

Trempealeau County Executive/Finance Meeting

Meeting called to order by at 1:30 p.m. in the Wisconsin Room at the Trempealeau County Government Center, Whitehall, Wisconsin on Monday, May 10, 2010 by Chairman Ernie Vold.

Board Members Present: Ernie Vold, Mark Smick, Doug Winters, Wally Geske, Dave Suchla

Staff Present: Paul Syverson, Jami Kabus, Phil Borreson, Mary Gullicksrud, Dan Schreiner, Curt Johnson, Laverne Michalek, Rose Ottum, David DeYoung, Dick Miller, Jeff McIntyre, Jim Johnson

Notice was posted according to open meeting law requirements.

Adoption of Agenda

Motion/Second: Geske/Suchla to adopt the presented agenda; Motion carried.

5. Confirm Committee Chair, Vice-Chair and Secretary

After the April Organizational meeting, Committee met and Vold was nominated chair, Winters Vice Chair, and Smick as Secretary.

Motion/Second: Suchla/Winters to confirmed appointments. Motion carried.

6. County Sales Tax Update

The committee reviewed the monthly hand out and noted that the collection received for May is \$101,084.95, more than two previous years, and showing what we received in April was under the two previous years. No action taken.

7. General Fund Update

The committee reviewed the monthly hand out. No action taken.

8. Health Care Center – Phil Borreson

a. Energy Remodel/Adult Family Home

Phil gave a review of the project to date for new members on the committee. TCHCC has two adult family homes, one located between Independence and Whitehall. The TCHCC rented this building for \$2,400/month (within the state reimbursement model structure). The lease ended August, 2009, and the TCHCC was notified that the rent would be increased to \$3,265/month. We are now paying this amount and renting on a month by month basis. We are now absorbing this increased cost at this time. The owners were asking \$325K. The TCHCC offered to purchase this building for \$204K, the appraised price. Offer was denied by the owners. A second appraisal was completed on the building for \$375K. The owners increased their asking price to \$375K. Bd of trustees wanted to explore different avenues. Looked at other tax claim sites, properties at the farm at TCHCC and at Blair farm location, but both are without city water & sewer. Approached by Pigeon Falls resident to consider PF location. This is three lots for \$27K. Another location is an Independence location, formally the Relax Inn. There is also a property adjacent to the Pigeon Falls Health Care Center. Handed out aerial view and dimension of the lot. Upon acquiring, the house on this property would be moved to one of the 3 lots. Looking for

consideration of this location, as well as addressing capital needs (roof system, steam traps, chiller system) that are energy related. TCHCC is requesting to borrow capital dollars to get issues taken care of with a payback of the capital dollars. Borreson read a resolution to authorize TCHCC to hire a financial consultants on projects listed in the resolution. Have met with Property committee, and asked to have corp counsel reviewed the resolution. Johnson looking for a flexible set up to address needs. A lot of options through stimulus process through the government, specifically mentioning the Build America Bonds. Johnson gave handout of options from Ehlers. Suchla asked about building costs and sq feet. Borreson explained how the projected costs were derived. Staff & Bd of Trustee members contacted Central Bildrs building in Thorp, WI. That was 1680 sq ft for the whole building. Based on slab on grade, handicap features built in, in-floor heat, garage, landscaping, turn key unit. The cost was \$165K turn-key operation for one 3-bedroom unit. TCHCC asked for the cost for a 4-bedroom model. Suchla asked about continued funding in the future. Borreson said adult family is today's preference for developmentally disabled and mentally ill in WI. He explained that the future of funding was a consideration as to purchasing Riverview location vs. building. This location is in a flood zone and virtually unsellable if they were to even need to discontinue the program. Johnson reiterated the rent exceeding the state reimbursement cap for the Riverside property, benefits of building new vs a 75 yr old renovated building and gave advantages of 4 unit over a 3 unit. Suchla asked about the cost per month if building new. Johnson went over those numbers. Johnson said by using \$220K with 25 year life of Riverview, it would be \$5.60 per day. Two new 4-plexes would be \$5.49 with depreciation of building of 50 years. Plus build in more efficiency from the beginning. Suchla said he can not agree with using 50 years. Johnson said this is an accounting conventional. Suchla asked the payment per month? DeYoung said it is anticipated that the TCHCC its operating revenues will offset all of it's debt service costs. It has historically been able to support debt service of about \$380-400K a year and has done that without property tax subsidy. Borreson said new is not necessary to do good programming. If we could get \$204K purchase price for Riverview, they would take it. This building is in a flood zone and would be difficult or impossible to resell. It is ideal to have a sellable home if we could not continue program. TCHCC pays \$185/month which includes maintenance, electric, and utilities. TCHCC is also paying \$235/year for mowing, in addition to the monthly rent. Suchla reason to raise rent, Borreson said she stated it was to meet her debt equity. Borreson said that as of 8/2009, the TCHCC had been renting this property for 3 years and has been on a month by month basis since then. Looking for permission to retain a financial consultant and go for bids so we know what the costs are.

Motion/Second: Geske/ Smick to allow the TCHCC to hire financial consultant to proceed on the options for adult family living. Motion carried.

9. Resolution Relating to Reimbursement Bond Regulations

Johnson explained the reimbursement resolution as a Federal Tax requirement to preserve the TCHCC's intent to reimburse themselves from the funds they are borrowing. Allows them to start the project with cash on hand, provided the project was approved by Cty Bd, and once financing is approved, pay themselves back with the borrowed funding. Geske asked for an explanation and clarification on what has been approved thus far and how this works together. Johnson explained that the County has approved the project, but it can not be started because the financing has not been approved. Geske said if we are not going to borrow the money until September, and we have already hired a financial consultant, we are stuck with whatever interest rate he comes up with. Doing this ahead of time does not take away the competitiveness of the project. Voted to fix a few months ago, now voting to finance it.

Motion/Second: Winters/Smick to approve the resolution. Motion carried.

10. Proposed Financing Terms – David DeYoung, Stifel Nicolaus

On the communications center project, there were 3 general constraints that had not been outlined for the committee. One was 10 year financing, tax exempt not subsidy and all issuance cost be capitalized. Would that leave us with an adequate contingency for potential change orders of the project. Handed out a handout: Proposed Financing Terms – option 1. One cost that was added to the budget was the communication technology consultant for \$32K. A resolution was passed to approve their fees and expenses. The Federal Tax Code allows you a contingency fund of up to 5%, but now have approx \$98K left in this budget after including this additional cost. There is a concern that the contingencies may be needed to do address some additional structural support that may be needed at some of the towers that were not budgeted for. DeYoung asked the Committee if they are comfortable going forward with a Contingency fund of \$98K. Geske asked why that additional structural support not been know ahead of time? Schreiner said we suspected it, but \$\$ amount was not available until after a tower study was done. None of the contractors would do the tower study before the contract was awarded due to the costs associated with those studies. The vendor selected has concerned over two towers. In order to have our equipment on them, we will have to add more structure support. Further discussion on tower needs. One suggestion would be to bring contingency fund up to \$125K by pricing notes differently. Handed out option 2 model. This option does get us some additional money for contingencies without changing any of the other constraints within the County Board's resolution. Geske said he is not interested in adding more to the contingency fund. They should come back if they need it.

Motion/Second: Geske/Suchla to use option #1 and keeping contingency fund where it is. Motion carried.

11. Sale of County Owned Real Estate – Laverne Michalak

Michalek brought the committee up to date regarding the County's taking the title to 30 pieces of property that was tax delinquent this spring and in the process of selling properties. Deadline for bids is May 18, 2010. Four years ago, we opened the bids the day after the bids were due. There was not a committee meeting. Present were the Chair, Treasurer and Corp council. Shortly after that there was an E/F meeting to review the bids and approve the sale of the property. Michalek explained the bid opening process and then the information would be presented to the E/F committee. The bids do not have to go to full County board, only E/F. Suchla asked if same procedure worked fine last time. If it did, do the same process this time. Bid opening would take place 5/19/2010. Vold suggested full E/F committee meet May 25, 2010 at 9 am.

Michalek said he was contacted by a person who hunts for coins and is interested in going onto these properties with his metal detector. Michalek said he would have to ask the E/F committee for their approval of such a thing. Vold said this could create a liability to the County. There is no objection from the Committee but Vold said if the county gets any complaints, he will have to stop.

Village of Strum has requested to buy one of the County's parcel. We sold them one piece before and they are requesting to purchase another parcel before the sale and not bid on it. State law says that properties have to be advertised and sold for the appraised value, except for Municipalities. Michalek pointed out the parcel of interest. It was put out for bids with an appraised value of \$1,000. No sewer or water access to this property. Geske asked if we have to accept bids. Michalek said no, we can reject all bids. He said we can decide to require bids, or shoot the Village a price to purchase. Local assessor has been assessing the property at \$3,000, FMV is \$3,700. The County will have \$450.00 out of pocket

expenses due to the foreclosure costs and, if you add the delinquent taxes to it, the total to the county is around \$1,600.00. Further discussion on how to handle the sale of this property.

Motion/Second: Geske/Suchla to sell this parcel to Strum for \$2400.00 Motion carried.

DRN is interested in the land located near Tamerak to add to their wildlife preserve, which is adjoining to other DNR property(ref. 096 and 0941). Michalek pointed out the property on a map. Timing of appraisal is not going to work within our timeframe. We can leave these properties on the markets and see what bids come in, can reject bids, can ask bidders to keep their offers open until the end of June to see what the State can offer, reject all bids and rebid when the State is ready to bid. The state does pay money in lieu of property taxes.

Motion/Second: Vold/Suchla to proceed with the bidding process and make determination as to how to proceed after the bid opening, with the exception of the Strum property discussed earlier. Motion carried.

12. Emergency Management – Dan Schreiner

a. All Hazards Mitigation Project/Budget

The Trempealeau County All Hazard Mitigation Project is required by federal government. This document was drafted by the MS River Regional Planning Commission in 2003, effective 2004. Feds require that it be update every 5yrs. MS River Regional Planning Commission applied for and received a grant in 2008 to do the update. The grant applications for reimbursement have to go through the County, not MS River Regional Planning Commission. So the County would need to do a budget adjustment for grant funds to Trempealeau County in a revenue acct. and cut check to MS Rivers. No cost to the levy, just an in and out. \$40K grant with a \$10K of that was a local match (\$2,500 was county/\$7,500 was MS River). Smick asked if this document is available on-line, if not, it should be.

Motion/Second: Winters/Smick to forward a resolution to County Board to approve budget adjustment for All Hazard Mitigation Project funding. Motion carried.

13. Comparables to Other County's Budgets

Suchla looked at other comparables Counties for expenses to operate different departments throughout the County. Obtained budgets from these Counties and put together a handout showing County's costs per capita and average cost per capita. It can be hard to compare departments from county to county, as each may have different duties. He uses a cost per capita. The committee reviewed the hand out, reviewing Coroner, Treasurer, Register of Deeds departments. Have to look specifically at these Counties, to verify revenues, more digging has to be done to make sure we are looking at everything the same way. Smick said we have to be very careful that we are comparing "apples to apples". Want to include more comparables such as populations, geographic areas, sq miles, etc. Suchla said that these counties are the designated counties to be used for compareables. Smick said this is a good start, but have to get a lot more data than just budgetary #s and be sure not to take things out of context. Smick suggested considering adding additional counties to comparables and eliminating some.

14. Personnel Requisitions

a. Asphalt Paver Operator Position - Highway Dept.

Jim Johnson is requesting approval to Paver operator position. Asking for permission to post and fill. Went through Hwy and P/B committees. Suchla asked if this could be a PT or summer time position. Jim explained the duties and staffing levels, saying no, it could not be PT or summer time only.
Motion/Second: Suchla/Winters motion to approve position. Motion carried.

b. Accountant/Office Manager Position - Highway Dept.

This is August 2nd retirement. Hwy and P/B Committee have approved to post this internally to the Courthouse union and continue externally, if necessary. Geske asked if there are adequate qualification requirements. Kabus explained the required skills and the requisition process. Questions were asked about the training/transition process and if this should be a non-rep position due to the amount of money this position is accountable for.

Motion/Second: Geske/Winters to approve the requisition for the Accountant/Office Manager position. Motion carried.

15. Closed Session per WI Stat. 19.85(1)(c) to Consider Employment, Promotion, Compensation or Performance Evaluation Data of a Public Employee

Motion/Second: Suchla/Winters to go into closed session at 3:53 pm. Roll Call Vote. Motion carried.

16. Reconvene into Open Session

Motion/Second: Suchla/ Winters to return to open session at 4:16pm. Roll Call Vote. Motion carried.

17. Set Date for Next Meeting

May 25, 2010 at 9:00 am & June 7, 2010 at 9:00 am

18. Adjourn

Vold adjourned meeting at 4:20 pm