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WAUPACA COUNTY FINANCE COMMITTEE MINUTES
July 11, 2018

Chair Federwitz called the meeting to order at 9 a.m. and gave the open meeting statement with the following members present: Supr. Craig, Flease, Johnson, G. Murphy, Neumann, Penney, and Co. Bd. Chr. Koeppen. Others present: Amanda Welch, Brent Wyland, Heidi Dombrowski, Jill Lodewegen, Mark Sether, and Diane Meulemans.

REVIEW AND APPROVE AGENDA. – MOTION: Supr. G. Murphy moved and Supr. Craig seconded the motion to approve the agenda. Motion carried without a negative vote.

MINUTES OF PREVIOUS MEETINGS – MOTION: Supr. Flease moved and Supr. Johnson seconded the motion to approve the minutes of the June 13, 2018 meeting. Motion carried without a negative vote.

PUBLIC COMMENT: None

1. Res. No. 12 (18-19) Highway Expansion Position Request. Human Resource Director Amanda Welch noted changes requested by the Highway Department which will have no levy impact **MOTION:** Supr. Flease moved and Supr. Neumann seconded the motion to approve Res. No. 12 (18-19) and forward to the full county board. Motion carried without a negative vote.
2. Res. No. 14 (18-19) Dark Store **MOTION:** Supr. Craig moved and Co. Bd. Chr. Koeppen seconded the motion to approve Res. No. 14 (18-19) and forward to the full county board. Motion carried without a negative vote.
3. Finance Director's Report - Heidi Dombrowski
 - a. Res. No 15 (18-19) Lakeview Manor Nursing Home Fund Closure – **Motion** Supr. Johnson moved and Supr. Flease seconded to approve Res. No 15 (18-19) and forward to the full board. Motion carried without a negative vote.
 - b. Heidi provided a report of the 2018 budget to the committee with trends for cash flow, interest on investments, delinquent tax balances, interest on delinquent tax, sales tax history and fund review.
 - c. She discussed the process for the 2019 budget and asked the committee to plan for an additional meeting in August on the 15th to address the 2019 budget.
 - d. Monthly Vouchers. **Motion:** Supr. Craig moved and Supr. Penney seconded the motion to approve the monthly vouchers and Chr. Koeppen abstained from the vote. Motion carried.
4. Treasurer Report – Mark Sether
 - a. Mark stated that there were not many changes with in-rem properties. They had received an accepted offer for the home in Iola. Some additional properties would be put on Wisconsin Surplus, however the subdivision in the Town of Caledonia he was going to wait to put on the site because of some interest that was being received.
 - b. Mark then reviewed: Investments, Tax Certificates, County Sales Tax, Interest on Delinquent Taxes, and Interest on Investments. He also noted that the 2019 Wisconsin County Treasures Association would be hosted by Waupaca County.

5. Information Technology Dept. Report – Brent Wyland Director.
 - a. Brent gave an overview of items that were discussed at the IT committee meeting which included the RFP for fiber for Symco tower, 5 year plan for server replacement, core and standard switch replacement, storage area network replacement and the 2018 budget review.
 - b. Monthly Bills. **Motion:** Supr. Craig moved and Supr. Neumann seconded the motion to approve the monthly bills for IT. Motion carried without a negative vote.
6. Human Resource Department Report – Amanda Welch, Director/Administrative Coordinator
 - a. Monthly Report –Recruitment; wage/benefit issues; Labor Relations; and Unemployment Compensation updates was distributed and discussed. Mandy also discussed that they will be bidding out the health insurance this year.
7. County Clerk – Jill Lodewegen
 - a. Jill provided information regarding the CGI Communications County Video Program that's contract is up for renewal. The program is free to the County however the advertisers pay a fee. She did note that not many Counties currently use the program and that the click rate was pretty low, 2,000 since December of 2015. Dave Thiel was asked to provide his feedback. He noted that he would like the County not to renew the contract. The County contributes to a marketing campaign that he feels does better video coverage of the County. **Motion:** Supr. Fleese moved and Supr. Neumann seconded not to renew the contract with CGI Communications and have Clerk Lodewegen work with Corporation Counsel Meulemans to compose a letter stating such. Motion carried without a negative vote.
 - b. Approve/Deny County Board Claims:
 - i. Per Diem & Mileage Allowance for the month of June is \$12,540.08. **Motion:** Supr. Johnson moved and Co. Bd. Chr. Koeppen seconded the motion to approve the per diem and mileage expenses. Motion carried without a negative vote.
8. Captain Adam Wogsland provided a report to the committee noting the potential cost savings for the 2nd floor improvements which they are currently looking into for the 2019 CIP budget and would come out of the jail improvement fund. Currently about \$55,000 is set aside each year for the fund. Supr. Fleese, Federwitz, Johnson, G. Murphy, Neumann and Clerk Lodewegen then toured jail with Captain Wogsland to note what changes were being considered. Other members were excused as they are part of the Law Enforcement committee and had toured the facility previously.
9. Adjourn. **Motion:** Supr. Johnson moved and Supr. Neuman seconded the motion to adjourn at 10:45 a.m. The meeting adjourned.

Jill Lodewegen
County Clerk

These minutes will be posted to the website prior to approval from the committee and are considered to be in draft form until approved at the next scheduled meeting.

Waupaca County Economic Development Corp.

Executive Director's Report - July 2018

I have decided to continue the discussion of the Community Development Block Grant (CDBG) CLOSE Program for my July report. As a reminder, the WI Department of Administration (DOA) will be submitting a substantial amendment to the federal Housing and Urban Development (HUD) agency to revise the State of Wisconsin's CDBG contract. The substantial amendment will be a request to "close" the local revolving loan funds (RLF) throughout the State. There are four such funds in Waupaca County. Waupaca County operates one, and the cities of New London, Clintonville and Marion operate the others. Last month's report laid out the reasons why the DOA is requesting to close out the RLFs. In this month's report, I will provide details on just how that will work and identify some of the decisions that need to be made by the County and three cities.

Starting on October 1, 2018:

- Local RLFs will be required to discontinue making new loans.
- The State will work with communities to determine the amount of funding in their closeout account.
- A final Closeout Report, similar to the semi-annual RLF reports will need to be submitted along with supporting documents to verify the closeout balance.
- The cash on hand balance as well as the loan receivables balance for any outstanding RLF loans will be paid back to the State within two years.
- Communities that cannot repay outstanding loan balances in the two-year window will assign the loan back to the State. However, those balances will not be held for the community to reuse through the CDBG-CLOSE program.
- Funds returned to the State, minus any RLF losses for failed loans, will be held specifically for that community for a period of up to two years. *(As a result of the recent public comment period, DOA is removing the 'minus any RLF losses for failed loans' from their calculation of funds returned to the State.)*
- Local communities may apply to the State for the use of their returned funds for any CDBG eligible projects within the two-year period.
- Projects funded through CDBG-CLOSE will need to be completed in two years from the time of application.
- Once the State receives the cash on hand and receivables, any outstanding loans in the RLF portfolio would continue to be paid back to the unit of government and would no longer retain a federal identity.

The first decision to be made by Waupaca County, New London, Clintonville and Marion will be whether or not to "purchase" the receivables and loans by paying the State the total of those accounts as of October 1, 2018. The State will allow two years for the total amount to be paid off. What are the advantages and disadvantages of choosing yes or no?

Waupaca County Economic Development Corp

The advantages of choosing no are relatively straightforward. There is no longer a contractual obligation with the State and Federal governments to maintain the CDBG-RLF program. In addition, that means there is no chance of being penalized by those entities for not complying with the rules (which, in my opinion, tend to change frequently for a program that is very complicated to monitor). The disadvantages of choosing no are the opportunities lost from not using federal funds for additional CDBG projects, and by eliminating the RLF program.

Of course, the advantages of choosing yes are the disadvantages of choosing no. Waupaca County has approximately 1 million dollars in its RLF fund (a combination of money in the bank and receivables for existing loans). DOA has identified the CDBG eligible activities for utilizing that 1 million dollars on projects in Waupaca County.

Eligible recipients may utilize their RLF Closeout grant award for the currently authorized programs as outlined in the State of Wisconsin 2015-2019 Consolidated Plan without the matching funds requirement.

1. Public Facilities; (\$3,000,000 per project)
2. Housing Rehabilitation Conversion; (existing CDBG-Housing costs apply)
3. Economic Development projects; (\$3,000,000 per project)
4. Public Facilities for Economic Development projects; (\$3,000,000 per project)
5. Planning projects; (\$75,000 per project)

In addition to the programs identified above, the RLF Closeout Account can be used for the following special purposes:

6. Broadband/high speed internet access for low and moderate income (LMI) residents. grant funds can be used by the Unit of General Local Government (UGLG) for public infrastructure projects to expand broadband internet access. Examples of eligible expenses include the purchase of materials and installation. (\$3,000,000 per project)
7. Mitigation measures specifically those that address natural hazard risks; must connect the mitigation development or action to address impacts on LMI residents.
8. Public services (includes employment training)

The other significant advantage of choosing yes is obtaining the funds that are currently in the Waupaca County RLF account (bank balance and receivables). Those funds would be de-federalized, which means that all of the rules and regulations associated with the existing program go away. That money could be used to continue as a revolving loan fund, or it could be put to other uses. It could also be used to pay off the debt that will be incurred by paying back 1 million dollars to the State (within the first 2 years of the CLOSE program). That, of course, brings up the most significant disadvantage of choosing yes. The County will need to come up with 1 million dollars that needs to be paid back to the DOA within 2 years of October 1, 2018.