

MINUTES
BAY-LAKE REGIONAL PLANNING COMMISSION
SPECIAL EXECUTIVE COMMITTEE MEETING

March 26, 2010
Commission Office
Green Bay, WI

COMMITTEE MEMBERS PRESENT: Bill Clancy, Paul DeWitt, Mike Hotz, Cheryl Maxwell, Val Mellon, Lois Trever, Yvonne Van Pembroke and Chuck Wagner

STAFF PRESENT: Jeff Agee-Aguayo, Rich Heath, Rich Malone, Angela Pierce, Brenda Rehberg, Brandon Robinson, Josh Schedler, Jim Van Laanen and Mark Walter

OTHERS COMMISSIONERS PRESENT: Ron McDonald

1. Chairperson Cheryl Maxwell called the meeting to order at 10:00 a.m.
2. **Moved** by Yvonne Van Pembroke and seconded by Paul DeWitt to approve the agenda. Motion carried, with all voting aye on a voice vote.
3. Approval of Minutes:
 - A. **Moved** by Lois Trever and seconded by Chuck Wagner that the minutes of the January 8, 2010, Executive Committee meeting be approved. Motion carried, with all voting aye on a voice vote.
 - B. **Moved** by Yvonne Van Pembroke and seconded by Val Mellon that the minutes of the February 12, 2010, Special Executive Committee meeting be approved. Motion carried, with all voting aye on a voice vote.
 - C. **Moved** by Mike Hotz and seconded by Bill Clancy that the minutes of the March 3, 2010, Special Executive Committee meeting be approved. Motion carried, with all voting aye on a voice vote.
 - D. **Moved** by Paul DeWitt and seconded by Val Mellon that the minutes of the March 8, 2010, Special Executive Committee meeting be approved. Motion carried, with all voting aye on a voice vote.
4. Mark Walter noted that a copy of the Commission's *Current Financial Status and 2010 Operational Plan* prepared by Schenck SC was mailed to all Commissioners. The report indicates that based on 2010 revenue sources and estimated expenditures, the Commission anticipates having a deficit of \$240,000 on December 31, 2010. Mark Walter reviewed the critical issues and key initiatives for 2010. In order to sustain operations in 2010 and beyond, the Commission adopted the following key initiatives: 1) development of a monthly project budget analysis worksheet to monitor the use of the Commission's working capital; 2) monitoring of staff levels to assure that all personnel costs are financed by expected revenue sources; 3) preparation of a six-month projected Cash Flow Analysis, including calculation of monthly Working Capital balances to forecast financial conditions; and 4) determination of a level of Working Capital that must be maintained for cash flow and future

liabilities of the Commission. Mr. Walter reviewed the negative consequences for the state, the region and local communities if the Commission were to close.

Mark Walter distributed a copy of a March 19, 2010, letter from Michael Morgan, Secretary of the Wisconsin Department of Administration (DOA) to Representative Ted Zigmunt responding to Mr. Zigmunt's request on behalf of the Commission for emergency funding. Mr. Morgan's response states that the DOA prohibits non-competitive financial assistance. Since the Commission was not successful in its request to the State for gap funding, Mark Walter prepared a list of proposed projects and contact information from which the Commissioners can advocate for its projects.

Mark Walter distributed an updated Projection of Cash Flow and Working Capital report. This report indicates that, without new revenues identified by August 2010, the Commission will be out of funds. Mike Hotz asked for the difference between the two reports; Mr. Walter explained that the updated report included the addition of the city of Sheboygan All Hazards Mitigation Plan and the Wisconsin Coastal Management Program Road-End Study, as well as an increase from the February receipts. Cheryl Maxwell asked for a status report on outstanding planning projects; Josh Schedler reported that significant progress has been made on completion and delivery of the comprehensive plans, adding that by the end of April, all comprehensive plans for Manitowoc and Marinette Counties should be completed. Staff provided a status report on the Florence County Comprehensive Plans and the Maritime Metro (Manitowoc) Transit Development Program. Cheryl Maxwell thanked staff for the work that has been completed and the progress made.

Mark Walter distributed a spreadsheet on employee salary and benefit budget impacts. Mark Walter stated that at the March 22, 2010, staff meeting, he discussed the immediate need for the Commission to reduce its monthly expenditures by \$10,000 and recommended that Mark Walter, Rich Heath and Jim Van Laanen be reduced to 50 percent time. This reduction would amount to an approximate cost savings of \$12,000 a month.

Rich Heath stated that the Commission has been dealing with the financial issue since April 2009; the Commission needs to focus on building a relationship with its communities and counties and on rebuilding the organization. The divestment in the Commission will be quickened with every decision made by the Commissioners. Mike Hotz shares the concerns of Rich Heath, and asked Mr. Walter for clarification on staff reductions. Rich Heath and Jim Van Laanen expressed concern over the fact that notification from the Executive Director of their positions being reduced to part-time was received at the end of the day on March 25, 2010.

Ron McDonald expressed appreciation in Mr. Heath's passion for speaking to the Commission, and stated that he did not believe it was in the best interests of the Commission for the Assistant Director to be reduced to part-time status, adding that the Commission should look at the reason why it is in its current financial position, and expressed serious concern over the fact that the current Executive Director has not been monitoring projects. Ron McDonald added that the Commission needs to complete its outstanding projects and focus its energy on moving forward.

Rich Heath stated that the Executive Director needs to move the Commission forward by meeting with department heads, federal/state officials, and get Commissioners more involved in the Commission's affairs. Mr. Heath expressed the need for the Commission to pay off its debt or at least quantify it and make sure it has the support staff necessary to move forward.

Mike Hotz stated that he does not support the part-time proposal, and asked Committee members if there was any interest in pursuing the recommendation for the three employees being reduced to part-time status. Yvonne Van Pembrook asked if there were other cost savings proposals. With the exception of the Executive Director and Assistant Director, Mike Hotz asked staff if they would excuse themselves from the meeting so that committee members could discuss other cost saving measures. Except for Mark Walter and Richard Heath, the other staff members excused themselves at 11:25 a.m.

5. Discussion of the *Strategic Business Plan, 2010-2014* did not take place.
6. Based on the Commission's current financial situation, Cheryl Maxwell asked the committee members for ideas on how to reduce the Commission's monthly expenses. Yvonne Van Pembrook would like the committee to consider Mr. Walter's original proposal of having three staff members (including him) being reduced to part-time employment status, but is willing to consider other proposals. Paul DeWitt noted that the staffing worksheet provided by Mr. Walter includes what it would cost the Commission on a monthly basis, if all staff went to three-quarters, or 32 hours per week. He recommended that this option should be considered in addition to Mr. Walter's recommendation. Some committee members expressed concern that reducing staff to 32 hours per week would not be a good idea due to the fact 10 furlough days have already been instituted and the reduction of three staff at the end of 2009 has put a sizable workload burden on the current staff.

Moved by Paul DeWitt and seconded by Yvonne Van Pembrook to reduce staff to 32 hours per week as a method to reduce monthly costs by \$10,000, which was defeated on a roll call vote of five Nays: Mike Hotz, Cheryl Maxwell, Val Mellon, Lois Trever and Chuck Wagner and three Ayes: Bill Clancy, Paul DeWitt and Yvonne Van Pembrook.

Cheryl Maxwell stated that the Committee needed to leave this meeting with some decisions regarding how to reduce Commission expenses, and going out of business is not an option given the outstanding liabilities of the Commission. Ms. Maxwell stated that given the Commission's current financial predicament, she would support relieving Mark Walter of his Executive Director duties. Chuck Wagner added that this has been a very difficult situation for him personally, and understands it has been on the other Commissioners and staff as well, and believed that a change of leadership was needed at this time. Mike Hotz agreed that this move would be in the best interests of the Commission moving forward. Paul DeWitt stated he did not support such a move, and thought it was necessary to keep Mr. Walter in his current position during this difficult period of time. Yvonne Van Pembrook and Bill Clancy supported Mr. DeWitt's statements.

Moved by Chuck Wagner and seconded by Mike Hotz to lay off Mark Walter due to budget constraints which ended in a tie vote with four Ayes: Mike Hotz, Cheryl Maxwell, Val Mellon, and Chuck Wagner; and four Nays: Bill Clancy, Paul DeWitt, Lois Trever, and Yvonne Van Pembrook.

Ron McDonald stated that the leadership in Sheboygan County is seeking a change of direction at the Bay-Lake Regional Planning Commission, and added that he was to provide them with something or the MPO is in jeopardy. He asked that the committee members look to relieve Mark Walter of his duties and move in a new direction. The Sheboygan MPO needs the Commission unlike other counties. The status of the MPO is in doubt if the Commission goes out of business and all the projects being considered for funding will be in limbo. Sheboygan County does not want that to happen.

Based on the information provided by Mr. McDonald, Lois Trever stated she is changing her vote and

would support removal of Mark Walter as Executive Director. The committee members asked for another roll call vote to confirm everyone's intentions.

Moved by Cheryl Maxwell and seconded by Chuck Wagner to lay off Mark Walter effective April 30, 2010, due to budget constraints which was approved on a roll call vote of five Ayes: Mike Hotz, Cheryl Maxwell, Val Mellon, Lois Trever, and Chuck Wagner; and three Nays: Bill Clancy, Paul DeWitt and Yvonne Van Pembroke.

Mark Walter stated that cutting his position would not be enough of a cost reduction, and further cost savings measures needed to be considered. The committee members reviewed the staffing worksheet Mr. Walter had prepared with his estimation of billable hours. After much discussion, it was decided that his position could be reduced to part-time and save the Commission additional money in staffing.

Moved by Chuck Wagner and seconded by Paul DeWitt to reduce Jim Van Laanen to half-time status effective April 30, 2010. Motion carried, with all voting aye on a voice vote.

With no Executive Director in place, Mike Hotz asked that Richard Heath, currently the Assistant Director/Principal Planner, be promoted on an interim basis to lead the Commission on a day-to-day basis. Mr. Hotz followed his statement by asking Mr. Heath if he would agree to be the Interim Executive Director, and asked what additional compensation was needed. Richard Heath responded that he would accept the interim position without additional salary compensation given the finances of the Commission. Mr. Heath asked that the interim position be reviewed on a continuing basis to ensure that everything stays on track. Several committee members offered their support.

Moved by Mike Hotz and seconded by Chuck Wagner to promote Richard Heath to Interim Executive Director effective immediately. Motion carried, with all voting aye on a voice vote.

Once committee members made the staffing decisions, Cheryl Maxwell asked that Mr. Van Laanen be brought down and that the decision to reduce his time to part-time status be explained to him. Ms. Maxwell explained to Mr. Van Laanen that their decision was difficult, but a reduction in staffing was necessary to keep the Commission solvent. Jim Van Laanen thanked the committee for all their hard work and the difficult decisions they have had to make over the past year. He stated that he would seek retirement rather than continue working for the Commission on a part-time basis.

The Commission staff were brought down to the conference room and the committee explained the decisions they had made earlier in the meeting. Staff asked if the layoff of the Executive Director was permanent; Cheryl Maxwell responded that the first employees laid off would be the first employees hired back. Chuck Wagner stated that Mark Walter would not be hired back as Executive Director, adding that the Commission had to look at the long term and what was best for the Commission, and expressed his opinion that it would not be in the best interest of the Commission to have Mark Walter as the Commission's Executive Director.

Val Mellon asked staff if they were in support of working with Rich Heath; staff unanimously agreed that they were in support of working with Rich Heath as the Commission's Interim Executive Director.

Paul DeWitt asked for everyone's cooperation and respect during this transition.

7. Rich Heath stated that an immediate order of business is to schedule a meeting with county board chairpersons and administrators along with representatives from the Commission. Paul DeWitt

recommended development of a plan prior to holding a meeting with the counties.

8. The April 9, 2010, Executive Committee meeting has been changed to a meeting of the full Commission from 10:00 a.m. to noon, and will be held at the Commission office in Green Bay.
9. **Moved** by Mike Hotz and seconded by Chuck Wagner that the Executive Committee adjourn. Motion carried, with all voting aye on a voice vote. The Committee adjourned at 12:45 p.m.

Respectfully submitted,

Rich Heath and Brenda Rehberg
Recording Secretaries