

MINUTES

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

ADMINISTRATIVE COMMITTEE

Thursday, May 26, 2005

1:30 p.m.

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

Present:

Excused:

Committee Members:

Paul G. Vrakas, Chairman
Robert A. Brooks, Vice-Chairman
Thomas H. Buestrin
Allen L. Morrison
Adelene Robinson
Daniel S. Schmidt
Gustav W. Wirth, Jr.

William R. Drew
Richard A. Hansen
Linda J. Seemeyer

Absent:

Staff:

Philip C. Evenson
Loretta Watson

Executive Director
Executive Secretary

ROLL CALL

Chairman Vrakas called the meeting to order at 1:30 p.m. Roll call was taken and a quorum declared present. Mr. Evenson noted for the record that Commissioners Drew, Hansen, and Seemeyer had asked to be excused.

APPROVAL OF MINUTES OF APRIL 28, 2005, MEETING

On a motion by Mr. Wirth, seconded by Mr. Schmidt, and carried unanimously, the minutes of the Administrative Committee meeting held on April 28, 2005, were approved as published.

APPROVAL OF DISBURSEMENTS

Chairman Vrakas asked Mr. Evenson to review with the Committee the recent disbursements.

2005 Reporting Period No. 9

Mr. Evenson distributed copies of the Check Register for the 9th financial reporting period of 2005, April 18 to May 1.

In response to an inquiry by Mr. Wirth, Mr. Evenson indicated that travel vouchers submitted by Commission staff members are reviewed by either the Executive Director or the Deputy Director and the Business Manager. These reviews are conducted within stated parameters relative to reimbursement amounts. In response to a follow-up question by Mr. Wirth, Mr. Evenson indicated that the payment listed on page 3 of the Register to Ruckert & Mielke, Inc., was made in connection with contract work relative to the preparation of cadastral maps for Walworth County. In response to another question by Mr. Wirth, Mr. Evenson indicated that line charges relative to telephone and internet services continue to decline, reflecting significant competition in the telecommunications industry. In response to a question by Ms. Robinson, Mr. Evenson indicated that the vendor identified on page 3 of the Register as Service Papers is a company which supplies paper to the Commission.

There being no further questions or comments, on a motion by Mr. Morrison, seconded by Mr. Brooks, and carried unanimously, the Commission disbursements for the 9th reporting period of 2005 were approved.

Chairman Vrakas, Mr. Buestrin, and Mr. Evenson then affixed their signatures to the Check Register for the 9th reporting period of 2005 (copy attached to Official Minutes).

2005 Reporting Period No. 10

Mr. Evenson distributed copies of the Check Register for the 10th financial reporting period of 2005, May 2 to May 15.

In response to a question by Mr. Vrakas, Mr. Evenson indicated that control surveys are surveys with a defined accuracy and precision that are carried out to meet Commission recommended surveying and mapping standards. For example, he said, a horizontal control survey between two U.S. Public land survey corner monuments determines, in part, the precise distance and bearing of a line between those monuments. In response to a question by Mr. Morrison, Mr. Evenson indicated that the payment listed on page 1 of the Register to Dell Marketing LP was for laptop computers to be deployed in a field survey of wireless communications quality being conducted as part of the regional telecommunications planning program. In response to a question by Mr. Brooks, Mr. Evenson indicated that the vendor listed on page 4, Total Comfort of Wisconsin, Inc., was the Commission's vendor for HVAC equipment in the Rockwood Drive building. Total Comfort recently acquired Wenninger Mechanical Services, Inc., who was the original HVAC vendor for the building.

There being no further questions or comments, on a motion by Mr. Schmidt, seconded by Ms. Robinson, and carried unanimously, the Commission disbursements for the 10th reporting period of 2005 were approved.

Chairman Vrakas, Mr. Buestrin, and Mr. Evenson then affixed their signatures to the Check Register for the 10th reporting period of 2005 (copy attached to Official Minutes).

**REVIEW OF STATEMENT OF REVENUES AND EXPENDITURES
FOR PERIOD ENDING MAY 15, 2005**

Copies of the Statement of Projected Revenues and Expenditures for the period ending May 15, 2005, were distributed for Committee review. Chairman Vrakas asked Mr. Evenson 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, Mr. Evenson commented that the period covered represented nearly two-fifths of calendar year 2005. As he reviewed the Statement, he called attention to the following items:

1. With regard to Federal and State revenues, one change has been made since the Statement reviewed at the April meeting – the addition of \$24,500 in State funds from the Wisconsin Department of Natural Resources for a shoreline erosion control study in Racine County. With respect to the State funds for the continuing water quality program, about \$142,000 remains to be secured. Some additional Federal funds for transportation also remain to be secured, such approval awaiting Congressional action on a major reauthorization bill.
2. With respect to service agreement revenues, two changes since the April report have been made. An additional \$4,500 has been added to the land information program account. The amount estimated to be earned this year for conducting floodland management activities has been reduced significantly, by about \$325,000. This reflects the inability of the Commission to access certain available funds from the Milwaukee Metropolitan Sewerage District and the MCAMLIS program owing to the need to complete other, more urgent work. These monies, however, remain available for reprogramming next year.
3. The expenditure data on the Statement reflects 10 full reporting periods, or the first 20 weeks of the calendar year. The projected year end surplus approximates \$132,000, or about \$340,000 less than the April report. Nearly all of this reduction may be attributed to the lack of progress on service agreements in the floodland management area and the decision to reduce anticipated revenues this year in that area.
4. The liability, operating, and reserve accounts reported on the Statement remain unchanged from the April report. These accounts reflect the findings of the audit for calendar year 2004.
5. The Commission had on hand as of May 15, 2005, about \$5.26 million. This includes about \$1.69 million of unearned revenue provided to the Commission in advance of expenditures. These funds are invested in the State of Wisconsin Local Government Investment Pool, which is presently paying 2.44 percent interest; in several certificates of deposit at banks throughout the Region; and in savings and checking accounts at Johnson Bank.

Following a brief discussion relative to the deferral of income, to present investment rates of return, and to the potential for placing funds yet this year with the Bond Trustee relative to the acquisition of the Rockwood Drive building, on a motion by Mr. Wirth, seconded by Mr. Morrison, and carried unanimously, the Statement of Projected Revenues and Expenditures for the period ending May 15, 2005, was accepted to be placed on file (copy attached to Official Minutes).

CONSIDERATION OF BUDGET ASSUMPTIONS FOR 2006

Mr. Vrakas asked Mr. Evenson to lead the Committee through a discussion of possible budget assumptions for calendar year 2006. In his remarks and with the aid of handout materials (copy attached to the Official Minutes), Mr. Evenson made the following major points:

1. Under the regional planning enabling legislation, the Commission must prepare and adopt a budget and certify the regional tax levy to the counties by August 1, 2005. As a practical matter, this means that the budget needs to be adopted at the Commission's June Annual meeting. The Regional Planning Commission, he said, sets the property tax rate needed to support regional planning activities for the ensuing calendar year. That rate, which is capped under present legislation at 0.003 percent of the equalized valuation of the Region, is then applied to the regional tax base and the resulting levy apportioned to each of the seven counties on the basis of each county's proportion of the total equalized valuation of the Region. The Commission uses the most recent available equalized value data in preparing its budget. That data was made available in August 2004. The Wisconsin Department of Revenue is scheduled to release the 2005 data in mid-August 2005, too late for use in the Commission's 2006 budget.
2. For purposes of the Commission's 2006 budget, it is proposed that it be assumed that Federal transportation funds and companion matching State funds for the continuing program will be the same as in the 2005 adopted budget. The transportation funds that are being asked to support the 2005 orthography program will, of course, not be included in the 2006 budget, the orthophotography program being conducted at five year intervals. While the foregoing assumption appears to be reasonable, it should be kept in mind that the Congress and the President have not yet put in place new Federal legislation relative to transportation funding. Accordingly, and dependent in part upon how the State of Wisconsin fares in the legislation, the Commission may end up receiving more or less than the present assumed amounts. Similarly, State transportation funding availability will be dependent upon the 2005-2007 biennial State budget now being put together.
3. It is proposed that it be assumed that there will be a five percent decrease in water quality planning funds to be made available in 2006 through the Wisconsin Department of Natural Resources. This assumption is consistent with the most recent discussions held with the Department staff on this topic.
4. A series of assumptions with respect to service agreement revenue in 2006 leads to an anticipated increase in such revenue of about \$97,000. However, in 2006 there will be a one time infusion of about \$500,000 in revenue for the regional water supply study, all of which must be dedicated to consultant expenditures. Hence, the amount of service agreement revenue available to support Commission staff positions in 2006 is expected to be significantly reduced, particularly in the land information and water quality planning areas. With respect to the County Surveyor function, it is proposed that the budget assume that contracts will be in place in 2006 only with respect to Waukesha and Milwaukee Counties. The assumed increase of over \$100,000 in the community assistance program reflects an assumption that the State's "Smart Growth" program will continue. At this point in time, such continuance is uncertain given the recent action by the State Legislature's Joint Finance Committee.
5. It is proposed that the budget assume a very modest increase of about \$15,500 in regional tax levy support. This level of increase assumes that there will be no increase in the amount to be sought from Milwaukee County. The proposed tax levy increase approximates 0.66 percent.

6. On an overall basis, the potential year 2006 operating budget would call for a total revenue and expenditure level of about \$7.33 million, a decrease of nearly six percent from the adopted 2005 budget. This decrease may be entirely attributed to the deletion of the orthophotography project from the work program.
7. Key expenditure assumptions proposed to be made in preparing the budget include: an authorized staffing level of 76 full time positions, four fewer than in 2005; additional part time staff and consultant arrangements; staff salary adjustments of up to three percent; a 10 percent increase in health insurance costs; and a 10 percent increase in retirement system costs. To achieve the 2006 staffing level, two positions would have to be eliminated from the Geographic Information Systems Division and three positions eliminated from the Cartography Division. In addition, there would be one new position in the Community Assistance Division. The staff reductions in the GIS and Cartography Divisions reflect significantly less anticipated contract work in the land information program and County Surveyor functions, respectively. With respect to the latter, discussions are now underway with the counties in the Region relative to a possible strengthened and enhanced Commission role in performing County Surveyor work. Those discussions may lead to a reversal of the budget assumption attendant to two of the three positions in the Cartography Division.

A discussion then ensued, focusing in particular on the uncertainties attendant to State funding of county-based comprehensive planning efforts to meet the requirements of the State's so-called "Smart Growth" law. Mr. Evenson indicated that both Washington and Waukesha Counties have been informed recently that, given the Joint Finance Committee's action to eliminate the comprehensive planning requirement and State funding attendant to that requirement, planning grant awards from the current biennial budget announced for these two counties are being at least temporarily withheld. It is the staff's understanding, he said, that the Wisconsin Department of Administration is even exploring the possibility of terminating Smart Growth planning awards previously made should the law be repealed in the manner envisioned by the Joint Finance Committee. In response to a question by Mr. Morrison, Mr. Evenson indicated that should the Smart Growth law be indeed repealed, the comprehensive planning partnership that has been put together in Walworth County would likely dissolve. In response to a question by Ms. Robinson, Mr. Evenson indicated that the allocation of the SEWRPC regional tax levy to the counties is based upon each county's proportion of the total equalized valuation of the Region. Since county valuation totals change annually, and since such changes can be quite differential with respect to rates of change, an individual county can bear more or less of the SEWRPC tax levy even if the levy in total were not to change from one year to the next. Mr. Buestrin pointed out that over the last several years, the Commission's levy increase has not even kept pace with general price inflation. In response to a question by Mr. Wirth, Mr. Evenson indicated that the Commission has no unfunded liability in the Wisconsin Retirement System.

At the conclusion of the discussion, it was moved by Mr. Wirth, seconded by Ms. Robinson, and carried unanimously, to direct the Commission staff to prepare a year 2006 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 June 15, 2005. Mr. Evenson indicated that he would formally circulate the Committee's action on this matter to all SEWRPC County Board Commissioners so that they are in a position to informally discuss the Commission's 2006 tax levy request with appropriate county officials prior to the Annual meeting.

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(Administrative Committee)
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CORRESPONDENCE/ANNOUNCEMENTS

Mr. Evenson reported that there were no correspondence or announcements to be brought to the attention of the Committee.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 3:05 p.m. on a motion by Mr. Schmidt, seconded by Mr. Morrison, and carried unanimously.

Respectfully submitted,

Philip C. Evenson
Deputy Secretary

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Attachments