

MINUTES

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

ADMINISTRATIVE COMMITTEE

Thursday, May 19, 2022

1:40 p.m.

SEWRPC Office Building
Commissioners' Conference Room
W239 N1812 Rockwood Drive
Waukesha, WI 53188

Meeting Occurred in Person and Virtually via Video and Telephone Conference

Present:

Excused:

Committee Members:

James T. Dwyer, Chairman
Donna Brown-Martin
Thomas H. Buestrin
Charles L. Colman
Michael A. Crowley
Jonathan Delagrave
Aloysius Nelson
Robert W. Pitts
Daniel S. Schmidt
David L. Stroik
Gustave W. Wirth, Jr.

Staff:

Kevin J. Muhs	Executive Director
Benjamin R. McKay	Deputy Director
Elizabeth Larsen	Director of Administration
Catherine M. Pozum	Human Resources Assistant/Bookkeeper

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 21, 2022, MEETING

Chairman Dwyer asked if there were any changes or additions to the April 21, 2022, meeting minutes. There were none.

On a motion by Mr. Nelson, seconded by Mr. Schmidt, and carried unanimously, the minutes of the Administrative Committee meeting held on April 21, 2022, were approved as published.

PRESENTATION OF THE 2021 COMMISSION AUDIT REPORT

Chairman Colman welcomed Mr. Jordan Boehm, CPA, and Mr. Michael Anderson, CPA, both of the firm CliftonLarsonAllen (CLA), to present the Draft 2021 Commission Audit Report to the Committee.

Mr. Boehm introduced himself and Mr. Anderson to the Committee and then asked Mr. Anderson to present the audit findings.

Mr. Anderson referenced the summary document of the Commission's 2021 Audit and then presented a summary of the findings. He noted no audit entries or past adjustments were made, and all year-end balances are appropriately stated.

There being no financial statement findings and no single audit findings, a clean audit opinion will be issued. Mr. Anderson further stated that the Commission will be considered a low-risk auditee for the conduct of the 2022 audit.

In response to an inquiry by Mr. Crowley, Mr. Boehm stated no evidence of fraud was detected as part of the audit process.

There being no further questions or comments, on a motion by Mr. Schmidt, seconded by Mr. Nelson, and carried unanimously, the 2021 Commission Audit Report was approved and placed on file.

APPROVAL OF DISBURSEMENTS

2022 Reporting Period No. 8

Copies of the Check Register for the 8th financial reporting period of March 28, 2022, to April 10, 2022, were distributed to the Committee.

Mr. Nelson inquired about a number of payments. Ms. Larsen responded as follows:

- Kairo Communications LLP (page 2); this was the final payment for the services of Dr. Deborah Blanks. Dr. Blanks conducted an evaluation of the Commission's public outreach efforts and has now provided a report on the effectiveness of these efforts.
- MobilISE (page 2); this payment was for the reimbursement of outreach services conducted as part of the FlexRide Milwaukee project. The Commission has partnered with the University Wisconsin-Milwaukee (UWM) to conduct a pilot rideshare project to connect City of Milwaukee residents with employers in Waukesha County. UWM has received funding from the National Science Foundation in support of this pilot project.
- Near West Side Partners, Inc. (page 2); this payment was for the reimbursement of outreach services for the North-South Transit Enhancement Study. This is a pass-through payment to be reimbursed by Milwaukee County.
- River North Transit, LLC (page 2); this payment was for Via Transportation, the vendor providing rideshare services as part of the FlexRide Milwaukee project. This payment will be reimbursed by UWM.

Administrative Committee
May 19, 2022

There being no additional questions or comments, on a motion by Mr. Crowley, seconded by Mr. Delagrave, and carried unanimously, the Commission disbursements for the 8th reporting period of 2022 were approved.

Chairman Dwyer, Mr. Stroik, and Mr. Muhs then affixed their signatures to the Check Register for the 8th reporting period of 2022 (copy attached to Official Minutes).

2022 Reporting Period No. 9

Copies of the Check Register for the 9th financial reporting period of April 11, 2022, to April 24, 2022, were distributed to the Committee.

In response to an inquiry by Mr. Colman concerning payment to the United States Geological Survey (page 2), Ms. Larsen stated this payment was for the stream gaging program. She then noted that the stream gaging program is a long running program where 15 stream gages have been placed in various locations in the Milwaukee River, the Kinnickinnic River, the Root River, the Pike River, the Bark River, the Fox River, and the Mukwonago River. This is a cooperative program with the Commission acting as the fiscal agent. The USGS and the Milwaukee Metropolitan Sewerage District, the City of Delafield, the Delafield-Hartland WPCC, the Kenosha Water Utility, the Racine Water Utility, Upper Nemahbin Lake Management District, and Waukesha County cost share this program.

There being no additional questions or comments, on a motion by Mr. Schmidt, seconded by Mr. Stroik, and carried unanimously, the Commission disbursements for the 9th reporting period of 2022 were approved.

Chairman Dwyer, Mr. Stroik, and Mr. Muhs then affixed their signatures to the Check Register for the 9th reporting period of 2022 (copy attached to Official Minutes).

REVIEW AND CONSIDERATION OF STATEMENT OF REVENUES AND EXPENDITURES FOR PERIOD ENDING APRIL 24, 2022

Copies of the Statement of Projected Revenues and Expenditures as of reporting period No. 9, ending on April 24, 2022, 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 30 percent of the calendar year. She then called attention to the following items:

1. The Federal and State revenue entries remain unchanged from the report presented at the April meeting.
2. The service agreement revenues have been adjusted to reflect a revised project schedules, resulting in a combined decrease of \$112,000 in the Continuing Program Area and the Special Projects Program Area. Service agreement revenues increased in the Transportation Study due to a greater amount of work requested by the Wisconsin Department of Transportation. Revenues also increased in the Water Quality Planning Program due to a number of lakes studies that are expected to be completed in 2022. Economic Development increased slightly due to an unexpected request for assistance with a Community Development Block Grant for CLOSE Public Facilities in the Village of Pleasant Prairie. The Chloride Study revenues increased due to the use of deferred revenue funds for this project. Decreases in Service Agreement Revenues occurred in Land Use Planning due to reduced work and corresponding funding for the Coastal

Resiliency Study. Floodland Management Revenues have decreased due to staff transitioning to work on the Chloride Study, and Community Assistance Planning Program service agreement revenues are expected to decrease due to no longer using program development funds to cover staff expenses.

3. The projection of expenditures through the end of the year compared with the budgeted revenues, as approved in the 2022 Overall Work Program, indicates a surplus of just over \$253,000 for the continuing program projects. This is a typical pattern encountered in the early stages of carrying out the Commission's annual work program. The surplus may be expected to decline to less than \$200,000 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 the audit, replacement equipment, and the 2022 automobile replacement.
4. The liability accounts reported on the Statement reflect the findings of the 2020 financial audit. These accounts will be adjusted on the next report as the 2021 audit is now completed and approved.
5. The Commission had on hand as of April 24, 2022, approximately \$7.06 million. This includes about \$298,000 of unearned revenue provided to the Commission in advance of expenditures.
6. The funds on hand are invested in the State of Wisconsin Local Government Investment Pool, which is presently paying 0.30 percent interest, certificate of deposit accounts, and money market accounts.
7. This Statement reflects the January 2022 approved Commission Reserves Policy. The minimum and maximum reserve fund have been noted. These numbers reflect the findings of the 2020 Commission Audit and will be adjusted upon completion of the 2021 Audit.

In response to an inquiry by Mr. Nelson, Ms. Larsen indicated that the reserve fund amounts will change on the next Statement due to the completion of the 2021 Audit Report.

There being no additional questions or comments, on a motion by Mr. Pitts, seconded by Mr. Nelson, and carried unanimously, the Statement of Projected Revenues and Expenditures for the period ending April 24, 2022, was accepted to be placed on file (copy attached to Official Minutes).

CONSIDERATION OF THE REPORT ON STAFF COMPENSATION

Mr. Muhs reported that an Ad-Hoc Salary Committee including Commissioners Brown-Martin, Buestrin, Colman, Crowley, Delagrave, Dwyer, Nelson and Stroik met to review recommended staff salary merit adjustments to be in effect from July 2022 through June 2023. The Subcommittee met prior to the Administrative Committee meeting and approved the proposed salary adjustments. The proposed salary adjustments average 4.75 percent, or \$214,590.00 total. Excluding promotions, the increase is 4.38 percent.

There being no additional discussion, on a motion by Mr. Stroik, seconded by Mr. Pitts, the Commission Compensation Plan was approved.

CONSIDERATION OF BUDGET ASSUMPTIONS FOR 2023

Chairman Dwyer asked Mr. Muhs to lead the Committee through a discussion of budget assumptions for calendar year 2023. Noting that materials had been provided to Committee members prior to this meeting (copy attached to the Official Minutes), Mr. Muhs made the following major points:

1. Federal grants for transportation planning are assumed to increase significantly due to expected funding as part of the Infrastructure and Investment Jobs Act. The federal funding for the chloride project has increased in 2023 due to extensive work being conducted on this project.
2. State revenues for transportation planning will remain essentially the same as the 2022 budget.
3. State funding for water quality management planning and coastal management planning will remain at the same level as the 2022 budget.
4. An overall decrease in service agreement revenues of \$472,101, or about 25 percent, has been assumed. Decreases in service agreement revenues are expected in park and land use planning and community assistance planning due to the expected completion of multiple projects prior to the end of 2022. In addition, the stormwater management planning revenues are expected to decrease due to staff transitioning work efforts to the Chloride Study. Chloride Study service agreement revenues have decreased due to a projected decline in grant revenue. In addition, the Orthophotography program is expected to be completed in 2022, with no ongoing work in 2023. An increase is expected in water quality planning due to a number of lake management plans scheduled for completion. In addition, the transportation modeling revenues and the re-monumentation assistance revenues are expected to increase due to a greater demand for work requested by the Wisconsin Department of Transportation.
5. The rental amount from the tenant in the Rockwood Drive building is estimated to remain the same. In December 2018, ProHealth Care signed a new “Agreement Extending Lease Term” for two years, to March 31, 2022, with two one-year options to extend. In October 2021, ProHealth Care extended the lease to March 31, 2023.
6. It is proposed that the budget amount for regional tax levy support remain the same as the 2022 level of funding, resulting in a tax rate of 0.00101 percent (substantially below the statutory cap of 0.003 percent). The Region increased its tax base by 7.92 percent from 2020 to 2021. The proposed 2023 budget will be the seventeenth consecutive year that regional tax levy is at or below the level set in 2006. Table 3 shows the distribution of the levy among the seven counties.
7. On an overall basis, the potential year 2023 operating budget would call for a total revenue and expenditure level of about \$8.39 million, which is only a very slight increase of \$7,335, or 0.01 percent from the adopted 2022 budget.
8. Key expenditure assumptions proposed to be made in preparing the budget include an authorized full-time staffing level of 67 positions, three more positions than the final 2022 budget; staff salary adjustments of about 4.50 percent with salary increases distributed on the basis of merit; a 10 percent increase in health insurance costs; and an increase in Commission’s share of retirement costs from 6.50 percent to 7.0 percent.

There being no further questions or comments, on a motion by Mr. Stroik, seconded by Mr. Crowley, and carried unanimously, the budget assumptions for calendar year 2023 were approved.

REPORT ON AND CONSIDERATION OF RENEWAL OF COMMISSION'S BUSINESS INSURANCE

Ms. Larsen noted the Commission's Business Insurance is up for renewal on June 1, 2022. The 2021-2022 insurance premium was \$65,864, and in discussing renewal rates with the Commission's insurance agent, it can be expected that the 2022-2023 insurance renewal premium will be approximately \$70,538. This renewal is for the same coverages in force for the expiring year. The overall cost of the business insurance increased 7 percent over the prior year actual cost. The cost increase is primarily due to the Workers Compensation Insurance due to an increase in the payroll rate for the surveyor class group from \$2.22 to \$2.41. The surveyor class group includes the Commission's survey staff and the lakes staff that are regularly in the field. It is assumed that the survey staff is in the field year-round, and the lakes group is assessed by the time spent in the field. In addition to the payroll rate increase, the Workers Compensation Experience Modification rate increased slightly from 1.06 to 1.08.

In response to an inquiry by Mr. Dwyer, Ms. Larsen stated that the Commission does not anticipate loss of renter's income from tenants, ProHealth Care, Inc. However, the Commission is not insured against the loss of rental income should ProHealth Care, Inc. unexpectedly move out of the Commission office building.

In response to another inquiry by Mr. Dwyer, Ms. Larsen stated that if the Commission's office building was damaged or destroyed, coverage is available to relocate the office, staff, and expenses associated with re-establishing the Commission work efforts.

In response to an inquiry by Mr. Pitts, Ms. Larsen stated that the Commission's insurance agent does informally review insurance rates and options before the annual renewal rates are finalized; however, a formal bid process has not been conducted in recent years.

On a motion by Mr. Pitts, seconded by Mr. Wirth, and carried unanimously, the renewal of the Commission's business insurance policy with West Bend Mutual Insurance Company was approved.

CORRESPONDENCE AND ANNOUNCEMENTS

Chairman Dwyer asked Mr. Muhs if there were any correspondence or announcements. Mr. Muhs stated there were none.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:23 p.m. on a motion by Mr. Wirth, seconded by Mr. Delagrave, and carried unanimously.

Respectfully submitted,

Kevin J. Muhs
Deputy Secretary