1. Agenda

   Documents:

   2019-05-23 FINANCE COMMITTEE AGENDA.PDF

2. Meeting Materials

   Documents:

   2019-05-23 FINANCE COMMITTEE - DISTRIBUTED AT MTG.PDF
   2019-05-23 FINANCE COMMITTEE PACKET.PDF
   2019-05-23 FINANCE COMMITTEE PACKET - SUPPLEMENTAL.PDF
Walworth County Finance Committee
MEETING NOTICE

Thursday, May 23, 2019 — 9:30 a.m.
County Board Room 114 - Government Center

100 West Walworth Street
Elkhorn, Wisconsin

Nancy Russell, Chair; Jerry Grant, Vice Chair;
Kathy Ingersoll, Supervisor; Dan Kilkenny, Supervisor; William Norem, Supervisor

(Posted in compliance with Sec. 19.84, Wis. Stats.)

It is possible that a quorum of the County Board or any of
its committee could be in attendance at this meeting.

Agenda enclosures are available upon request from the finance department
or on the county’s web page ( www.co.walworth.wi.us). The agenda packet, including
supporting documents, may be large, depending upon the number of enclosures. Down-
loading it will require ample computer memory and may take significant time.

AGENDA

Note: All agenda items are subject to discussion and/or action.

1) Call to order
2) Roll call
3) Withdrawals from the agenda, if any
4) Agenda approval
5) Approval of minutes of last meeting — April 25, 2019
6) Public comment period
7) Unfinished business
8) Consent items

A) Budget amendments
   1) Health and Human Services
      a) HS007 — Reflect increased Children’s Long Term Support (CLTS)
         grant award for client services and grant administration (Encl pgs 1-2)
      b) HS008 — Adjust Aging and Disability Resource Center (ADRC) budget
         to reflect increased revenue and estimated claim activity (Encl pg 3)
2) Sheriff’s Office
   a) SH002 — Reflect award of the Speed Enforcement grant (Encl pgs 4-5)

B) Bids/contracts
   1) Countywide employee assistance program (Encl pg 6)
   2) Countywide Section 125 flexible spending and health savings account services
      (Encl pg 7)

C) Waivers of bid/sole source procurements
   1) HFRS 2 Emulsion Oil - Transport and Application for Public Works department
      (Encl pg 8)

D) Reports
   1) Update on tax incremental financing districts (TIDs) (Encl pg 9)
   2) Out-of-state Travel
      a) Finance
         1) Linda Gregurich, Kronos Timekeeping Huddle Conference, Indianapolis, IN
            (Encl pg 10)

9) New business

A) Resolution **-06/19 Authorizing the Addition of Health And Human Services
   Substance Abuse and Mental Health Services Administration (SAMHSA) Family
   Drug Treatment Court Grant to Previously Established Pre-approved Recurring
   Grants List (Encl pgs 11-13)

B) Resolution **-06/19 Appropriating the Sum of $50,000 to Walworth County
   Housing Authority for Subsidized Apartments and Office Space (Encl pgs 14-16)

C) Wisconsin Municipal Mutual Insurance Company (WMMIC) Update (Encl pgs 17-39)

D) Other Post Employment Benefits (OPEB) investment strategy (Encl pgs 40-44)

E) Ordinance **-06/19 Amending Chapter 30 of the Walworth County Code of Ordinances to
   Update the Title of Deputy County Administrator-Finance to Reflect the Title
   Change to Finance Director and Amending Section 62-103(b) to Designate the
   Finance Director as the County’s Representative on Any Joint Review Board (Encl
   pgs 45-54)

10) Set/confirm next meeting date(s) and time(s):
    • Thursday, June 20, 2019, 9:30 a.m., County Board Room 114 at the Government Center

11) Adjournment

Submitted by: Nicki Andersen, Deputy County Administrator-Finance
            Nancy Russell, Finance Committee Chair

   Posted: May 16, 2019
Memorandum

TO: Walworth County Finance Committee

FROM: Nicki Andersen, Deputy County Administrator-Finance

DATE: May 21, 2019

SUBJECT: Resolution **-06/19 Appropriating the Sum of $50,000 to Walworth County Housing Authority for Subsidized Apartments and Office Space

Attached is a letter from Sarah Boss, Executive Director of the Walworth County Housing Authority, regarding their request for funding. The letter was received from Ms. Boss subsequent to publication of the May Finance Committee agenda.

Ms. Boss and Tom Hartz from the WCHA Board of Commissioners will attend your meeting on May 23rd to answer questions. County staff will also be present for the discussion.

NA/kw

Attachment

c: Dave Bretl, County Administrator
Jessica Conley, Comptroller
May 17, 2019

Nicki Anderson
Walworth County Finance Department
P O Box 1001
Elkhorn, WI 52121

Dear Ms. Anderson:

On behalf of the Walworth County Housing Authority (WCHA) Board of Commissioners, I am writing this letter as a follow up to our May 1, 2019 meeting regarding a financial request by the Walworth County Housing Authority for appropriations to develop affordable housing units in the City of Lake Geneva and create new office space for the agency. During that meeting we discussed the amount of the financial request. We agreed that I would further discuss the financial request with the WCHA Board and notify you of the Board’s final request.

On May 16, 2019, the WCHA Board met and voted to approve the financial appropriation request be $90,000.00. The following is an explanation for the basis of the requested amount:

- The requested amount represents money that will be designated to invest in the development of affordable housing rental units in the City of Lake Geneva. In our previous conversation we had discussed $40,000.00 as the amount of investment towards this project.

- The requested amount also represents money that will be designated towards new, permanent office space for the Walworth County Housing Authority. This office space will be located at the new housing development in the City of Lake Geneva. The amount of $50,000.00 will be designated to cover expenses associated with developing and running the offices, such as monthly lease costs, utilities, maintenance and housekeeping. The WCHA Board considered costs that would be incurred over the next five years to maintain the new space.

The Walworth County Housing Authority Board and staff appreciate your consideration and support of this opportunity to expand much needed affordable housing opportunities for deserving families in our county. It will also give WCHA a permanent space to ensure all of our programs can run efficiently and with the most success.
We look forward to continuing the conversation regarding our request. Tom Hartz, WCHA Board Commissioner, and myself will be present at the Walworth County Finance Committee Meeting on May 23, 2019. If there is any additional information that we should be prepared to present, please let me know.

Sincerely,

Sarah Boss
Executive Director

Cc: FILE
Tóm Hartz, WCHA Board of Commissioners
Chair Nancy Russell called the meeting to order at 9:30 a.m.

Roll call was conducted. The following members were present: Chair Nancy Russell, Vice Chair Jerry Grant, and Supervisors Kathy Ingersoll and William Norem. Supervisor Dan Kilkenny was absent. A quorum was declared.

Others in Attendance
County staff: County Administrator-Finance Nicki Andersen; County Treasurer Valerie Etzel; Director-Public Works Richard Hough; Director of IT John Orr; Deputy Director of LURM/County Conservationist Shannon Haydin; Undersheriff Kevin Williams

On motion by Supervisor Norem, seconded by Vice Chair Grant, the agenda was approved by voice vote.

Vice Chair Grant made a motion, seconded by Supervisor Norem, to approve the March 21, 2019 meeting minutes. Motion carried by voice vote.

Public Comment – There was none.

Unfinished Business – There was none.

Consent Items
Supervisor Ingersoll made a motion, seconded by Supervisor Norem, to approve all of the consent items. Motion carried 4-0.

8A, Budget Amendments
1) Lakeland Health Care Center
   a) LH002 – Increase budget for contracted Director of Nursing due to position vacancy
   b) LH003 – Increase budget for temporary help for agency nursing services
2) Public Works
   a) PW002 – Increase budget for removable brine tanks project
   b) PW003 – Create budget for brine making infrastructure capital project

8B, Bids/Contracts
1) Countywide phone services
   By approval of the consent items above, the contract was awarded to TDS.
2) Third-party administration services for countywide self-insured dental plan
   By approval of the consent items above, the contract was awarded to Delta Dental.

8C, Waivers of bids/sole source procurement
1) Judicial Center building automation system

8D, Reports
1) Quarterly delinquent tax report – 1st quarter 2019
2) Quarterly property loss report – 1st quarter 2019
3) Update on tax incremental financing districts (TIDs)
4) Out-of-state Travel
   a) Finance
      1) Christy Heinrich, 2019 Tyler Connect Conference, Dallas TX
b) Health and Human Services
   1) Holli Wilke, 2019 Preparedness Summit, St. Louis, MO

c) Public Works
   1) Hunter Peterson, Barry Pierce, Dennis Scott; AssetWorks Academy, Atlanta, GA

d) Sheriff’s Office
   1) Howard Sawyers, National Jail Leadership Command Academy, Huntsville, TX

New Business
- Public Works inventory adjustment for the 2018-19 winter season
  Supervisor Norem made a motion, seconded by Supervisor Ingersoll, to approve the inventory adjustment. Motion carried 4-0. Chair Russell congratulated Public Works staff for their diligence in monitoring the department’s inventory.

- Resolution **-05/19 Authorizing the Addition of the Emergency Management Hazard Mitigation Program Grant to Previously Established Pre-approved Recurring Grants List
  Vice Chair Grant made a motion, seconded by Supervisor Ingersoll, to approve the resolution adding the Emergency Management Hazard Mitigation Program Grant to the previously established pre-approved approved recurring grants list. Motion carried 4-0.

- Resolution **-05/19 Authorizing the Addition of the Wisconsin Multi-discharger Variance Grant to Previously Established Pre-approved Recurring Grants List
  Supervisor Ingersoll made a motion, seconded by Supervisor Norem, to approve the addition of the Wisconsin Multi-discharger Variance Grant to the previously established pre-approved recurring grants list. Motion carried 4-0.

- Resolution **-05/19 Authorizing Write Off of 2016 Personal Property Taxes Uncollectible in 2017
  County Treasurer Val Etzel confirmed that the balance of uncollectible personal property taxes is decreasing. Her department is helping municipalities to collect on them before the County gets them for chargeback. The write-offs amount are only the County and State’s portion of the taxes. Supervisor Norem made a motion, seconded by Vice Chair Grant, to approve the write off of 2016 personal property taxes uncollectible in 2017. Motion carried 4-0.

- Report on 2018 donations and fundraisers
  Supervisor Norem made a motion, seconded by Vice Chair Grant, to accept the report on 2018 donations and fundraisers. Motion carried 4-0. Deputy County Administrator-Finance Nicki Andersen announced a new van for the Lakeland Health Care Center was purchased entirely through donations and fundraising.

- Resolution **-05/19 Closing Fiscal Year 2018
  Vice Chair Grant made a motion, seconded by Supervisor Norem, to approve the resolution closing fiscal year 2018. Motion carried 4-0.

- Resolution **-05/19 Committing Fund Balances as of December 31, 2018
  Vice Chair Grant made a motion, seconded by Supervisor Ingersoll, to approve the resolution committing fund balances as of December 31, 2018. Motion carried 4-0.
• Resolution **-05/19 Committing General Fund Available Balance
  Vice Chair Grant made a motion, seconded by Supervisor Ingersoll, to approve the resolution committing general fund available balance. Motion carried 4-0.

• Resolution **-05/19 Committing Children with Disabilities Education Board Available Fund Balance
  Andersen reported the Children with Disabilities Education Board unanimously approved the resolution. Vice Chair Grant made a motion, seconded by Supervisor Ingersoll, to approve the resolution committing Children with Disabilities Education Board available Fund balance. Motion carried 4-0.

• 2019 calendar for 2020 budget process
  Chair Russell noted the Public Works and Human Resources Committees approved the calendar as presented. She appreciates the ample notice so Board Supervisors can plan ahead and avoid schedule conflicts. Supervisor Norem made a motion, seconded by Vice Chair Grant, to approve the 2019 calendar for the 2020 Budget process. Motion carried 4-0.

Confirmation of next meeting: Thursday, May 23, 2019 at 9:30 a.m., County Board Room 114 at the Walworth County Government Center.

Adjournment
  On motion and second by Supervisors Norem and Ingersoll, Chair Russell adjourned the meeting at 9:45 a.m.

Submitted by Becky Bechtel, Administrative Assistant. Meeting minutes are not considered final until approved at the next regularly scheduled Committee meeting.
**Finance Committee Budget Amendment 2019**

**Department Head**

**County Administrator**

**Finance Committee**

**Reference Number** HS007

**Department** HHS

**Date** 5/7/2019

**Preparer** Alicia Van Dyke

**Reason for request:**
The Department of Health Services has increased the 2019 contract for the Children's Long Term Support (CLTS) funding for client services and administrative reimbursement based on anticipated enrollment in the program. In recent years, the CLTS program has significantly increased due to a Statewide directive to expand the number of children served by eliminating the waitlist. This has created a need for a CLTS Coordinator position, which was approved by Committees in April 2019 and is going to County Board in May 2019. Minor adjustments have been included to balance Org 2152 for grant revenues and expenses, including a payroll allocation change to the Children's Manager position.

### Revenue Accounts

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<td><strong>Totals</strong></td>
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### Expenditure Accounts

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<td>LTD Insurance</td>
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<td><strong>$ 3,105</strong></td>
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© 5/9/19

Finance Review
Finance Post into MUNIS

Form 1-101-B (3/14/07)
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**Totals** $935

Form 1-101-B (3/14/07)
Finance Committee Budget Amendment

Reference Number: HS008
Department: HHS
Date: 5/6/2019
Preparer: Karen Smale

Reason for request:
The department is balancing the ADRC (Aging and Disability Resource Center) revenue based on the adopted budgeted expenses and the estimated claim activity. Recognizing the increased revenue allows HHS to fund the payroll savings which were included in the 2019 budget along with additional expenses that have recently been identified.

### Revenue Accounts

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<th>Account Description</th>
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<td>Federal Grant Operating</td>
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**Totals**: $166,418

### Expenditure Accounts

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<td>Consultants</td>
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<td>Family/Foster Care Services</td>
<td>2145-52512</td>
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**Totals**: $166,418

Finance Review
Finance Post into MUNIS

Form 1-101-B (3/14/07)

Page 3 of 54
Date: May 08, 2019
To: Walworth County Board - Finance Committee
From: Captain Dave Gerber
Re: Bureau of Transportation Safety (BOTS) Speed Grant Award

Walworth County Board - Finance Committee Members,

The Walworth County Traffic Enforcement Task Force, consisting of all law enforcement agencies in Walworth County, including the Sheriff’s Office, has been awarded $76,608 in Speed Enforcement grant funding by the Wisconsin Department of Transportation, Bureau of Transportation Safety (BOTS) through September 2019. Approximately 75% of this funding will go to the municipal police agencies and the remainder to the Sheriff’s Office. The grant funding will allow 1,368 hours of traffic enforcement at an average wage of $56.00 per hour. This wage is reflective of an overtime rate above normal patrols. This grant initiative specific to speed enforcement will allow the task force to address an issue recently discussed at the quarterly Traffic Safety Commission Meeting on April 4, 2019. In the first quarter of 2019 there were 49 injury crashes in Walworth County including 8 which were alcohol related, 6 seatbelt related, and 20 were speed related. As you can see BOTS grant funding is aimed at contributing factors associated with traffic crashes. Almost half the total crashes so far in 2019 are speed related.

Our collective goal is to reduce traffic crashes and enforcement initiatives directed at root causes will help us meet our goal. Without this grant funding agencies would not be able to deploy additional enforcement initiatives targeted specifically at reducing crashes. We also have been awarded, and are currently deploying OWI targeted patrols aimed at reducing impaired driving. Seatbelt compliance rates are approximately 90% in Walworth County, therefore we have not been awarded any grant funding specific to seatbelt enforcement. Our deputies do focus normal patrols on seatbelt enforcement. I ask for your approval of this Speed Enforcement Grant. The match portion has been met with equipment purchases specific to traffic enforcement.

Thank you,

[Signature]

Dave Gerber
Captain - Patrol Division
Reason for request:
To record the budget for the approved Speed Grant in the amount of $76,000. The time period covered will be June ~ September 2019 with an estimated 75% going to the local municipalities participating. Reference memo provided.

### Revenue Accounts

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**Totals**: $76,000

### Expenditure Accounts

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<td>Overtime ~ Speed</td>
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**Totals**: $76,000

Form 1-101-B (3/14/07)
Walworth County
Proposal Recommendation

Project Name: Employee Assistance Program
Recommendation By: Kate Bishop
Department Head
Initials
Date: May 23, 2019
Award To: CuraLinc Healthcare
Proposed Contract: $37,800 (based on the current number of active employees at the proposed vendor rate for 3 years)
Funding Source: 2019 Budget – Tax Levy
Current Budget Amt: $12,655
Contract Term: July 1, 2019 – June 30, 2022
(Plus option to extend for two (2), one (1) year periods)
Scope of Project: To award a contract to a qualified Employee Assistance Professional firm to provide an Employee Assistance program for County employees and their dependents.
Proposals Solicited: 9
Proposals Received: 2

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<tr>
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<th>Total Estimated Cost</th>
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<tr>
<td>1)</td>
<td>Curalinc Healthcare</td>
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<td>2)</td>
<td>FEI Behavioral Health, Inc.</td>
<td>$36,000</td>
</tr>
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</table>

☑ Recommendation is to award to highest ranked proposer(s).
☐ Recommendation is to award to lowest cost proposer.
☐ Other:

County Solicitation-Reviewed By: [Signature]
Consultant Solicitation-Reviewed By: [Signature]
Awarded by: ________________________________
Vendor: ________________________________
Date: ________________________________

Form 6-102-B
Walworth County
Proposal Recommendation

Project Name: Section 125 Flexible Spending & Health Savings Account Services

Recommendation By: Kate Bishop
                        Department Head
                        Initials

Date: May 23, 2019

Award To: Employee Benefits Corporation

Proposed Contract: $33,876 (based on historic quantities at recommended bidders price for 3 years)

Funding Source: 2019 Budget – Tax Levy

Current Budget Amt: Part of wage & benefit budget for each department, 2018 Actual cost was $19,517

Contract Term: January 1, 2020 – December 31, 2022
                        (Plus option to extend for two (2), one (1) year periods)

Scope of Project: To award a contract to a qualified Section 125 Flexible Spending & Health Savings Account firm to provide related services to County employees and their dependents.

Proposals Solicited: 16

Proposals Received: 4

<table>
<thead>
<tr>
<th>Rating</th>
<th>Vendor</th>
<th>Total Estimated Cost</th>
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<tr>
<td>1)</td>
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<tr>
<td>3)</td>
<td>Benefit Advantage, Inc.</td>
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Proposal Ranking

Non-Responsive Proposals:

Vendor | Reason for Rejection
---|----------------------
American Fidelity | Response was contingent on them providing additional services not requested

☑ Recommendation is to award to highest ranked proposer(s).

☐ Recommendation is to award to lowest cost proposer.

County Solicitation-Reviewed By: 
Consultant Solicitation-Reviewed By: 
Awarded by: __________________________
Vendor: __________________________
Date: __________________________
Walworth County
Request for Waiver of Bids/Sole Source Procurement

Date Requested: 6-May-19

Requested By: Richard Hough
Department Head
Project Name: Chip Seal

Department Contact: Barry Pierce
Product or Service Name: HFR6 2 Emulsion Oil - Transport and Application

Is this a Grant Funded Project: No

Requisition Number: 
Account Number: 5710-53840

Recommended Vendor: Meigs
1220 Superior St
Portage, WI 53901-9702
Estimated Amount: $136,451

Waiver of Bids:
Best Interests of the County: (Check all that apply)
- Compatibility with Existing Systems
- Ability to Maintain Standard Inventory Items
- Ability to Take Advantage of Pricing and Favorable Terms
- Time Sensitive Situations That Do Not Constitute an Emergency as Life Threatening
- Time Sensitive Projects Which Could Result In Loss of State or Federal Aid
- Purchase of Used Equipment
- Purchase of Vendor Demonstration Model Equipment
- Other (Please Describe): Coordination with neighboring county for use of requisite equipment

Sole Source Procurement:
Only One Source Available

Waiver of Bid Requiring No Further Approvals:
Form NOT required. Documentation required on Requisition under Comparison Bids/Notes:

No Further Approval, Waiver of Bid 17-35 (b) (item 9)
(1) Utility Purchases - gas, electric, sewer, and water
(2) Purchases of Products and Services Between From Governmental Agencies
(3) Publications, Books, Manuals, Dues, Memberships, and Advertisements
(4) Seminars and Conferences
(5) Employee Reimbursements - lodging, meals, mileage, and other misc. travel
(6) Information Systems Software and Hardware Maintenance and License Renewals
(7) Legal Services; insurance, except general liability insurance; re-insurance; & engineering & architectural svcs, where said engineering & architectural fees are not expected to exceed $20,000 for any one particular project.
(8) Materials for contractually obligated State Road improvement, maintenance, and/or repair jobs where, due to time constraints or lack of standard inventory, competitive purchasing is impractical.
(9) Limited supply vaccine serum purchased from state approved vendors.
(10) Purchasing/printing of election ballots.

Other Supporting Comments/Documentation:
1 - Walworth County (WALCO) currently rents a chip-sealing machine from Jefferson County and a roller from Rock County - both of which only have available dates during early to middle June. 2 - WALCO has sent this project to bid the last two years - with MEIGS being the only company to bid both times. 3 - Failure to take advantage of the favorable pricing this season will not only increase costs in subsequent years but increase the likelihood that pavement preservation will not be an option - that these roadways will need to be reconstructed at a much higher cost to the county. 4 - Failure to preserve the pavement on the scheduled roadways will affect their PASER rating - as well as the counties ability to maintain an average roadway

Purchasing Staff Review
Concur with Departmental Recommendation due to employee turnover limiting our work as well as understanding that this work will be bid out in the next year, we concur

Recommended Competitive Bid
Located State/Group Contract
Located Multiple Vendors
Dept Submitted Competitive Quotes
Ensure Like Product Comparison for Used or Vendor Demo Equipment
Other

Comments

Purchasing Initials and Date: SF 5/18/19
(Please provide initials and date for purchase manager)

Purchasing Mgr Initials and Date: CJD 5/18/19
(Final authorization if <$10,000)

County Administrator Review: Date 5/18/19 Approved
Denied
(Final authorization if $10,000 or more)

Form 6-105-A

Page 8 of 54
To: Finance Committee
From: Jessica Conley, Comptroller
Subject: Tax Incremental Financing District (TID) Updates
Date: May 10, 2019
Cc: Nicki Andersen, Deputy County Administrator-Finance

I have worked with several municipalities to create a joint date/location for the joint review board annual meetings. The following meetings will held at Delavan City Hall the afternoon of Tuesday, July 23, 2019:

- Village of Fontana  1:00 PM
- City of Elkhorn  1:45 PM
- Village of Sharon  2:30 PM
- Village of Darien  3:15 PM
- City of Delavan  4:00 PM
OUT-OF-STATE TRAVEL REPORT
for
CONFERENCE, CONVENTION, SEMINAR, TRAINING
Required for All Out-of-state Travel in Excess of
100 Miles from Walworth County

Employee/Official: Linda Gregurich  Department: Finance
Event: Kronos Huddle
Location: Indianapolis, Indiana

<table>
<thead>
<tr>
<th>DEPARTURE</th>
<th>RETURN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date: 4/24/2019</td>
<td>Date: 4/25/2019</td>
</tr>
<tr>
<td>Time: 2P</td>
<td>Time: 9P</td>
</tr>
</tbody>
</table>

Actual Expenses:

Mileage:
- Personal Vehicle: Miles round trip: 682 @ $0.58/mile $395.56
- County Owned Vehicle: Miles round trip:

Commercial Travel (indicate type):

Hotel Costs: 114.79

Registration Fee (attach copy of event announcement, if available):

Meals (total cost of meals not included in registration fee): 28.16

Misc Costs (explain): tolls and parking 17.90

Total Cost: 556.41

Remaining budget available: $ Org No.

The purpose of this travel was (check one or more reasons):
- Obtaining/maintaining a required certification
- Obtaining/maintaining a desired certification that will improve an employee's job performance
- Meetings or training in connection with major information technology investments or other large purchases
- Visiting vendors or other municipalities prior to making a major purchase
- Learning about a specific change in the law or a new mandate

Improving job-related skills
- Learning about a new program
- Listening to information regarding a number of new programs
- Influencing State legislation
- Influencing Federal legislation
- Networking
- Other (If "other," please explain)

Additional Information: Conference hosted by the City's Timekeeping software vendor (Kronos). Topics covered included upcoming upgrade, system optimization and networking opportunities.

Employee's Signature: [Signature]
Supervisor's Signature: [Signature]
Department Head Signature: [Signature] Date: 4/29/19

Submit this form to the Finance Department within 20 calendar days after the travel date.
Resolution No. **-06/19
Authorizing the Addition of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) Family Drug Treatment Court Grant to Previously Established Pre-Approved Recurring Grants List

Moved/Sponsored by: Finance Committee

WHEREAS, Section 30-313 of the Walworth County Code of Ordinances allows the establishment, by resolution, of a list of authorized recurring grants; and,

WHEREAS, Resolution 08-05/05 established a list of pre-approved, recurring grants; and,

WHEREAS, the Health and Human Services department desires to add the grant noted below to the aforementioned list; and,

WHEREAS, inclusion of a grant on the authorized list provides authority to the County Administrator to approve the application and receipt of a grant so included until such time as a material change in conditions of a grant occurs; and,

WHEREAS, a material change in conditions of a grant includes, but is not limited to, capital expenditures, capital acquisitions, increase in percent of county match or variation from the original intent of the grant; and,

WHEREAS, the authorized list, at a minimum, will be reviewed on an annual basis and revisions proposed as necessary; and,

WHEREAS, new grant opportunities for county departments may be added by authorization of the County Board at a future date.

NOW, THEREFORE, BE IT RESOLVED that grants specifically requiring County Board authorization shall continue to be submitted for action; and,

BE IT FURTHER RESOLVED that “one-time” grants continue to require authorization as specified in Chapter 30, Article VIII of the Walworth County Code of Ordinances; and,
BE IT FURTHER RESOLVED by the Walworth County Board of Supervisors that the following recurring grant is and the same is hereby approved:

<table>
<thead>
<tr>
<th>Program Title - Purpose</th>
<th>Contract Amount / County Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPARTMENT: Health and Human Services</td>
<td></td>
</tr>
<tr>
<td>Substance Abuse and Mental Health Services Administration (SAMHSA) Family Drug Treatment Court Grant</td>
<td>Up to $386,114 per year for up to five years/0%</td>
</tr>
</tbody>
</table>

Nancy Russell                                                                 Kimberly S. Bushey
County Board Chair                                                            County Clerk

County Board Meeting Date: June 11, 2019

Action Required: Majority Vote X Two-thirds Vote _____ Other _____

Policy and Fiscal Note is attached.
Reviewed and approved pursuant to Section 2-91 of the Walworth County Code of Ordinances:

David A. Bretl Date Nicole Andersen Date
County Administrator/Corporation Counsel Deputy County Administrator - Finance

If unsigned, exceptions shall be so noted by the County Administrator.
Policy and Fiscal Note  
Resolution No. **-06/19

I. **Title:** Authorizing the Addition of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) Family Drug Treatment Court Grant to Previously Established Pre-Approved Recurring Grants List

II. **Purpose and Policy Impact Statement:** The purpose of this resolution is to authorize a list of recurring grants which may be applied for without further County Board action. The Substance Abuse and Mental Health Services Administration (SAMHSA) Family Drug Treatment Court grant shall be added to this list.

III. **Budget and Fiscal Impact:** Passage of this resolution will have the following fiscal impact on the 2019 Budget:

The start date of this grant is May 31, 2019 and the grant will run midyear to midyear going forward. The projected amount in the 2019 budget is estimated to be $187,195.

IV. **Referred to the following standing committees for consideration and date of referral:**

Committee: Finance  
Meeting Date: May 23, 2019

Vote:

County Board Meeting Date: June 11, 2019

Policy and fiscal note has been reviewed and approved as an accurate statement of the probable policy and fiscal impacts associated with passage of the attached resolution.

David A. Bretl  Date  
County Administrator/Corporation Counsel

Nicole Andersen  Date  
Deputy County Administrator - Finance
Memorandum

To: Finance Committee
Cc: Nicki Andersen, Deputy County Administrator-Finance

From: David A. Bretl, County Administrator

Date: May 16, 2019

Re: Funding for County Housing Authority

For many years our County has appropriated funds for use by the Walworth County Housing Authority. Funding for the past five years was as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$12,150</td>
</tr>
<tr>
<td>2018</td>
<td>$13,500</td>
</tr>
<tr>
<td>2017</td>
<td>$13,500</td>
</tr>
<tr>
<td>2016</td>
<td>$13,000</td>
</tr>
<tr>
<td>2015</td>
<td>$13,000</td>
</tr>
</tbody>
</table>

I have been encouraging those outside entities funded in our annual budget (Community Initiatives) to consider options for a larger one-time capital expenditures that will eliminate their need for on-going annual County funding. The Walworth County Agriculture Society (“Fair”) is an example of this. Last year we loaned the Fair $300,000 to build a roof over its outdoor horse arena and forgive half of that debt over a five year period. In exchange for the loan, we informed the Fair that we would be ending annual payments to them (beyond the five-years of debt forgiveness). The Housing Authority recently requested $50,000 to develop subsidized housing units and office space. The office space will allow the Housing Authority to avoid paying rent in the future. I recommend approval of the appropriation with the understanding that we will no longer make an annual appropriation to their organization. A draft resolution is attached.

Thanks.

DAB/eh
Resolution No. xx-06/19

Appropriating the Sum of $50,000 to Walworth County Housing Authority for Subsidized Apartments and Office Space

Moved/Sponsored by: Finance Committee

WHEREAS, Walworth County has, for many years appropriated money for use by the Walworth County Housing Authority (hereinafter “Housing Authority”) as part of our Community Initiatives budget; and,

WHEREAS, in 2019 this appropriation was in the amount of $12,150; and,

WHEREAS, the County has encouraged Community Initiatives organizations to explore funding sources that would eliminate their need for an annual county contribution; and,

WHEREAS, the Housing Authority approached the County for one-time funding in the amount of $50,000 to develop subsidized apartments and office space; and,

WHEREAS, this appropriation will allow the Housing Authority to eliminate rent expenses; and,

WHEREAS, this appropriation would be made with the understanding that the County will not make future appropriations.

NOW, THEREFORE, BE IT RESOLVED the County Board appropriate $50,000 from the undesignated general fund balance to the Walworth County Housing Authority for the purpose of developing subsidized apartments and office space.

BE IT FURTHER RESOLVED that Walworth County will end its annual appropriations to the Housing Authority.

____________________________  ______________________________
Nancy Russell               Kimberly S. Bushey
County Board Chair          County Clerk

County Board Meeting Date: June 11, 2019

Action Required: Majority Vote ___X___ Two-thirds Vote _______ Other ______

Policy and Fiscal Note is attached.
Reviewed and approved pursuant to Section 2-91 of the Walworth County Code of Ordinances:

____________________________  ______________________________
David A. Bretl                Nicole Andersen
County Administrator/Corporation Counsel  Deputy County Administrator - Finance

If unsigned, exceptions shall be so noted by the County Administrator.
I. **Title:** Appropriating the sum of $50,000 to Walworth County Housing Authority for Subsidized Apartments and Office Space.

II. **Purpose and Policy Impact Statement:** The purpose of this resolution is to appropriate the sum of $50,000 to Walworth County Housing Authority for subsidized apartments and office space.

III. **Budget and Fiscal Impact:** Passage of this resolution will cause the County to spend $50,000 not budgeted in 2019. The County will end future payments to the Housing Authority. The recent history of past payments is as follows:

- 2019: $12,150
- 2018: $13,500
- 2017: $13,500
- 2016: $13,000
- 2015: $13,000

IV. **Referred to the following standing committees for consideration and date of referral:**

   Committee: Finance  
   Meeting Date: May 23, 2019

   Vote:

   County Board Meeting Date: June 11, 2019

Policy and fiscal note has been reviewed and approved as an accurate statement of the probable policy and fiscal impacts associated with passage of the attached resolution.

<table>
<thead>
<tr>
<th>David A. Bretl</th>
<th>Date</th>
<th>Nicole Andersen</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Administrator/Corporation Counsel</td>
<td></td>
<td>Deputy County Administrator - Finance</td>
<td></td>
</tr>
</tbody>
</table>
Memorandum

To:      Walworth County Finance Committee
From:    Nicki Andersen, Deputy County Administrator-Finance
Date:    May 15, 2019
Re:      Wisconsin Municipal Mutual Insurance Company (WMMIC) Update

Dean Boes, WMMIC’s Executive Director, will attend the Finance Committee’s May 23, 2019 meeting to present an update on WMMIC’s financial condition and the County’s claim/premium/dividend history. Mr. Boes will be available to answer any questions you may have.

NA/kw

Attachment

c: Jessica Conley, Comptroller
Wisconsin Municipal Mutual Insurance Company

Walworth County
May 23, 2019
Overview

• WMMIC Wrote our First Policy in 1988
• Walworth County has been a member for 9 years!
• WMMIC Members are Non-assessable
• WMMIC was formed (only) for Counties and Cities
• Office is in Madison with nine full time employees
• Executive Director reports to the Board of Directors
• Quarterly Board Meetings
• WMMIC Management encourages Member Participation
Primary Objectives

• Provide a Stable, Reliable Source of Liability Insurance for our Members

• Growth and Safety of WMMIC Assets

• Annual Dividend Distributions to our Members
Insurance Provided to our Members

- General, Law Enforcement & Jail Liability
- Auto Liability
- Public Officials Errors and Omissions
- Employment Practices Liability (no sub-limits)
- Cyber Liability
- Excess Workers’ Compensation
- Property and APD (via MPIC)
- Other Miscellaneous Coverages
Liability Claims Administration

*Our Guiding Principles are to:*

1. WMMIC will manage your claims from inception.
2. Promptly and fairly pay what is owed.
3. Use governmental immunities and tort caps to benefit members.
4. Avoid “economic reason” payments (when possible).
Top 10 Exposures to Municipalities

- Auto Liability
- Excessive Force (Law Enforcement)
- Jail Related Issues relating to violation of civil rights
  - Inadequate medical care
- Sexual Misconduct/Harassment
- Retaliation Claims
- Wrongful Incarceration/detention
- Land Use Claims
- Trends due to “political turnover/Politics” Suits to (simply) undermine the democratic process
- Employment Practices Issues
  - Sexual Abuse/Harassment
  - Discrimination in employment
Wisconsin Immunities & Tort Caps

• Governmental Immunities (handout)
  • Discretionary
  • Recreational

• Denial of Claims – What and Why we communicate what we do in denial letters
Financial Overview as of 12/31/2018

• $3,605,610 Premium Earned
• $29,455,221 Total Surplus (Top 10% of A.M. Best rated companies)
• $59,981,618 Total Assets
• A- (Excellent) per A.M. Best
• Surplus is within WMMIC’s Target Net Surplus Policy & Meets or Exceeds Peer Group
  • 2019 Dividend $51,393. Since 2008 - $595,896
  • 2019 Premium $307,360 (Includes Cyber)
  • County’s Investment in 2007 $1,563,000
  • County’s Equity yearend 2018 $1,639,249
Walworth Premium & Dividends & WMMIC Layer & Walworth Layer Claims Since 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
<th>Premium</th>
<th>WMMIC Layer Claims</th>
<th>Walworth Layer Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$189,848</td>
<td>$109,630</td>
<td>$88,189</td>
<td>$47,749</td>
</tr>
<tr>
<td>2009</td>
<td>$185,086</td>
<td>$88,189</td>
<td>$47,749</td>
<td>$21,485</td>
</tr>
<tr>
<td>2010</td>
<td>$209,492</td>
<td>$217,780</td>
<td>$194,502</td>
<td>$166,676</td>
</tr>
<tr>
<td>2011</td>
<td>$218,485</td>
<td>$217,780</td>
<td>$194,502</td>
<td>$166,676</td>
</tr>
<tr>
<td>2012</td>
<td>$209,492</td>
<td>$217,780</td>
<td>$194,502</td>
<td>$166,676</td>
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<tr>
<td>2013</td>
<td>$218,485</td>
<td>$217,780</td>
<td>$194,502</td>
<td>$166,676</td>
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<td>2014</td>
<td>$218,485</td>
<td>$217,780</td>
<td>$194,502</td>
<td>$166,676</td>
</tr>
<tr>
<td>2015</td>
<td>$218,485</td>
<td>$217,780</td>
<td>$194,502</td>
<td>$166,676</td>
</tr>
<tr>
<td>2016</td>
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<td>$217,780</td>
<td>$194,502</td>
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<tr>
<td>2019</td>
<td>$218,485</td>
<td>$217,780</td>
<td>$194,502</td>
<td>$166,676</td>
</tr>
</tbody>
</table>

5/15/2019 Wisconsin Municipal Mutual Insurance Company
Total Loss Incurred By Member Since Inception

- City of Madison: 42%
- St. Croix County: 17%
- Brown: 3%
- Chippewa: .55%
- City of Eau Claire: 4%
- City of Madison: 9%
- City of Madison: 3%
- City of Madison: .42%
- Dane: 42%
- Dodge: 1%
- Eau Claire: 1%
- Kenosha: 4%
- La Crosse: 4%
- Manitowoc: 1%
- Marathon: 5%
- Outagamie: 4%
- Rock: 1%
- St. Croix: 1%
- Walworth: 3%
- Waukesha: 3%
Walworth County – 2019 Risk Management Structure

- **$10,000,000 Limit**
- **$1,500,000**
- **$200,000 SIR**

**Orange** = WMMIC Responsibility

**Blue** = Member Retention

- **$1,500,000 WMMIC Retention (Member funded)**
- **$650,000 Member Annual Aggregate Retention**

5/15/2019 Wisconsin Municipal Mutual Insurance Company
Additional Services

WMMIC provides to our Members

• Loss Control Resources
  ➢ Lexipol Law Enforcement Policies and Procedures (WMMIC provides on-going funding)
  ➢ Funding for Members to Contract their own Loss Control Training
  ➢ On-Line Training (Local Gov U)
  ➢ On-Line Streaming Videos (Coastal/Dupont)

• Actuarial Estimates of Your Annual Retained Losses

• Coverage Opinions, Certificates of Insurance and Other Services as Requested
The Current *Property* Reinsurance market

- Property reinsurance rates are “Jelling” to “firming”. No one will say hardening yet, because the reinsurance rates haven’t trickled down to the retail buyer yet
- There is still capacity in the reinsurance market, but there is a new expectation that reinsurers make an underwriting profit
- Overall reinsurance price increases are driven by a number of factors including:
  - Asian continental weather events (typhoons and flooding)
  - US weather events – Convective Storms and Flooding
  - US Wild Fires
- All brokers and underwriters that we spoke with are indicating minimum reinsurance rate increases of 10%, with some looking for 15%-20% if the account isn’t performing well
Municipal Property Insurance Company
Financial Update as of December 31, 2018

Financial Position and Significant Events

Financial Results

- 495 policies inforce
  - Surplus of $7.9M and net loss of $954K at December 31, 2018
  - Premium inforce of $11.6M and total insured values of $17.7B
  - Year end net claims incurred of $6.7M (prior year end $5.0M)

Historic 2018 Storms - MPIC weathered the worst storm season in many years, mainly due to historic WI flooding, resulting in three catastrophe events. Its reinsurance partners performed well and they continue to show strong support for the MPIC program. MPIC has $1B of coverage from reinsurers above our deductible of $500K; a very strong program with all highly-rated reinsurers.

MPIC’s Financial Strength - Despite the increased severity in storm claims, MPIC’s financial outlook remains strong as key financial ratios indicate a healthy solvency and capital position as described below.
Key Financial Solvency Measures as of 12/31/2018 (MPIC)

Net Premium Written to Surplus Ratio – MPIC is at 97%

This ratio is designed to show whether an insurance company has enough surplus to support premium levels and is one indicator of the insurer’s financial strength. A high ratio indicates that the Company is more at risk for “unknowns" in the rating cycle. The average A-rated commercial carrier is at 82%, which is at all-time highs because the industry has been so profitable in recent years and has built up unprecedented levels of surplus. **MPIC’s premium to surplus ratio is at 97% which is acceptable.**
Risk Based Capital Ratio-MPIC is at 1247%

Risk Based Capital was developed by the National Association of Insurance Commissioners to measure the solvency and financial strength of insurers. The measure looks at the premium volume, type of business, risk level of the investment portfolio, and other company characteristics and calculates a minimum surplus requirement. Insurers then measure how much higher their surplus is than the minimum. If a Company is less than 300%, or 3 times the minimum, they must submit a corrective plan to the Insurance Department for their approval.

This ratio can vary greatly for different types of insurers but the average A-rated companies is approximately 1300% and this average increases to 2000%-3000% for A and A+ companies.

MPIC’s 1247% ratio, or 12.5 times the minimum surplus requirement, is ideal.
Walworth County (MPIC) Property  
Premium, Claims, Loss Ratio

<table>
<thead>
<tr>
<th>Policy Year</th>
<th>Premium</th>
<th>Loss &amp; LAE</th>
<th>Loss Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>103,448</td>
<td>9,701</td>
<td>9%</td>
</tr>
<tr>
<td>2017</td>
<td>104,309</td>
<td>78,906</td>
<td>76%</td>
</tr>
<tr>
<td>2018</td>
<td>112,620</td>
<td>44,528</td>
<td>40%</td>
</tr>
<tr>
<td>2019</td>
<td>132,799</td>
<td>4,555</td>
<td>NA</td>
</tr>
<tr>
<td>Grand Total</td>
<td>453,176</td>
<td>137,690</td>
<td></td>
</tr>
</tbody>
</table>

*Loss Ratio 2016-2018: 42%*
Walworth County - Property via MPIC
Premium and Loss

2016 2017 2018

Premium
Loss & LAE
<table>
<thead>
<tr>
<th>County</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outagamie County</td>
<td>City of Eau Claire</td>
</tr>
<tr>
<td>Manitowoc County</td>
<td>Chippewa County</td>
</tr>
<tr>
<td>Brown County</td>
<td>La Crosse County</td>
</tr>
<tr>
<td>City of Madison</td>
<td>St. Croix. County</td>
</tr>
<tr>
<td>Waukesha County</td>
<td>Dodge County</td>
</tr>
</tbody>
</table>
Additional WMMIC Members

- Dane County 1991
- Marathon County 1995
- Kenosha County 2000
- Eau Claire County 2001
- Rock County 2007
- Walworth County 2007
- Jefferson County 2009
- Lambeau Stadium District 2014
- City of Lacrosse 2014
- Miller Park Stadium District 2017
Memorandum

TO: Walworth County Finance Committee
    David Bretl, County Administrator/Corporate Counsel

FROM: Nicki Andersen, Deputy County Administrator-Finance
      Jessica Conley, Comptroller
      Todd Paprocki, Finance Supervisor

DATE: May 15, 2019

SUBJECT: Other Post Employment Benefit (OPEB) Investment Strategy

Background

The Governmental Accounting Standards Board (GASB) issued Statement 45 - Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions in 2004, with full implementation no later than 2008. The term Other Post-Employment Benefit (OPEB) relates to any retirement benefits a public employee is promised, other than his or her pension. Benefits under the OPEB umbrella include anything from life insurance premiums to post-retirement healthcare costs to deferred-compensation arrangements.

GASB 45 was the first standard that required employers to measure and recognize their Other Post-Employment Benefit (OPEB) obligations as liabilities (or, in rare cases, assets) in the government-wide financial statements and disclose information in the footnotes of their financial statements. By introducing OPEB obligations to the balance sheet, GASB 45 forced public employers to seriously consider the magnitude of the actuarial liabilities that came with their OPEB benefit plans, and come up with long-term solutions to manage those costs. GASB 45 has now been superseded by GASB 75 – Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions; effective for fiscal year 2018. OPEB benefits are typically paid using one of two methods: A so-called pay-as-you-go method, in which a public employer annually allocates a certain percentage of its annual operating budget (or general fund) to disburse to its retirees; or an OPEB trust method, in which an employer transfers a set amount of earmarked cash into a dedicated trust fund, and invests it.

Walworth County adopted a very proactive approach to address its long-term liability related to Other Post-Employment Benefits (OPEB). Based upon the actuarial study completed for January 1, 2005, the County’s OPEB liability for 941 employees was estimated to be $23.8 million.
Walworth County Finance Committee  
May 15, 2019  
Page 2

In 2005, the County began setting aside funds to offset the OPEB liability and in 2007, it established a formal OPEB trust. The following amounts were deposited into the trust to provide the core funding for this long-term actuarial liability.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$300,000</td>
</tr>
<tr>
<td>2006</td>
<td>500,000</td>
</tr>
<tr>
<td>2007</td>
<td>820,500</td>
</tr>
<tr>
<td>2008</td>
<td>4,229,262</td>
</tr>
<tr>
<td>2009</td>
<td>2,644,759</td>
</tr>
<tr>
<td>2010</td>
<td>3,099,390</td>
</tr>
<tr>
<td>2011</td>
<td>3,659,624</td>
</tr>
<tr>
<td>2012</td>
<td>3,699,082</td>
</tr>
<tr>
<td>2013</td>
<td>500,000</td>
</tr>
</tbody>
</table>

Total Contributions: $19,452,617

Investment earnings were projected to supply the remainder of the funds necessary to meet the estimated obligations.

**Current Status**

As of December 31, 2018, the current estimated OPEB liability was $13.9 million. The balance in the trust fund at the end of March was $25.5 million. Based upon the most recent actuarial study, the liability is projected to last for approximately 30 years.

In accordance with the direction provided by the Finance Committee on March 21, 2019 related to the County’s investment strategy for OPEB funds, Finance staff have researched “best practices” and contacted our investment advisor, PFM, to discuss the issues posed at the meeting.

**Best Practices**

As indicated in the Government Finance Officers Association’s (GFOA) Best Practice Bulletin *Sustainable Funding Practices for Defined Benefit Pensions and Other Postemployment Benefits (OPEB)*, “the fundamental financial objective of government employers that offer defined benefit (DB) pensions and other postemployment benefits (OPEB) to their employees is to fund the long-term cost of the benefits promised to participants.” “Long-term funding is accomplished through contributions from the employer and employee, and from investment earning, which typically provide the largest component of funding.” This bulletin indicates that “diversifying assets across and within asset classes is a fundamental risk management tool that also has the effect of reducing the fluctuations in actuarially determined contribution (ADC) volatility.”

The GFOA Best Practice *Asset Allocation for Defined Benefit Plans* indicates that “asset allocation – the practice of dividing an investment portfolio among the major asset categories of equities, fixed income, cash equivalents and alternative – is a fundamental principle of sound investing. Diversifying the investment portfolio by including asset categories with
investment returns that increase or decrease under different market conditions can protect a DB plan against significant investment losses. That is because, historically, the returns of the major asset categories have not all experienced investment gains and losses at the same time.”

Investment Options

Kathleen Walters, PFM Senior Managing Consultant, researched various investment options and provided the following scenarios:

1. **Can the County sell the whole portfolio and buy a Treasury portfolio?** Ms. Walters asked PFM’s trading desk to optimize a portfolio that would fund the County’s liabilities. The cost to purchase that portfolio would be $30,191,222.79 (approximately $6.5 million more than the Trust holds as of 12/31/18). She then asked the trading desk to match fund as much of the liability as we could with the funds in the Trust. That portfolio would cover our liability only partially through 2034. The cost of selecting this strategy would be $6.5 million - $12.2 million depending on if the County makes up the difference today or in the future. Selecting this strategy today would be locking in an underfunded status for the Trust.

2. **What happens if the stock market goes to 0 or negative for a prolonged period of time?** A prolonged period of 0 or negative returns for U.S. companies would be a catastrophic market event, the likelihood of which is small. That said, the Great Recession was a rough period, so Ms. Walters stress tested the portfolio under the market conditions of 2008-2012 as a sample period. Basically, what would happen if 2008-2012 were to repeat in 2019-2023? As we might imagine, the more equities in the portfolio, the more exposure the portfolio will have to a stock market decline and correction. Because the Trust is in a draw down period, a market based recovery takes a bit longer than if there were no draws or contributions. If the goal of the Board is to reduce market risk for the portfolio, adjusting the balance between equities and fixed income could in part accomplish that goal, which leads to the next question.

<table>
<thead>
<tr>
<th>US Stocks (Russell 3000)</th>
<th>International Stocks (MSCI ACWI ex US)</th>
<th>US Fixed Income (Barclays Aggregate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>-37.31%</td>
<td>-45.53%</td>
</tr>
<tr>
<td>2009</td>
<td>28.34%</td>
<td>41.45%</td>
</tr>
<tr>
<td>2010</td>
<td>16.93%</td>
<td>11.15%</td>
</tr>
<tr>
<td>2011</td>
<td>1.03%</td>
<td>-13.71%</td>
</tr>
<tr>
<td>2012</td>
<td>16.42%</td>
<td>16.83%</td>
</tr>
</tbody>
</table>

3. **If the County adjusts the equity and fixed income ratio, what’s the probability of earning the discount rate?** Based on PFM’s analysis, even an adjustment to 30% equity / 70% fixed income still provides the County with an 80% probability of earning the long-term discount rate over the life of the liability. Ms. Walters had PFM’s internal team run the range of outcome for 6 different asset allocations.
Walworth County Finance Committee
May 15, 2019
Page 4

<table>
<thead>
<tr>
<th>Model</th>
<th>Probability of Achieving 5.5% Return over 30 Year Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>PFM 50 equity /50 fixed income Model</td>
<td>81.5%</td>
</tr>
<tr>
<td>PFM 40 equity /60 fixed income Model</td>
<td>81.0%</td>
</tr>
<tr>
<td>PFM 30 equity /70 fixed income Model</td>
<td>80.3%</td>
</tr>
<tr>
<td>PFM 20 equity /80 fixed income Model</td>
<td>78.0%</td>
</tr>
<tr>
<td>PFM 10 equity /90 fixed income Model</td>
<td>74.0%</td>
</tr>
<tr>
<td>PFM 100 FI Model</td>
<td>66.5%</td>
</tr>
</tbody>
</table>

Finance Staff Recommendation

Finance staff understand and respect the concern that has been articulated by various members of the Finance Committee related to market volatility related to our OPEB trust funds, however, based upon documented “best practices” and the long-term characteristics of our particular trust fund, we recommend the following:

A. Continue to maintain a current long-term investment strategy of utilizing a mixture of equity and fixed income investments.
B. Maintain the current 50 – 50 ratio of equity to fixed income investments within the portfolio. If the committee continues to have strong concerns about this ratio, consideration could be given to a 40 – 60 ratio.

Rationale

A. As of our latest actuarial report, the portfolio has the potential to be in existence for another 30 years.
B. Investing for the long-term will result in some up / down periods, however, standard investment strategy recommends investing in quality investments that will increase in value over time. If a downturn occurs, we have many, many years for the fund to recover and continue to grow. The value of long-term investing is the ability to compound earnings throughout the years.
C. The current success of our strategy, even during a significant market downturn that began in 2008.
D. The current liability estimate is based upon unknown future costs of health care; potential changes in associated government regulations; a highly unpredictable timeline of retirements; and other factors. We believe that continuing the current strategy for the foreseeable future will give the county the statistically best chance to ensure that sufficient funds are available to pay for the liability, without having to place that burden on future taxpayers.
E. Based upon our initial investment of $19.5 million, we have received $12.1 million in gross investment earnings and withdrawn $6.1 million in expenses. In order to lose the $12 million we have earned in interest income, we would need to lose an average of 9% annually over a 10-year period.
F. This recommendation should not be relied upon in perpetuity. This strategy should be reviewed on a routine basis. There will be a point where the number of employees qualifying for the benefit has significantly been reduced, the timelines more predictable and potentially less volatility in health care costs.

**In Closing**

This recommendation is just that — a recommendation. Staff will proceed with the guidance ultimately provided by the Finance Committee and work with our investment advisor to carry out the committee’s final decision.

Finance staff and a representative from PFM will be available to discuss this recommendation at your May meeting.

NA/kw
ORDINANCE NO. ** – 06/19

AMENDING CHAPTER 30 OF THE WALWORTH COUNTY CODE OF ORDINANCES TO UPDATE THE TITLE OF DEPUTY COUNTY ADMINISTRATOR-FINANCE TO REFLECT THE TITLE CHANGE TO FINANCE DIRECTOR AND AMENDING SECTION 62-103(B) TO DESIGNATE THE FINANCE DIRECTOR AS THE COUNTY’S REPRESENTATIVE ON ANY JOINT REVIEW BOARD

THE WALWORTH COUNTY BOARD OF SUPERVISORS DOES ORDAIN AS FOLLOWS:

PART I: That Chapter 30 of the Walworth County Code of Ordinances is hereby amended to read as follows (additions are underlined; deletions are shown in strike-through text):

“Sec. 30-1. Manner of establishing policy; interpretation; enforcement; definitions.

(e) As used in this chapter, the following terms shall have the meanings as set forth herein:

(1) Department shall mean office or department of the county.

(2) Department head shall refer to the individual in charge of an office or department.

(3) Petty cash shall mean any funds which are part of any departmental or operational budget, but which are in the form of cash and are kept in the department in amounts authorized by the Deputy County Administrator—Finance Director.

Sec. 30-35. Budget amendments.

(a) The amounts of the appropriations and the purposes for such appropriations stated in the budget may not be changed unless authorized by a vote of two-thirds of the entire membership of the County Board except as provided below:

(1) Authority to transfer between the budget categories specified in section 30-33 is delegated to the Finance Committee.

(2) Authority to transfer within budget categories specified in section 30-33 in amounts in excess of $25,000.00 for an individual purpose is delegated to the Finance Committee.

(3) The County Administrator is authorized to approve transfers at a level subordinate to the adopted budget categories specified in section 30-33 in amounts not to exceed $25,000.00 for an individual purpose.

(4) The Deputy County Administrator—Finance Director is authorized to post budget amendments for items qualifying under section 30-36(a).

(d) Budget amendments presented to the County Board and/or Finance Committee will bear the Deputy County Administrator—Finance Director’s or his/her designee's signature, if the amendment has been reviewed and the Deputy County Administrator—Finance Director is in agreement with the financial presentation of the amendment.
(e) From time to time, amendments may be required to meet proper financial reporting requirements. The Deputy County Administrator—Finance Director, subject to approval of the County Administrator is authorized to administratively amend the budget to meet these requirements. Administrative budget amendments shall be consistent with the authorized budget and shall be in conformance with generally accepted accounting principles for government as promulgated by the Governmental Accounting Standards Board or other authoritative sources.

Sec. 30-36. Budget carry forwards.

Unless approved by the Finance Committee, every appropriation, except an appropriation for an authorized grant program, capital expenditure or a major repair, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for an authorized grant program, capital expenditure or a major repair shall continue in force until the purpose for which it was made has been accomplished or abandoned, as determined by the Deputy County Administrator—Finance Director. An appropriation is considered abandoned if three years pass without any expenditure from, or encumbrance of, the appropriation concerned.

Sec. 30-145. Audit requirements.

The County Board deems that the use of tax levy to fund these organizations should be carefully scrutinized to protect the taxpayer funds. Public service organizations shall adhere to audit requirements to obtain budgeted funds for their organization.

(2) If tax levy received by the public organization is:

a. Equal or greater than $500,000.00 — An independent audit report and opinion is required to be filed with the county within 6 months of the organization's yearend.

b. $200,000.00 to $499,999.00 — An independent auditor operational review of expenditure purchases is required to be filed with the county within 6 months of the organization's fiscal yearend, including a compilation report.

c. $100,000.00 to $199,999.00 — A cash audit review by an independent auditor is required to be filed with the county within 6 months of the organization's fiscal yearend. The organization may submit a written request to the finance committee to utilize alternative county audit procedures as designated by the Deputy County Administrator—Finance Director.

d. $25,000.00 to $100,000.00 — County audit procedures as designated by the Deputy County Administrator—Finance Director.

e. Under $25,000.00 — Subject to county board request.
Sec. 30-149. Financial reporting.

(a) The Deputy County Administrator—Finance Director shall be authorized as follows:

(1) To prepare comprehensive annual financial report of county operations with appropriate combined statements, schedules, notes, and statistics;
(2) To make necessary changes to all financial information provided in a public forum or to external parties;
(3) To require departments to submit financial reports provided to external parties for review prior to submission and has the discretion to make necessary changes.

(b) Each department is responsible under the direction of the Deputy County Administrator—Finance Director:

(1) To provide interim financial statements and reports of financial position;
(2) To provide operating results to facilitate management control of financial operation;
(3) To prepare financial reports as needed.

Sec. 30-150. Cash and receivables.

(a) All monies remitted to the various departments will be deposited in accordance with procedures established by the Deputy County Administrator—Finance Director.

(f) Departments, in conjunction with the Deputy County Administrator—Finance Director or designee, shall determine a standard method to calculate amounts they deem will not be collected based on historical trends, aging reports, knowledge of outstanding balances/clients, and the types of receivables. The allowance for doubtful accounts shall be adjusted by department staff and reviewed by the Deputy County Administrator—Finance Director or designee for reasonableness to ensure that receivables and expected revenues are not overstated.

(h) Discrepancies due to accounting errors or omissions individually or in the aggregate of $2,000.00 annually may be written off with approval from the Deputy County Administrator—Finance Director within budgetary limits. Amounts less than $2,000.00 shall be reported to the Committee for issues including, but not limited to, negligence, fraud or other significant findings. Amounts greater than $2,000.00 shall be brought before the Finance Committee for approval.

Sec. 30-155. Cash.

(b) Petty cash and cash receipts that are not yet deposited with the County Treasurer must be retained in a locked area with limited access.

(3) Petty cash banks shall be authorized and maintained in such amounts as prescribed by the Deputy County Administrator—Finance Director.
Sec. 30-156. Acceptance and use of donations.

(a) Except as provided herein, the following donations shall be accepted only by a resolution of the County Board:

(1) Any cash donation equal to or exceeding $10,000.00.
(2) Any cash donation that is restricted to a particular use or contingent upon some action by the County.
(3) Any non-cash donation in which individual items have a market value greater than $5,000.00 or a maximum collective value of $25,000.00, as determined by the Deputy County Administrator—Finance Director.
(4) Any donation of real property.

(b) A department head may accept donations not specified in paragraph (a). Donated funds must be deposited with the County Treasurer in accordance with procedures established by the Deputy County Administrator—Finance Director.

(g) Notwithstanding any provision herein, in the event the Deputy County Administrator—Finance Director determines that receipt of a non-cash donation will cause an increase in County operating expenses, said non-cash donation may be accepted only upon resolution of the County Board.

Sec. 30-157. Purchase and use of gift cards.

(c) The Deputy County Administrator—Finance Director shall create and maintain procedures and controls for the safeguarding of gift cards.

Sec. 30-173. Special revenue funds.

A substantial portion of revenues is restricted or committed for a specific purpose. The County's special revenue funds are as follows:

(4) A Sheriff restricted programs special revenue fund shall be established to account for the following individual Sheriff related restricted special purpose funds. At the discretion of the Deputy County Administrator—Finance Director, Sheriff programs may be maintained separately in the general ledger, but shall be reported as one fund in the financial statements. All funding resources are restricted Sheriff collections and fees. The following restricted programs shall be included within this fund.

Sec. 30-174. Capital projects fund.

(c) An assigned appropriation for a capital project shall continue in force until the purpose for which it was made has been accomplished or abandoned. Upon project completion, abandonment, or inactivity over a three-year period a County Board resolution shall be
passed to close the project. Any remaining project funds shall be transferred to the appropriate fund, as determined by the Deputy County Administrator—Finance Director pursuant to legal and accounting requirements.

Sec. 30-182. Internal service funds.

Internal service funds shall refer to a proprietary fund type that may be used to report any activity that provides goods or services to other funds or departments of the County, or to other governments, on a cost-reimbursement basis. The following considerations shall be given to internal service funds.

(2) The County Administrator shall, in consultation with the Deputy County Administrator—Finance Director, propose premiums to be applied. Premiums shall be set to cover claims expenses, administrative expenses and any required adjustments to fund reserves. Premiums shall be established by County Board action.

(7) The County has established the following internal service funds:

a. A health insurance internal service fund shall be established for the self-funded health insurance benefits and wellness initiatives.

1. IBNR liability. The incurred but not reported (IBNR) liability shall be recorded per actual actuarial calculation.

2. Minimum net position. The unrestricted net position shall strive to be maintained at a six-month year-end average of health and prescription claims, less any reinsurance reimbursements received. The range shall be calculated based on the prior year claims.

3. Wellness commitment. Funds shall be committed for employee wellness activities and initiatives, which may be earned, donated, or committed by County Board action. Committed funds may be used as recommended by the County's Wellness Council with authorization from the Deputy County Administrator—Finance Director. Amounts not spent shall be carried forward annually as committed funds when other restrictions do not exist. Dissolution or inactivity by the Wellness Council for two years shall release committed funds to the health insurance net position balance.

Sec. 30-183. Post employment benefits fiduciary trust fund.

(a) A post employment benefits fiduciary trust fund shall be established to account for financial resources to be used for the administration of other post employment benefits including health insurance benefits provided or to be provided to retired employees pursuant to ordinance or collective bargaining agreement.
(d) Funds maintained or collected for retiree health benefits pursuant to (a)(1) shall be used to provide said benefit and for administrative costs associated therewith and for no other purposes. Reserves shall be established as follows:

1. Reserve for sworn personnel,
2. Reserve for employer contributions for active members - Lakeland Health Care Center,
3. Reserve for employer contributions for active members - public works fund,
4. Reserves for employer contributions for active members - Children with Disabilities Education Board,
5. Reserve for employer contributions for active members - all other County funds except (1) through (4).

Any remaining funds above the established reserves shall be closed to the appropriate fund, as determined by the Deputy County Administrator – Finance Director pursuant to legal and accounting requirements.

(e) The Deputy County Administrator – Finance Director shall be designated as the fund trustee and oversee all professional services associated with the plans identified under subsection (a), including but not limited to investing, accounting, legal and actuarial services. Staff time to analyze OPEB data, complete OPEB investment entries/withdrawals, and the related financial statement preparation and reporting for OPEB are also considered allowable administrative expenses. These fees shall be funded through the postemployment benefits fiduciary trust fund.

Sec. 30-224. Delegation of authority.

(a) Pursuant to Wis. Stats. §§ 59.62 and 59.61(3), the county board delegates the responsibility for investment of county funds to the finance committee. The finance committee shall further delegate to the county administrator responsibility and authority for investment of county funds subject to this ordinance. The Deputy County Administrator – Finance Director shall be the investment officer. The investment officer shall oversee investment transactions conducted on behalf of the county. Transactions shall be completed utilizing a competitive process, as outlined in the investment procedures. The investment officer may contract with one or more investment advisors with prior approval of the finance committee and with sufficient funds available within the county budget.

Sec. 30-227. Internal controls.

(a) The Deputy County Administrator – Finance Director shall establish a system of internal controls which shall be reviewed by the county’s independent auditor during the annual audit. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation by another party or imprudent actions by an employee or employees of the county. Adherence to these procedures will be monitored by the Deputy County Administrator – Finance Director or designee.
(b) Authorization to purchase/sell. In order to obtain the best possible market terms, the investment officer is authorized to conduct investment transactions as allowed by this ordinance and in accordance with all county policies and procedures. All investment purchases or sale transactions must be in writing and authorized as specified in the administrative procedure. Written documentation of the purchase or sale shall be kept on file with the comptroller.

Sec. 30-262. Surplus property.

(6) In the case of damaged movable property, insured by the County's property insurance carrier where anticipated insurance proceeds will permit replacement of the property (excluding any deductible), by the Deputy County Administrator—Finance Director pursuant to (d)(5) and paragraph (i).

(f) Surplus property may be donated to another government agency or nonprofit organization upon a finding by the appropriate authority specified in paragraph (c) that such donation will serve a public purpose and that all governmental agencies located within Walworth County be given an equal opportunity to obtain the designated surplus.

(1) Notwithstanding subparagraph (c)(3), donations of movable property, the estimated value of which is greater than $200.00 but less than $20,000.00, shall require action of the Finance Committee, unless said personal property consists of excess inventory in which case, the donation shall be governed by (f)(2). Donations of moveable property with an estimated value less than $200.00 shall be donated as defined by administrative procedure.

(2) Donations valued at less than $200.00 shall be approved by the department head and the Deputy County Administrator—Finance Director prior to disposition.

Sec. 30-265. Safeguarding of property.

Property and other assets will be insured against loss and properly maintained to keep the property in good condition. Departments and officers will safeguard all property to prevent loss, damage, or theft and report and update an inventory of all County-owned property to the Deputy County Administrator—Finance Director. Any loss, damage, or theft shall be investigated by the department.

Sec. 30-410. Policy.

It is the policy of the County to pay employees by check or direct deposit on a regular basis and in a manner consistent with applicable laws or regulations, accounting standards, and collective bargaining agreements.

(1) The County requires that all employees shall be paid by the direct deposit payment method.
(2) Each employee required or electing to use the direct deposit method must have a signed direct deposit authorization on file.

(3) The Deputy County Administrator—Finance Director shall have the authority to authorize the maximum number of direct deposit accounts to which employees may elect to have the County send payroll funds.

**Sec. 30-413. Distribution of paychecks.**

(a) A paycheck will either be a live check or a paycheck advice, as received by those on direct deposit. The live check shall only be distributed on or after the date printed on the paycheck to the employee or the employee's authorized representative. The designation of an authorized representative shall be in writing and kept on file with the person authorized to distribute paychecks. The authorization shall be retained for one year after the employee leaves County employment.

The method of distribution of a paycheck advice shall be via a secure e-mail on or before the date printed on the advice to the employee. The County requires that all employees receive their direct deposit notice via secure e-mail, with the exception of any official elected prior to November 1, 2009. Under adverse circumstances, the Deputy County Administrator—Finance Director may temporarily authorize delivery of payroll advices by another means as long as delivery to the employee is by the date printed on the payroll advice. The e-mail designation shall be identified on a form provided by finance-benefits and this form shall be kept in the employee's payroll/benefits file. It is the employee's responsibility to notify the Finance-Benefits Department of changes to their e-mail address.

**PART II: That Section 62-103(b) of the Walworth County Code of Ordinances is hereby amended to read as follows:**

“(b) The County Board Chairperson shall be the County's representative on any Joint Review Board. By a letter on file in the office of the County Clerk, the County Board Chairperson has designated the County's Comptroller—Finance Director to serve as the County's representative. Due to the numerous and short notice of scheduled meetings, the County Board Chairperson has designated that the Comptroller or a Finance Department Manager may serve as the County's representative when the Comptroller—Finance Director is unavailable and that person shall have knowledge of TID laws and local government finance.”
PART III: That this ordinance shall become effective July 2, 2019.

PASSED and ADOPTED by the Walworth County Board of Supervisors this 11th day of June, 2019.

________________________________  ___________________________________
Nancy Russell      Kimberly S. Bushey
County Board Chair  Attest:  County Clerk

County Board Meeting Date: June 11, 2019

Action Required: Majority Vote X Two-thirds Vote ______ Other_____

Policy and Fiscal Note is attached.
Reviewed and approved pursuant to Section 2-91 of the Walworth County Code of Ordinances:

___________________________________   __________________________________
David A. Bretl   Date   Nicole Andersen   Date
County Administrator/Corporation Counsel   Deputy County Administrator - Finance

If unsigned, exceptions shall be so noted by the County Administrator.
Ordinance No. ** - 06/19
Fiscal Note and Policy Impact Statement

I. **Title:** Amending Chapter 30 of the Walworth County Code of Ordinances to Update the Title of Deputy County Administrator-Finance to Reflect the Title Change to Finance Director and Amending Section 62-103(b) to Designate the Finance Director as the County’s Representative on Any Joint Review Board

II. **Purpose and Policy Impact Statement:** This ordinance updates references to the title of Deputy County Administrator-Finance throughout Chapter 30 to reflect the title change to Finance Director. Pursuant to Resolution 71-02/19, Jessica Conley has been confirmed to serve in the position of Finance Director effective July 2, 2019 upon the retirement of Nicki Andersen.

Ms. Conley, as the Finance Director, will continue to serve as the County’s representative on Tax Incremental District (TID) joint review boards.

III. **Is this a budgeted item and what is its fiscal impact:** This ordinance reflects a title change only. There is no fiscal impact to the County.

IV. **Referred to the following standing committee(s) for consideration and date of referral:**

Committee: Finance 
Date: May 23, 2019

Vote:

County Board Meeting Date: June 11, 2019

Policy and fiscal note has been reviewed and approved as an accurate statement of the probable policy and fiscal impacts associated with passage of the attached ordinance.

David A. Bretl __________________ Date __________________ Nicole Andersen __________________ Date ________________
County Administrator/Corporation Counsel Deputy County Administrator - Finance

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Memorandum

TO: Walworth County Finance Committee

FROM: Nicki Andersen, Deputy County Administrator-Finance

DATE: May 21, 2019

SUBJECT: Resolution **-06/19 Appropriating the Sum of $50,000 to Walworth County Housing Authority for Subsidized Apartments and Office Space

Attached is a letter from Sarah Boss, Executive Director of the Walworth County Housing Authority, regarding their request for funding. The letter was received from Ms. Boss subsequent to publication of the May Finance Committee agenda.

Ms. Boss and Tom Hartz from the WCHA Board of Commissioners will attend your meeting on May 23rd to answer questions. County staff will also be present for the discussion.

NA/kw

Attachment

c: Dave Bretl, County Administrator
Jessica Conley, Comptroller
May 17, 2019

Nicki Anderson
Walworth County Finance Department
P O Box 1001
Elkhorn, WI 53121

Dear Ms. Anderson:

On behalf of the Walworth County Housing Authority (WCHA) Board of Commissioners, I am writing this letter as a follow up to our May 1, 2019 meeting regarding a financial request by the Walworth County Housing Authority for appropriations to develop affordable housing units in the City of Lake Geneva and create new office space for the agency. During that meeting we discussed the amount of the financial request. We agreed that I would further discuss the financial request with the WCHA Board and notify you of the Board’s final request.

On May 16, 2019, the WCHA Board met and voted to approve the financial appropriation request be $90,000.00. The following is an explanation for the basis of the requested amount:

- The requested amount represents money that will be designated to invest in the development of affordable housing rental units in the City of Lake Geneva. In our previous conversation we had discussed $40,000.00 as the amount of investment towards this project.
- The requested amount also represents money that will be designated towards new, permanent office space for the Walworth County Housing Authority. This office space will be located at the new housing development in the City of Lake Geneva. The amount of $50,000.00 will be designated to cover expenses associated with developing and running the offices, such as monthly lease costs, utilities, maintenance and housekeeping. The WCHA Board considered costs that would be incurred over the next five years to maintain the new space.

The Walworth County Housing Authority Board and staff appreciate your consideration and support of this opportunity to expand much needed affordable housing opportunities for deserving families in our county. It will also give WCHA a permanent space to ensure all of our programs can run efficiently and with the most success.
We look forward to continuing the conversation regarding our request. Tom Hartz, WCHA Board Commissioner, and myself will be present at the Walworth County Finance Committee Meeting on May 23, 2019. If there is any additional information that we should be prepared to present, please let me know.

Sincerely,

Sarah Boss
Executive Director

Cc: FILE
Tom Hartz, WCHA Board of Commissioners