

Minutes of the Finance Committee

Wednesday, May 17, 2017

Chair Heinrich called the meeting to order 8:16 a.m.

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

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Principal Financial Projects Analyst Bob Ries, Purchasing/Risk Manager Laura Stauffer, Landscape Architect Nicki Jensen, Senior Human Resources Analyst Teri Henning, Sheriff Eric Severson, Inspector Jim Gumm, and Senior Financial Analysts Rob Dunn, Steve Trimborn, and Mark Yatchak. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of May 3, 2017

MOTION: Morris moved, second by Michalski to approve the minutes of May 3. Motion carried 6-0.

Next Meeting Date

- June 21

Chair's Executive Committee Report of May 15

Heinrich highlighted the following items discussed at the last Executive Committee meeting.

- Discussed the audit of the Public Works Department Highway Operations Division and the scope for the Health & Human Services Public Health audit.
- Discussed the extension of the Waukesha Freeman legal advertising contract.
- Approved four appointments.
- Heard updates on the Regional Transit Leadership Council Executive Committee and Wisconsin Workforce Development Association Board.
- Heard standing committee reports.

1st Quarter Investments Report

Ries discussed the 1st Quarter Investments Report as outlined which included highlights, investment revenue, average daily balance, valuation at market, total interest earnings, average investment rates, and the County's portfolios. Total interest earnings for the quarter were \$491,129, up \$74,986 from the 4th quarter, due largely to the average invested balance which increased \$40 million from the 4th quarter following the County's normal cash flow trend. The total return for the quarter was down slightly from last quarter, at 0.26%. County investments returned 1.12%. Total County investment income was \$2,358,092 and County investment balances averaged \$177,990,464.

MOTION: Morris moved, second by Michalski to accept the 1st Quarter Investments Report. Motion carried 6-0.

Review Year-end Risk Management/Workers Compensation Internal Service Fund

Stauffer distributed copies of the year-end statement for the Risk Management/Workers Compensation Fund. At year-end, this fund showed a net income loss of \$150,398. This was

primarily due to decreased revenues (lower subrogation recoveries on claims costs), and increases in personnel (mainly cost to continue) and operating costs (increased property and collision insurance costs) which Stauffer explained in detail.

MOTON: Paulson moved, second by Michalski to accept the year-end report on the Risk Management/Workers Compensation Internal Service Fund. Motion carried 6-0.

Risk Management Determination of Liability and Workers Compensation Payable Reserve

Stauffer discussed this item as outlined in her handout and noted these funds are designated for claims. Additional reserves of \$1,128,008 were booked which resulted in a year-end reserve balance of \$4,774,502. This equates to a reserve confidence level of approximately 75%. Stauffer indicated, historically, the County has typically reserved at around 75% which is a good comfort level.

Ordinance 172-O-003: Authorization To Accept And Expend Grant Funding From The SEWFRC For The Mukwonago Park Shoreline Restoration Project And Modify The Department's 2017 Budget

Jensen discussed this ordinance which authorizes the department to accept a \$21,475 grant from the Southeastern Wisconsin Fox River Commission (SEWFRC) to purchase supplies and materials for shoreland restoration and improvements to the Mukwonago Park swim pond. The cost-share agreement with SEWFRC requires a 10% matched share of total project costs. Staff plan to fulfill this with in-kind staff time to assist with project implementation. This ordinance results in no direct levy impact.

MOTION: Paulson moved, second by Wysocki to approve Ordinance 172-O-003. Motion carried 6-0.

Ordinance 172-O-006: Authorize Acceptance Of Grant Funds By Emergency Preparedness, Appropriate Funds For Equipment Purchase, And Modify Department's 2017 Budget

Dunn discussed this ordinance which authorizes the department to accept a \$32,220 grant from the U.S. Department of Health and Human Services. The funds will be used to purchase laptop computers, scanning equipment, and related software to expand regional capabilities. This will allow for the tracking and identification of patients, personnel, and volunteers in public health and emergency situations. Upon purchase of these items, the grantor will reimburse the department. Ownership and maintenance of these resources will be the responsibility of the Southeast Wisconsin Incident Management Team (SEWIMT) and not the Department of Emergency Preparedness. However, these resources will be deployable throughout the County and the southeast region to assist with emergency events as necessary. Per staff, SEWIMT did not have sufficient available resources to purchase this equipment and wait for grant reimbursement. SEWIMT requested that the department assist with the grant purchase with subsequent reimbursement funds provided to the department. This ordinance results in no direct levy impact.

MOTION: Wysocki moved, second by Dondlinger to approve Ordinance 172-O-006. Motion carried 6-0.

Sheriff's Department Overtime/Staffing Budget Impact

Severson and Gumm were present to discuss challenges the department is facing to reach a full staff level. He discussed the benefits of civil service no longer being part of the hiring/recruitment process. While they are able to fill positions more quickly, the training process still takes time and

they do not have money in their budget to keep shifts staffed with trained individuals. Gumm noted that in some instances, training has been reduced by 50%.

Severson said he expects the 2017 budget to end unfavorably by about \$500,000. Administration has been very helpful and are understanding of these challenges. Severson said to partially offset that \$500,000 figure he is making adjustments on a short-term basis. This includes reduced training, using on-duty detectives instead of deputies as hospital guards, and all shifts will work 1 to 1.5 deputies below normal minimums, which has created other challenges. Severson said he has had concerns with reduced training budgets in recent years as this exposes the County to greater liabilities. In addition, staff are denied vacation time and many deputies are working double shifts. However, he expects overtime expenditures to be less in 2018 as new deputies finish training and start filling shifts. Severson indicated that they exceed the overtime budget each year because shifts are never fully staffed. It is important to break the cycle, be fully staffed, and get a handle on what the real overtime drivers are. Severson advised that he will work with what he is given but every year his department receives less than cost-to-continue and every year he has to reduce more services. It is unsustainable. This issue was discussed in length.

Review Finance Committee Future Agenda Items List

The committee reviewed and revised their future agenda items list.

State Legislative Update

Spaeth reported the legislature is reviewing the governor's budget including circuit courts, 911 funding, income maintenance fraud prevention, veterans' services, child support, and Children & Family Aids which she explained further. The bus shelter bill passed the assembly unanimously but still needs to get through the senate. She said this budget has been very positive for the County so far but there is a ways to go, particularly with transportation funding.

MOTION: Dondlinger moved, second by Morris to adjourn at 10:43 a.m. Motion carried 6-0.

Respectfully submitted,

Thomas A. Michalski
Secretary