

**SEPTEMBER 8, 2011
WALWORTH COUNTY BOARD OF SUPERVISORS
PUBLIC HEARING**

**2011 REDISTRICTING PLAN
FOR WALWORTH COUNTY**

The Walworth County Board of Supervisors meeting was called to order by Chair Russell at 6:00 p.m. in the County Board Room at the Government Center, 100 W. Walworth Street, Elkhorn, Wisconsin.

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

Presentation of the Alternative Walworth County Redistricting Plan August 2011

Bretl stated we have had this plan before us for several months; therefore, SEWRPC was not invited to this meeting based on the lack of public questions and comments. At the last meeting, some modifications were proposed by the majority of this board and it was still required that the Towns of Delavan and Darien make some adjustments in order to incorporate changes that were suggested by the board. The Towns of Delavan and Darien approved the plan and modifications and incorporated the changes into their revised ward plan. The final step now is to have this public hearing on the map that was amended at the last meeting. After the close of the public hearing, it appears on our agenda as an action item to approve.

Public Input and General Discussion

There was none.

On motion by Supervisor Weber, seconded by Supervisor Schaefer, the Public Hearing was closed at 6:04 p.m.

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

The Walworth County Board of Supervisors meeting was called to order by Chair Russell at 6:05 p.m. in the County Board Room at the Walworth County Government Center, 100 W. Walworth Street, Elkhorn, Wisconsin.

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

David A. Weber, Walworth County Board Supervisor, District #7, delivered the invocation.

Amendments, Withdrawals, and Approval of Agenda

On motion by Supervisor Weber, seconded by Supervisor Schaefer, the agenda was approved by voice vote.

Approval of the Minutes

On motion by Supervisor Schaefer, seconded by Supervisor Grant, the minutes of the August 9, 2011 Public Hearing and Walworth County Board Meeting were approved by voice vote.

Comment Period by Members of the Public Concerning Items on the Agenda

Vicki Blakeslee, W5646 Lake Shore Drive. Ms. Blakeslee spoke to the board regarding the 4.4% health insurance increase. She stated she is the President of Lakeland Education Association. She stated she has a hard time understanding the increase when she has read that Walworth County employees are healthy and getting healthier, as well as when there is a balance of \$9 million in health reserves.

Nick Kasmer, 6517 94th Ave., Kenosha. Mr. Kasmer stated he is the staff representative of AFSCME employees in Walworth County. He spoke to the board regarding two issues: the proposed grievance procedure and the health insurance premiums. He referred to the grievance procedure under Section 15-917, subsection D, which notes the burden of proof for hearings. Under the current system, for discipline hearings, the employer has the burden of proof and in contract matters, the employees have the burden of proof. He stated that to his understanding under the proposed procedure, the employee will have the burden of proof in all cases even in discipline cases. He asked that the current procedure continue as it is. He also spoke about the impartial hearing officer and asked that a true impartial hearing officer be used. He expressed his concern of having an employee of another municipality for these types of hearings. He didn't think they could be fully impartial. He also thought it would be difficult for a Human Resources Director from Dane County to be impartial as well. He stated he would like the proposal to be changed to some kind of arbitrator or neutral.

The second issue Mr. Kasmer spoke on was in regards to the health insurance premium increase. He stated that this issue can only be solved by collaboration and cooperation between parties. Walworth County is a great example of working together to bring down premiums and stop these large increases, and he hopes the cooperation continues. He stated the 50% split of the premium increase being proposed will have a significant impact on employees who are also going to see 5.8% coming out of their pay for their WRS contribution. He also said this will especially be difficult for the lower paid positions. He asked the board to keep the current system in place.

Charlene Staples, W7898 Creek Road. Ms. Staples spoke to the board in regard to Lakeland Health Care Center employees. She stated she is a certified nursing attendant with 20 years of service to Walworth County. She added the Administrator had recently called meetings and informed them that janitors, housekeepers, linen, and kitchen staff with the exception of the cooks will be losing their jobs as soon as January 6, 2012. One of the employees that will be losing their job has over 30 years of service to the county. She also added that because of these cuts, some of the duties will be added to the certified nursing attendant's duties. She stated that

she loves her job and not many people can do this type of work. She asked the board to keep this in mind when they make their decision for the elderly and needy of this county.

Kenneth Baumeister, 2831 Berndt Road, Lyons Township. Mr. Baumeister spoke to the board regarding the county health insurance program. He stated he is retired, but his wife works for the county at the nursing home. He said that in his past experience working for Local 43 in Racine County, they had the Racine County Health and Welfare Fund and they received bids every year for the administrator of this fund. He also added it saved a lot of money by going to another company to administer the fund. He asked the board what the bids were from other companies besides Auxiant. He said it might be better to outsource the insurance rather than outsourcing positions. He asked for an explanation why premiums are \$2400 per month as he feels this is higher than average.

Bob Schiltz, 2142 Sheridan Springs Road, Lyons Township. Mr. Schiltz stated he is a member of the Deputy Sheriffs Association and is one of two deputy sheriffs that sits on the Labor Management and Insurance Committee. He stated his goal was to educate more on the numbers of the health insurance premiums. He stated there is confusion over how much an employee actually pays for their health insurance. He stated he believed the actual number was firmly 20% when you factor in the amount the employee pays, employee and retiree cost-sharing, deductibles, copays, and coinsurance. He stated that over the last two years, the tax equivalent to the taxpayer has decreased \$800,000 per year from its peak in 2008, which equates to a \$1.6 million cost avoidance to the taxpayers. He also said that three years ago, an ordinance was passed by this board requiring an insurance reserve fund built up to a cost of three to four months of the net claims of the previous year's insurance. He stated the current balance of this fund is \$9.6 million, which means the county has exceeded their ordinance by \$5 million and that we are on track to come in again at or under budget this year. He added that at the last Labor Management meeting approximately two months ago, they met with Walworth County's new health insurance representative. At this meeting, he discussed three plans that could be implemented, some of which are at no cost to the county and have the potential of saving large amounts of money. He stated that nothing has been done on these plans by the county since this meeting. He stated he has a hard time understanding how the board can ask to pass on an expense to the employees when its own advisor is suggesting programs that can easily offset the increase. He added the county has the reserve fund in place to offset that increase, and if we do not reach the 4.4%, the money can go back into the fund. He also said if we do hit or exceed the increase, it comes out of that fund and then those numbers are used to calculate the next year's premium equivalency for the employees. He asked the board to take another look at the numbers and see what the new insurance representative can do rather than pass a permanent fee increase on to the employees.

Communications and Matters to Be Referred

Chair Russell announced that unless there was a request for an individual communication to be discussed, the Clerk would dispense with the reading of each title and the Chair would direct that all communications be referred or placed on file as indicated on the agenda.

1. Claims Received After Agenda Mailing – there were none.
2. Claims: a) Claim-James Kyle vs Walworth County Public Works; b) Sean Rebholz vs. Walworth County Public Works; c) Ryan Hayes vs. Walworth County Public Works; d) David M. Sharpe vs. Walworth County Public Works; e) Amberlyn Vavrusa vs. Walworth County Public Works; f) Michele P. Ciosek vs. Walworth County Public Works; g) Complaint – Timothy A. Schiefelbein, Department of Health Services, Department of Health

- & Human Services and Walworth County vs. MMIC Insurance, Inc., Lakeview Neurorehab Center Midwest, Inc., Mustansir Majeed, M.D., Injured Patients and Families Compensation Fund and ABC Insurance Company (To be referred to the Executive Committee)
3. Communication from Wassel, Harvey & Schuk, LLP regarding the Town of Bloomfield Zoning Ordinance No. 1064 and Ordinance No. 1065 (To be referred to County Zoning Agency)
 4. Communication from the Wisconsin Department of Administration regarding the Proposed Incorporation of a Portion of the Town of Bloomfield, Walworth County, Wisconsin, as the Village of Bloomfield, Walworth County Circuit Court Case #10-CV-2053 (To be referred to the Executive Committee)
 5. Communication from Melvin Nieuwenhuis, Mayor of City of Delavan, regarding WalCoMet Commission Non-Union Wage Increase Recommendation (To be referred to the Executive Committee)
 6. Communication from the Wisconsin Department of Children and Families regarding the audit report related to DCF programs (To be referred to the Health and Human Services Board)
 7. Communication from the Wisconsin Department of Administration regarding Preliminary Estimate of the January 1, 2011 population for Walworth County (To be placed on file)
 8. Village of Mukwonago Ordinance No. 848 – An Ordinance to Approve the Attachment of Property to the Village of Mukwonago from the Town of East Troy Pursuant to the Municipal Boundary Agreement with the Town of East Troy (To be placed on file)
 9. Resolution 21-2011 from Forest County – Forest County Recognizes the Importance of the Lands Contained Within Chequamegon-Nicolet National Forest (To be placed on file)
 10. Resolution 8-8-11 from Kewaunee County – Disapproving Non-Emergency Medical Transportation provided by LogistiCare (To be placed on file)
 11. Raze Order Received from Wassel, Harvey & Schuk, LLP regarding property located at N1531 Powers Lake Road, Genoa City, Town of Bloomfield, WI - MZ 00014 (To be placed on file)
 12. Report of the County Clerk Concerning Communications Received by the Board and Recommended to be Placed on File
 - There were none.
 13. Report of County Clerk Concerning Communications Received by the Board After the Agenda Mailing
 - Res. No. 45-09/11 – Adopting Insurance Premium Equivalents for 2012 - *Vote required: Majority* (Recommended by the Human Resources Committee 4-1)
 - Res. No. 50-09/11 – Adopting a Citizen Participation Plan for a CDBG for Economic Development - *Vote required: Majority* (The Executive Committee will consider at a special meeting prior to the September 8, 2011 County Board meeting)
 - Communication from Melvin Nieuwenhuis, Mayor of City of Delavan, Regarding WalCoMet Commission Non-Union Wage Increase Recommendation (To be referred to the Executive Committee)
 - Communication from Department of Natural Resources regarding an Amendment to Plan Approval for Lake Beulah Dam (To be referred to the Public Works Committee)
 - Alternative Walworth County Redistricting Map
 - Amended County Board Meeting August 9, 2011 Minutes. The changes made to Page 2 under Appointments/Elections, Item #1, Supervisor Weber abstained; Page 3 under the short presentation from the Fairest of the Fair, Nancy Russell will be honored this year as one of our Outstanding Senior Citizens; Page 5 motion to approve Res. No. 42-08/11

- *Walworth County Aging & Disability Resource Center News*, September 2011 – To be placed on file
 - Ord. No. 690-09/11 – Repealing and Recreating Division 2 of Article IX of Chapter 15 of the Walworth County Code of Ordinances Relating to the Creation of a Grievance Procedure - *Vote required: Majority* (The Human Resources Committee will consider at a special meeting prior to the September 8, 2011 County Board meeting)
14. Report of County Clerk Concerning Zoning Petitions (To be referred to the County Zoning Agency)
- Marc A. Benaim Trust; Bruce Kaufman-Trustee, Town of Delavan, approximately 7.33 acres, Primary Environmental (PEC) Land Use to Commercial (C)
 - Amon Land, LLC; Thomas Amon-Applicant, Town of LaFayette, approximately 24.85 acres, Mineral Executive (E) Land Use to Industrial (I)
 - Palmer & Palmer Ltd. Partnership; Robert Palmer-Rep, Town of Walworth, approximately 10.23 acres, A-1 to C-2
 - Berg Construction Inc.; Cheryl Berg-Applicant, Town of East Troy, approximately 11 acres, Extractive Land Use (E) to Agricultural Related Manufacturing, Warehousing and Marketing

Unfinished Business

There was none.

New Business

1. Res. No. 46-09/11 – Adopting an Alternative Supervisory District Plan for Walworth County - *Vote required: Majority*

Supervisor Schaefer offered a motion, seconded by Supervisor Weber, to approve item 1, Resolution No. 46-09/11. Grant stated that when the boundaries were first presented, there were objections from two supervisors. He said the plan was accepted by the majority as presented at that time, and the boundaries came back from the municipalities approved and no requests for changes. He said he is very concerned about the future of this action because by changing the rules we have set a precedent for the boundary lines of the future with Walworth County district creation which could lead to not serving the best interests of the residents of Walworth County. Supervisor Weber stated what was presented to us at the first initial presentation in May was one of 12 proposals by SEWRPC. He said that he and a few other supervisors thought that part of the direction this board gave SEWRPC was to try and keep districts as whole as they had been. He also stated he felt that the actions taken here in August were appropriate.

Weber said that the changes made are subtle and minor, and the particular townships have reviewed and approved the changes. Supervisor Kilkenny stated it is the board's responsibility for the final adoption of this plan after the public hearing. He added that SEWRPC's direction from the board was to draw up a preliminary plan for us to review and the public to comment on. He stated that supervisor input would not be ignored. He also stated he does not feel like the board changed the rules but was concerned that making changes would have some legal issues and problems for the Towns of Delavan and Darien. He stated SEWRPC was extremely helpful to the towns and the changes passed through their town boards unanimously. He also stated he is comfortable with the changes. Supervisor Grant stated that one of the rules was that SEWRPC was not to take into consideration the current residences of our county board members.

A roll call vote was taken. Total Votes: 10; Ayes: 7 – Kathy Ingersoll, Vice-Chair Daniel G. Kilkenny, Carl Redenius, Joe Schaefer, Russ Wardle, David A. Weber, and Chair Nancy Russell; Noes: 3 – Richard Brandl, Jerry A. Grant, and Randy Hawkins; Absent: 1 – Rick Stacey. Motion carried.

Reports of Standing Committees

County Zoning Agency Report of Proposed Zoning Amendments

- 1) Matthew A. & Mary E. Polyock, Town of Linn, Rezone approximately .18 acres of the parcel from A-1 Prime Agricultural to A-4 Agricultural Related Manufacturing, Warehousing and Marketing District for area for a pole building. Approved 6 – 0 (August 18, 2011 public hearing)
- 2) John & Kristine Kendall, Troy Township, Rezone approximately 3.09 acres of C-3 Conservancy Residential District to the A-5 Agricultural Rural Residential District in order to have a roadside stand to sell apples. Approved 6 – 0 (August 18, 2011 public hearing)
- 3) Warren E. & Susan K. Miller, Richmond Township, Rezone .18 acres of A-3 Agricultural Lands Holding District Property to A-4 Agricultural Related Manufacturing, Warehousing and Marketing District. (has related conditional use petition) Approved 6 – 0 (August 18, 2011 public hearing)
- 4) K H D Investments LLC, Lafayette Township, Rezone approximately 17 acres of Agricultural District property to A-4 Agricultural Related Manufacturing, Warehousing and Marketing District to allow for expansion of an existing legal non-conforming commercial stable with horse shows. Approved 6 – 0 (August 18, 2011 public hearing)

On motion by Supervisor Weber, seconded by Supervisor Brandl, item 1, Matthew A. & Mary E. Polyock, Town of Linn, item 2, John & Kristine Kendall, Troy Township, item 3, Warren E. & Susan K. Miller, Richmond Township, and item 4, K H D Investments LLC, Lafayette Township, were approved by voice vote as recommended by the County Zoning Agency.

Executive Committee

1. Ord. No. 687-09/11 – Amending Chapter 2 of the Walworth County Code of Ordinances Relating to CPAG - *Vote Required: Two-thirds* (Recommended by the Agricultural and Extension Education Committee 3-0 and the Executive Committee 5-0)

Supervisor Grant offered a motion, seconded by Supervisor Weber, to approve item 1, Ordinance No. 687-09/11. On motion by Supervisor Grant, seconded by Supervisor Weber, **Ordinance No. 687-09/11** was approved by unanimous consent.

2. Res. No. 47-09/11 – Establishing a Committee of the Whole Date for a Presentation by the Walworth County Criminal Justice Coordinating Committee (CJCC) Concerning OWI Court - *Vote required: Majority* (The Executive Committee considered this at a special meeting prior to the September 8, 2011 County Board meeting)

Bretl stated it was the recommendation of the Executive Committee to establish a Committee of the Whole date and it was unanimous. On motion by Supervisor Hawkins, seconded by Supervisor Ingersoll, item 2, **Resolution No. 47-09/11** was approved by voice vote.

3. Res. No. 48-09/11 – Endorsing Southeastern Wisconsin Regional Planning Commission's Application for a FY 2011 Sustainable Communities Regional Planning Grant through the U.S. Department of Housing and Urban Development (HUD) - *Vote required: Majority* (The

Executive Committee considered this at a special meeting prior to the September 8, 2011 County Board meeting)

Bretl stated the Executive Committee had recommended adoption of this resolution with one dissenting vote by Supervisor Brandl. Supervisor Weber offered a motion, seconded by Supervisor Ingersoll, to approve item 3, Resolution No. 48-09/11. Discussion ensued. Chair Russell stated there would be no financial obligation on the part of Walworth County for this. Supervisor Wardle said they are going to conduct a study and give us recommendations about transportation systems, energy consumption and air pollution emissions. He also added these things are not needed in Walworth County, such as trains, rail, etc. He encouraged the board to think about this before approving to send federal funds to study these things that Milwaukee may need, but Walworth County does not. Supervisor Grant said in regards to the transportation issue, he assumed when it discusses rail, it could include freight. He stated that being on the Southern Wisconsin Railroad Commission, they are realizing they are having trouble keeping up with the demand for freight and rail improvements. He added that he thought the study could open our eyes quite a bit on these issues.

A roll call vote was conducted. Ayes: 5 – Jerry A. Grant, Carl Redenius, Joe Schaefer, David A. Weber, and Chair Nancy Russell; Noes: 5 – Richard Brandl, Randy Hawkins, Kathy Ingersoll, Vice-Chair Daniel G. Kilkenny, and Russ Wardle; Absent: 1 – Rick Stacey, **Resolution No. 48-09/11** failed.

4. Res. No. 50-09/11 – Adopting a Citizen Participation Plan for a CDBG for Economic Development - *Vote required: Majority* (The Executive Committee considered this at a special meeting prior to the September 8, 2011 County Board meeting)

On motion by Supervisor Schaefer, seconded by Supervisor Weber, item 4, **Resolution No. 50-09/11** was approved by voice vote.

5. Res. No. 51-09/11 – Denying the Claim of Kimberly A. Link - *Vote required: Majority* (The Executive Committee considered this resolution at a special meeting prior to the September 8, 2011 County Board meeting.)

A draft copy of this resolution was distributed at the meeting. Supervisor Kilkenny stated that item 5, Resolution No. 51-09/11, was not thoroughly discussed at the special meeting conducted by the Executive Committee prior to this county board meeting, he suggested referring it back to the Executive Committee for proper review. On motion by Supervisor Kilkenny, seconded by Supervisor Hawkins, item 5, **Resolution No. 51-09/11** was referred back to Executive Committee for further discussion.

Finance Committee

1. Ord. No. 688-09/11 – Amending Section 30-286 of the Walworth County Code of Ordinances Relating to Clerk of Courts Fees - *Vote Required: Majority* (Recommended by the Finance Committee 4-0)

On motion by Supervisor Grant, seconded by Supervisor Weber, item 1, **Ordinance No. 688-09/11** was approved by voice vote.

2. Res. No. 43-09/11 – Authorizing Use of General Fund Unassigned Fund Balance to Purchase a New Phone System - *Vote Required: Two-thirds* (Recommended by the Finance Committee 4-0)

Supervisor Grant offered a motion, seconded by Supervisor Wardle to approve item 2, Resolution No. 43-09/11. On motion by Supervisor Grant, seconded by Supervisor Ingersoll, **Resolution No. 43-09/11** was approved by unanimous consent.

3. Res. No. 44-09/11 – Authorizing Use of Contingency Fund Balance to Repair the Exterior Siding on the Webster House Museum - *Vote Required: Two-thirds* (Recommended by the Public Works Committee 5-0 and the Finance Committee 4-0)

Supervisor Kilkenny offered a motion, seconded by Supervisor Weber to approve, item 3, Resolution No. 44-09/11. On motion by Supervisor Grant, seconded by Supervisor Weber, **Resolution No. 44-09/11** was approved by unanimous consent.

4. Res. No. 49-09/11 – Approving and Authorizing Submission of an Application to the U.S. Department of Housing and Urban Development for Section 108 Loan Guarantee Assistance - *Vote required: Majority* (Recommended by the Finance Committee 4-0)

Supervisor Schaefer offered a motion, seconded by Supervisor Wardle to approve item 4, Resolution No. 49-09/11. Discussion ensued. Administrator Bretl stated one of the issues is the comfort level or lack of as to county's obligation in the event of default on the loan. Andersen stated she is not an expert on Section 108. She stated there are two classifications: entitlement and non-entitlement communities, and Walworth County is a non-entitlement community is strictly due to our size. If you are a non-entitlement community, you have to get a HUD grant through the State of Wisconsin, therefore, the state has to be a partner in an agreement with HUD. She added that she spoke to a gentleman in Florida, who currently works for the City of Florida City and previously worked for the State of Florida as their Section 108 individual. He indicated to her that federal regulations require the state to be the primary partner with HUD and they are responsible for the liability of the loan if the loan is not repaid. He did caution quite strongly that most states require an agreement with municipalities to repay them in the event the state has to pay HUD. She added that this individual is not familiar with the State of Wisconsin specifically, but did say this is the criteria for most states. Andersen stated she also spoke with Curtis Minma, who is the financial consultant for the developer, and he confirmed this information. She added that Mr. Minma thought the liability portion could be negotiated. Andersen stated she has tried contacting the State of Wisconsin, but has not received a response. She added that Mr. Minma has spoken to the state and at this point, Wisconsin has never entered into one of these agreements. He told her that many or most states are not a party to this particular program because they have to pledge their federal funding dollars and they are reluctant to do so. Bretl added this has been presented to staff and the committee as an expansion to Geneva Ridge and it would be used for senior housing and a portion would also be an Alzheimer's facility. He added this application would permit the developer to obtain funding and it would be guaranteed by this Community Development Block Grant. He stated our initial impression was that the county would be signing on to the application and the county would not be liable in the event of default. He added this may still be the case, but this is not a very common program and there is no assurance from the State of Wisconsin. He said one alternative could be making an approval contingent upon the receipt of some written guaranty from the State of Wisconsin that they would not come after us in the event of default. Supervisor Kilkenny

asked what the county's administrative responsibilities would be, such as how long we would have to monitor this, the costs of monitoring, and staff time. Andersen stated the gentleman from Florida indicated that most municipalities hire a project manager to act on their behalf to oversee the project. She added that HUD would send the funds to the county, then the county is responsible for dispersing those funds over the period of construction. She also added that the county is responsible for maintaining the checking account and for making the payments out of that account for as long as the loan exists.

Richard Donner, 1000 N. Water Street, Milwaukee, attorney for the development party spoke to the board. He clarified that this is a senior housing project at Geneva Ridge in the Town of Geneva. This facility would include approximately 150 senior assisted/independent living units and approximately 20 Alzheimer's care units. He added the developer wishes to finance the project through a Section 108 program, which is a federal program that has been in existence for over 30 years. He stated the important distinction is that this is not a HUD project, it is utilizing a HUD financing mechanism. This project will be privately owned and privately funded. He added that HUD will guarantee the loan, but it is not a subsidy from HUD. He stated that if the county approves the application, it is passed on to the state for their underwriting, and then on to HUD for their underwriting. He stated that the idea is that if there was a default under the loan, then HUD as a guarantor would make the debt service payment and they would then hold back a portion of the Community Development Block Grant from the state. He said the state currently has an allocation of \$25 million. He said the board could make an approval contingent upon the state not being able to go back to Walworth County for any liability on any debt service payment and the developer is agreeable to this condition. He also stated that HUD requires the county to approve the application even though it is the state's funds because the property is located within the county. Mr. Donner added in regard to the administrative responsibilities of the county, there is \$100,000 allocated towards these costs. Andersen stated her only concern is that there will be ongoing staff commitment for the life of the loan and doesn't know what that would entail at this point.

Michael Zuckerman, 555 5th Avenue, New York City, who is a member of the development party, spoke to the board. He stated they have a number of projects where the lender engages someone to monitor the construction of these projects. He said he would be very surprised if the amount that is necessary to monitor the project would exceed \$50,000. He added the reason why they set it at \$100,000 is because of the ongoing obligations, therefore, they give more than the anticipated amount. He stated they are doing this in a number of locations in the country and in each instance the aggregate amount is approximately \$100,000, which is an excess of \$50,000 to provide these services.

Andy Kerwin, 1719 Miller Ct., Lake Geneva, is the owner, operator, and developer of Geneva Crossings which includes Arbor Village Assisted Living, Village Glen Memory Care, and Terraces and Highlands, which is their independent living, in Lake Geneva, spoke to the board. He stated he is not an expert in Section 108. He said they were financed through Wisconsin Housing and Economic Development Authority (WHEDA), and they have approximately 20% of units that are set aside for seniors that are on low to moderate income. He said the recession has affected senior housing in Walworth County as well. He added there may be other good projects in Walworth County that are well located that may not be able to obtain financing because there may be a project not doing well. He advised the board to be cautious.

Supervisor Kilkenny stated at the Finance Committee meeting, he made motion to move this along because he didn't want to cause undue delay in their process. He added that part of the motion was to get the rest of the county assessed, determine the difficulty of the administrative responsibilities, and to ensure there was plenty of public notice. He also added that if something cannot be financed privately, he questions the liability and purpose; therefore, we need to take a closer look at it. He stated he doesn't want the Finance Department, the Administrator and Corporation Counsel burdened with making complex opinions and contingencies. He added he would not be supportive of approving this at this time. Andersen stated that one of the suggestions from the gentleman from Florida was to obtain additional statistical data, regarding senior housing units, to see if we really have a need for additional senior housing. Bretl stated the initial thought was that if the county is not liable and we can help this applicant make their development viable, then the county would lend its name to the application. He added we can manage the risks by getting in writing from the State of Wisconsin that the county will not be liable in the event of default and obtain a personal guaranty from the applicant that if the \$100,000 for administrative costs is not sufficient, they will pay the actual costs of the administration. He also added that he didn't think the developer would go through the zoning process without the guaranty that the application will pass. Attorney Donner stated there will be a feasibility study done as part of the financing and they would share this information with the county. He said they are asking for the county to pass along the information to the state based on three conditions: the letter from the state regarding the liability of the county, personal guaranty from the developer to pay should the administrative costs exceed the initial \$100,000, and obtaining the proper zoning. He said they are willing to accept these conditions.

On motion by Supervisor Schaefer, seconded by Supervisor Ingersoll, item 4, **Resolution No. 49-09/11**, was referred back to Finance Committee for further discussion.

Human Resources Committee

1. Ord. No. 689-09/11 – Amending Section 15-17 of the Walworth County Code of Ordinances Relating to a Senior Accountant Position at Health and Human Services - *Vote required: Majority* (Recommended the Human Resources Committee 5-0)

On motion by Supervisor Ingersoll, seconded by Supervisor Grant, item 1, **Ordinance No. 689-09/11** was approved by voice vote.

2. Ord. No. 690-09/11 – Repealing and Recreating Division 2 of Article IX of Chapter 15 of the Walworth County Code of Ordinances Relating to the Creation of a Grievance Procedure - *Vote required: Majority* (The Human Resources Committee considered this at a special meeting prior to the September 8, 2011 County Board meeting)

Chair Russell stated this was passed by the Human Resources Committee. On motion by Supervisor Brandl, seconded by Supervisor Wardle, item 2, **Ordinance No. 690-09/11** was approved by voice vote.

3. Res. No. 45-09/11 – Adopting Insurance Premium Equivalents for 2012 - *Vote required: Majority* (Recommended by the Human Resources Committee 4-1)

Supervisor Weber offered a motion, seconded by Supervisor Grant to approve, item 3, Resolution No. 45-09/11. Discussion ensued. Bretl stated this is an important issue and doesn't want to leave questions unanswered as the board will be seeing many resolutions and ordinances

in the future regarding the employee relationship. Supervisor Wardle stated this was discussed at the Human Resources Committee meeting and it was recommended to increase the insurance premium 4.4% because of the outlook for future expenses. He added he was personally against it because he thought the \$9 million balance was enough. He referred everyone to the last page of Resolution No. 45-09/11, which was provided at the meeting. Under the proposed 4.4% increase, a single plan will increase from \$900 per month to \$940 per month, which under the current 7% premium plan, the employee would pay an additional \$2.80 per month and taxpayers would pay an additional \$37.20 per month. For the family plan, it would increase \$100 from \$2225 to \$2325 per month. Under the 7% premium plan, the employee would pay an additional \$7 per month and the taxpayer would be an additional \$93 per month. He stated this is when he had a problem with this proposal. He proposed for a single plan, for the \$40 per month increase, the employee would pay an additional \$20 per month and the taxpayer would pay the remaining \$20 per month. He stated for the family plan, the employee would pay \$50 per month of the \$100 increase, and the taxpayer would pay the remaining \$50 per month of the increase. He asked Dale Wilson how grandfathering would be affected if we choose to make changes like this. Wilson stated he contacted M3, which is our employee benefits consultant, to make sure we wouldn't lose our grandfathering status based upon the proposed increase. He stated when federal health care reform came into effect, they set parameters that plans could remain grandfathered as long as they didn't dramatically change their plan in order to start cost shifting. Premium contribution cannot be changed more than 5% since federal health care reform's passage through the end of 2014 when grandfathering is gone altogether, assuming everything stays the same. He added we would not be losing grandfathering status by this proposal as it is only going up roughly 2%. He also added that we could not increase premium contributions an additional 3% in the future, otherwise, we would lose our grandfathering status at that time. Supervisor Wardle stated that there are three options: disagree with the 4.4% increase and leave it alone, propose 4.4% increase with employees paying 7% and taxpayers paying 93%, and propose 4.4% with employees and taxpayers sharing the increase. Bretl stated there is potentially a fourth option, which is where the plan design can be changed. He added this means changing aspects of the plan that would lower costs. He stated it is not his recommendation to not increase the premium as our experts say to do a modest increase now rather a larger one later. He added at one point we are going to have to come up with a figure and will need to notify employees and retirees. He stated this may entail a special county board meeting.

Bretl stated the county has explored whether or not it is better to have a fully insured plan versus a self-funded plan. He stated a health insurance company has the same costs as us, then they have to add in profit on top of that. He also stated it has never been to the county's advantage given the parameters and the plan that we have had to have to bring in an insurance company. He added that they had to bid the third party administrator. Wilson said we are currently one year into a three year contract and Auxiant was the cheapest at that time. Chair Russell stated this is an important issue and there are a number of options being discussed. She suggested sending this back to the Human Resources Committee and having a special county board meeting so we can meet the deadline rather than rushing to a decision. Supervisor Ingersoll stated that many county board members do not attend the Human Resources Committee meetings and it would be repetitive to send this back to that committee. Supervisor Grant stated this was discussed quite thoroughly at the Human Resources Committee and we were offered different scenarios, however, we were cautioned that we could possibly lose our grandfathering status if we change the plan design. Wilson stated there are other parameters that if you change your plan design, you could lose your grandfathering status. Actuaries have looked at the loss of grandfathering status and it is roughly \$30,000 annually. Our stop-loss premium could fluctuate

dramatically if we have a large claimant and lose our grandfathering status. He also added that this year is the exact reason why being self-insured is advantageous. He stated that if we were with a fully insured plan, we would likely be at 10-14% premium increases based on the pooled risks of other plans. He said we are reaping the benefits of having a good trend and being self-insured. He also added that we have been told that we could potentially have a hard time finding someone to fully insure us given our current plan design. He stated that every consultant they have ever spoken to has said it is advantageous for Walworth County to be self-insured.

A motion was made by Supervisor Hawkins, seconded by Supervisor Ingersoll, to have a Special County Board meeting on Thursday, September 29, 2011 at 5:00 p.m. to discuss and take possible action on **Resolution No. 45-09/11**. Supervisor Grant requested that his vote be recorded as no. Motion carried.

Reports of Special Committees

There were none.

Comment Period by Members of the Public Concerning Items Not on the Agenda

There were none.

Closed Session

The Board will convene in closed session pursuant to the exemption contained in Section 19.85 (1)(e) of the Wisconsin Statutes, "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session."

In closed session, the Board will discuss the following item:

- Establishing guidance/parameters for upcoming negotiations with Unions

On motion by Supervisor Brandl, seconded by Supervisor Ingersoll, the board convened into closed session at 8:06 p.m. A roll call vote was taken. Total vote: 10; Ayes: 10 – Richard Brandl, Jerry A. Grant, Randy Hawkins, Kathy Ingersoll, Vice-Chair Daniel G. Kilkenny, Carl Redenius, Joe Schaefer, Russ Wardle, David A. Weber, and Chair Nancy Russell; Noes: 0; Absent: 1 – Rick Stacey.

The Board will reconvene in open session and may take action on the closed session item.

On motion by Supervisor Kilkenny, seconded by Supervisor Wardle, the Board convened in open session at 8:14 p.m. Motion carried.

Chairperson's Report

There was none.

Adjournment

On motion by Supervisor Kilkenny, seconded by Supervisor Schaefer, the meeting was adjourned at 8:15 p.m.

STATE OF WISCONSIN)
)SS
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 for the September 8, 2011 meeting.