

Minutes of the Finance Committee

Wednesday, October 17, 2018

Chair Heinrich called the meeting to order at 8:15 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, Business Manager Lyndsay Johnson, Financial Analyst Josh Joost, Purchasing/Risk Manager Laura Stauffer, Principal Risk Management Analyst Mark Jatczak, Senior Financial Analyst Mark Yatchak, Human Resources Manager Jim Richter, Budget Management Specialist Bill Duckwitz, Employee Benefits Administrator Andrea Mohr, Deputy Treasurer Terry Schultz, Principal Assistant Corporation Counsel Kim Haines, and Senior Civil Engineer Karen Braun.

Approve Minutes of Oct. 3, 9 and 10 (2 sets)

MOTION: Paulson moved, second by Wysocki to approve the minutes of October 3, 9, and 10 (2 sets). Motion carried 7-0.

Schedule Next Meeting Date(s)

- October 19
- October 22
- November 7

Ordinance 173-O-052: Accept The 2018 State Of Wisconsin Department Of Military Affairs Emergency Police Services Mobile Field Force Equipment Grant And Modify The Waukesha County Sheriff's Department 2018 Budget To Authorize Grant Expenditures

Johnson and Joost discussed this ordinance which authorizes the Sheriff's Department to accept grant funding from the Wisconsin Department of Military Affairs Division of Emergency Management for \$5,018. The ordinance appropriates additional 2018 expenditures for body protection equipment for ten staff participating in the Sheriff's Department's Civil Disturbance Unit. The equipment will be included in the non-jail equipment replacement plan as grant funded. The use of grant funding for the additional expenditures results in no impact to the 2018 tax levy.

MOTION: Wysocki moved, second by Foti to approve Ordinance 173-O-052. Motion carried 7-0.

Workers Compensation Trends and Experience Modification Rating Factor

Stauffer distributed information on loss trends. The Wisconsin Compensation Rating Bureau calculates experience modifiers (mods) based on the experience rating plan that is filed with the Office of the Commissioner of Insurance. Experience mods are used to calculate insurance and Workers Compensation premiums based on risks, losses, etc. If losses are as expected for a particular class, the mod is 1.0. The mod for more adverse losses will be above 1.0 and less than 1.0 for lower losses. The County's benchmark is to be below 1.0. Figures for the County for 2013 through 2018 were 0.99, 0.98, 0.91, 0.82, 0.84, and 0.88, respectively.

Ordinance 173-O-054: Modify 2018 Health And Dental Insurance Fund Budget

Richter, Duckwitz, and Mohr discussed this ordinance which increases operating expense appropriations in the Health and Dental Insurance Fund budget by \$2 million to fund projected above-budget health claims, including \$1.2 million for the active employee health insurance program and \$800,000 in the retired employee health insurance program.

Projected above-budget claims for the active employee program are largely due to higher-cost individual claims for which the County receives a reimbursement from its stop loss insurance carrier for expenses above \$350,000. This ordinance appropriates \$1.1 million of estimated unbudgeted stop loss reimbursement revenues and \$100,000 of estimated above-budget prescription drug reimbursement revenues to cover the additional needed expenditure authority. (The County does not budget for stop loss reimbursement revenues due to its unpredictability.)

For the retired employee program, there are no known stop loss eligible claims contributing to above-budget costs. However, this program has relatively lower enrollment than the active employee program (89 retiree contracts versus 1,177 active contracts as of July 2018) where a smaller number of participants can lead to claims expense volatility. The retiree program is 100% funded by retirees through premiums and related revenues. Prior-year favorable results from this program exceed \$800,000 which are available as fund balance for appropriation to cover these above-budget claims expenses. Retiree premium rates will increase 10% in 2019 reflecting higher recent claims experience. Retiree premium rates have not been increased for at least the last five years while the program was generating consistent favorable results.

This ordinance is funded with projected above-budget revenues and prior-year Health Insurance Fund balance and does not result in any direct impact on tax levy.

MOTION: Paulson moved, second by Wysocki to approve Ordinance 173-O-054. Motion carried 7-0.

Ordinance 173-O-055: Cancel 2015 Unredeemed Checks Issued By County Treasurer

Schultz discussed this ordinance as outlined. Upon its approval, uncashed checks on the list referenced by the ordinance will be cancelled, and funds totaling \$18,230.39 will be placed in a liability account of the Unclaimed Property Fund. Pursuant to Wisconsin Statue 59.64(4)(e), any individual or entity in whose favor the checks were drawn shall have six years from the date of passage to have the check reissued without interest. The funds for any new check issued and cashed will be drawn from the liability account. Whatever funds remain unclaimed after six years will be transferred to an appropriate revenue account in the General Fund. During the six-year period of time, the funds will be invested and the investment income earned will be allocated to the General Fund. This ordinance requires no additional tax levy.

MOTION: Paulson moved, second by Michalski to approve Ordinance 173-O-055. Motion carried 7-0.

Closed Session

MOTION: Paulson moved, second by Dondlinger to go into closed session at 9:00 a.m. in accordance with Section 19.85(1)(g), Wis. Stats. for the purpose of conferring with legal counsel concerning strategy to be adopted in litigation in which the County is involved: Allen Ralph

Christoph, as trustee of the Christoph Family Trust, vs. Waukesha County, and to approve the closed session minutes of May 16, 2018. Motion carried 7-0.

MOTION: Paulson moved, second by Dondlinger to return to open session at 9:30 a.m. Motion carried 7-0.

MOTION: Paulson moved, second by Dondlinger to adjourn at 9:30 a.m. Motion carried 7-0.

Respectfully submitted,

Thomas A. Michalski

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Secretary