



February 10, 2015 – Walworth County Board of Supervisors

**Report of the County Clerk Regarding
Communications Received After the Agenda Mailing**

The following items were placed on Supervisors' desks and are attached to this cover sheet:

County Clerk

Kimberly S. Bushey
County Clerk

- Ordinance No. 914-02/15 – Creating Chapter 15 of the Walworth County Code of Ordinances Concerning Risk Management and Creating Sections, thereof, Relative to Medical Coverage for Volunteers – *Vote Required: Two-thirds* (Recommended by the Finance Committee 5-0)
- Resolution No. 69-02/15 – Authorizing the Commitment of \$250,000 in the Risk Management Fund to Establish Self-funded Medical Coverage for Volunteers – *Vote Required: Majority* (Recommended by the Finance Committee 5-0)
- Summons and Complaint – McHenry Savings Bank vs. DMICH's LLC and Walworth County Clerk of Circuit Court – To be referred to the Executive Committee
- Answer to the Adversary Complaint by the Defendant, ONE9OH9OH, LLC – In re: Michael P. Scholl and Christine L. Scholl v. Walworth County and ONE9OH9OH, LLC – To be referred to the Executive Committee
- Motion and Order Dismissing Sheboygan County from Proceedings – In re: B.R. Amon & Sons, Inc. (Walworth County Circuit Court Case Nos. 13-CV-363, 13-CV-364, 13-CV-365, 13-CV-366) – To be referred to the Executive Committee
- Correspondence from Supervisor Dave Weber regarding County Board Chair term limits – To be referred to the Executive Committee
- Correspondence from Wisconsin Department of Administration regarding the State's potential eligibility to apply for federal funds on behalf of counties that were included in a federal declaration of disasters (storms and flooding) in 2011, 2012 and 2013 – To be referred to the Executive Committee
- Wisconsin River Rail Transit Commission (WRRTC) 2013 Audit Report (The full report can be viewed in the County Clerk's Office) – To be placed on file
- *Walworth County Aging & Disability Resource Center News*, February 2015 – To be placed on file

These items were received after the agenda mailing before the meeting. Other items that were placed on the Supervisors' desks at the meeting are not included on this report. Please contact the County Clerk's office for information regarding those items.

ORDINANCE NO. 914-02/15

**CREATING CHAPTER 13 OF THE WALWORTH COUNTY CODE OF ORDINANCES
CONCERNING RISK MANAGEMENT AND CREATING SECTIONS, THEREOF,
RELATIVE TO MEDICAL COVERAGE FOR VOLUNTEERS**

THE WALWORTH COUNTY BOARD OF SUPERVISORS DOES ORDAIN AS FOLLOWS:

PART I: That Chapter 13 of the Walworth County Code of Ordinances entitled Risk Management is hereby created to read as follows:

“ARTICLE I.

IN GENERAL

Sec. 13-1. Purpose.

The purpose of this chapter is to establish and maintain sound risk management practices to ensure the safety of the public and the county’s employees.

Sec. 13-2 to 13-20. Reserved.

ARTICLE II.

VOLUNTEERS

Sec. 13-21. Medical expense coverage.

(a) Walworth County does hereby establish a program of self-insurance for registered, active volunteers serving county programs or departments in the amounts set forth in (b) and subject to all of the terms and conditions of the program, which shall be established by Administrative Procedure. Coverage shall be limited to injuries that occur in accidents that arise directly as a result of a volunteers’ service to a county program or department. Interpretation of this ordinance and all Administrative Procedures shall be at the sole discretion of Walworth County. This program may be rescinded by the County Board at any time. This program is offered in appreciation of the valuable contributions made by County volunteers. Any payment made from this program to, or on behalf of a volunteer, shall in no way be deemed as an admission of liability by Walworth County.

(b) The limits of coverage shall be as follows:

Accidental Death, Dismemberment – Indemnity (\$200,000 aggregate limit)	\$50,000
Accidental Medical Expense Benefit	\$25,000
Accidental Medical Expense Coverage	Secondary

Resolution No. 69-02/15
**Authorizing the Commitment of \$250,000 in the Risk Management Fund to
Establish Self-funded Medical Coverage for Volunteers**

1 Moved/Sponsored by: Finance Committee

2

3 **WHEREAS**, Walworth County Ordinance 914-02/15 authorizes the establishment of self-
4 funded medical coverage for County volunteers injured in accidents that occur directly as a result
5 of their volunteer activities; and,

6

7 **WHEREAS**, Walworth County government is fortunate to work with more than 600 volunteers
8 who generously give of their time and talent to make our communities better places to live; and,

9

10 **WHEREAS**, it is the County's policy to support volunteer service programs to supplement
11 County resources to meet the business needs of the County; and,

12

13 **WHEREAS**, it has been determined that self-funded medical coverage for County volunteers is
14 cost-effective and advantageous to the County; and,

15

16 **WHEREAS**, based upon past claims history, a \$250,000 commitment should be sufficient to
17 fund submitted claims; and,

18

19 **WHEREAS**, funds are available in the risk management fund to offset the establishment of said
20 coverage.

21

22 **NOW, THEREFORE, BE IT RESOLVED** that the Walworth County Board of Supervisors
23 authorizes the commitment of \$250,000 in the risk management fund for the purpose of self-
24 funding medical coverage for County volunteers injured in accidents that occur directly as a
25 result of their volunteer activities;

26

27 **BE IT FURTHER RESOLVED** that any expenditure of the aforementioned funds shall be
28 reimbursed in future years through a chargeback to the appropriate department.

29

30

31

32 _____
Nancy Russell
33 County Board Chair

Kimberly S. Bushey
County Clerk

34

35 County Board Meeting Date: February 10, 2015

36

37 Action Required: Majority Vote X Two-thirds Vote _____ Other _____

Policy and Fiscal Note is attached.
Reviewed and approved pursuant to Section 2-91 of the Walworth County Code of Ordinances:

David A. Bretl Date
County Administrator/Corporation Counsel

Nicole Andersen Date
Deputy County Administrator - Finance

If unsigned, exceptions shall be so noted by the County Administrator.

Policy and Fiscal Note
Resolution No. 69-02/15

I. Title: Authorizing the Commitment of \$250,000 in the Risk Management Fund to Establish Self-funded Medical Coverage for Volunteers

II. Purpose and Policy Impact Statement: The purpose of this resolution is to commit \$250,000 in the risk management fund to provide funds necessary to establish self-funded medical coverage for County volunteers.

Ordinance 914-02/15 created Chapter 13 of the Walworth County Code of Ordinances regarding risk management and authorized the establishment of self-funded medical coverage for volunteers.

III. Budget and Fiscal Impact: Staff determined that self-funded insurance for volunteers is more cost-effective than continuing to purchase such insurance from an outside source. Sufficient funds exist in the risk management fund to create the segregated account.

Establishment of this fund will save the County approximately \$7,100 each year in premiums.

IV. Referred to the following standing committees for consideration and date of referral:

Committee: Finance

Meeting Date: February 10, 2015

Vote: 5-0

County Board Meeting Date: February 10, 2015

Policy and fiscal note has been reviewed and approved as an accurate statement of the probable policy and fiscal impacts associated with passage of the attached resolution.

David A. Bretl Date
County Administrator/Corporation Counsel

Nicole Andersen Date
Deputy County Administrator - Finance

STATE OF WISCONSIN

CIRCUIT COURT

WALWORTH COUNTY

MCHENRY SAVINGS BANK,
353 Bank Dr.
McHenry, IL 60050,

Plaintiff,

Vs.

DMICH'S, LLC, a Wisconsin Limited Liability Company
5997 Christine Ct.
Burlington, WI 53105
c/o Robin Swanson, Registered Agent
5997 Christine Ct.
Burlington, WI 53105,

WALWORTH COUNTY
CLERK OF CIRCUIT COURT,
c/o Kimberly S. Bushey
Walworth County Clerk
1800 Cty Rd NN
Elkhorn, WI 53121,

Defendants.

Case No. **15 CV 00071**
Case Code 30201

FILED

JAN 28 2015

CIRCUIT COURT
WALWORTH COUNTY
MICHELLE WOODS

COMPLAINT

Plaintiff McHenry Saving Bank ("MSB"), as and for its Complaint against the defendants herein described, alleges and shows to the Court as follows:

1. That MSB is a bank, organized and existing under and by virtue of the laws of the State of Illinois, with offices located at 353 Bank Drive, McHenry, IL 60050.
2. That Defendant Dmich's, LLC, a Wisconsin Limited Liability Company ("Dmich's"), is a Wisconsin limited liability company with its principal office located at 5997 Christine Ct., Burlington, WI 53105, and with its registered agent, Robin C. Swanson, located at 5997 Christine Ct., Burlington, WI 53105.

3. That Defendant Walworth County Clerk of Circuit Court is a governmental entity in the State of Wisconsin with its office located at 1800 Cty Rd NN, Elkhorn, WI 53121, and with Kimberly S. Bushey as the Walworth County Clerk.

4. On or about September 8, 2009, for value received, Dmich's executed and delivered a Promissory Note ("Note") in writing dated that day to MSB, and thereby promised to pay a principal amount of SEVENTY-TWO THOUSAND, EIGHT HUNDRED SEVENTY DOLLARS AND 48/100 (\$72,870.48) plus interest, other charges, attorney fees and costs in accordance with the terms and provisions of the Note. A true and correct copy of the Note is attached hereto and marked as Exhibit A.

5. MSB is the current holder of said Note.

6. That to secure the indebtedness referred to in paragraph 4, Dmich's executed a Mortgage to MSB, which Mortgage is dated September 8, 2009, and was recorded on September 21, 2009 as Document Number 773317 in Walworth County, Wisconsin. A true and correct copy of the Mortgage is attached hereto as Exhibit B and incorporated herein by reference.

7. MSB is the current holder of said Mortgage.

8. That Dmich's executed an Assignment of Rents dated September 8, 2009, which was also recorded on September 21, 2009 as Document No. 773318. A true and correct copy of the Assignment of Rents is attached hereto as Exhibit C and incorporated herein by reference.

9. MSB is the current holder of the Assignment of Rents.

10. That Dmich's failed to comply with the terms of the Note and Mortgage by failing to pay monthly payments as required, and therefore is in default under the Note and Mortgage.

11. That Dmich's owes a principal balance of at least SIXTY-TWO THOUSAND, TWO HUNDRED DOLLARS AND 43/100 (\$62,200.43), accruing interest at the current rate of

9.750% per annum. Because of interest, late charges, insurance, a negative escrow balance, attorney fees, costs of collection, court costs and other charges that may vary from day to day, the total amount due to MSB is not calculated herein.

12. By reason of the default by Dmich's on its obligations to MSB, MSB has directed foreclosure proceedings to be instituted under the Mortgage against Dmich's.

13. The subject property consists of a single-family residence located in Genoa City, Wisconsin at W206 Lake St., Genoa City, Wisconsin 53128.

14. The legal description of the subject property is as follows:

Lot Four (4) of ReSubdivision of Lot 20 of Wm Elliott's Powers Lake Subdivision, in the Town, now Village, of Bloomfield, Walworth County, Wisconsin.

Formerly described as:

A parcel of land located in the Northeast 1/4 of Section 13, Town 1 North, Range 18 East of the Fourth Principal Meridian, described as follows: The North 39 and fraction feet of the following described property, to-wit: Commencing at the Northeast corner of Lot Twenty (20); thence South 29 degrees 49 minutes West 156.53 feet, thence North 70 degrees 27 minutes West 124 feet; thence North 28 degrees 50 minutes East 156.53 feet to North Street; thence South 70 degrees 27 minutes East 124 feet to the place of beginning in William Elliott's Powers Lake Subdivision in the Northeast quarter of Section 13, Township 1 North, Range 18 East of the Fourth Principal Meridian, together with all improvements thereon, Town, now Village, of Bloomfield, County of Walworth, State of Wisconsin.

Tax ID No.: &ER 00004

15. That, upon information and belief, the subject property is a commercial property, not owner-occupied, and does not constitute the homestead of Dmich's, and the subject property cannot be sold in parcels without injury to the interest of the parties.

16. That Dmich's has or may claim to have an interest in the subject property by virtue of the Mortgage in which it executed to MSB.

17. That any interest of Dmich's is subject to and subordinate to MSB's interest and claims made herein.

18. That Walworth County Clerk of Circuit Court has or may claim to have an interest in the subject property by virtue of a judgment taken against Dmich's in favor of the Walworth County Clerk of Circuit Court in the amount of \$695.90, exclusive of fees or interest, which judgment was docketed on September 3, 2013 in Walworth County Case No. 2013 FO 000609.

19. That any interest of Walworth County Clerk of Circuit Court is subject to and subordinate to MSB's Mortgage and MSB's claims made herein.

20. MSB has declared the Note and Mortgage immediately due and payable by reason of the default of Dmich's on the payments required by the Note and Mortgage and has directed foreclosure proceedings to be initiated against Dmich's.

21. That MSB has elected to proceed with foreclosure under the Mortgage pursuant to Wis. Stat. § 846.103(2) and waive judgment for any deficiency which may remain due to MSB after the sale of the subject property against Dmich's, who is personally liable for debt secured by the Mortgage. Therefore, MSB elects to proceed with foreclosure with a three (3) month period of redemption under Wis. Stat. § 846.103(2).

22. That Dmich's agreed in writing at the time of the execution of the Mortgage to the provisions of Wis. Stat. § 846.103(2). See Exhibit B, pg. 6.

23. Unless Dmich's has abandoned the property, Dmich's may remain in possession of the subject property and be entitled to all rents, issues and profits therefrom to the date of confirmation of the sale by this Court.

WHEREFORE, MSB demands judgment in this matter as follows:

A. For the foreclosure and sale of the subject property in accordance with the applicable sections of Wisconsin Statutes Chapter 846, including, but not limited to, Wis. Stat. §846.103(2), which calls for a three (3) month period of redemption;

B. That Dmich's and Walworth County Clerk of Circuit Court, and all persons claiming under them, be barred and foreclosed from all rights, claims, liens, title and equity of redemption in or to the subject property, except by the right to redeem the same before sale as provided by law;

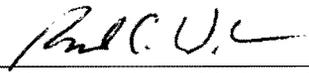
C. That the interests of Dmich's and Walworth County Clerk of Circuit Court, and any other party, person or entity be adjudged subordinate to the Mortgage;

D. That any persons occupying the subject property be enjoined and restrained from committing waste during the pendency of this action; and

E. That MSB has such other and further relief as may be just and equitable.

Dated this 27 day of January, 2015.

SMITHAMUNDSEN LLC
Attorneys for Plaintiff McHenry Saving Bank

By: 
Paul C. Werkowski, State Bar No. 1035362

MAILING ADDRESS:
330 E. Kilbourn Ave.
Suite 1100, Tower 1
Milwaukee, WI 53202
Phone: (414) 282-7103
Fax: (414) 282-1830

WANASEK, SCHOLZE, LUDWIG, EKES & ISELIN, S.C.

ATTORNEYS AT LAW

133 SOUTH PINE STREET
POST OFFICE BOX 717
BURLINGTON, WISCONSIN 53105-0190

BRIAN R. WANASEK
RICHARD SCHOLZE
PETER J. LUDWIG
BRETT A. EKES
KELLY ISELIN
DAVID P. KAISER (Of Counsel)

TELEPHONE: (262) 763-1888
FACSIMILE: (262) 763-2493
E-MAIL: pludwig@btownlaw.com

January 30, 2015

Walworth County
Attn: Kimberly S. Bushey, Clerk ✓
P.O. Box 1001
Elkhorn, WI 53121

Walworth County
Attn: Valerie Etzel, Treasurer
P.O. Box 1001
Elkhorn, WI 53121

In re: Michael P. Scholl and Christine L. Scholl v.
Walworth County and ONE9OH9OH LLC
Case No: 14-35100 MDM
Adversary No: 14-2697

Dear Ms. Bushey & Ms. Etzel:

Enclosed please find an Answer relative to the above matter, which has been electronically filed with the court this date.

If you have any questions or concerns, please feel free to contact me, either by telephone or e-mail.

Sincerely,

WANASEK, SCHOLZE, LUDWIG, EKES & ISELIN, S.C.



Peter J. Ludwig

PJL/db
Enclosure

cc: Attorney Michael F. Dubis

RECEIVED
WALWORTH COUNTY CLERK
2015 FEB - 2 AM 9:45

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT WISCONSIN

In the Matter of:
Michael P. Scholl
Christine L. Scholl
Debtors

Case #14-35100 MDM
Chapter 13

Michael P. Scholl
Christine L. Scholl
W5292 Court Lane
Elkhorn, WI 53121
Plaintiffs

vs

Adversary #14-2697

Walworth County

c/o its Clerk, Kimberly S. Bushey
100 W. Walworth Street
P.O. Box 1001
Elkhorn, WI 53121

and c/o its Treasurer, Valerie Etzel
100 W. Walworth Street
P.O. Box 1001
Elkhorn, WI 53121

ONE9OH9OH LLC

c/o its registered agent, Laura Elizabeth Moldenhauer
19090 W. Lawnsdale Road
New Berlin, WI 53146
Defendants

ANSWER

NOW COMES THE defendant, ONE9OH9OH LLC, by its attorney, Wanasek, Scholze, Ludwig, Ekes & Iselin, S.C., by Attorney Peter J. Ludwig, as and for an Answer to the Adversary Complaint, and does hereby admit, deny or state as follows:

1. ANSWER TO PARAGRAPH NO. 1
Defendant admits the same.
2. ANSWER TO PARAGRAPH NO. 2
Defendant admits the same.
3. ANSWER TO PARAGRAPH NO. 3
Defendant admits the same.
4. ANSWER TO PARAGRAPH NO. 4
Defendant admits the same.
5. ANSWER TO PARAGRAPH NO. 5
Defendant admits the same.
6. ANSWER TO PARAGRAPH NO. 6

Defendant lacks information sufficient to form a belief as to the same, and therefore denies the same and puts plaintiffs to their proof thereon.

7. ANSWER TO PARAGRAPH NO. 7

The defendant admits the same.

8. ANSWER TO PARAGRAPH NO. 8

The defendant admits the same.

9. ANSWER TO PARAGRAPH NO. 9

The allegation is not clear as to time of ownership, and therefore defendant denies the same and puts plaintiffs to their proof thereon.

10. ANSWER TO PARAGRAPH NO. 10

Defendant lacks information sufficient to form a belief as to the same, and therefore denies the same and puts plaintiffs to their proof thereon.

11. ANSWER TO PARAGRAPH NO. 11

Defendant lacks information sufficient to form a belief as to the same, and therefore denies the same and puts plaintiffs to their proof thereon.

12. ANSWER TO PARAGRAPH NO. 12

The defendant admits the same.

13. ANSWER TO PARAGRAPH NO. 13

Defendant lacks information sufficient to form a belief as to the same, and therefore denies the same and puts plaintiffs to their proof thereon.

14. ANSWER TO PARAGRAPH NO. 14

Defendant lacks information sufficient to form a belief as to the same, and therefore denies the same and puts plaintiffs to their proof thereon.

15. ANSWER TO PARAGRAPH NO. 15

Defendant denies the same.

16. ANSWER TO PARAGRAPH NO. 16

Defendant lacks information sufficient to form a belief as to the same, and therefore denies the same and puts plaintiffs to their proof thereon.

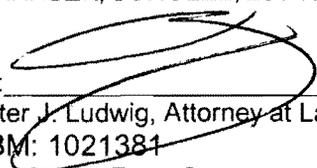
17. ANSWER TO PARAGRAPH NO. 18

Defendant lacks information sufficient to form a belief as to the same, and therefore denies the same and puts plaintiffs to their proof thereon.

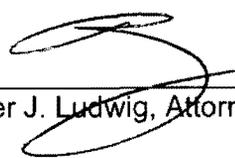
WHEREFORE, the defendant, ONE9OH9OH LLC, respectfully requests that the court dismiss the complaint of the plaintiffs on its merits, and for costs, disbursements, attorney's fees and such other and further relief as the court deems just and equitable under the circumstances.

Dated this 30th day of January, 2015.

WANASEK, SCHOLZE, LUDWIG, EKES & ISELIN, S.C.

By: 
Peter J. Ludwig, Attorney at Law
SBM: 1021381
133 South Pine Street
P. O. Box 190
Burlington, WI 53105
Phone No.: 262/763-1888
Fax No.: 262/763-2493

I certify that on January 30, 2015
I served the within papers on other
counsel pursuant to Wis. Stat. 801.14(2).


Peter J. Ludwig, Attorney at Law

SHEBOYGAN COUNTY

Office of the Corporation Counsel
2124 Kohler Memorial Drive – Suite 110
Sheboygan, Wisconsin 53081-3174

Telephone (920) 459-3093

Facsimile (920) 457-8411

February 5, 2015

To: Recipients Listed on attached Service List

Re: B.R. Amon & Sons, Inc.
Walworth County Circuit Court Case Nos.
13 CV 363
13 CV 364
13 CV 365
13 CV 366

RECEIVED
WALWORTH COUNTY CLERK
2015 FEB - 9 AM 9:26

Greetings:

Enclosed please find a fully-executed copy of the Motion and Order Dismissing Sheboygan County from Proceedings concerning the above-referenced matter. Please remove Sheboygan County from the service list. The addresses, as listed on the service list, are:

(Incorrectly identified as)
Mr. Carl K. Buesing
Hopp Neumann Humke LLP
2124 Kohler Memorial Drive
Sheboygan, WI 53081

Sheboygan County Clerk
c/o Mr. Jon Dolson
615 North Sixth Street
Sheboygan, WI 53801

Thank you for your attention to this matter.

Very truly yours,

SHEBOYGAN COUNTY CORPORATION COUNSEL

By



CARL K. BUESING
Assistant Corporation Counsel
e-mail: carl.buesing@hopplaw.com

CKB/dh

cc: Mr. Jon Dolson
Mr. Aaron Brault

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STATE OF WISCONSIN

CIRCUIT COURT
Branch 1

WALWORTH COUNTY

In re: B.R. AMON & SONS, INC.,
Assignor,

FILED
CIRCUIT COURT

Case No. 13 CV 363

In re: AMON & SONS, INC.,
Assignor

FEB 02 2015

Clerk of Courts-Walworth Co.
By: Krist Schiller Deputy Clerk

Case No. 13 CV 365

In re: AMON LAND COMPANY, LLC,
Assignor

Case No. 13 CV 364

In re: LAKE MILLS BLACKTOP, INC.,
Assignor

Case No. 13 CV 366

**MOTION AND ORDER DISMISSING SHEBOYGAN COUNTY
FROM PROCEEDINGS**

Sheboygan County, by its Corporation Counsel, Carl K. Buesing, moves to abandon its claim filed on July 24, 2013, and requests an Order dismissing Sheboygan County from the above-entitled action and removing Sheboygan County (Attorney Carl K. Buesing, as Sheboygan County Corporation Counsel, and Jon Dolson, as Sheboygan County Clerk), from the service list.

Dated: January 16, 2015.

SHEBOYGAN COUNTY

By



Carl K. Buesing
Corporation Counsel
State Bar No. 1017939

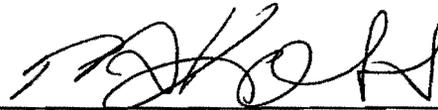
ORDER

Pursuant to the foregoing Motion of Sheboygan County;

IT IS HEREBY ORDERED that Sheboygan County's claim is abandoned and Sheboygan County is dismissed from the above-entitled action and that Carl K. Buesing and Jon Dolson be removed from the service lists.

Dated: 2.2.15

BY THE COURT:



Phillip A. Koss

(Continuation of Order Dismissing Sheboygan County from Proceedings
Case Nos. 13 CV 363, 365, 364, and 366)



RECEIVED
WALWORTH COUNTY CLERK
2015 FEB -4 AM 9:28

January 29, 2015

Walworth County Board of Supervisors

Re: County Board Chair Term Limits

Dear Supervisors,

After giving the matter considerable thought, I believe the board should repeal that portion of section 2-32 of our Code of Ordinances limiting a supervisor from serving as County Board Chair for more than four consecutive terms.

There are two reasons why I have reached this conclusion. First, our board has demonstrated, and state law now permits, the election of a new chair at any time. I am confident that if the majority of our board feels a leadership change is required, it won't hesitate to act. Second, our current Board Chair Nancy Russell serves as an example of why the term limit doesn't make sense. Nancy has done an outstanding job leading the county. Why would we want to arbitrarily exclude a proven leader from seeking the chairpersonship if he or she wishes to continue serving?

I urge your support and ask that this be referred to the Executive Committee.

Very truly yours,

A handwritten signature in black ink that reads "Dave Weber". The signature is written in a cursive style.

Dave Weber
Supervisory District 7

DW/sh



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER

GOVERNOR

MIKE HUEBSCH

SECRETARY

Division of Housing
101 E. Wilson Street, Floor 5
P.O. Box 7970
Madison, WI 53707-7970

January 30, 2015

RECEIVED

FEB 5 2015

Nancy Russell, Board Chair
Walworth County
100 W. Walworth Street
Elkhorn, WI 53121

WALWORTH COUNTY BOARD

Dear Ms. Russell:

The State of Wisconsin may be eligible to apply, through a competitive award process, for federal funds on behalf of counties that were included in a federal declaration of disaster (storms and flooding) in 2011, 2012 and 2013.

The National Disaster Resilience Competition (NDRC) is a joint effort of the Department of Housing and Urban Development (HUD) and the Rockefeller Foundation to assist Counties (and sub-county areas) that experienced natural disasters which qualified for a Presidential Disaster Declaration. Walworth County was listed under at least one of the following Presidential Disaster Declarations in the State of Wisconsin:

<i>Presidential Declaration Date</i>	<i>Disaster Event</i>
April 5, 2011	January snowstorm
August 2, 2012	June 19-22 storms and flooding
August 8, 2013	Heavy June rainstorms

A link to the NDRC page on the HUD website follows. This webpage can direct you to the initial funding announcement, NDRC overview, listing of eligible applicants, training materials and resources related to the Competition.

<https://www.hudexchange.info/cdbg-dr/resilient-recovery>

The purpose of this letter is to inform you of this potential funding opportunity and to share eligibility threshold criteria. To be eligible, a "most impacted and distressed target area" resulting from a Qualified Disaster must be identified using required distressed characteristics AND that area must demonstrate unmet recovery needs. An application may contain more than one identified target area but each identified area must meet the threshold criteria. All applications must demonstrate a tie-back to addressing unmet recovery needs stemming from the effects of the Presidentially-declared major disaster. A detailed list of threshold requirements is included with this letter.

January 30, 2015
Page 2 of 2

If, after reviewing the threshold criteria, you believe that Walworth County meets the identified qualifying conditions and is interested in being included in a statewide NDRC application, please contact me or the following individuals:

Stan Kaitfors, Emergency Assistance Program Manager, at 608/266-0148.
Betty Kalscheur, Grants Specialist Advanced, at 608/266-1217

Sincerely,



Lisa J. Marks, Administrator,
Division of Housing

Encl: NDRC Threshold Criteria

cc: Theola V. Carter, Director, Bureau of Affordable Housing

NATIONAL DISASTER RECOVERY COMPETITION

Most Impacted and Distressed and Unmet Recovery Needs Threshold Criteria

To be rated and ranked, an application must meet all threshold requirements. It is statutorily mandated that proposed project(s) meets an **Unmet Recovery Need** in a **Most Impacted and Distressed** area resulting from a qualified disaster that occurred in 2011, 2012, or 2013.

1. MOST IMPACTED THRESHOLD

The most impacted characteristics considers the damage resulting from the Qualified Disaster (must meet at least one for threshold purposes):

Housing: A concentration of housing damage in a sub-county area due to the eligible disaster causing damage to either a minimum of 100 homes or serious damage to a minimum of 20 homes.

Infrastructure: Damage to permanent infrastructure (i.e. FEMA Category C to G) in a sub-county area estimated at \$2 million or greater. Applicants must provide either an engineering report or FEMA Project Work Sheet with an estimated repair amount (total repair costs can include the extra cost to repair this infrastructure resiliently) or other evidence of an estimate of expenditures to make repairs that support this claim.

Economic Revitalization: A disaster in a sub-county area causing significant employment loss or extended harm to the local economy. Applicants must briefly demonstrate employment loss (a one percentage point or greater higher local unemployment rate in the impacted area six to 12 months after a disaster compared to the same month in the year prior to the disaster in that area; or specific information that 50 or more people were no longer employed in or near the most impacted area for six months or longer due to the disaster); or other harm to the economy; and describe how the employment loss or harm stems from the Qualified Disaster (applicant may support a short description with local data or surveys).

Environmental Degradation: Environmental Degradation that threatens long-term recovery of critical natural resources and places housing, infrastructure, and/or economic revitalization at risk. A disaster resulting in significant degradation to the environment putting the housing, infrastructure, and/or economic drivers in the area or nearby areas at risk of great harm for a future disaster. Examples include damage to stream beds from a severe flooding event damaging a containment dike or dam increasing risk of more flood damage to property; damage to wetlands or barrier islands from a Hurricane reducing protection from future Hurricanes or harming local economies such as fishing and eco-tourism. Applicants must describe the damage to the environment and support with references to any studies supporting the claim of future risk.

2. DISTRESSED CHARACTERISTICS

Distressed Characteristics considers stress or deficit factors prior to the Qualified Disaster or high concentrations of damage that research and experience indicate result in greater disaster impact or more costly and difficult recovery and revitalization (choose at least one characteristic that relates to the MOST IMPACTED characteristic identified above).

(a) **Disaster impacted low- and moderate-income households.** Applicant can demonstrate with data that more than 50 percent of the people in the target area are at less than 80 percent of area median income (grantees may use CDBG low-and moderate-income summary data areas to demonstrate this characteristic- see www.HUDUSER.org/CDBGDRDR/AppendixD; Under the heading "Data Sets" applicants may use the link for "All Block Groups by State" if the Most Impacted target area is a Block Group, Census Tract or aggregation of Census Tracts; use the link for "Local Government Summaries by State" if the target area is a sub-county place. To calculate the percent less than 80 percent of median income, sum the column "low mod" for each of the geographic components comprising the most impacted area and divide by the sum of the column "low mod univ" for the same area.)

(b) **Loss/shortage of affordable rental housing.** There is a severe shortage of affordable rental housing (there are a minimum of 100 renters with income less than 50 percent of median in a target area AND 60 percent or more of these have a severe housing problem - paying more than half their income for rent, overcrowded, or without kitchen or plumbing based on 2007-11 ACS data provided by HUD) or as a result of the effects of the disaster there is a new high risk of damage to more than 100 assisted rental housing units from a future event the intended intervention would protect against. Applicants must provide a 1-2 paragraph description, with supporting data, to demonstrate this characteristic.

(c) **Disaster impacted a federal target area or economically fragile area.** The affected area is a tribal area, contains a Promise Zone, is in a Strong Cities Strong Communities site, and/or has an unemployment rate more than 125 percent of the national average unemployment rate. Applicants must demonstrate this characteristic and provide supporting documentation.

(d) **Disaster impacted an area with prior documented environmental distress.** For example, the affected area contains or is adjacent to and negatively affected by a contaminated property cleaned, undergoing cleanup, or proposed for cleanup. States maintain a list of "brownfield" sites, many of which are linkable via this source: http://www.epa.gov/brownfields/state_tribal/state_map.htm. Applicants must demonstrate the prior documented environmental distress.

(e) **Housing.** A concentration of housing damage in a sub-county area due to the eligible disaster causing damage or serious damage to at least 10 percent of the homes located there.

3. **DEMONSTRATING UNMET RECOVERY NEEDS THRESHOLD REQUIREMENT**

To meet the Unmet Recovery Need threshold requirement, the applicant must submit a narrative that demonstrates, with the criteria described below, that the applicant has Unmet Recovery Needs in the area(s) identified as "most impacted and distressed" that have not been addressed by other sources. Other sources include but are not limited to insurance, state and local funds, SBA disaster loans, FEMA, Army Corps of Engineers, non-profit contributions, or prior allocations of CDBG funds.

Applicants proposing a sub-county most impacted and distressed target area must provide information that meets a minimum of one of these items:

a. Housing. Are households still displaced from housing due to the disaster or are there housing units in or near the most impacted and distressed sub-county target area that were damaged by the disaster and have not yet been repaired?

If no, you do not have Unmet Recovery Needs for this subfactor.

If yes:

Indicate the number of households still displaced or homes with remaining repair needs that will not be served by existing programs due to inadequate funding. Twenty or more displaced households or twenty still damaged homes must be documented to meet this requirement.

Acceptable data sources (any one of these is sufficient for threshold purposes):

Briefly explain why other funding sources are inadequate to provide a housing program AND provide: (i) Recent emergency management data indicating households are still displaced from the disaster. This might include information from FEMA on number of households still receiving emergency rental assistance or living in a FEMA Transitional Housing Unit. This could also include information from homeless providers indicating that they are still serving households that lost their housing due to the disaster; OR

A methodologically sound “windshield” survey of the most impacted and distressed target area conducted since January 2014. A list of addresses needs to be provided of units identified with remaining damage. A survey of 9 of these addresses confirming (i) the damage is due to the disaster and (ii) they have inadequate resources from insurance/FEMA/SBA for completing their repairs. Statistical accuracy is not required, so this can be a purposive sample of easy to contact residents.

b. Infrastructure. Is there damage to permanent public infrastructure (i.e. FEMA Category C to G) that has not yet been repaired due to inadequate resources in or serving the most impacted and distressed sub-county target area?

If no, you do not have Unmet Recovery Needs for this subfactor.

If yes:

Describe the damage, the location of the damaged permanent public infrastructure relative to the most impacted and distressed target area, the amount of funding required to complete the repairs, and the reason there are inadequate funds. There must be a minimum of \$400,000 in unfunded permanent infrastructure repair needs to meet this requirement, this “unfunded” amount can include the local match requirement for FEMA Public Assistance or Department of Transportation permanent infrastructure projects. (If you include the amount of cost share for a U.S. Army Corps of Engineers project, note that no more than \$250,000 of CDBG-DR or CDBG-NDR may be used for such a cost share (per project). This is not waivable.)

Acceptable data source: An engineering report or FEMA Project Work Sheet(s) with an estimated repair amount **AND** a sources and uses statement for the repairs showing the funding shortfall (total repair costs may include the extra cost to repair this infrastructure resiliently), **AND** your explanation of why existing resources (if any), together with other funding sources, are inadequate to meet this repair need.

c. Economic Revitalization. Are there continuing unmet economic revitalization recovery needs due to the disaster in or near the most impacted and distressed sub-county target area that cannot be addressed with existing resources.

If no, you do not have Unmet Recovery Needs for this subfactor.

If yes:

Describe the extent of those needs and how the needs are connected with the disaster and the most impacted and distressed sub-county target area. Any one of the following, together with a narrative statement describing how the need results from the impacts of the disaster, would satisfy this requirement:

(i) a minimum of 5 businesses with remaining repair needs;

(ii) business revenues continued to be depressed by 10 percent or more relative to revenues prior to the disaster for one or more modest-sized employers (10 or more employees) due to the disaster; **OR**

(iii) three or more smaller businesses show revenues 10 percent less than prior revenues.

Acceptable data source (any one of these is sufficient for threshold purposes): HUD recognizes that information related to specific businesses may be sensitive, so is explicitly noting that you may submit documentation for this factor via a password-protected data link, as described above. Clearly label any sensitive information and HUD will limit disclosure of covered information as required by federal FOIA requirements. HUD is requiring submission of this information to ensure use of the best available data, as opposed to simple assertion.

A narrative from the Applicant must describe how the need results from the impacts of the disaster based on:

(a) Unmet repair needs for businesses: "Windshield" survey showing a minimum of 5 businesses with remaining repair needs AND a survey of 5 business owners confirming damage due to the disaster and repairs not completed due to not receiving adequate resources from insurance and (if applicable) other federal funds including CDBG, CDBG-DR, and/or SBA funds. Addresses of businesses with continuing needs must be provided; **OR**

(b) Decreased revenues for business/businesses: Analysis by a reputable public or private source showing continuing economic damage to the most impacted and distressed sub-county target area due to the disaster or a survey of business/businesses who provide (i) number of employees before storm and current; (ii) total gross revenues in year before disaster and total gross revenues in most recent year; and (iii) a description of how the reduction in revenues is related to the disaster. To meet this criteria – one modest size employer (10 or more employees) or three smaller businesses (fewer than 10 employees) must show most recent year total gross revenues of 10 percent less than the year before the disaster and there needs to be a clear connection to the disaster. Names and addresses of impacted businesses must be provided.

d. Environmental Degradation. *Environmental Degradation that threatens long-term recovery of critical natural resources and places housing, infrastructure, and/or economic revitalization at risk.* Is there environmental damage from the disaster that has not yet been addressed and cannot be addressed with existing resources?

If no, you do not have Unmet Recovery Needs for this subfactor.

If yes:

Describe the remaining damage to the environment and how the damage is connected with the disaster and the most impacted and distressed sub-county target area. Applicants must describe the remaining damage with a cost estimate for making repairs or reconstruction that is \$400,000 or greater and support with references to any studies supporting the claim.

Acceptable data source (any one of these) is a detailed report from a reputable public or private organization completed since June 2013 describing the remaining damage with a certification after March 2014 indicating that there is remaining damage of \$400,000 or more.

**WISCONSIN RIVER RAIL TRANSIT COMMISSION
PLATTEVILLE, WISCONSIN**

**REQUIRED AUDIT COMMUNICATIONS
TO THE COMMISSION BOARD**

Year Ended December 31, 2013

**Johnson Block & Company, Inc.
Certified Public Accountants
406 Science Drive, Suite 100
Madison, Wisconsin 53711
(608) 274-2002**

**WISCONSIN RIVER RAIL TRANSIT COMMISSION
PLATTEVILLE, WISCONSIN**

Year Ended December 31, 2013

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Appendix

Adjusting Journal Entries



Certified Public Accountants

406 Science Drive, Suite 100 ▲ Madison, Wisconsin 53711-1097 ▲ TEL 608-274-2002 ▲ FAX 608-274-4320

**AUDIT MATTERS REQUIRING COMMUNICATION
TO THE GOVERNING BODY**

January 9, 2015

To the Commission Board
Wisconsin River Rail Transit Commission
Platteville, Wisconsin

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wisconsin River Rail Transit Commission for the year ended December 31, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 17, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Wisconsin River Rail Transit Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Depreciation

Management's estimates of the depreciable lives of infrastructure are based on the expected use of the respective assets and management's experience with similar assets used by the Commission.

Allowance for Doubtful Accounts

Management's estimate of the allowance for doubtful accounts is based on outstanding receivables from prior years and management's experience with the collection of those receivables.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.



Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The material misstatements detected as a result of audit procedures were corrected by management. The entries are included in the appendix.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 9, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on these statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



This information is intended solely for the use of the Commission Board and management of Wisconsin River Rail Transit Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
Certified Public Accountants
Madison, Wisconsin



Certified Public Accountants

406 Science Drive, Suite 100 ▲ Madison, Wisconsin 53711-1097 ▲ TEL 608-274-2002 ▲ FAX 608-274-4320

COMMUNICATION OF SIGNIFICANT DEFICIENCIES

January 9, 2015

Commission Board
Wisconsin River Rail Transit Commission
Platteville, Wisconsin

In planning and performing our audit of the financial statements of the Wisconsin River Rail Transit Commission as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered Wisconsin River Rail Transit Commission's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wisconsin River Rail Transit Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wisconsin River Rail Transit Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in Wisconsin River Rail Transit Commission's internal control to be a significant deficiency:

- 2013-1 A consequence of the size, combined with the specific expertise of your accounting and financial reporting department, is that management has elected to rely on the knowledge of its auditors to prepare its annual financial statements and related disclosures. Again, your Commission, like many others, has made the determination that because of the ever changing and numerous reporting requirements associated with preparing financial statements that are in conformity with accounting principles generally accepted in the United States of America, it is more cost advantageous to rely on the expertise of its outside auditors to assist in the preparation of its financial statements.



However, since the financial statements are the responsibility of the Commission's management, the control over the financial statements being prepared in conformity with accounting principles generally accepted in the United States of America, lies with management. Currently, the Commission has elected not to dedicate its resources to providing for sufficient internal control over the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America, resulting in a more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

This communication is intended solely for the information and use of management, Commission Board, and others within the administration, and is not intended to be and should not be used by anyone other than these specified parties.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
Certified Public Accountants
Madison, Wisconsin

Client: **WRRTC - Wisconsin River Rail Transit Commission**
 Engagement: **WRRTC Audit 2013**
 Period Ending: **12/31/2013**
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 3				
to reconcile funds due to py net asset balance in restricted fund				
122813	A/R WRRTC		5,640.00	
122800	A/R WRRTC General			5,640.00
Total			<u><u>5,640.00</u></u>	<u><u>5,640.00</u></u>