

**SEPTEMBER 6, 2012 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 5:22 p.m. at the Government Center, 100 W. Walworth Street, Elkhorn, Wisconsin.

Roll Call

Roll Call was conducted and the following Supervisors were present: Richard Brandl, Tim Brellenthin, Vice-Chair Jerry A. Grant, Daniel G. Kilkenny, Kenneth H. Monroe, Carl Redenius, Joe Schaefer, Tim Schiefelbein, Rick Stacey, David A. Weber, and Chair Nancy Russell.

- **The purpose of the meeting will be for the Administrator to present his proposed 2013 budget and to hold a budget workshop.**

David Bretl, County Administrator, presented an overview of the 2013 Administrator's Budget. A copy of the 2013 Administrator's Budget book was distributed to those present.

Bretl stated this budget freezes the overall tax levy, which is reflected in Figures 1 and 2 of the Administrator's Budget book. There are several different levies the county is required to report or collect, such as debt service, operating levy, library levy, and Children with Disabilities Education Board (CDEB). There is a significant decrease in the debt service levy. Bretl explained the important dates in the budget process as outlined in the Administrator's Budget book. He also referred to the sidebar in the budget book, which highlights the Criminal Justice Coordinating Committee (CJCC). He explained how some of the events that occurred in 2012 resolved some uncertainty for the county, such as the governor/lieutenant governor recall election, Budget Repair Bill remaining in effect, and the U.S. Supreme Court upheld the Affordable Health Care Act. He stated there is still some uncertainty and he explained how the Federal "fiscal cliff" triggered by the Budget Control Act could impact federally-funded programs.

Bretl explained each of the **2013 Budget Themes. Local Impacts of the Poor National Economy:** Bretl said this has been a continuing theme since the banking crisis of 2008. He also said this is an important theme as to understand the pressures that taxpayers are under. He referred to Figure 4 of the budget book, which details the equalized value changes. He stated that 2012 shows another decrease in equalized value, which represented the fourth largest decrease in the state.

Conservative Budget Practices Pay Off: Bretl stated two features have dominated the county budget since 2005, which are Other Post-Employment Benefits (OPEB) and debt service. He stated they are not fully-funded the total projected OPEB obligation; however, the required annual payment has decreased significantly. His recommended contribution to OPEB for 2012 is \$500,000.

Bretl stated if this budget is adopted and the associated ordinances are approved, they do not project the need to borrow funds during the 2013-2017 timeframe. Also, this budget continues the practice of prepaying debt by calling \$2,665,000 in bonds.

Employee Compensation and Benefits: Bretl stated this budget does not call for an across the board pay raise. This budget calls for review of positions in the County as they compare to the private sector. He stated in his opinion, it does not make sense to give an across the board pay raise when some positions are overpaid as compared to the private sector. He also stated we need to pay employees the compensation and benefits in order to recruit and attain them. He referred to Appendix A of the budget book, which outlines a summary of major personnel actions that are proposed in the budget. He said pay raises will be incorporated in the final adoption of the budget.

Bretl also said the health fund is more stable than it has been in the past. The stability gives the County some time to decide on what the next step is. In the future, the fund will run out of money if no changes are made. Bretl outlined three options for benefits. The first option is to maintain the present benefit and cut programs and services in order to fund it. The second option is to continuously cut health benefits in order to contain costs. Bretl stated these two options have significant downsides. He stated a third option is to provide a health plan that includes “on-site” medical services. He said this option has the ability to reduce costs and provide predictability in the future. The funding mechanism for this initiative will not affect the tax levy. This subject will be the topic of a Committee of the Whole meeting being held on September 19, 2012 at 10:30 a.m.

Criminal Justice Initiatives: Bretl stated this budget includes \$100,000 to support additional criminal justice initiatives which include hiring a CJCC coordinator, continued operation of the OWI Court, and provide funds to HHS for diversion programs.

Commitment to Public Safety: Bretl stated there are funds included in this budget to replace a tactical response vehicle, security improvements at the Judicial Center, and renovation of the indoor and outdoor shooting ranges at the Hodges Road facility.

Community Initiatives: Bretl referred to Figure 14 of the budget book, which shows the funding recommendations to organizations that operate external to the county but have a public function. He stated he was not able to accommodate all of the requests for increases and still meet the tax levy goal. He also stated he is proposing a \$15,000 increase for the Visitors Bureau for costs associated with the move of their offices and the establishment of a Visitors Center in Delavan.

Planning for the Future: Bretl referred to Page 16 and Appendix B of the budget book, which proposes new initiatives for the county. Appendix B outlines a SWOT (Strength, Weakness, Opportunities, Threats) Analysis. He said the demand for transportation continues to grow and Vocational Industries has the opportunity to apply for a grant to conduct a transportation study. Bretl is proposing to split the cost with Vocational Industries and he has included \$10,000 in the budget for this study. He also stated he is including funds in the budget to rejoin Wisconsin Counties Association (WCA) for 2013. He said it has been a number of years since Walworth County has been a member of WCA and he feels it is time to give them another try. He also said he is proposing a UW-Whitewater/WCEDA internship, which is a request from WCEDA. This internship would be in collaboration with UW-Whitewater where a student could earn credits and assist in carrying out the mission of economic development. He has included \$22,014 in the budget to fund this initiative.

Bretl explained what each of the appendices of the budget book outlines. He concluded his presentation by thanking department heads and management for putting together responsible budgets. He also thanked Finance Department staff as well as Suzanne Harrington, Tammy Werblow, and Kate Willett for their assistance in putting together the Administrator’s Budget book. Bretl opened up the discussion for any questions.

Supervisor Kilkenny commended Administrator Bretl and staff for putting the budget together. He said he is also impressed with the modification to the debt as it has put the County in a good position. He said the projection of debt service has decreased but the outstanding principal did not decrease. He asked why this was the case. Bretl stated they had a significant decrease in interest rates and they have also prepaid some debt. Deputy County Administrator-Finance Nicki Andersen stated the debt service that is reflected is a net number. She also stated that some of the funds that were transferred to the debt service fund are from the school levy as that has to be a separate taxing levy. She said the debt service for the school is being reflected in their fund. She also said that we are paying a significant portion of our general governmental fund, which is why this number is significantly decreasing on the tax levy portion. She stated that some of the fund balance from the departments' reserves was used to help offset some of the costs.

Supervisor Schiefelbein referred to Page 4 Figure 4 and asked for clarification on what equalized value less TID means. Bretl stated TID is a tax incremental district and the more TID's in the county will reduce the overall equalized value. Andersen gave an example of how a TID works. She said a TID is projected to increase the overall evaluation of the county, which is their long term intention. Supervisor Schiefelbein asked how much input the county has with these districts. Bretl stated if a TID is properly used it can promote development of areas that need to be redeveloped. He said the county's influence is by way of an appointee to a joint review board that votes on the plan. He also said that Jessica Lanser is the county's appointee for these boards. Andersen stated the county has one vote out of five. She also stated that the county currently has \$383 million in TIF districts.

Chair Russell asked Bretl if he planned to fund NACO (National Association of Counties). She said this organization is less expensive compared to WCA. Bretl stated they will get the numbers on NACO and look into it.

Supervisor Schaefer asked what it costs to run the county. Andersen referred to page 28 of the budget book, which shows the total expenses for 2013 as \$147,676,890.

Adjournment

On motion by Supervisor Stacey, seconded by Supervisor Weber, the meeting was adjourned at 6:20 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 for the September 6, 2012 Committee of the Whole Meeting.