

Minutes of the Finance Committee

Wednesday, August 16, 2017

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

Present: Supervisors Duane Paulson (Vice Chair), Tom Michalski, Richard Morris, and Ted Wysocki. Steve Whittow arrived at 8:29 a.m. and Tim Dondlinger at 9:10 a.m. Whittow and Morris left at 10:03 a.m. **Absent:** Jim Heinrich (Chair).

Also Present: Chief of Staff Mark Mader, Business Services Administrator Donn Hoffmann, Inspector Jim Gumm, Business Manager Lyndsay Johnson, Deputy Inspector Torin Misko, Financial Analyst Josh Joost, Principal Financial Projects Analyst Bob Ries, Budget Manager Linda Witkowski, Budget Management Specialist Bill Duckwitz, Administration Director Norm Cummings, Human Services Supervisor John Kettler, Community Development Coordinator Kristin Silva, and Senior Financial Analysts Mark Yatchak, Clara Daniels, and Steve Trimborn. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of July 19

MOTION: Michalski moved, second by Wysocki to approve the minutes of July 19. Motion carried 4-0.

Next Meeting Date

- September 6

Contract Procurement Process for Human Resource Information System (HRIS) Staff Augmentation Services

Hoffmann indicated this two-year contract was awarded to Trissential, LLC, the highest rated proposer, for a total contract cost of \$200,000 (services will be used on an as needed basis up to \$200,000). The budgeted amount is \$215,000. Nine contractors submitted proposals for consideration.

MOTION: Michalski moved, second by Wysocki to approve the contract procurement process for Human Resource Information System (HRIS) staff augmentation services. Motion carried 4-0.

Ordinance 172-O-025: Accept The 2017 State Of Wisconsin Department Of Transportation Highway Safety Grant And Modify Waukesha County Sheriff Department's 2017 Budget To Authorize Grant Expenditures

Gumm discussed this ordinance which authorizes the appropriation of \$61,631 of Wisconsin Department of Transportation grant award funds. This amount reflects the difference between the \$50,000 included in the 2017 budget for this revenue and the \$111,631 that was ultimately awarded. The funds will be used to increase enforcement activities on road segments identified by the State as "at risk" based on crash frequency or severity due to alcohol use, travel speed, or lack of seat belt use.

Of the funds awarded, \$57,693 will be used for additional overtime and associated benefit costs and \$3,938 will be used for eligible equipment including radar units and vehicle printers. Operating

impacts are estimated to be nominal (equipment repair and maintenance) and will be absorbed within the existing Sheriff's Department budget. The grant does not cover County indirect or administrative costs. This ordinance has no levy impact.

MOTION: Wysocki moved, second by Morris to approve Ordinance 172-O-025. Motion carried 4-0.

Ordinance 172-O-026: Modify The Sheriff's Department 2017 Budget To Accept And Appropriate Additional Revenue From Washington County For Mutual Aid Assistance

Gumm discussed this ordinance which authorizes the Department to accept and appropriate \$141,141 in revenue from Washington County as reimbursement for expenses incurred while providing crowd control and security assistance at the Erin Hills Golf Course during the U.S. Open during in June. The Department incurred additional overtime and vehicle related costs to provide these services. The additional vehicle costs should not exceed the interdepartmental charges budget, which includes central fleet charges, however, the additional overtime is projected to exceed the budgeted personnel costs appropriation unit. A total of \$141,141 in expenses was submitted to Washington County for reimbursement. The Department is seeking approval to appropriate \$141,141 for personnel costs for overtime and related benefits. This ordinance has no tax levy impact.

MOTION: Morris moved, second by Wysocki to approve Ordinance 172-O-026. Motion carried 4-0.

Ordinance 172-O-027: Modify The 2017 Sheriff's Department Budget To Accept And Appropriate Additional Revenue From The State Of North Dakota For Mutual Aid Assistance

Gumm and Johnson discussed this ordinance which authorizes the Department to accept and appropriate \$125,746 in revenue from North Dakota as reimbursement for expenses incurred while providing crowd control and security assistance at the North Dakota Access Pipeline from February 24 through March 3, 2017. A total of \$125,746 in expenses was submitted to North Dakota for reimbursement. The Department is seeking approval to appropriate \$112,494 for personnel, overtime and related benefits, and \$13,252 for other operating costs. This ordinance has no tax levy impact.

MOTION: Morris moved, second by Wysocki to approve Ordinance 172-O-027. Motion carried 4-0.

Whittow arrived at 8:29 a.m.

Investments Report for Six Months Ended

Ries reviewed the investments report including valuation at cost, valuation at market, total investment income and investment balances, and the County's portfolios. Total interest earnings for the quarter were \$533,616, up \$42,487 from the 1st quarter, due largely to the higher short-term yields available in the market. The increased investment income occurred in spite of a decrease in the average invested balance, of approximately \$13.4 million from the first quarter. The total return for the quarter was up from the last quarter, at 0.30%. For the year ending June 30, 2017, County investments returned 1.13% and the total County investment balance was \$90,985,111.

MOTION: Whittow moved, second by Michalski to accept the Investments Report for Six Months Ended. Motion carried 5-0.

Special Revenue and General Funds Report for Six Months Ended

Witkowski highlighted the General Funds report for the first six months. Expenditures were \$74.8 million or 43.9% of the total modified expenditure budget versus expenditures for the same period in 2016 of \$72.7 million or 44.1% of total 2016 actual expenditures. For the first six months of 2017, expenditures were higher than the prior year by \$2 million or 2.8% including higher spending in the Sheriff's Department by \$1 million and the Clinical Services Division by \$690,000.

Operating revenues achieved during the first six months of 2017 were \$37.6 million or 45.1% of the modified revenue budget versus \$35.3 million for the first six months of 2016 or 42.2% of total 2016 revenues. For the first six months of 2017, revenues were higher than the prior year by \$2.2 million or 6.3%. At this time, overall year-end results are projected to be \$370,000 favorable. Administration expects projections to improve for the nine-month status report and will continue to monitor financial results to ensure a favorable year-end result.

Dondlinger arrived at 9:10 a.m.

Positive budget results are projected in Register of Deeds and Parks and Land Use reflecting increasing revenue trends. Favorable utility and fuel costs also contribute to positive year-end results in both Public Works and the Parks operations. The report also identifies negative budget results of \$1.8 million related to investment income and penalty/interest on delinquent taxes in the Treasurer's Office based on continued low interest rates and fewer tax delinquencies. This is offset with positive year-end projections for other general administration areas including Corporation Counsel and County Clerk's offices. The Justice and Law Enforcement area will require budget action prior to year-end including ordinances to appropriate reimbursements for overtime activity in the Sheriff's Department for two mutual aid events involving Erin Hills and North Dakota (see Page 2). Additional costs are anticipated for high profile court cases resulting in additional expenditures in the District Attorney's Office and Circuit Court Services which may result in fund transfer requests later in the year. The Medical Examiner is projecting higher toxicology testing costs which will be addressed with a fund transfer. Health & Human Services is projecting that it will finish favorably by \$313,000. The Department is also projecting they will exceed their overall expenditure budget by \$761,300 with above-budget spending in their operating expense appropriation units by \$1.2 million. Operating expenses in the Clinical Services Division are projected to be \$1 million over budget, largely due to higher-than-anticipated charges for county residents at state mental health institutions. Also, operating expenses in the Children and Family Services Division are projected to be \$370,000 over budget, largely due to higher spending on alternate care placements including court-ordered services. Human Services staff plans to address projected above-budget spending through fund transfers and ordinances which will appropriate additional spending authority funded with above-budget revenues. Administration will continue to monitor major budget items for the remainder of 2017 and work with departments to ensure favorable General Fund results at year-end.

Witkowski went on to highlight the Special Revenues Funds report and indicated as of six months, all funds are projected to finish the year with overall favorable results except for the Land Information Systems Fund which is currently projecting an unfavorable variance of about \$40,000. This is due to anticipated below-budget document recording fees. The Transportation Fund is projected to finish favorably by \$130,000. This is mostly due to projected below-budget net expenditures by \$140,000 mainly for position turnover savings and lower net vehicle-related

charge. However, operating expenses are projected to be \$230,000 above-budget mainly due to additional State requested work for State highways. An Aging and Disability Resource Center (ADRC) contract may require a fund transfer request before year-end.

MOTION: Wysocki moved, second by Whittow to accept the Special Revenue and General Funds Report for Six Months Ended. Motion carried 6-0.

Status Report on the Contingency Fund for Six Months Ended

Witkowski indicated there were no Contingency Fund transactions during the first six months of 2017 and the balance remains at \$1.2 million.

MOTION: Dondlinger moved, second by Whittow to accept the Status Report on the Contingency Fund for Six Months Ended. Motion carried 6-0.

Capital Projects Status Report for Six Months Ended

Duckwitz reviewed the 2017 six-month status report on capital projects as outlined including project title, current appropriations, expenditures, balances and percent complete for design, bid, and construction. No major concerns were voiced.

MOTION: Wysocki moved, second by Morris to accept the Capital Projects Status Report for Six Months Ended. Motion carried 6-0.

Morris and Whittow left at 10:03 a.m.

Ordinance 172-O-028: Accept A 2017 Grant To Expand Substance Abuse Treatment Capacity In Adult Treatment Drug Courts Award Through The U.S. Department Of Health And Human Services, Substance Abuse And Mental Health Services Administration (SAMHSA) And Amend The Department Of Health And Human Services 2017 Budget

Kettler and Trimborn discussed this ordinance which authorizes the Department to accept a three-year federal grant totaling \$914,020. The funds will be used to expand capacity and enhance substance abuse treatment services for the Drug Court Program during the three-year period. Kettler discussed this in detail. This ordinance also authorizes the appropriation of \$75,218 in new expenditure authority for use in the fourth quarter including \$51 for supplies; \$66,241 for contracted services; \$2,088 for travel; and \$6,838 for administrative overhead. Future year grant revenues and related expenditures will be included in future budgets. This ordinance has no impact on 2017 tax levy.

MOTION: Michalski moved, second by Wysocki to approve Ordinance 172-O-028. Motion carried 4-0.

Ordinance 172-O-029: Accept State Targeted Response To Opioid Crisis Grant And Modify Department Of Health And Human Services 2017 Budget

Kettler discussed this ordinance which authorizes the Department to accept a two-year State grant totaling \$95,000. The funds will be used to provide medication assisted treatment, counseling, and case management services aimed at reducing opioid-related deaths. Kettler discussed this in detail. This ordinance also authorizes the appropriation of \$47,500 in new expenditure authority for use in 2017 including \$11,875 for personnel expenses and \$35,625 for operating expenses. Grant revenues for 2018 and related expenditures will be included in the budget process. This ordinance has no impact on 2017 tax levy. Kettler distributed copies of the State's targeted response to the

opioid crisis grant which included background information, the application process, and the action summary.

MOTION: Wysocki moved, second by Dondlinger to approve Ordinance 172-O-029. Motion carried 4-0.

Ordinance 172-O-030: Accept Dementia Crisis Innovation Grant And Modify Health And Human Services 2017 Budget To Appropriate Grant Expenditures

Paulson discussed this ordinance which authorizes the Department to accept a two-year State grant totaling \$58,500. The funds will be used to work with local and community stakeholders to complete a comprehensive inventory and analysis of local dementia care resources and provider level crisis response plans. There is also a training component. The goal is to stabilize people in place as opposed to emergency detention or protection placed. This ordinance also authorizes the appropriation of \$16,481 in new expenditure authority for use in 2017 including \$15,981 for contracted services and \$500 for travel. Grant revenues for 2018 and related expenditures will be included in the budget process. This ordinance has no impact on 2017 tax levy.

MOTION: Wysocki moved, second by Michalski to approve Ordinance 172-O-030. Motion carried 4-0.

Ordinance 172-O-022: Execute Subgrantee Agreements And HUD Grant Agreement For Community Development Block Grant (CDBG) And Home Investment Partnership (HOME) Programs For The 2018 Program Year

Silva discussed this ordinance which authorizes the County Executive to execute agreements with the Federal Government to accept up to \$2,145,991 of Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) grants and program income. If the Federal Housing and Urban Development (HUD) funding allocation awards are less than estimated, the CDBG and HOME Consortium Boards will make appropriate reductions to subgrantee grant amounts and send a notification of any decreases to the Finance Committee. The Community Development expenditures will be limited to the amount of the HUD award notifications. All subgrantee agreements for projects will include clauses providing for grant funding decreases, if necessary. County Board approval will be necessary if the final Federal appropriation amount is greater than the estimated amount of \$2,145,991. This ordinance has no direct tax levy impact.

MOTION: Dondlinger moved, second by Michalski to approve Ordinance 172-O-022. Motion carried 4-0.

MOTION: Dondlinger moved, second by Wysocki to adjourn at 10:30 a.m. Motion carried 4-0.

Respectfully submitted,

Thomas A. Michalski
Secretary