

## MINUTES

### SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

#### ADMINISTRATIVE COMMITTEE

Thursday, June 27, 2013

1:30 p.m.

SEWRPC Office Building  
Commissioners' Conference Room  
W239 N1812 Rockwood Drive  
Waukesha, Wisconsin 53187-1607

Present:

Excused:

Committee Members:

James T. Dwyer, Chairman  
Adelene Greene, Vice-Chair  
Gilbert B. Bakke  
Thomas H. Buestrin  
Michael A. Crowley  
Daniel S. Schmidt  
David L. Stroik  
Gustav W. Wirth, Jr.

William R. Drew  
Nancy Russell

Staff:

Kenneth R. Yunker  
Elizabeth A. Larsen  
Debra A. D'Amico

Executive Director  
Business Manager  
Executive Secretary

#### 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. Yunker noted for the record that Mr. Drew and Ms. Russell had asked to be excused.

#### APPROVAL OF MINUTES OF MAY 16, 2013, MEETING

Chairman Dwyer asked if there were any changes or additions to the May 16, 2013, meeting minutes.

On a motion by Mr. Wirth, seconded by Mr. Schmidt, and carried unanimously, the minutes of the Administrative Committee meeting held on May 16, 2013, were approved as published.

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## **PRESENTATION OF 2012 AUDIT REPORT**

Chairman Dwyer noted that the Commission auditor was in attendance to present to the Committee the findings of the audit of the Commission financial records for calendar year 2012. He then noted that each Committee member received a copy of the Independent Auditor's Report entitled, "Southeastern Wisconsin Regional Planning Commission Annual Report, December 31, 2012" in advance of today's presentation. He called on Robert W. Kabitzke of the firm of Scrima, Kabitzke & Co., S.C. to present the 2012 audit report.

Mr. Kabitzke then reviewed the report page-by-page with the Committee. During this process, the following comments and questions were addressed.

In response to an inquiry by Mr. Buestrin on page 1 of the report concerning the line item, "property and equipment", Mr. Kabitzke stated the building and equipment owned by the Commission is recorded at the purchase price. Depreciation is recorded against the purchase price of the building and land.

In response to an inquiry by Mr. Dwyer on page 2 of the report concerning the \$3.45 million fund balance, Mr. Kabitzke stated that \$3.2 million is designated to reserve accounts with the balance of \$250,000 as undesignated funds.

Mr. Yunker noted that Commissioner Russell, who was unable to attend this meeting, questioned why the dollar value of the building and improvements line item on page 6 of the report remained the same for the years 2012 and 2011, with the replacement of the roof and the heating, ventilating, and air conditioning (HVAC) system. Mr. Kabitzke responded that the roof and HVAC system were replacements, and not improvements or additions.

In response to an inquiry by Mr. Stroik, concerning the need for the Indirect Expenses table on page 19, Mr. Kabitzke stated that the expenses that are shown on this table are the overhead costs which are associated with the overall operation of the Commission and are not attributed to one specific grant or contract. These expenses are distributed proportionally to all grants and contracts throughout the year. Mr. Stroik then asked if the Commission has been subject to audit by a Federal agency. Mr. Kabitzke responded that as the Commission is a government agency, Federal and State government agencies, such as the Federal Highway Administration (FHWA) or the Wisconsin Department of Transportation (WDOT) are responsible for auditing the Commission finances. Such an audit occurs every four to five years. Mr. Yunker added that in 2011, both the FHWA and the WDOT reviewed the internal controls for billing grants and contracts, and the expenditures associated with those grants and contracts. Ms. Larsen indicated that the Federal and State representatives also reviewed for specific grants and contracts the reports generated by the Commission's project management accounting software. Mr. Yunker noted that all expenses, including salaries, accounts payables, and indirect costs for selected contracts were reviewed in detail at that time and no deficiencies were found.

There being no further questions or discussion, it was moved by Mr. Wirth, seconded by Ms. Greene, and carried unanimously to approve and accept for publication the 2012 Audit Report as presented.

## **APPROVAL OF DISBURSEMENTS**

Chairman Dwyer asked Ms. Larsen to review with the Committee the recent disbursements.

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**2013 Reporting Period No. 11**

Ms. Larsen distributed copies of the Check Register for the 11<sup>th</sup> financial reporting period of 2013, May 6 to May 19, 2013.

In response to an inquiry by Mr. Dwyer, relative to a payment on page 2 to Gold Star Cleaning, Inc., Ms. Larsen confirmed that this vendor is the Commission's cleaning service and is scheduled to clean the building each weeknight. She added that the invoice shown on the register is for cleaning services for one month.

In response to an inquiry by Mr. Crowley, relative to a payment on page 1 to Central Office Systems, Ms. Larsen stated that the Commission had purchased a color copier to replace an aging black and white copier in the Transportation Division. Mr. Yunker added that this copier had been experiencing increasingly frequent repairs and was past the end of its useful service life.

In response to an inquiry by Mr. Wirth, relative to a payment on page 19 to Cardmember Services, Mr. Yunker stated that the Commission does have a VISA card which only he and Ms. Larsen are card holders. However, each Commission vehicle does have a Speedway and Mobil gas credit card kept with the vehicle keys. The receipts for the gasoline purchases are matched against the billing statement each month.

There being no further questions or comments, on a motion by Mr. Schmidt, seconded by Mr. Stroik, and carried unanimously, the Commission disbursements for the 11<sup>th</sup> reporting period of 2013 were approved.

Chairman Dwyer, Mr. Stroik, and Mr. Yunker then affixed their signatures to the Check Register for the 11<sup>th</sup> reporting period of 2013 (copy attached to Official Minutes).

**2013 Reporting Period No. 12**

Ms. Larsen distributed copies of the Check Register for the 12<sup>th</sup> financial reporting period of 2013, May 20 to June 2, 2013.

In response to an inquiry by Mr. Crowley, relative to a payment on page 3 to Speedway LLC, Ms. Larsen stated this was for gas expenditures, and then further explained that when a vehicle is checked out and then returned the mileage is recorded, gas receipts are collected and are then checked against the monthly invoice.

In response to an inquiry by Mr. Wirth, relative to a payment on page 2 to Northwoods Software Development, Inc., Ms. Larsen stated that this vendor is the Commission's website software provider. She also stated this partial payment was for Northwoods Software Development to program a database into the Commission's website to allow for search capabilities within the Transportation Improvement Program (TIP). The TIP is a listing of all arterial highway, public transit, and other transportation improvement projects in the Region. Mr. Yunker added that a searchable database for the TIP was requested by the FHWA.

There being no further questions or comments, on a motion by Ms. Greene, seconded by Mr. Crowley, and carried unanimously, the Commission disbursements for the 12<sup>th</sup> reporting period of 2013 were approved.

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Chairman Dwyer, Mr. Stroik, and Mr. Yunker then affixed their signatures to the Check Register for the 12<sup>th</sup> reporting period of 2013 (copy attached to Official Minutes).

**2013 Reporting Period No. 13**

Ms. Larsen distributed copies of the Check Register for the 13<sup>th</sup> financial reporting period of 2013, June 3 to June 16, 2013.

There being no questions or comments, on a motion by Mr. Schmidt, seconded by Mr. Stroik, and carried unanimously, the Commission disbursements for the 13<sup>th</sup> reporting period of 2013 were approved.

Chairman Dwyer, Mr. Stroik, and Mr. Yunker then affixed their signatures to the Check Register for the 13<sup>th</sup> reporting period of 2013 (copy attached to Official Minutes).

**REVIEW OF STATEMENT OF REVENUES AND EXPENDITURES FOR PERIOD ENDING JUNE 16, 2013**

Copies of the Statement of Projected Revenues and Expenditures for reporting period 13 ending on June 16, 2013, were distributed for Committee review. Chairman Dwyer asked Ms. Larson 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 about 50 percent of the new 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 May meeting.
2. The Transportation Study Service Agreement Revenue have been adjusted to reflect a revised project schedule, all other Service Agreement Revenues remain unchanged from the report presented at the May meeting.
3. The projection of expenditures through the end of the year compared with budgeted revenues indicates a surplus of about \$184,000. The surplus may be expected to decline to less than \$150,000 throughout the year with the payment of items such as the insurance premium, payment to the City of Pewaukee for the payment in lieu of taxes, replacement of equipment, and the contractor for the Milwaukee County Surveyor program.
4. The liability, operating, and reserve accounts reported on the Statement continue to reflect the findings of the 2011 financial audit. These accounts will be adjusted to the findings of the 2012 financial audit for the next Administrative Committee meeting.
5. The Commission had on hand as of June 16, 2013, approximately \$4.6 million. This includes about \$59,000 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 0.09 percent interest, and various money market accounts the end of May.

There being no inquiries or discussion, on a motion by Mr. Crowley, seconded by Mr. Bakke and carried unanimously, the Statement of Projected Revenues and Expenditures for the period ending June 16, 2013, was accepted to be placed on file (copy attached to Official Minutes).

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## **CONSIDERATION OF BUSINESS INSURANCE RENEWAL**

Chairman Dwyer asked Ms. Larsen to report on the renewal of the Commission's business insurance policy. Ms. Larsen reported that the Commission's insurance agent, Mr. Ronald Knudsen with Johnson Insurance, had received a quote for the renewal of the Commission's insurance with West Bend Insurance. The insurance covers general liability, property, automobile, workers compensation, umbrella, and employment practices liability. The current insurance policy expires July 28, 2013. She stated that it was expected that the premium cost of business insurance for 2013-2014 would be \$500 less than the prior year. Ms. Larsen stated that she also worked with another insurance agent who requested quotes from Society Insurance and Community Insurance Corporation, a subsidiary of Aegis Insurance, which works with county governments. Both of these quotes were 25 and 40 percent higher than the quote from West Bend Mutual Insurance. She requested approval from the Administrative Committee to renew the Commission's Business Insurance policy for an amount of \$42,618.

In response to an inquiry by Mr. Stroik regarding Commission insurance claims experience, Ms. Larsen stated that there had been a few automobile accidents involving Commission vehicles over the last 20 years and mostly minor worker compensation claims.

In response to an inquiry by Mr. Crowley, Ms. Larsen stated that she receives a detailed loss report annually from Mr. Knudsen. This report does not contain information pertaining to national loss trends. Ms. Larsen then stated the Commission's workers compensation claims have been minimal over the last ten years and since 2001 the Commission has received nearly \$26,000 in worker compensation dividends from the West Bend Insurance Company. Mr. Yunker then stated that due to the nature of the county surveyor duties and the type of work that staff conducts in the field, there are periodically minor worker compensation claims for those staff. He then noted that injuries rarely occur to the office staff working in the building.

Mr. Crowley also inquired about the Commission's Worker Compensation experience rating. Ms. Larsen stated that the Commission's experience modification has remained under 1.00 for the last five years.

[Secretary's Note:

The Commission's experience modification for the last five years is as follows: 2013 - 0.91, 2012 - 0.91, 2011 - 0.93, 2010 - 0.94, 2009 - 0.90.]

In response to an inquiry by Mr. Stroik, Ms. Larsen stated that the Commission does carry Public Officials and Employment Practices Liability Insurance which is through Darwin National Assurance Company.

On a motion by Mr. Wirth, seconded by Mr. Schmidt, and carried unanimously, the staff was approved to renew the Commission's business insurance policy with the West Bend Insurance Company for 2013-2014.

## **REPORT ON SALARY ADJUSTMENTS**

Mr. Yunker reported that at the April 2013 Administrative Committee meeting, a salary adjustment sub-committee was established to review recommended staff salary ranges and increments. The sub-committee appointed by Commission Chairman Stroik consisted of Commissioners Buestrin, Dwyer, Russell, and Stroik.

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Prior to the sub-committee meeting, Commission staff had conducted a salary survey by obtaining salary information, for comparison to similar Commission positions, from Kenosha, Ozaukee, Walworth, Washington, and Waukesha Counties. Salary information was also obtained from the State of Wisconsin.

The salary sub-committee met on Wednesday, June 12<sup>th</sup>, and compared Commission staff salary ranges by position with those of the Counties and the State. It was determined that for most positions, Commission staff salary ranges were well below those of the County and State. The sub-committee approved revised staff salary ranges by position and reviewed and approved proposed salary increments.

The increments were categorized into merit increments, equity adjustments, and promotions. Staff merit increments equaled \$109,150 or 3.29% of total salaries. Equity or market adjustments totaled \$25,350 or .76% of total salaries, and promotions accounted for \$16,600 or .50 % of total salaries. Four individuals received promotions, and 14 staff received market adjustments out of a total of 60 staff positions.

In response to an inquiry by Mr. Dwyer, Mr. Yunker gave examples of Commission positions compared to similar county positions and noted the Commission salary ranges were significantly below county salary ranges and the Commission wages for certain positions are not sufficiently competitive to retain staff.

In response to an inquiry by Mr. Wirth, Mr. Yunker stated that all salary information had been obtained from the human resource departments of the Counties and the State of Wisconsin Department of Administration. Mr. Yunker then stated that both high level professional employees and entry level planners and engineers are paid significantly less than similar positions at the Counties and the State. Secretarial/clerical level employees were determined to have similar salaries as compared to the Counties and the State.

In response to inquiries by Ms. Greene, Mr. Yunker stated that the raises go into effect as of July 1, 2013, and further stated that a 3 percent increase was assumed in the 2014 budget.

There being no further inquiries or discussion, on a motion by Mr. Crowley, seconded by Ms. Greene, and carried unanimously, the report on salary adjustments was accepted by the Administrative Committee.

#### **CORRESPONDENCE/ANNOUNCEMENTS**

Mr. Yunker reported that there was no correspondence and that there were a few announcements to be brought to the attention of the Committee.

He indicated that as the 2013-2015 State Budget Law is set to eliminate all residency requirements, the Commission should remove the language in the personnel regulations that requires employees to live within the seven-county Region. Mr. Yunker then noted additional articles in the personnel regulations that will need to be modified due to the Act 10 Wisconsin Retirement System changes and the Affordable Care Act.

Chairman Dwyer requested Mr. Yunker to bring the recommended changes to the personnel regulations due to Act 10, Act 20, and the Affordable Care Act to a future Administrative Committee Meeting.

Mr. Yunker then recommended that the Administrative Committee consider implementing a limited flex-time working hours program for Commission employees. He assured the Committee that with this program, the Commission office would continue to be open from 8 a.m. to 4:30 p.m.; the Commission

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functional areas of Transportation, Environmental, Land Use, Community Assistance, and Geographic Information Systems would be staffed from 8 a.m. to 4:30 p.m.; and the Receptionist/phone operator would also be maintained from 8 a.m. to 4:30 p.m. Employees would be allowed to report to work between 7 a.m. and 9 a.m. As is permitted now, they may take a ½ hour or 1 hour lunch, and work an eight hour day. Under this schedule, daily staff work hours could range from 7:00 a.m. to 3:30 p.m. to 9:00 a.m. to 6:00 p.m.

Ms. Greene commented that her department has a flex-time work program. She offered to send her organization's flex-time work program materials to the Commission to help in planning.

Mr. Dwyer then requested Mr. Yunker to bring a written flex-time policy for consideration at a future Administrative Committee meeting.

#### **ADJOURNMENT**

There being no further business to come before the Committee, the meeting was adjourned at 2:40 p.m. on a motion by Mr. Stroik, seconded by Ms. Greene, and carried unanimously.

Respectfully submitted,

Kenneth R. Yunker  
Executive Director

KRY/EAL/dad  
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