

MINUTES

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

ADMINISTRATIVE COMMITTEE

Thursday, May 24, 2018

1:30 p.m.

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

Present:

Excused: None

Committee Members:

James T. Dwyer, Chairman
Thomas H. Buestrin
Charles L. Colman
Michael A. Crowley
Mike Dawson
William R. Drew
Aloysius Nelson
Robert W. Pitts
Daniel S. Schmidt
David L. Stroik
Gustav W. Wirth, Jr.

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.

APPROVAL OF MINUTES OF APRIL 26, 2018, MEETING

Chairman Dwyer asked if there were any changes or additions to the April 26, 2018, meeting minutes. There were none.

On a motion by Mr. Nelson, seconded by Mr. Stroik, and carried unanimously, the minutes of the Administrative Committee meeting held on April 26, 2018, were approved as published.

APPROVAL OF DISBURSEMENTS

2018 Reporting Period No. 9

Ms. Larsen distributed copies of the Check Register for the 9th financial reporting period of April 16, 2018, to April 29, 2018.

In response to an inquiry by Mr. Colman concerning payment to Otis Elevator Company, (page 3), Ms. Larsen stated this payment was for the annual service contract for the two elevators located in the Commission office building.

In response to a second inquiry by Mr. Colman concerning payment to Total Mechanical, Inc., (page 3), Ms. Larsen stated this was the quarterly payment for maintenance services on the Commission's heating, ventilation, and air conditioning (HVAC) system.

In response to an inquiry by Mr. Colman concerning payment to Level 3 Communications, (page 3), Ms. Larsen stated this payment is for the Commission's monthly telephone and internet access. In response to a follow up question, Ms. Larsen stated that Verizon Wireless is the Commission's cellular phone provider. The cellular phones are used by the survey staff for communication when they are in the field. In addition, the total station for field surveying uses a cellular data line. The Commission also has three "plain old telephone lines" (POTS) lines located in each elevator and the computer server room.

In response to an inquiry by Mr. Nelson concerning payment to United Way of Greater Milwaukee/Waukesha Counties (GMWC), (page 4), Ms. Larsen stated staff may choose to donate to United Way (GMWC) through a payroll deduction, which is then paid to the United Way of GMWC.

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 9th reporting period of 2018 were approved.

Chairman Dwyer, Mr. Drew, and Mr. Hahn then affixed their signatures to the Check Register for the 9th reporting period of 2018 (copy attached to Official Minutes).

2018 Reporting Period No. 10

Ms. Larsen distributed copies of the Check Register for the 10th financial reporting period of April 30, 2018, to May 13, 2018.

In response to an inquiry by Mr. Colman to CliftonLarsonAllen, LLP, (page 1), Ms. Larsen stated this is a partial payment toward the completion of the Commission's 2017 audit.

In response to an inquiry by Mr. Colman to Cramer, Multhauf & Hammes, LLP, (page 1), Ms. Larsen stated this payment was for legal advice concerning an employment issue.

In response to an inquiry by Mr. Crowley concerning payment to Meter Group, Inc. (page 2), Ms. Larsen stated Commission staff purchased 40 data loggers for use in the Chloride Impact Study. Twenty of those data loggers have been received and are represented by this payment, the remaining data loggers will be delivered in mid-June.

There being no further questions or comments, on a motion by Mr. Schmidt, seconded by Mr. Nelson, and carried unanimously, the Commission disbursements for the 10th reporting period of 2018 were approved.

Chairman Dwyer, Mr. Drew, and Mr. Hahn then affixed their signatures to the Check Register for the 10th reporting period of 2018 (copy attached to Official Minutes).

REVIEW OF STATEMENT OF REVENUES AND EXPENDITURES FOR PERIOD ENDING MAY 13, 2018

Copies of the Statement of Projected Revenues and Expenditures for reporting period 10 ending on May 13, 2018, 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 35 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 \$166,357 in the Continuing Program Area, and an increase of \$209,215 in the Special Projects Program Area. Decreases occurred in the Land Use Planning Program and the Water Quality Planning Program. Service Agreement revenues increased in the Floodland Management Planning Program due to the addition of the City of Burlington Stormwater Management Plan. Revenues also increased in the Community Assistance Planning Program due to an increase in survey re-monumentation requests from the Wisconsin Department of Transportation and the continuing work on the Milwaukee Metropolitan Sewerage District's Resiliency project. In addition, revenues have increased for the Datum Conversion Project as work that was expected to be completed in Calendar Year 2017 will now be completed in Calendar Year 2018.
3. The projection of expenditures through the end of the year compared with the budgeted revenues, indicates a surplus of nearly \$302,000 for the continuing program projects. The surplus is expected to decline throughout the year with the payment of items such as the payment in lieu of taxes to the City of Pewaukee and payments for 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 2016 financial audit. These accounts will be adjusted upon completion of the audit for 2017.
5. The Commission had on hand as of May 13, 2018, approximately \$7.52 million. This includes about \$444,144 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 1.73 percent interest and various certificate of deposit accounts.

In response to an inquiry by Mr. Nelson, Ms. Larsen briefly explained the Commission Reserve Accounts.

Mr. Pitts then asked if a building committee was in force. Mr. Hahn responded that there was not, however Mr. Stroik informally performs the function.

There being no additional questions or discussion, on a motion by Mr. Drew, seconded by Mr. Stroik, and carried unanimously, the Statement of Projected Revenues and Expenditures for the period ending May 13, 2018, was accepted to be placed on file (copy attached to Official Minutes).

CONSIDERATION OF BUDGET ASSUMPTIONS FOR 2019

Chairman Dwyer asked Mr. Hahn to lead the Committee through a discussion of budget assumptions for calendar year 2019. Noting that materials had been provided to Committee members prior to this meeting (copy attached to the Official Minutes), Mr. Hahn made the following major points:

1. Federal revenues will remain the same as the 2018 projected funding.
2. State revenues for transportation planning will remain the same as the 2018 budgeted funding.
3. State funding for water quality management planning assumes the same level of funding as the 2018 budget. The coastal zone management funding is assumed to remain at the same level for the 2019 budget.
4. A decrease in service agreement revenues of about \$227,676, or 13.1 percent, has been assumed. Decreases in service agreement revenues are expected in community assistance planning, water quality planning, and stormwater management planning. The Chloride Study program development funds have also been decreased to reflect an extension of the overall project timeline through the Year 2022, and to reflect an increase in outside funding. Wetland delineation revenues have declined to reflect a decrease in Wisconsin Department of Transportation (WISDOT) requests for wetland delineations. An increase is projected in service agreement revenues for park and land use planning. Re-monumentation revenues have increased to reflect an increase in WISDOT requests for the replacement of U.S. Public Land Survey corner markers, particularly with respect to the Foxconn building project. Chloride Study contract revenues have increased due to additional funds from the Wisconsin Department of Natural Resources and the Milwaukee Metropolitan Sewerage District.
5. 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. In November 2017, ProHealth Care requested to extend the lease to March 31, 2019.
6. 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 0.00128 percent (substantially below the statutory cap of 0.003 percent and also less than the 2018 rate of 0.00132 percent). The Region increased its tax base by 3.51 percent from 2016 to 2017. Owing to the relative differences in the change in equalized value between 2016 and 2017 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, Racine, Walworth, Washington, and Waukesha Counties will see increases of between 0.107 and 1.982 percent (Table 3), and Milwaukee County will see a decrease of 1.597 percent. The proposed 2019 budget will be the thirteenth consecutive year of no increase in the regional tax levy.

7. On an overall basis, the potential year 2019 operating budget would call for a total revenue and expenditure level of about \$7.56 million, an increase of \$5,897, or 0.08 percent, from the adopted 2018 budget.
8. Key expenditure assumptions proposed to be made in preparing the budget include an authorized full time staffing level of 66 positions, the same number of positions as the 2018 budget; 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 6.7 percent to 6.8 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 20, 2018, Annual Commission meeting.

In response to an inquiry by Mr. Nelson, Ms. Larsen stated that \$25,000 has been budgeted for overtime.

Mr. Pitts then asked what was included in the Consultant budget line-item. Ms. Larsen stated that anticipated expenditures include computer consulting services, a minority survey firm that is used for the Milwaukee County Surveyor contract, funds to work with a consultant to establish a GIS mapping web site, CliftonLarsonAllen accounting services, and Root-Pike Watershed Initiative (WIN) outreach services.

Ms. Larsen further stated that the 2018 projected consultant amount includes a reimbursement of \$110,000 to the Counties by the Commission for the USGS payment for aerial orthophotography files.

In response to an additional inquiry by Mr. Nelson, Ms. Larsen stated the budget includes 10 part-time employees.

At the conclusion of the 2018 budget assumptions discussion, it was moved by Mr. Stroik, seconded by Mr. Pitts, and carried unanimously, to direct the Commission staff to prepare a year 2019 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 20, 2018 (copy of Budget Assumptions for 2019 attached to Official Minutes)

REVIEW OF COMMISSION SALARY ADJUSTMENTS

Mr. Hahn reported that a Compensation Subcommittee including himself and Commissioners Buestrin, Colman, Crowley, Dwyer, Schmidt, Stroik, and Wirth met 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 3.58 percent. Excluding promotions, the increase is 3.21 percent.

There being no discussion, on a motion by Mr. Buestrin, seconded by Mr. Pitts, 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 2017-2018 insurance premium was

\$48,225, and in discussing renewal rates with the Commission's insurance agent, it can be expected that the 2018-2019 insurance renewal premium will be \$49,125.

Ms. Larsen stated that Mr. Ron Knudsen of Johnson Insurance is recommending the Commission add a cyber liability policy through Travelers Insurance with an annual premium of \$2,275. This policy would have a \$1,000,000 limit with a \$10,000 deductible and provide coverage in the event the Commission's computer network is hacked and data is stolen. This policy also provides coverage for E-Commerce Extortion.

Mr. Crowley stated that ransomware occurs frequently and the insurance is worth the cost.

Mr. Dawson noted that he is also in favor of adding a cyber liability policy.

In response to an inquiry by Mr. Crowley, Ms. Larsen stated the Commission's workers compensation experience mod is 0.83 to 0.85.

On a motion by Mr. Stroik, seconded by Mr. Drew, and carried unanimously, the renewal of the Commission's business insurance policy with West Bend Mutual Insurance Company to annualize the policy to June 1st for 2018-2019, was approved with the provision that the policy renewal does not exceed an annual premium of \$49,125, and with the additional cost of the Cyber Liability coverage to be purchased through Travelers Insurance at a cost of \$2,275.

CORRESPONDENCE AND ANNOUNCEMENTS

Chairman Dwyer asked Mr. Hahn if there were any correspondence or announcements. There were none.

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. Nelson, and carried unanimously.

Respectfully submitted,

Michael G. Hahn
Deputy Secretary

JTD/MGH/EAL/ce
#242739
Attachments