

MINUTES

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

ADMINISTRATIVE COMMITTEE

Thursday, August 25, 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
Thomas H. Buestrin
William R. Drew
Adelene Greene
Allen L. Morrison
Linda J. Seemeyer
Gustav W. Wirth, Jr.

Robert A. Brooks, Vice-Chairman
Richard A. Hansen
Daniel S. Schmidt

Absent:

Staff:

Philip C. Evenson
Loretta Watson

Executive Director
Executive Secretary

ROLL CALL

Chairman Vrakas called the meeting to order at 1:35 p.m. Roll call was taken and a quorum declared present. Mr. Evenson noted for the record that Commissioners Brooks, Hansen, and Schmidt had asked to be excused.

APPROVAL OF MINUTES OF JULY 28, 2005, MEETING

On a motion by Mr. Wirth, seconded by Mr. Morrison, and carried unanimously, the minutes of the Administrative Committee meeting held on July 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. 15

Mr. Evenson distributed copies of the Check Register for the 15th financial reporting period of 2005, July 11 to July 24.

In response to an inquiry by Mr. Wirth, Mr. Evenson indicated that the payment listed on page 2 of the Register to Electroline Data Communications, Inc., represented the cost of a three year renewal of software that enables the Commission to block certain categories of websites, both in total and by time of day. He noted that the software is continually updated to reflect the ever changing universe of sites on the world wide web. In response to a question by Mr. Vrakas, Mr. Evenson indicated that the payment listed on page 3 of the Register to Otis Elevator Company represented the cost of routine elevator maintenance. In response to a question by Mr. Wirth relative to the payment listed on page 3 of the Register to the Northwestern Mutual Life Insurance Company, Mr. Evenson indicated that this represented payments under the Commission's deferred compensation program for key employees. In response to a question by Ms. Greene, Mr. Evenson indicated that the payment listed on page 3 of the Register relative to dependent care reimbursement was made in connection with the Commission's IRS-approved program whereby employees may voluntarily set aside income at the beginning of the year to pay for eligible expenditures, including day care costs.

There being no further questions or comments, on a motion by Mr. Drew, seconded by Mr. Wirth, and carried unanimously, the Commission disbursements for the 15th reporting period of 2005 were approved.

Chairman Vrakas, Mr. Buestrin, and Mr. Evenson then affixed their signatures to the Check Register for the 15th reporting period of 2005 (copy attached to Official Minutes).

2005 Reporting Period No. 16

Mr. Evenson distributed copies of the Check Register for the 16th financial reporting period of 2005, July 25 to August 7.

In response to a question by Mr. Wirth, Mr. Evenson indicated that the payment listed on page 3 of the Register to Nextel Communications was in connection with costs incurred for the monitoring efforts being conducted by the Commission under the regional telecommunications planning program. In response to a follow up question by Mr. Wirth, Mr. Evenson said that certain Commission employees are assigned cell telephones, particularly with respect to those engaged in field operations. Mr. Wirth commented that the intercom feature offered by Nextel likely would be very useful to field crews. In response to a question by Mr. Vrakas relative to the payment listed on page 4 of the Register to Schindler Elevator Corporation, Mr. Evenson noted that such payment was made in accordance with a service agreement entered into at the time a second elevator was installed at the Rockwood Drive building. In response to a question by Mr. Wirth relative to the payment listed on page 5 of the Register to the Wisconsin Deferred Compensation program, Mr. Evenson indicated that the Commission does participate in a voluntary program whereby employees can choose to set aside income in a program administered by the Wisconsin Department of Employee Trust Funds. In response to a question by Mr. Wirth relative to

the payment listed on page 5 of the Register to the West Bend Mutual Insurance Company, Mr. Evenson indicated that this represented the annual cost of the Commission's business insurance coverage which was discussed in detail at a recent Committee meeting.

There being no further questions or comments, on a motion by Mr. Drew, seconded by Ms. Greene, and carried unanimously, the Commission disbursements for the 16th reporting period of 2005 were approved.

Chairman Vrakas, Mr. Buestrin, and Mr. Evenson then affixed their signatures to the Check Register for the 16th reporting period of 2005 (copy attached to Official Minutes).

REVIEW OF STATEMENT OF REVENUES AND EXPENDITURES FOR PERIOD ENDING AUGUST 7, 2005

Copies of the Statement of Projected Revenues and Expenditures for the period ending August 7, 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 about 60 percent of calendar year 2005. As he reviewed the Statement, he called attention to the following items:

1. With regard to Federal and State revenues, no changes have been made to the entries on the Statement since the last report. With the recent actions at the Federal and State levels of government regarding budgets and authorizing legislation, it should not be too long before the remaining revenues from the Wisconsin Department of Natural Resources and the Wisconsin Department of Transportation are secured.
2. With respect to service agreement revenues, a number of changes have been made to the entries on the Statement. These changes flow from a comprehensive review of work progress attendant to service agreement projects by the Commission's business manager. Minor downward adjustments in anticipated service agreement revenues for the land use, water quality, and floodland management programs are reflected in this report, combined with a significant increase in anticipated revenue for community assistance projects. The net result of these adjustments with respect to the continuing planning programs is an increase of about \$50,000 in anticipated service agreement revenues by the end of the year. A minor reduction of such revenue for land information program work is also reflected on the Statement.
3. With respect to the regional orthophotography program, the report reflects the addition of \$100,000 of anticipated revenue from the Federal Highway Administration. Other anticipated revenue from the U.S. Geological Survey and Wisconsin Department of Transportation has not yet been reflected on the Statement since all of the required paperwork has not been received. That additional revenue, together with anticipated additional expenditures, will be added to the Statement next month.
4. The expenditure data on the Statement reflects 16 full reporting periods, or the first 32 weeks of the calendar year. The projected year end surplus approximates \$110,000. The projected surplus does not include a total of \$200,000 in funds to be set aside for placement in the Rockwood Drive bond reserve account at the end of the year.

5. The liability, operating, and reserve accounts reported on the Statement remain unchanged from the July report. These accounts reflect the findings of the audit for calendar year 2004.
6. The Commission had on hand as of August 7, 2005, about \$4.77 million. This includes about \$1.07 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 2.89 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, on a motion by Mr. Morrison, seconded by Ms. Seemeyer, and carried unanimously, the Statement of Projected Revenues and Expenditures for the period ending August 7, 2005, was accepted to be placed on file (copy attached to Official Minutes).

Mr. Evenson then distributed a supplemental schedule relative to the anticipated early retirement of certain bonds issued in connection with the acquisition of the Rockwood Drive building (copy attached to Official Minutes). He noted that the Commission will be able to redeem all remaining bonds on March 1, 2011, without penalty. The total amount needed at that time to accomplish the objective is \$2.1 million. The suggested deposit schedule, he continued, would have the Commission deposit \$1,000,000 with the bond trustee yet this year, with an additional \$300,000 deposited near the end of 2006 and again near the end of 2007, and with a final \$200,000 deposit being made about mid-year in 2008. The schedule assumes that such deposits would earn interest at four percent. Assuming that the deposit schedule is met and the interest assumptions hold up, he noted, the Commission would have adequate funds in the trust account with the bond trustee by March 1, 2011. He reminded the Committee members that any deposits with the bond trustee can not be retrieved.

In the ensuing discussion, it was the consensus of the Committee that the deposit schedule represented a reasonable approach to meeting the Commission's objective to pay off the debt of the Rockwood Drive building as soon as possible. Following that discussion, on a motion by Mr. Drew, seconded by Ms. Seemeyer, and carried unanimously, the Rockwood Drive building early bond redemption deposit schedule was endorsed and the Commission Chairman and Executive Director authorized to meet with the bond trustee to make all necessary arrangements for the transfer of funds yet this year in accordance with the schedule.

FURTHER CONSIDERATION OF LIABILITY INSURANCE ISSUES

Mr. Evenson recalled that at the last Administrative Committee meeting he was to pursue discussions with both the Commission's legal counsel and insurance agent relative to the matter of professional liability insurance and directors and officers liability insurance. He noted that he had provided to all members of the Committee in advance of the meeting letters concerning these matters from the Commission's legal counsel, Mr. James R. Sommers, one letter dated June 30, 2003, and the other dated August 11, 2005. He noted that Mr. Sommers has concluded that it might be well for the Commission to consider obtaining miscellaneous professional liability insurance in the event that the Wisconsin Supreme Court would determine to extend the present professional discretion exception to immunity in the medical context to other professional contexts. Moreover, he noted, Mr. Sommers suggests that the Commission's insurance agent review the present coverage and comment as to the extent to which such coverage, with respect to directors and officers liability, extends to employment discrimination, unfair employment practices, and/or wrongful termination. Mr. Evenson reported that the Commission's insurance agent is

presently pursuing the suggestions of Mr. Sommers and hopes to have a report ready for the Committee at its next meeting.

CORRESPONDENCE/ANNOUNCEMENTS

Mr. Evenson reported that there were no announcements or correspondence 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 2:05 p.m. on a motion by Mr. Wirth, seconded by Mr. Morrison, and carried unanimously.

Respectfully submitted,

Philip C. Evenson
Deputy Secretary

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Attachments