MINUTES
SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
ADMINISTRATIVE COMMITTEE

Thursday, May 22, 2008  1:30 p.m.

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

Present:   Excused:

Committee Members:

David L. Stroik, Chairman
Adelene Greene, Vice-Chairman
Thomas H. Buestrin
James T. Dwyer
Allen L. Morrison
Gustav W. Wirth, Jr.

William R. Drew
Richard A. Hansen
Michael J. Miklasevich
Daniel S. Schmidt

Staff:

Philip C. Evenson    Executive Director
Kenneth R. Yunker    Deputy Director
Elizabeth A. Larsen   Business Manager
Loretta Watson    Executive Secretary

Guests:

Yolanda Santos Adams    Director, League of United Latin American Citizens
                        and CEO, Urban League of Racine and Kenosha

ROLL CALL

Chairman Stroik 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, Miklasevich, and Schmidt
had asked to be excused.

APPROVAL OF MINUTES OF APRIL 24, 2008, MEETING

On a motion by Mr. Wirth, seconded by Mr. Dwyer, and carried unanimously, the minutes of the
Administrative Committee meeting held on April 24, 2008, were approved as published.
APPROVAL OF DISBURSEMENTS

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

2008 Reporting Period No. 9

Mr. Evenson distributed copies of the Check Register for the 9th financial reporting period of 2008, April 14 to April 27, 2008.

There being no questions or comments, on a motion by Mr. Morrison, seconded by Ms. Greene, and carried unanimously, the Commission disbursements for the 9th reporting period of 2008 were approved.

Chairman Stroik, Mr. Buestrin, and Mr. Evenson then affixed their signatures to the Check Register for the 9th reporting period of 2008 (copy attached to Official Minutes).

2008 Reporting Period No. 10

Mr. Evenson distributed copies of the Check Register for the 10th financial reporting period of 2008, April 28 to May 11, 2008.

In response to an inquiry by Mr. Wirth, Mr. Evenson indicated that the payment listed on page 2 of the Register to Gordon Flesch Company, Inc., represented the maintenance cost for use of Commission copier equipment, and in particular the aging color copier. In response to a follow up question by Mr. Wirth, Ms. Larsen indicated that the cost per copy for color copying on the present equipment is 13 cents. Mr. Evenson commented that the Commission staff continues to evaluate options for lower unit cost color copying equipment. Mr. Yunker commented that the staff has been directed to use color only when essential in order to reduce reproduction costs.

There being no further questions or comments, on a motion by Ms. Greene, seconded by Mr. Wirth, and carried unanimously, the Commission disbursements for the 10th reporting period of 2008 were approved.

Chairman Stroik, Mr. Buestrin, and Mr. Evenson then affixed their signatures to the Check Register for the 10th reporting period of 2008 (copy attached to Official Minutes).

REVIEW OF STATEMENT OF REVENUES AND EXPENDITURES
FOR PERIOD ENDING MAY 11, 2008

Copies of the Statement of Projected Revenues and Expenditures for the period ending May 11, 2008, were distributed for Committee review. Chairman Stroik 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 40 percent of the calendar year. He then called attention to the following items:

1. The Federal and State revenue entries on the Statement are unchanged from the report presented at the April Committee meeting. Revenues from the Federal Transit Administration and the Wisconsin Department of Natural Resources remain to be secured, but there is no reason to believe those revenues will not be forthcoming.
2. A number of adjustments have been made to the service agreement revenues shown on the Statement. These adjustments reflect an assessment of contracted work projects and the extent to which those projects are likely to be completed this year. Service agreement revenues for the land use, water quality, and economic development programs have been increased somewhat, with such revenues for the floodland management and community assistance programs reduced. The net change involves a reduction in anticipated service agreement revenue at this time of about $150,000. Most of that reduction may be attributed to the inability to deliver all contracted work during the year in the floodland management program work area.

3. The expenditure data on the Statement reflects 10 reporting periods, or 20 weeks. The projection of expenditures through the end of the year reflects a surplus of about $140,000, a reduction from last month owing primarily to the changes in service agreement revenue.

4. With two exceptions, the liability, operating, and reserve accounts reported on the Statement remain unchanged from last month’s report, having been adjusted at that time to reflect the findings of the 2007 financial audit. The two exceptions involve a transfer of $20,000 from the Building Improvement and Maintenance account to the Building Bond Fund account. This adjustment was necessary to comply with the Committee’s directive at the last meeting that the Building Bond Fund account contain sufficient monies to retire the Rockwood Drive building bonds that become due in 2009, 2010, and 2011. Those monies have been placed with the bond trustee but will remain on the Commission’s books until the trustee disperses the funds in the appropriate year.

5. The Commission had on hand as of May 11, 2008, about $4.2 million. This includes about $205,000 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 2.73 percent interest; in several certificates of deposit; and in savings and checking accounts at Johnson Bank.

A brief discussion followed. During that discussion, Ms. Greene noted that the maturity date for the certificate of deposit at Legacy Bank should be corrected to read 2009.

Following that discussion, on a motion by Ms. Greene, seconded by Mr. Dwyer, and carried unanimously, the Statement of Projected Revenues and Expenditures for the period ending May 11, 2008, was accepted to be placed on file (copy attached to Official Minutes).

SOELECTION OF AUDITOR FOR CALENDAR YEAR 2008

Chairman Stroik asked Mr. Evenson to review a staff memorandum setting forth a recommendation that the certified public accounting firm of David L. Scrima, S.C., be retained by the Commission to conduct the audit of the Commission’s calendar year 2008 operations (copy attached to Official Minutes). Mr. Evenson noted that the staff memorandum was provided to the Committee members with the agenda for the meeting. Mr. Evenson reported that given the Commission had gone through a selection process several years ago relative to auditing services, and further given that the Scrima firm was selected for the 2007 audit and performed well, the staff recommends that the Commission stay the course and engage the Scrima firm again at a cost not to exceed $12,000.
After a brief discussion during which, in response to an inquiry by Mr. Stroik, Mr. Evenson noted that a single annual audit is required by Federal law for all agencies that receive monies from multiple Federal agency sources, on a motion by Mr. Morrison, seconded by Mr. Wirth, and carried unanimously, the firm of David L. Scrima, S.C., was retained to conduct the calendar year 2008 audit.

CONSIDERATION OF BUDGET ASSUMPTIONS FOR 2009

Mr. Stroik asked Mr. Evenson to lead the Committee through a discussion of possible budget assumptions for calendar year 2009. Noting that materials had been provided to Committee members with the agenda for this meeting (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, 2008. As a practical matter, this means that the budget needs to be adopted at the Commission’s June 18th 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 2007. The Wisconsin Department of Revenue is scheduled to release updated valuation data in mid-August 2008, too late for use in the Commission’s 2009 budget.

2. There is no reason to believe that Federal and State revenues for transportation, water quality, and coastal management planning purposes will change over the amounts made available in 2008 from several agencies. Thus, it is expected that such levels will remain frozen again for next year.

3. Overall, service agreement revenues are expected to decline by about six percent in 2009. This largely reflects the winding down of county comprehensive planning programs to meet the State’s new “Smart Growth” law and less work in the stormwater management area. Offsetting some of the expected decrease is anticipated new service agreement revenue from the Wisconsin Department of Transportation for special traffic forecasting support.

4. It is proposed that the budget amount for regional tax levy support remain at its present level of $2.37 million. Owing to relative differences in tax base increments among the seven counties during the past year, some counties will see an increase in regional planning tax levy support while other counties will see a decrease in such support. For example, Walworth County would see an extraordinary increase again next year, with Milwaukee and Waukesha Counties seeing decreases.

7. On an overall basis, the potential year 2009 operating budget would call for a total revenue and expenditure level of about $6.81 million, a decrease of about $95,000, or 1.4 percent, from the adopted 2008 budget.

8. Key expenditure assumptions proposed to be made in preparing the budget include an authorized full-time staffing level of 67 positions, the same as in 2008; a reduction in consultant expenditures; a continuing commitment to part-time staff to cost-effectively deliver certain services; staff salary adjustments not to exceed an average of three percent; an eight percent increase in health insurance costs; and no increase in retirement system rates.
A lengthy discussion then ensued. That discussion focused on the fact that the Commission will not be able to indefinitely freeze the property tax levy request to the counties; that local elected officials, while appreciating hard-freeze determinations when it comes to budget requests, dislike relatively large periodic increases and would prefer a series of smaller increases; that there is a need to competitively and fairly compensate all staff; that there are political realities now being faced throughout the Region by the counties, particularly in light of the levy caps recently put in place by the State Legislature.

At the conclusion of the discussion, it was moved by Mr. Dwyer, seconded by Mr. Wirth, and carried unanimously, to direct the Commission staff to prepare a year 2009 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 18, 2008. 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 2009 tax levy request with appropriate county officials prior to the Annual meeting.

CORRESPONDENCE/ANNOUNCEMENTS

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

Mr. Buestrin announced that, following past practice, he was creating a subcommittee consisting of himself, Mr. Stroik as Administrative Committee Chairman, Mr. Schmidt as Planning and Research Committee Chairman, and Mr. Drew as Commission Treasurer, to work with the Commission’s Executive staff early in June to review and comment on annual staff salary adjustments.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:25 p.m. on a motion by Mr. Dwyer, seconded by Ms. Greene, and carried unanimously.

Respectfully submitted,

Philip C. Evenson
Deputy Secretary