Vice | \$129,558 |
| City of Milwaukee PD | \$60 |
| City of Pewaukee PD | \$67 |
| Fed. Drug Enforcement Administration | \$90 |
| Jefferson County Sheriff Dept. | \$376 |
| Milwaukee County Sheriff Dept. - HIDTA | \$265 |
| Washington County Metro Drug Unit | \$55 |
| Village of Eagle PD | \$1,000 |
| Village of Pewaukee PD | \$400 |
| City of Wauwatosa PD | \$195 |
| WI Dept Of Justice - CI Div. | \$3,600 |
| Total | <u><u>\$135,666</u></u> |

MOTION: Nelson moved, second by Gaughan to approve Ordinance 175-O-024. Motion carried 7-0.

Closed Session

MOTION: Paulson moved, second by Wysocki to go into closed session at 11:19 a.m. pursuant to Section 19.85(1)(g), Wisconsin Statutes, to confer with staff and Corporation Counsel who is rendering oral advice concerning strategy to be adopted with respect to the potential compromise of pending litigation, Thomas Ash vs. Waukesha County, and to approve the closed session minutes of June 17, 2020. Motion carried 7-0.

Open Session

MOTION: Paulson moved, second by Michalski to approve the Settlement Agreement, Thomas Ash vs. Waukesha County. Motion carried 7-0.

State Legislative Update

Ignatowski updated the committee on the State's study committees.

MOTION: Michalski moved, second by Gaughan to adjourn at 11:32 a.m. Motion carried 7-0.

Respectfully submitted,

Thomas A. Michalski

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Secretary