

MINUTES

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

ADMINISTRATIVE COMMITTEE

Thursday, May 18, 2023

1:30 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
Charles L. Colman
Michael A. Crowley
Robert W. Pitts
David L. Stroik

Thomas H. Buestrin
Jonathan Delagrave

Staff:

Benjamin R. McKay
Elizabeth Larsen

Interim Executive Director
Director of Administration

ROLL CALL

Chairman Dwyer called the meeting to order at 1:45 p.m. Roll call was taken, and a quorum was declared present.

APPROVAL OF MINUTES OF APRIL 20, 2023, MEETING

Chairman Dwyer asked if there were any changes or additions to the April 20, 2023, meeting minutes. There were none.

On a motion by Mr. Stroik, seconded by Mr. Pitts, and carried unanimously, the minutes of the Administrative Committee meeting held on April 20, 2023, were approved as published.

PRESENTATION OF THE 2022 COMMISSION AUDIT REPORT

Chairman Dwyer welcomed Mr. Jordan Boehm, CPA, and Mr. Michael Anderson, CPA, both of the firm CliftonLarsonAllen (CLA), to present the Draft 2022 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 2022 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.

In response to an inquiry by Mr. Stroik concerning tax levy allocations at similar government entities, Mr. Boehm stated due to the limitations in the ability to increase the tax levy combined with the current inflation rate, government agencies are reviewing other revenue sources. Staff may have to consider increasing grant funding requests and service agreement revenues.

A discussion ensued concerning the ability to increase the tax levy and other revenues and finding a balance between the regional tax base and the Commission's work efforts.

There being no additional questions or comments, on a motion by Mr. Stroik, seconded by Mr. Pitts, and carried unanimously, the 2022 Commission Audit Report was approved and placed on file.

APPROVAL OF DISBURSEMENTS

2023 Reporting Period No. 8

Copies of the Check Register for the 8th financial reporting period of March 27, 2023, to April 9, 2023, were distributed to the Committee.

In response to an inquiry by Mr. Dwyer concerning payment to Remix Technologies, LLC, (page 2) Ms. Larsen stated this payment was for transit planning software and a dataset that the Transportation Division uses to aid in the preparation of transit development plans. Additionally, the Commission shares this dataset with Kenosha County. This payment represents a portion of the user license the County must pay to access the data.

In response to an inquiry by Mr. Colman concerning payment to River North Transit, LLC, (page 2), Ms. Larsen stated this was payment for Via Transportation, the vendor providing rideshare services as part of the FlexRide Milwaukee project for the month of March 2023.

There being no additional questions or comments, on a motion by Mr. Stroik, seconded by Mr. Crowley, and carried unanimously, the Commission disbursements for the 8th reporting period of 2023 were approved.

Chairman Dwyer, Mr. Stroik, and Mr. McKay then affixed their signatures to the Check Register for the 8th reporting period of 2023 (copy attached to Official Minutes).

2023 Reporting Period No. 9

Copies of the Check Register for the 9th financial reporting period of April 10, 2023, to April 23, 2023, were distributed to the Committee.

In response to an inquiry by Mr. Dwyer concerning payment to Carahsoft Technologies Corporation, (page 1), Ms. Larsen stated this payment was for the annual renewal of LiDAR processing software.

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

There being no additional or comments, on a motion by Mr. Stroik, seconded by Mr. Crowley, and carried unanimously, the Commission disbursements for the 8th reporting period of 2023 were approved.

Chairman Dwyer, Mr. Stroik, and Mr. McKay then affixed their signatures to the Check Register for the 9th reporting period of 2023 (copy attached to Official Minutes).

REVIEW AND CONSIDERATION OF STATEMENT OF REVENUES AND EXPENDITURES FOR PERIOD ENDING APRIL 23, 2023

Copies of the Statement of Projected Revenues and Expenditures as of reporting period No. 9, ending on April 23, 2023, 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 schedule resulting in a combined increase of \$110,560 in the Continuing Program Area and the Special Projects Program Area. Service agreement revenues increased in the Transportation Study due to actual revenue recorded rather than an estimated revenue amount for an agreement. Revenues also increased in the Floodland Management Planning Program due to the initiation of the MMSD Root River Watershed project. The Community Assistance program revenues increased due to the completion of the Racine County Hazard Mitigation plan in 2023, and the initiation of the Milwaukee County Hazard Mitigation plan this year, and Economic Development revenues increased slightly due to the completion in 2023 rather than in 2022 of the Kenosha Area Business Alliance grants assistance agreement. Decreases in Service Agreement Revenues occurred in Land Use Planning due to the Coastal Resiliency Study extending the completion date to 2024, rather than 2023 as previously anticipated. In addition, Water Quality Planning Revenues have decreased due to the completion of the Lake Comus Inventory plan in 2022 rather than 2023, and the Comus Lake Nine Key Element Plan completion date has been moved to 2024 rather than 2023.
3. The projection of expenditures through the end of the year compared with the budgeted revenues, as approved in the 2023 Overall Work Program, indicates a surplus of just over \$730,000 for the

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continuing program projects, with an overall surplus of \$450,000 due to the deficit in Chloride Impact Study. 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 website update.

4. The liability accounts reported on the Statement reflect the findings of the 2021 financial audit. These accounts will be adjusted on the next report as the 2022 audit is now completed.
5. The Commission had on hand as of April 23, 2023, approximately \$7.98 million. This includes about \$381,000 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 4.8 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 2021 Commission Audit and will be adjusted upon completion of the 2022 Audit.

There being no questions or comments, on a motion by Mr. Pitts, seconded by Mr. Stroik, and carried unanimously, the Statement of Projected Revenues and Expenditures for the period ending March 26, 2023, was accepted to be placed on file (copy attached to Official Minutes).

CONSIDERATION OF THE REPORT ON STAFF COMPENSATION

Ms. Larsen reported that an Ad-Hoc Salary Committee including Commissioners Colman, Crowley, Delagrave, Dwyer, 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 7.22 percent, or \$336,540. Excluding promotions and equity adjustments, the proposed increase in salaries based on merit is 3.51 percent.

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

CONSIDERATION OF BUDGET ASSUMPTIONS FOR 2024

Chairman Dwyer asked Ms. Larsen to lead the Committee through a discussion of budget assumptions for calendar year 2024. Noting that materials had been provided to Committee members prior to this meeting (copy attached to the Official Minutes), Ms. Larsen made the following major points:

1. Federal grants have increased due to the addition of STP funding for the 2024 Regional Orthophotography Program and the EPA Climate Pollution Reduction (CPRG) grant.
2. State funding for transportation planning reduces slightly from the 2023 budget.
3. State funding for water quality management planning and coastal management planning will remain at the same level as the 2023 budget.

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4. An overall increase in service agreement revenues of \$744,535, or just over 51 percent, has been assumed. Service agreement revenues are expected to increase in park and land use planning due to the initiation of a number of comprehensive plan updates and park and open space plans, in stormwater management planning due to the addition of a multi-year watershed mapping agreement with MMSD, and community assistance planning reflects a slight increase over the 2023 budget. The County Surveyor budget reflects a three percent increase, which is the first increase since the program started in 2006. In addition, the KRM Commuter Rail Feasibility Study initiated in 2023, will continue through 2025. Also, the 2023 Origin and Destination Travel Survey will be completed in 2023, as the majority of this work effort will have been completed by consultants. The Orthophotography program is now a recurring two year project slated for even numbered years. This project is funded by the participating counties, a small amount of service agreement revenues and Federal STP funds. A decrease is expected in water quality planning due to a reduction in the number of lake management plans scheduled for completion in 2024.
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. In January 2023, the lease was extended to March 31, 2024. In October 2023, a new Agreement Extending the Lease Term will need to be negotiated.
6. It is proposed that the budget amount for regional tax levy support remain the same as the 2023 level of funding, resulting in a tax rate of 0.000090 percent (substantially below the statutory cap of 0.003 percent). The Region increased its tax base by 12.91 percent from 2021 to 2022 (see Table 2). The proposed 2024 budget will be the eighteenth 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 2024 operating budget would call for a total revenue and expenditure level of about \$9.60 million, an increase of \$1,196,575 or 14.25 percent from the adopted 2023 budget. This increase is due primarily to the addition of funds for the 2024 Orthophotography Program, the continuing work on the EPA Planning Grant, the KRM Commuter Rail Feasibility Study, and the MMSD watershed mapping contract.
8. Key expenditure assumptions proposed to be made in preparing the budget include an authorized full-time staffing level of 67 positions, the same number of position as budgeted in 2023; 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.

In response to an inquiry by Mr. Stroik, Mr. McKay stated that USDOT Highway (PL) funding decreased because of changes in the Census defined urbanized areas in the Region based on the 2020 Decennial Census.

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 2024 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, 2023. The 2022-2023 insurance premium was \$70,579, and in discussing renewal rates with the Commission's insurance agent, it can be expected that the 2023-2024 insurance renewal premium will be approximately \$71,464. This renewal is for the same coverages in force for the expiring year. The overall cost of the business insurance increased just over 1 percent over the prior year actual cost. The Workers Compensation Experience Modification rate decreased slightly from 1.08 to 1.06.

In response to an inquiry by Mr. Pitts, Ms. Larsen stated that the Commission's insurance agent, Mr. Ron Knudsen, does request quotes for the business coverage.

In response to a comment by Mr. Stroik, Ms. Larsen stated she will confirm with Mr. Knudsen, that the Employment Practices Liability Insurance coverage (EPLI) does provide coverage for the Commissioners.

[Secretary's Note: Ms. Larsen did confirm with Mr. Knudsen that the EPLI coverage includes Commissioner's, and the policy language has been amended to include Directors and Officers as covered under this policy.]

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

DISCUSSION AND CONSIDERATION OF NEW ACCOUNTING AND HUMAN RESOURCES SOFTWARE

Discussion and consideration of a new accounting and human resources software has been moved to the next Administrative Committee meeting.

CORRESPONDENCE AND ANNOUNCEMENTS

Chairman Dwyer asked Mr. McKay if there were any correspondence or announcements. Mr. McKay stated there was no correspondence.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 3:00 p.m. on a motion by Mr. Pitts, seconded by Mr. Colman, and carried unanimously.

Respectfully submitted,

Benjamin R. McKay
Interim Deputy Secretary