

**Walworth County Board of Supervisors**  
**Thursday, May 23, 2019 Finance Committee Meeting Minutes**  
**Walworth County Government Center, County Board Room 114**  
**100 W. Walworth Street, Elkhorn, Wisconsin**

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Chair Nancy Russell called the meeting to order at 9:30 a.m.

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

**Others in Attendance**

County staff: County Administrator David Bretl; Deputy County Administrator-Finance Nicki Andersen; Comptroller Jessica Conley; County Treasurer Valerie Etzel; Director-Public Works Richard Hough; Director of Health and Human Services (HHS) Elizabeth Aldred; Sheriff's Office Captain of Patrol Dave Gerber; Senior Accountant Todd Paprocki; Human Resources Director Kate Bishop; Benefits Manager Lisa Henke

Members of the public: Sarah Boss, Executive Director-Walworth County Housing Authority (WCHA); Tom Hartz, WCHA Board of Commissioners; Dean Boes, Executive Director-Wisconsin Municipal Mutual Insurance Company (WMMIC); Kathleen Walters, Senior Management Consultant-PFM Asset Management, LLC

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

**Supervisor Norem made a motion, seconded by Vice Chair Grant, to approve the April 25, 2019 meeting minutes. Motion carried by voice vote.**

**Public Comment** – There was none.

**Unfinished Business** – There was none.

**Consent Items**

**Chair Russell asked that Consent Item 8.B.2 be removed from consideration per staff request; and requested to consider Items 8.B.1 and 8.D.1 separately. Supervisor Kilkenny made a motion, seconded by Supervisor Ingersoll, to approve the remainder of the consent items. Motion carried 5-0.**

**8A, 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
  - b) HS008 – Adjust Aging and Disability Resource Center (ADRC) budget to reflect increased revenue and estimated claim activity
- 2) Sheriff's Office
  - a) SH002 – Reflect award of the Speed Enforcement grant

**8B, Bids/Contracts**

- 1) Countywide employee assistance program  
Chair Russell asked Benefits Manager Lisa Henke how many employees and their families utilize the Employee Assistance Program (EAP). Over the previous 12-month period, Henke said there was 22%

utilization. A meeting is scheduled with County department heads in June to provide information on training available from the EAP. Employees are given information on resources available to them at orientation and posters are routinely posted throughout county buildings, as well as email notification on new programs. County Administrator David Bretl said the EAP offers a wide range of services to employees, including alcohol and substance abuse programs. **Supervisor Ingersoll made a motion, seconded by Supervisor Norem, to approve the EAP program contract award to CuraLinc Healthcare. Motion carried 5-0.**

- 2) Countywide Section 125 flexible spending and health savings account services  
This item was removed from consideration by request of Human Resources staff.

### **8C, Waivers of bid/sole source procurement**

- 1) HFRS 2 Emulsion Oil – Transport and Application for Public Works department

### **8D, Reports**

- 1) Update on tax incremental financing districts (TIDs)  
Comptroller Jessica Conley said joint review board annual meetings have been set for July 23, beginning at 1:00 p.m. at Delavan City Hall. The Villages of Fontana, Darien and Sharon, and Cities of Delavan and Elkhorn are participating. Conley is working with East Troy to set up a meeting and would like to hold one more group joint meeting. The City of Whitewater holds its own meeting because they work with other counties and school districts. The Village of Walworth informed her they have not held an annual meeting because the County does not have a standing joint review board with them; however, if they amend their TID, a joint review board meeting is mandatory. Conley reported the municipalities have improved in providing the TID information requested by the County. **Supervisor Kilkenny made a motion, seconded by Vice Chair Grant, to accept the report. Motion carried 5-0.**
- 2) Out-of-state Travel
  - a) Finance
    - 1) Linda Gregurich, Kronos Timekeeping Huddle Conference, Indianapolis, IN

### **New Business**

- 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

**Supervisor Kilkenny made a motion, seconded by Supervisor Ingersoll, to approve adding the SAMHSA Family Drug Treatment Court grant to the previously established pre-approved recurring grants list. Motion carried 5-0.**

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

County Administrator David Bretl referred to his memo in the agenda packet and the May 17, 2019 letter from Sarah Boss, Executive Director of the Walworth County Housing Authority (WCHA), which was distributed prior to the meeting. The County has provided funding to eight organizations over the years through the Community Initiatives portion of the County budget. Annual appropriations to these organizations continued to grow while the County's levy cap remained the same. He has encouraged those outside entities to consider options for larger one-time capital expenditures that will eliminate the need for ongoing annual County funding. An example of this was last year's loan to the Walworth County Agricultural Society to build a roof over the outdoor horse arena at the fairgrounds and forgive half of that debt over a five year period. In exchange for the loan, annual payments to them will end.

The Housing Authority recently requested \$50,000 to develop office space, which will allow them to avoid paying rent in the future. He spoke with Sarah Boss, Executive Director-Walworth County Housing Authority (WCHA) and Tom Hartz, WCHA Board of Commissioners and suggested they look at constructing their own offices. The revenue would allow them to have independent income sources without having to rely on county funds. Bretl recommended approval of the \$50,000 appropriation with the understanding that the County would no longer make an annual contribution to the Housing Authority. The letter from Sarah Boss presents the request from the WCHA Board of Commissioners for an additional \$40,000 from the County to develop affordable housing units in the City of Lake Geneva. Bretl said he does not support the additional appropriation. **Supervisor Norem made a motion, seconded by Supervisor Kilkenny, to approve the \$50,000 appropriation to the WCHA.** Sarah Boss said the Housing Authority is proactively looking to become self-sufficient. Their programs are federally funded, and given the unpredictability in the current administration, their Board wants to develop the agency to be sustainable without relying solely on appropriations from those entities. Tom Hartz said the Board's decision to ask for an additional \$40,000 was for funding to cover potential rent expense. The \$50,000 will allow the Housing Authority flexibility and cover rental expenses during the construction period. The project is scheduled to commence next summer. Discussion ensued. The Committee asked for amendments to the agreement to include specificity regarding the timeframe of the project and to ensure the \$50,000 will be used for the intended purpose. Bretl will work with the Housing Authority to develop milestones for the project; and there may be a special Finance Committee meeting prior to the June 11<sup>th</sup> County Board meeting to review/approve the resolution. **Supervisors Norem and Kilkenny amended their original motion to recommend approval of the \$50,000 appropriation with the inclusions of the amendments discussed herein. Motion carried 5-0.**

- Wisconsin Municipal Mutual Insurance Company (WMMIC) Update  
Deputy County Administrator-Finance Nicki Andersen introduced Dean Boes, Executive Director-Wisconsin Municipal Mutual Insurance Company (WMMIC). Boes gave an overview of the material included in the agenda packet. WMMIC was formed in 1988, only for counties and cities. Walworth County has been a member for nine years. Their corporate headquarters is in Madison and 10 full-time employees work in the office. WMMIC holds four board meetings a year, at various locations throughout the State. Member participation is encouraged. WMMIC's primary objectives are to provide a stable, reliable source of liability insurance for its members; to promote growth and safety of WMMIC assets; and to provide annual dividend distributions to members. WMMIC provides all liability type insurance coverage. Boes explained their liability claims administration philosophy, and the top 10 exposures to municipalities. He said less than 2% of claims actually go to trial, and 45% of claims are settled during the adjustment process. Supervisor Kilkenny asked if WMMIC provides training to law enforcement on excessive force. Boes replied they work with an outside contractor, who performs audits of jails to ensure they meet federal regulations and meets with command staff to make recommendations. Boes gave a financial overview as of December 31, 2018. He said WMMIC's surplus is in the top 10% of A.M. best rated companies. He gave the dividend, premiums, investment and equity information on the County's investment, and showed the chart displaying premiums and dividends since 2008. For every claim, Walworth County is responsible for the first \$200,000. The most the County would have to pay is capped at \$650,000 per year; then WMMIC takes over. Bretl said when WMMIC was formed, members were recruited based on good risk management policy and claims history; he asked if that is still the case. Boes said prospective members are proposed, WMMIC reviews their financials to determine if they would be fiscally responsible and a good fit with the existing group. Chair Russell thanked Mr. Boes for his informative presentation.

- Other Post Employment Benefits (OPEB) investment strategy  
Andersen said staff reviewed different options for investment and met with staff at PFM. She introduced Kathleen Walters, Senior Management Consultant at PFM Asset Management, LLC. Andersen reported as of December 31, 2018, the current estimated OPEB liability was \$13.9 million. Based upon the most recent actuarial study, the liability is projected to last for approximately 30 years. The 50/50 ratio of equity to fixed income investments has worked well for the County. Staff and PFM recommend continuing with the same strategy. If the Committee has strong concerns about this ratio, consideration could be given to a 40/60 ratio. Walters confirmed that nothing has been deposited since 2013. Walters said that if a downturn in the market occurs, the County has many years for the fund to recover and continue to grow. The OPEB investment strategy has proven successful, even during the market crisis in 2008. Walters asked PFM's trading desk to optimize a portfolio that would fund the County's liabilities. The purchase cost of that portfolio would be \$30,191,222.79, which is approximately \$6.5 million more than the Trust holds as of December 31, 2018. Selling the portfolio today would be locking into an underfunded status for the Trust. If the Committee wished to adjust its equity and fixed income ratio to 30% equity/70% fixed income, the county would still have an 80% probability of earning the long-term discount rate over the life of the liability. Walters stated the County's target rate of return is 5.5%, and there is some cushion if that rate isn't achieved every year. **Supervisor Ingersoll made a motion, seconded by Supervisor Norem to accept the investment strategy recommendations made by staff and the County's consultant. Motion carried 5-0.**

- 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

Supervisor Ingersoll asked who would take over if the County Administrator should become incapacitated. Bretl said the County Board Chair is authorized to act in that role for 10 days, after that period, recruitment for a new Administrator would begin. **Vice Chair Grant made a motion to recommend the approval of the ordinance. Motion carried 5-0.** Bretl said the ordinance would be effective July 2, 2019, if approved by the Board. He added that other ordinances may have to be revised to reflect the position title change.

**Confirmation of next meeting:** Thursday, June 20, 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 Kilkenny, Chair Russell adjourned the meeting at 10:41 a.m.**