

**SEPTEMBER 8, 2011 SESSION
OF THE
WALWORTH COUNTY BOARD OF SUPERVISORS
COMMITTEE OF THE WHOLE**

The Walworth County Board Committee of the Whole meeting was called to order by Chair Russell at 5:00 p.m. at the Government Center, 100 W. Walworth Street, Elkhorn, Wisconsin.

Roll Call

Roll Call was conducted and following Supervisors were present: Richard Brandl, Jerry A. Grant, Randy Hawkins, Kathy Ingersoll, Vice-Chair Daniel G. Kilkenny, Carl Redenius, Russ Wardle, David A. Weber, and Chair Nancy Russell. Joe Schaefer and Rick Stacey were absent and excused.

- **The purpose of the meeting will be for the Administrator to present his proposed 2012 budget and to hold a budget workshop**

David Bretl, County Administrator, presented an overview of the 2012 Administrator's Budget. A copy of the 2012 Administrator's Budget book was distributed to those present.

Bretl stated the county administrator is responsible for preparing the first draft of the budget, which is called the Administrator's Budget and gave an overview of the budget process.

Bretl referred to the Administrator's Budget book, which shows a comparison of the 2010 and 2011 levies. The overall county levy that this budget proposes would increase 0.14%. He said that the county portion that he has control over in a limited fashion, such as debt service, county operating budget and CDEB, have actually decreased. The library levy has a 6.5% increase, which in absolute dollar terms is not a large increase. The communities and municipalities that are served by libraries do not have to pay this levy. This levy is applied to the towns that utilize municipal libraries. It is not his recommendation for departments who have already cut considerably under this budget, to cut further in order to make an absolute zero to negate the library increase. He added that declining debt service has helped this year and the operating levy is at one of the lowest it has been since he has been with Walworth County. Also, the CDEB portion continues to decline primarily due to the staff transfers to the school districts.

Between September 22, 2011 and November 8, 2011, Supervisors can formulate budget amendments. The budget adoption is set for November 8, 2011.

Bretl explained each of the **2012 Budget Themes. Local Impacts of the Sluggish National Economy:** He said that the equalized value of real taxable property has declined from the 2009 level. He added it is better than last year but it is still trending down. Property in the county is worth \$700 million less than in 2009. He said they are projecting the investment income to be lower. He added that sales tax declined about \$1,000,000 since the end of 2008. Real estate activity in the county relative to the monies collected for recording documents and issuing zoning permits has decreased as well.

Impacts of the State Budget: Bretl said that this was a major factor that played into the preparation of this budget. The Budget Repair Bill, which the Governor had outlined first and had laid out the tools for municipalities for upcoming cuts, called for the elimination of many collective bargaining rights. The requirement that public workers pay 5.8% of their income towards their pension was the single biggest reason why this budget came out at essentially zero. He also added that pay reduction is demoralizing to employees. He said he thought the county has a good workforce and added he hoped the board keeps in mind that we need to have a quality workforce here. He also said that at some point we will no longer be able to balance the budget with just employee reductions.

Strengthening our Financial Position: Bretl urged the board to be cautious of underlying pillars that may not be properly funded. One example Bretl gave was the self-funded health insurance program. It is included in the budget to have a 4.4% rate increase. He added that there is a healthy balance in this fund; however, he said there still should be a rate increase because there was a freeze in 2011 and we have an industry that is increasing their costs about \$12,000 each year. He stated that the concern is that if we do not do a modest increase this year, we will be looking at a much more significant increase in the future. Employees currently pay 7-12% of the premium depending on their participation in the wellness program. This budget does not split the premium increase which is a recent proposal by the Human Resources Committee and will be debated later.

Other Post Employment Benefits (OPEB) is another example of a pillar underlying the financial strength that we have in the county. Bretl said we started this in 2005 with a \$300,000 contribution. This budget designates another \$3.6 million to deposit into OPEB. He added the unfunded portion gets smaller each year. He said we have made significant progress on our OPEB liability. He stated each time we re-value it, our OPEB liability increases because the cost of health insurance increases.

Information technology: Bretl stated the first budget he prepared had 1054 full-time equivalent (FTE) positions and this budget requests funding for about 809 FTEs. We have been able to do this because of automation and technology. There are a number of programs out there that are helping to make our workers more productive. This budget contains a number of important IT projects and also has a proposed outsourcing of server maintenance.

Planning for the Future:

Corrections: Bretl stated there will be some dramatic proposals in relation to Corrections this fall. The Sheriff has indicated his desire to assist the county and county taxpayers in terms of deferring construction of a new jail expansion. He advised the board that they will see a capital plan that calls for remodeling at the jail. This plan would call for a reduction of ten corrections positions, which hopefully can be accomplished through attrition.

Bretl stated we are in the process of establishing a Committee of the Whole meeting on the OAWI Court. He stated it is a court that has an evidence based approach to treat people with problems with alcohol rather than incarcerating them and there is \$100,000 earmarked to the program.

Lakeland Health Care Center: Bretl said that in order to sustain this 160-year old program, there is a responsibility to run it as effectively as possible but still maintain a high quality of care. This budget proposes outsourcing the janitorial and laundry positions, and also a significant change in food service where the food would be more centered in the particular units. He stated the certified nursing assistants would be more involved in this and it would call for the elimination of some food service workers. This budget calls for the reduction and elimination of a number of positions and there may be some opportunities if we start the discussions early to get employees trained in other positions. He added that two of the facilities in Manitowoc and Jefferson counties that were studied when we were building our facility have privatized. He added that if we want to maintain this program, we will have to look at costs very carefully.

Communications: Bretl stated we have made improvements to our dispatch center in terms of staffing and added positions over the years. He also stated that Sheriff Graves has requested funding assistance with a computer consultant but are also studying the issue of supervision in general. He said interest has been expressed by municipalities to make this a centralized service which they could use. We currently dispatch for some municipalities now. This may increase the county levy, but could save taxpayers countywide.

Community Enhancements: Bretl stated there are programs that the county is obligated and mandated to provide for and others that are not mandated. He referred to Figure 11 of the budget book, which lists programs that we are supportive of but not mandated to provide.

2013 & Beyond:

Bretl referred to Appendix A of the budget book, which shows the personnel actions. He added these will be discussed throughout the budget process. He also referred to the Divisional Tax Appropriation Comparison and urged the board to use caution when reviewing this. He urged the board to look at the bottom line and what the taxes are going to be.

Bretl then discussed the Capital Improvement Plan. He stated that 2012 is the only year the county board is committing itself to for capital items. He added that the rest of the out years are put on this list for the purpose of planning. There is a list of projects beyond 2016 that the Public Works Committee can deal with during the course of the year and figure out whether or not it makes it on the 2015 or 2016 year. He stated the capital plan is relatively modest given the size and scope of the county operations. He added there are some projects throughout the county facilities. For example, the tax management system is an important one in order to get the tax key numbers to match the rest of the State of Wisconsin. Another example he gave was the elevator at Health and Human Services, which he felt was important.

Bretl concluded his presentation of the Administrator's Budget by opening up the discussion for any questions.

Nicki Andersen, Deputy Administrator-Finance, stated budget detail will be available in October.

Adjournment

On motion by Supervisor Weber, seconded by Supervisor Grant, the meeting was adjourned at 5:38 p.m.

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COUNTY OF WALWORTH)

I, Kimberly S. Bushey, County Clerk in and for the County aforesaid, do hereby certify that the foregoing is a true and correct copy of the proceedings of the County Board of Supervisors Committee of the Whole for the September 8, 2011 meeting.