

**WALWORTH COUNTY BOARD OF SUPERVISORS
PUBLIC BUDGET HEARING
OCTOBER 29, 2013**

The meeting was called to order at 6:00 p.m. by Chair Russell at the Walworth County Government Center, 100 W. Walworth St., Elkhorn, Wisconsin.

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

Approval of the Agenda

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

Motion to Convene as “Committee of the Whole”

On motion by Vice-Chair Grant, seconded by Supervisor Weber, the Board convened as a “Committee of the Whole.” No “No” votes were heard.

Supervisor Kilkenny arrived at 6:04 p.m.

Finance Committee Chair to Conduct Public Budget Hearing

Chair Russell turned the meeting over to Administrator Bretl.

Presentation of the Executive Summary:

Administrator Bretl said the purpose of tonight’s hearing is for supervisors to listen to public input in order to formulate budget amendments before voting on the budget on November 12, 2013. He introduced Nicki Andersen, Deputy County Administrator – Finance. Ms. Andersen acknowledged Jessica Conley, Stacie Johnson, and department heads as well as Administrator Bretl and the County Board for their work on the budget. She introduced Jessica Conley, Comptroller.

Ms. Conley gave an overview of the 2014 Preliminary Budget. She noted the county achieves a budget with no increase from last year’s total tax levy, which has been made possible through conservative budget practices. The county portion of the tax bill is approximately 23% of the total tax bill, and depending on the municipality in which you reside, this portion can be as low as 8% or as high as 31%. She showed a comparison of the 2013 and 2014 tax levies, which demonstrated that the 2014 tax levy is \$80,519 less than the 2013 levy. She stated this is the third consecutive year the county has held the line on its total tax levy. She also stated there is a 47% increase in the debt service levy. Last year, a substantial portion of debt funding came from reserves and was not funded by the levy. The county has tried to make debt payments early when funds are available. The 2014 budget includes an extra \$570,000 to be used to call debt and pay ahead of the payment schedule, which will save the county future interest payments.

The Children with Disabilities Education Board (CDEB) levy is a separate tax levy line as some school districts are exempt from this tax. The school district transition plan began in 2006 and is nearing the end

of its 10-year agreement. This levy has slowly decreased as staff located in the outlying school districts have transitioned to the district's responsibility. Ms. Conley stated there are 14.5 positions remaining to be transitioned as of the beginning of the 2013-2014 school year. For 2014, there is a 10% decrease, or \$830,000 of levy savings. She said the county can expect an additional decrease in the CDEB levy to occur at the time the school's building debt service payments are eliminated.

By the end of 2014, \$22 million will be in a trust for the Other Post Employment Benefits (OPEB) liability, which is 83% of the projected future benefits that the actuary has determined the county will need to pay out. Ms. Conley noted this is ahead of the 30-year funding schedule. The 2014 Preliminary Budget has no contribution included for this trust. She stated that wages and benefits decreased almost \$1 million from 2013 to 2014 even after the county added 14.67 FTEs. She also stated that the total cost of benefits is \$3.1 million less than five years ago due to the reduction in the county's required contribution to the Wisconsin Retirement System (WRS) and plan changes to employee health insurance.

Ms. Conley stated Walworth County is seeing its fourth straight year of decrease in equalized value. Walworth County's equalized value, with tax incremental financing districts, equates to \$13.1 billion, which is a staggering loss of \$2.4 billion of property values compared to five years ago. She said this 16% decline in property values represents the third largest decrease in the State of Wisconsin. She stated the county's total average mill rate for 2012 was \$4.56, whereas, in 2013, it is \$4.71, which is an increase of \$0.15 per \$1,000 of equalized value. She stated with the total levy amount remaining the same from last year, the increase in mill rate is due almost entirely to the decrease in real estate values. She said Walworth County ranked 53rd out of 72 counties for the 2012 mill rate.

Ms. Conley gave an overview of the county's 2014 Preliminary Revenues, which shows that the tax levy funds 44% of the county's expenditure budget. The 2014 total expenditure budget is \$138 million, which is \$22 million less than the budget of 2008. She also gave an overview of the county's SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis, which is a strategic planning tool used to help identify factors that affect the county and can be used as a guide when making budgetary and operating decisions. She said the county recognizes the growing need for transportation as a weakness. She stated another identified weakness is the growing reliance on technology and third party vendor software. She said that two new staff are being added in 2014 to assist departments who rely heavily on third party software. She also said succession plans are being put into place in several departments. The Public Works department has addressed this in 2013 with the addition of the County Engineer position and the Information Technology (IT) department staffing plan will be addressed in 2014. The 2014 budget includes a .5 FTE for a Veterans Service Specialist and an additional Agriculture Agent for the UW-Extension office.

Ms. Conley stated the county has established a building and equipment maintenance committed account to save for future related projects and the County Board will consider a \$5 million increase to this committed account at its November meeting, which would be funded by the general fund. Lakeland Health Care Center (LHCC) and Public Works have similar accounts in place. A space needs study is currently underway at the Health and Human Services building and the 2014 budget includes an additional building needs study for Public Works. She stated it is anticipated that both studies will result in building projects.

Ms. Conley stated the county has laid out a plan for county road maintenance during 2013, which will give guidance to the desired maintenance levels and the 5-year capital road plan. She said that excess funds continue to be saved from road projects and Public Works operations to be used for future road projects. This fund currently has \$3.2 million available and the 2014 budget includes \$650,000 to be added to the road commitment fund. She stated the county has begun to prepare for changes expected at

the state regarding the 2015 routine maintenance agreement requiring the county to perform maintenance responsibilities on state highways. She said the county expects greater commitment of funds by the state, but in return, may be held to a greater level of service and performance requirements. Public Works is also impacted by the increase in the number of state lane miles that are serviced within the county, which has increased by 54 lanes miles over the last ten years. The 2014 budget adds one highway patrol position to assist in meeting these state standards and patrolling these additional miles.

Ms. Conley said the Wisconsin State Budget has placed a state levy limit upon the county, which greatly restricts the county's flexibility to react to unexpected losses. The county's preliminary budget levy is currently below the allowable levy limit by more than \$108,000. She stated carry forward is available for the unused portion of the prior year's allowable limit with a majority vote. She said the county has the ability to raise taxes for 2014 by an additional \$313,727, which, if levied, equates to a 0.4% levy increase. She stated that next year's new allowable levy limit will begin at the adopted level and the county loses the prior year's carry forward.

Since 2002, Walworth County's total FTEs has decreased by 244, or 23%, with the largest decreases due to the school district transition plan and LHCC. During 2013, nine FTEs were added, and the 2014 budget will add an additional five FTEs. Ms. Conley stated the decrease in health insurance benefits has afforded the county the ability to look at areas where departments have been short-staffed. She gave an overview of the FTE changes included in the 2014 budget.

Ms. Conley gave an overview of the 2014 expenditure budget and the tax levy allocation by department. She stated additional capital projects important to the 2014 budget include the addition of a second elevator at the Judicial Center, court security improvements at the Judicial Center, and several plow trucks and a vacuum truck are being added to the Public Works fleet. She said the capital budget also includes a \$1.9 million land acquisition purchase for the purposes of a new county park.

Ms. Conley concluded the presentation by stating the 2014 Preliminary Budget is available for viewing in the County Clerk and Finance offices as well as on the county website (www.co.walworth.wi.us).

Public Comments and Questions

There were none.

Motion to Close Public Hearing

On motion by Supervisor Weber, seconded by Supervisor Brandl, the Public Budget Hearing was closed.

Chairperson's Report

Chair Russell did not have anything to report.

Adjournment

On motion by Supervisor Stacey, seconded by Supervisor Schaefer, the meeting adjourned at 6:43 p.m.

Kimberly S. Bushey
County Clerk

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 October 29, 2013 Public Budget Hearing.