

Walworth County Board of Supervisors
Thursday, June 20, 2019 Finance Committee Meeting Minutes
Walworth County Government Center, County Board Room 114
100 W. Walworth Street, Elkhorn, Wisconsin

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

Roll call was conducted. All 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; Sheriff's Office Captain of Communications Jamie Green; Lakeland Health Care Center (LHCC) Administrator Timothy Peek; Director of Health and Human Services (HHS) Elizabeth Aldred; Comptroller Todd Paprocki
Members of the public: Carla Gogin, CPA, Partner-Baker Tilly Virchow Krause LLP; Jason Stringer, PACE WI

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

Supervisor Ingersoll made a motion, seconded by Vice Chair Grant, to approve the June 11, 2019 special meeting minutes. Motion carried by voice vote.

Public Comment – There was none.

Unfinished Business – There was none.

Consent Items

Chair Russell asked that Consent Items 8. B 1) and 3) be considered separately. **Vice Chair Grant made a motion, seconded by Supervisor Norem, to approve the remainder of the consent items. Motion carried 5-0.**

8A, Budget Amendments

- 1) Health and Human Services
 - a) HS009 – Establish budget for new Family Drug Court grant
- 2) Lakeland Health Care Center
 - a) LH004 – Reflect anticipated shortfall in Medicare revenues
 - b) LH005 – Increase agency nursing services and Assistant Director of Nursing contract buyout
 - c) LH006 – Increase budget for Electronic Health Record (EHR) system replacement
- 3) Sheriff's Office
 - a) SH003 – Increase budget for Communications Center radio system workflow study

Capt. Jamie Green clarified that the Communications Center radio system and workflow study are two separate projects. Item 8B 3) concerns the workflow study in the County 911 dispatch center.

8B, Bids/Contracts

- 1) Vended meal service for Lakeland Children with Disabilities Education Board
Chair Russell asked if School staff is comfortable with the selected vendor. County Administrator David Bretl said that the School has had a working relationship with Hoffman House in the past.

Supervisor Ingersoll made a motion, seconded by Supervisor Norem, to approve the contract award to Smigo Management Group Inc. DBA Hoffman House Catering. Motion carried 5-0.

- 2) Electronic Health Record (EHR) system replacement for Lakeland Health Care Center
By consent items above, the contract was awarded to PointClickCare Technologies, INC.
- 3) Communications Center radio system workflow study for Sheriff's Office
This contract is for the internal workflow study in the Sheriff's Office 911 center. Staffing, operations and communication processing will be evaluated. The recommended vendor was the lowest bidder.
Supervisor Norem made a motion, seconded by Vice Chair Grant, to approve staff recommendation to award the contract to PSAP Concept & Solutions, LLC. Motion carried 5-0.

8C, Declaration of Surplus

- 1) Public Works request to reverse declaration of surplus for Truck 021 and recommendation to declare Truck 611 as surplus to be sold at auction

8D, Reports

- 1) Quarterly investment report – 1st quarter 2019
- 2) Quarterly sales tax report – 1st quarter 2019
- 3) Update on tax incremental financing districts (TIDs)
- 4) Out-of-state Travel
 - a) Finance
 - 1) Jessica Conley and Todd Paprocki, Government Finance Officers Association Annual Conference, Los Angeles, CA

New Business

- Presentation by Baker Tilly Virchow Krause, LLP related to financial audit for fiscal year ended December 31, 2018

Carla Gogin, CPA, Partner-Baker Tilly Virchow Krause LLP, thanked the Finance Department and other County departments for their preparedness and professionalism, and acknowledged the efforts and assistance from Deputy County Administrator-Finance Nicki Andersen and her team. Documents provided to the Committee prior to the meeting included in Comprehensive Annual Financial Report (CAFR), and the management issues letter to county staff with potential areas of improvement. The single audit of County grant programs will be completed by August. Gogin reviewed the management issues letter issued by Baker Tilly. One notable change was the transfer of the facility/building maintenance services from the Highway Fund to the General Fund. No material weaknesses or deficiencies were identified, and information provided by the County was accurate. There were two potential adjustments noted in the Clerk of Courts and Treasurer's Department which were not material. The County had the option to make the adjustments or pass on them, and management staff elected to pass. Gogin noted the Finance Department will be taking over the Clerk of Courts accounting during 2019. She added although the financial report does not address the role of the County Board, they are responsible for holding management accountable, asking questions and ensuring that operations are running smoothly. She commended them for their proactive attention to the County's financial condition.

The Statement of Net Position shows the entire balances of funds supported by tax dollars, the General Fund and investments. The fact that the County has no debt and has been upgraded to an AAA bond rating is a significant accomplishment. Only five counties in Wisconsin have achieved the AAA rating. The financial condition of the County is extremely strong, with a \$151 million investment in capital assets

and a total net position of \$303 million. The County's General Fund unassigned fund balances total \$55 million. Andersen said it has been a pleasure working with Gogin and Baker Tilly over the years. Their staff is well prepared and help to make the audit process easy. This is the last year of their contract with the County, and Requests for Proposals (RFPs) will be issued this fall.

Ordinance **-07/19 Amending Section 30-156 of the Walworth County Code of Ordinances Relating to the Acceptance and Use of Health and Human Services Donations

Bretl said the Health and Human Services Board recommended approval of the ordinance at its meeting on June 19th. **Supervisor Ingersoll made a motion, seconded by Supervisor Norem, to recommend approval of the ordinance relating to the acceptance and use of Health and Human Services donations.** Chair Russell asked that under section 30-156, paragraph d, concerning "customary and usual donations less than \$10,000" be changed to read "customary and usual **individual** donations less than \$10,000." **Supervisor Norem moved to amend his motion to include Chair Russell's recommended change. Supervisor Ingersoll seconded the motion and it carried 5-0.**

Correspondence

- Correspondence from John and Michele Saridan regarding Property Assessed Clean Energy Ordinance (PACE)

Bretl said Chair Russell and others received the email in the packet from John and Michele Saridan requesting the County consider making Property Assessed Clean Energy (PACE) financing available to Walworth County citizens making energy improvements to produce savings. A recent press release from the Department of Natural Resources generated interest in the subject. Bretl received correspondence from Jason Stringer, Director of Clean Energy Finance-Slipstream EFS, and Troy Hoekstra, WWHP LLC, who is looking to finance qualified improvements in their motel development project in Whitewater. Included in the agenda packet is an excerpt from the May 21, 2015 Finance Committee meeting minutes, at which Derek D'Auria, Director of Walworth County Economic Development Authority (WCEDA), proposed that the County consider adopting a policy for PACE financing, stating WCEDA would administer the program. Bretl said the PACE program uses the county's taxation collection system for private lending to different projects or developments that are implementing energy savings initiatives. A bank would make the loan to the developer, and it would be collectible through special assessments. Ostensibly, the energy savings generated by the improvements would pay for the assessments. Jason Stringer of Slipstream EFS, who is the Program Administrator for PACE Wisconsin, explained the advantage to PACE is that it is a no recourse loan. Developers would go to their bank and sign off on the PACE funding, and guarantees are required from the developers. If Walworth County decided to join the PACE Commission, an ordinance would have to be adopted and the County would exercise veto power over individual applications. Supervisor Norem asked how taxes would be collected if an individual did not pay after receiving the loan. Bretl said the bank would step in to make the taxes current before foreclosure, and then the County would begin the process to sell the property and hopefully recoup back taxes and special assessments. Jason Stringer said Slipstream has been the Program Administrator for PACE WI since 2014. The PACE Commission is governed by a board of directors, comprised of an elected official from every member county. He stated the Commission has approved financing in excess of \$20 million in 11 counties. PACE financing is secured by a special charge; the member county enforces collection of the special assessment and is not obligated to fund or guarantee the loans. Stringer said PACE loans are for commercial properties, and new or existing properties are eligible for the funding to implement energy savings initiatives such as HVAC, windows, roofs, etc. The prospective savings generated from the projects are used to justify the financing. Supervisor Kilkenny asked about the advantage of a PACE loan vs. a loan from the bank. Stringer replied the bank would still be in a position

of control; all lenders need to approve the PACE financing. For banks to be eligible to use PACE financing, existing debtors and mortgagors evaluate the financing and review the viability of the loan. The PACE Commission has established guidelines to be followed. Bretl said he believes the difference from the 2015 proposal from WCEDA is that the County would not have to settle on the special assessments; in case of a default, the County would not have to make the bank whole. County Treasurer Val Etzel asked who would be responsible for putting the special assessment on the tax bill; typically municipalities are in charge of special assessments. Stringer said PACE invoices and collects the assessments independent of the tax bills and the bank collects the money. If, however, there is a delinquency, then the County would be responsible for enforcement. He stated he had not had an opportunity to send information concerning the ordinance and financing agreement for the PACE subsidies before the meeting. He feels the Committee would be better able to understand the program if they had more documentation. Discussion ensued, and Bretl said he feels the Committee hit the salient points of the program. Questions remain as to what the County's workload would be regarding the PACE agreement, what our role would be when the loan is delinquent, and why the first mortgage lender would subordinate their debt to PACE. **Supervisor Kilkenny made a motion, seconded by Vice Chair Grant, to place the correspondence on file.** Supervisor Ingersoll stated she feels the item should be tabled until more information is provided. **Chair Russell called for the vote and the motion carried 4-1, with Supervisor Ingersoll opposed.**

Confirmation of next meeting: Thursday, July 18, 2019 at 9:30 a.m., County Board Room 114 at the Walworth County Government Center.

Bretl said today is Andersen's last Finance Committee meeting, and he feels it is fitting that the audit presentation was given at this meeting as a testimony to her role in achieving the County's strong financial position and AAA bond rating. He added that Andersen's legacy is that everyone needs to be diligent and proactive. Some decisions were difficult for Andersen, but the County's best interest was always her first priority. Chair Russell said she has served on the Finance Committee since 2002. Andersen has always strengthened the department and prepared her employees for success without micromanaging. She thanked her for making the Board's duties easier, and is confident the transition of her duties will go smoothly. Anderson said it has been her pleasure to serve the County for 35 years, and thanked the committee for their leadership and proactive support. She said she could not have accomplished what she did without support from Bretl and the County Board. Andersen ended by stating her confidence in Jessica Conley and her team to do a great job going forward.

Adjournment

On motion and second by Supervisor Norem and Vice Chair Grant, Chair Russell adjourned the meeting at 11:00 a.m.