

## MINUTES

### SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

#### ADMINISTRATIVE COMMITTEE

Thursday, May 18, 2017

1:30 p.m.

SEWRPC Office Building  
Commissioners' Conference Room  
W239 N1812 Rockwood Drive  
Waukesha, Wisconsin 53187

Present:

Excused:

#### Committee Members:

James T. Dwyer, Chairman  
Nancy Russell, Vice-Chair  
Charles L. Colman  
Michael A. Crowley  
William R. Drew  
Robert W. Pitts  
David L. Stroik  
Gustav W. Wirth, Jr.

Thomas H. Buestrin  
Mike Dawson  
Aloysius Nelson  
Daniel S. Schmidt

#### Staff:

Michael G. Hahn	Executive Director
Kevin J. Muhs	Deputy Director
Elizabeth A. Larsen	Assistant Director - Administration

#### ROLL CALL

Chairman Dwyer called the meeting to order at 1:30 p.m. Roll call was taken and a quorum was declared present. Mr. Hahn noted for the record that Messer's Buestrin, Dawson, Nelson, and Schmidt had asked to be excused.

#### APPROVAL OF MINUTES OF APRIL 20, 2017, MEETING

Chairman Dwyer asked if there were any changes or additions to the April 20, 2017, meeting minutes.

On a motion by Mr. Drew, seconded by Mr. Stroik, and carried unanimously, the minutes of the Administrative Committee meeting held on April 20, 2017, were approved as published.

## **PRESENTATION OF 2016 COMMISSION AUDIT REPORT**

Mr. Colman welcomed Mr. Jacob Lenell, CPA, and Mr. Jordan Boehm, CPA, both of the firm CliftonLarsonAllen (CLA), to present the Draft 2016 Commission Audit Report to the Committee. Mr. Lenell distributed a summary document of the Commission's 2016 Audit and then presented the findings.

Mr. Lenell noted there were no audit entries or past adjustments made and all year-end balances are appropriately stated. Based upon these findings, a clean audit opinion will be issued.

Mr. Lenell further stated that due to the Wisconsin Retirement System (WRS) pension accounting requirements, a net loss is recorded.

In response to an inquiry by Mr. Wirth, Mr. Lenell stated that the WRS pension liability is not due to a lack of correctly paying into the WRS. The correct pension amount is paid to the WRS on an annual basis. Mr. Wirth then asked if the pension accounting requirements mandate that a contingent liability be recorded. Mr. Lenell indicated this was the case and noted the Commission needed to record its proportional share of the WRS total net pension liability.

In response to an inquiry by Mr. Colman concerning page 6 of the audit report, Mr. Lenell explained that the decrease in receivables indicate that a larger amount of receivables were recorded in January 2017 than in January 2016. This is due to a timing issue on the collection of receivables.

In response to an inquiry by Chairman Dwyer, Mr. Lenell stated that there are three levels of accounting deficiencies: Material Weakness, the highest level of accounting deficiency which occurs where there is a deficiency in internal control over financial reporting; Significant Deficiency, the second level of accounting deficiency which occurs where internal controls adversely affect the entity's financial reporting and is less severe than Material Weakness; and Control Deficiency, where best practice items are advised. Mr. Lenell further explained that the findings noted in Calendar Year 2015 had been resolved and there are no new findings for Calendar Year 2016.

Ms. Russell thanked CliftonLarsonAllen for their work and quick turn-around of the 2016 Audit. She also thanked Ms. Larsen for the work she did to get the audit done in a timely manner.

On a motion by Mr. Crowley, seconded by Mr. Stroik, with a compliment to Mr. Hahn and Ms. Larsen, the 2016 Audit was accepted and placed on file.

## **APPROVAL OF DISBURSEMENTS**

### **2017 Reporting Period No. 8**

Mr. Hahn distributed copies of the Check Register for the 8<sup>th</sup> financial reporting period of April 3, 2017, to April 16, 2017.

In response to an inquiry by Ms. Russell concerning payment on page 1 to DLT Solutions, LLC, Ms. Larsen stated this was annual payment for the renewal of the AutoCAD software license.

In response to an inquiry by Ms. Russell concerning payment on page 2 to The Water Council, Ms. Larsen stated this was payment for the monthly rent of the Commission's satellite office space located at the Water Center. Ms. Larsen further stated that as of January 1<sup>st</sup>, the rent increased \$60 a month to \$2,060, but will stay at this rate for two years.

In response to an inquiry by Mr. Drew concerning the payments to Minnesota Life Insurance Company (MLIC) and The Hartford, Ms. Larsen stated that the MLIC payment is for term life insurance, an employee benefit that is offered to staff. The Hartford payment is for the disability benefit that is available to staff.

There being no further questions or comments, on a motion by Mr. Drew, seconded by Mr. Crowley, and carried unanimously, the Commission disbursements for the 8<sup>th</sup> reporting period of 2017 were approved.

Chairman Dwyer, Mr. Drew, and Mr. Hahn then affixed their signatures to the Check Register for the 8<sup>th</sup> reporting period of 2017 (copy attached to Official Minutes).

### **2017 Reporting Period No. 9**

Mr. Hahn distributed copies of the Check Register for the 5<sup>th</sup> financial reporting period of April 17, 2017, to April 30, 2017.

In response to an inquiry by Ms. Russell concerning payment on page 1 to Acco Brands USA, Inc., Ms. Larsen stated that a new comb binding punch was purchased to replace the prior punch which had become obsolete.

In response to an inquiry by Ms. Russell concerning various amounts on the payment made to CardMember Service, the Commission's credit card bill, Ms. Larsen stated this payment included the purchase of two tablets to be used by the wetland delineation and lake management staff, Adobe software license renewals, a wetland delineation training course for a staff member, and registration for Commissioners to attend the Clean Rivers, Clean Lake Conference. Ms. Larsen further noted that the credit card bill consists of purchases that are made on-line or when payment by check is not an option.

In response to an inquiry by Ms. Russell concerning payment to Otis Elevator, Ms. Larsen stated that this was the annual service contract for the two elevators located in the Commission office building.

There being no further questions or comments, on a motion by Ms. Russell, seconded by Mr. Drew, and carried unanimously, the Commission disbursements for the 9<sup>th</sup> reporting period of 2017 were approved.

Chairman Dwyer, Mr. Drew, and Mr. Hahn then affixed their signatures to the Check Register for the 9<sup>th</sup> reporting period of 2017 (copy attached to Official Minutes).

### **REVIEW OF STATEMENT OF REVENUES AND EXPENDITURES FOR PERIOD ENDING APRIL 30, 2017**

Copies of the Statement of Projected Revenues and Expenditures for reporting period 9 ending on April 30, 2017, were distributed for Committee review. Chairman Dwyer asked Ms. Larsen to review with the Committee the financial status of the Commission accounts as of the end of that period.

In reviewing the Statement with the Committee, Ms. Larsen commented that the period covered represented just over 30 percent of the calendar year. She then called attention to the following items:

1. The Federal and State revenue entries on the Statement remain unchanged from the report presented at the April meeting.
2. The service agreement revenues have been adjusted to reflect a revised schedule resulting in a decrease of \$381,863 in the Continuing Program Area, and an increase of \$14,292 in the Special

Projects Program Area. Decreases occurred in the Land Use Planning Program, the Water Quality Planning Program, the Floodland Management Planning Program, and the Economic Development Planning Program. Service Agreement revenues increased in the Transportation Planning Program due to the addition of SEWRPC Program Development funds and grant revenue attendant to the Regional Chloride Study. Service Agreement revenues also increased in the Community Assistance Planning Program due to the addition of Milwaukee County revenue for the conduct of a research study and the Datum Conversion Project due to the addition of USGS revenue for LiDAR acquisition.

3. The projection of expenditures through the end of the year compared with the budgeted revenues, indicates a surplus of \$239,000. The surplus is expected to decline throughout the year with the payment of items such as the payment to the City of Pewaukee for the payment in lieu of taxes, business insurance and audit, replacement equipment, and automobile replacement.
4. The liability, operating, and reserve accounts reported on the Statement reflect the findings of the 2015 financial audit. These accounts will be adjusted upon completion of the audit for 2016.
5. The Commission had on hand as of April 30, 2017, approximately \$6.28 million. This includes about \$239,590 of unearned revenue provided to the Commission in advance of expenditures. The funds on hand are invested in the State of Wisconsin Local Government Investment Pool, which is presently paying 0.65 percent interest, and various money market accounts.

There being no further inquiries or discussion, on a motion by Ms. Russell, seconded by Mr. Drew, and carried unanimously, the Statement of Projected Revenues and Expenditures for the period ending April 30, 2017, was accepted to be placed on file (copy attached to Official Minutes).

### **CONSIDERATION OF BUDGET ASSUMPTIONS FOR 2018**

Chairman Dwyer asked Mr. Hahn to lead the Committee through a discussion of possible budget assumptions for calendar year 2018. Noting that materials had been provided to Committee members with the agenda for this meeting (copy attached to the Official Minutes), Mr. Hahn made the following major points:

1. Federal revenues will remain the same as the 2017 budgeted funding.
2. State revenues for transportation planning, water quality planning, and coastal management planning are not expected to change compared to the 2017 budget.
3. A series of assumptions led to a \$53,678 or 3.00 percent decrease in service agreement revenues. Increases are expected in land use planning, community assistance planning, and water quality planning. Decreases are expected in economic development planning and stormwater management planning. Re-monumentation revenues from the Wisconsin Department of Transportation are expected to decrease due to a decrease in the number of requests for U.S. Public Land Survey corner marker replacement. Program funds are proposed to be used along with a pending grant from the Fund for Lake Michigan for the Chloride Impact Study.
4. No change is anticipated in the rental revenue. The tenant, ProHealth Care, Inc., in May 2016 signed an "Agreement Extending Lease Term" for two years, to March 31, 2018, with two one-year options to extend.

5. It is proposed that the budget amount for regional tax levy support remain at its present level of \$2.37 million, resulting in a tax rate of 0.00132 percent (substantially below the statutory cap of 0.003 percent). Owing to the relative differences in the change in equalized value between 2015 and 2016 among the seven counties, some counties will see an increase in regional planning tax levy support, while other counties will see a decrease. Kenosha, Ozaukee, Washington, and Waukesha Counties will see increases of between 0.003 and 2.322 percent, and Milwaukee, Racine, and Walworth Counties will see decreases of between 1.193 and 0.253 percent. The proposed 2018 budget will be the twelfth consecutive year of a no increase regional tax levy.
6. On an overall basis, the potential year 2018 operating budget would call for a total revenue and expenditure level of about \$7.55 million, a decrease of \$28,675, or 0.38 percent decrease from the adopted 2017 budget.
7. Key expenditure assumptions proposed to be made in preparing the budget include an authorized full time staffing level of 66 positions, a decrease of 2 positions from the 2017 staffing level; staff salary adjustments of about 3 percent with salary increases distributed on the basis of merit; a 10 percent increase in health insurance costs; and a slight increase in the Commission's share of the retirement costs from 6.8 percent to 7.0 percent.

Mr. Hahn then noted that upon the Administrative Committee's approval, this budget will be brought to the full Commission for their review and consideration at the June 21, 2017, Annual Commission meeting.

Mr. Russell noted that the building usage account decreased in 2018. Ms. Larsen stated this line item is the Commission depreciation amount and will change on an annual basis in accordance with audit findings.

At the conclusion of the 2018 budget assumptions discussion, it was moved by Mr. Crowley, seconded by Ms. Russell, and carried unanimously, to direct the Commission staff to prepare a year 2018 budget consistent with the assumptions presented and discussed and to present that budget to the full Commission for formal consideration at the Annual Meeting of the Commission in Washington County on Wednesday, June 21, 2017 (copy of Budget Assumptions for 2018 attached to Official Minutes).

#### **REVIEW OF COMMISSION SALARY ADJUSTMENTS**

Mr. Hahn reported that a Compensation Subcommittee was established to review recommended staff salary merit adjustments. The Subcommittee met prior to this meeting and approved the proposed salary adjustments. The proposed salary adjustments average 3.17 percent.

Mr. Pitts asked when the meeting per diem was last adjusted. He suggested that staff query the other Wisconsin Planning Commissions on their per diem amounts. Mr. Hahn indicated that Ms. Larsen would explore the meeting payment paid by the other planning commissions, and of the other seven Counties.

There being no further discussion, on a motion by Ms. Russell, seconded by Mr. Drew, and carried unanimously, the Commission Compensation Plan was approved.

#### **REPORT ON BUSINESS INSURANCE**

Mr. Hahn noted the Commission's Business Insurance, including the Workman's Compensation Insurance, will be up for renewal prior to the July Committee meeting. The 2016-2017 insurance premium was

\$42,670, and in discussing renewal rates with the Commission's insurance agent, it can be expected that the 2017-2018 insurance renewal premium should not be more than \$46,000.

In response to an inquiry by Mr. Dwyer, Ms. Larson stated that the Commission's insurance agent requests insurance bids each year. She further stated that with regard to the Employment Practices Liability Coverage, the current carrier, Darwin National Assurance Company will no longer offer this coverage, and a new carrier, XL Catlin, has been retained.

On a motion by Ms. Russell, seconded by Mr. Crowley, and carried unanimously, the renewal of the Commission's business insurance policy with West Bend Mutual Insurance Company for 2017-2018, was approved with the provision that the policy renewal does not exceed an annual premium of \$46,000.

### **CORRESPONDENCE AND ANNOUNCEMENTS**

Chairman Dwyer asked Mr. Hahn if there were any correspondence or announcements.

Mr. Hahn noted there was no correspondence to report and then noted that repair work on the water leak problem in the basement had begun. The work is expected to be completed by the end of May.

Chairman Colman noted that Wednesday, June 21<sup>st</sup> is the date of the upcoming Annual Commission meeting.

### **ADJOURNMENT**

There being no further business to come before the Committee, the meeting was adjourned at 2:09 p.m. on a motion by Mr. Wirth, seconded by Mr. Drew, and carried unanimously.

Respectfully submitted,

Michael G. Hahn  
Deputy Secretary

JTD/MGH/EAL/dd  
#237821

Attachments