

1 **FINANCE COMMITTEE – BUDGET HEARING**

2
3 Government Center
4 West Bend, WI

October 1, 2008
8:30 a.m.

5
6 Present: Ralph R. Hensel, Joan A. Russell, Richard L. Bertram, Leslie J. Borman and William Meyers.

7
8 Also Present: County Board Chair Herbert J. Tennes, Administrative Coordinator Douglas A. Johnson,
9 Finance Director Susan M. Haag, County Clerk Brenda J. Jaszewski, and Administrative Assistant Judy
10 Steinert.

11
12 Chairperson Hensel called the meeting to order at 8:30 a.m. and read the Affidavit of Posting.

13
14 **Administrative Coordinator's 2009 Budget Summary**

15 Mr. Johnson reviewed the budget process the committee will be following. He then gave an explanation
16 and review of the 2009 Budget Summary, Budget Highlights, Position Requests, and Budget Rate Sheets.

17
18 **Budget Highlights include:**

19 **Counting on the County** - County government has work to do, to keep this the kind of place that people
20 want to live and work. We are fortunate to have talented, hard-working employees and actively involved
21 County Supervisors tackling the many challenges of getting things done at an acceptable cost. No one of
22 the areas of county services dominates: public safety, health & human services, transportation, conservation
23 & planning, culture & education, and general county administration all need resources to serve our citizens.
24 One of the biggest challenges is this – when times are tough for taxpayers, the county services are usually
25 most in demand.

26
27 **Housing Slowdown** - County government has been directly impacted by the dramatic slow down in the
28 previously strong housing market. Real estate transfer fees are anticipated to be down \$ 118,000 (25%)
29 from 2007 actual levels. Other sanitary permit fees are down \$ 50,000. The number of delinquent tax
30 payments is up by 29%. Property valuation increased by only 2.7%, the slowest growth in 20 years. These
31 conditions were dealt with realistically in next year's budget.

32
33 **Fuel Costs for Transit** - The County Shared Ride Taxi Service and Washington County Commuter
34 Express (WCCE) continue to provide increased trips to local citizens. Soaring gasoline costs are causing
35 budget overruns in 2008 and budget increases for 2009. The increased ridership and fee increases of about
36 25% will keep the property tax levy burden of express bus service manageable; State and Federal grants
37 cover 65 % of that cost. However Shared Ride Taxi service does not get more cost efficient as the number
38 of riders increase. About two-thirds of the riders are seniors and adults with a disability, many with limited
39 income. The result is a \$220,000 increase in tax levy for the Shared Ride Taxi Service.

40
41 **Fuel Costs for Other Departments** - Gasoline cost increases also had a major impact on other county
42 departments with lots of vehicle operation. The Sheriff's Department, Highway and Planning and Parks
43 needed to add a combined \$325,000 to the unavoidable 2009 costs of fuel purchases for County vehicles.
44 Many other departments, with responsibility to serve the entire county, have seen proportional increases in
45 the mileage reimbursement costs for the same scope of previous operations. The County Fuel Station
46 modulates the short-term impact of price spikes to departments, but is not immune from the on-going
47 market price of diesel and unleaded fuels.

48
49 **Changes to Juvenile Intake** - The Probate/ Juvenile Office budget request was 8.6% above Base, and the
50 Sheriff's Department (+8.1%) and Clerk of Courts (+ 4.6%) budgets were up significantly above 2008

1 funding. This Budget proposes to ease those combined increases by changing the way that Juvenile Intake
2 is provided. Currently two employees of the Sheriff's Dept. provided State required services, with 90% of
3 the funding supplied by the County through the Probate/ Juvenile Office. This budget recommends that this
4 service be transferred to the newly merged Human Services Department by April 2009, pending
5 development of an implementation plan. The new plan will improve coordination of services to children
6 and families in a manner well-established in other Wisconsin counties.

7
8 **Family Care, Year 2** - Washington County joined Family Care in 2008, receiving State funds for the
9 operation of our Aging and Disability Resource Center (ADRC) as of February, and enrolling eligible
10 persons with a disability and older adults in private Managed Care Organizations (MCO's) starting in
11 April. The impact of this change is evident in several places. The county levy for the ADRC is down 15%
12 while more services are provided. The Human Services Dept. total budget is down \$15 million, with both
13 expenses and State/ Fed funds shifted away from the County to private managed care organizations. The
14 second of five years of county contribution is included, requiring county levy for HSD 3.9% above 2008.

15
16 **Health Services for the Community** - The Health Department has the mission of protecting the health of
17 the whole population. As Washington County continues to grow, more public health nurses are needed.
18 Compared to other counties, staffing for this department is in the lowest 10% per capita. One additional
19 position is added as part of a multi-year program to increase our capacity as our population count climbs
20 past the current estimate of 130,493.

21
22 **Limited Funding, Necessary Choices** - Every county budget faces the reality of limits for our taxpayers,
23 regardless of the explanations and reasons for higher costs. To adequately fund the services that
24 Washington County decides are most essential and beneficial, other programs must have funding denied.
25 This Budget ends county funding for the Convention and Visitors Bureau; county shuttle bus service to the
26 Wisconsin State Fair; and 2009 funding for an annual Clean Sweep collection of hazardous materials.

27
28 **Medical Bills and Benefit Costs** - Employee health insurance benefits and workers compensation costs are
29 costing much more in 2009. Both are self-funded programs which must collect enough from fringe benefit
30 rates to cover claims and administrative expenses. Both are experiencing more high cost claims in 2008 and
31 tapping of reserves in each Fund. This budget includes an added \$560,000 for health insurance (+11%) and
32 \$55,000 more for workers compensation. County employees continue to pay 15% of the cost of monthly
33 premiums and co-insurance of 10% on actual claims up to designated annual maximums.

34
35 **Staff Layoffs and Vacancies** - Without the ability to arbitrarily set fringe benefit costs or to avoid the
36 inflation of employee wages, departments are forced to look at staff layoffs and program reductions to
37 reduce budgets. New layoffs or continued unfilled vacancies are impacting these departments for 2009:
38 Planning & Parks, Human Services Department, Samaritan Health Center, County Clerk's Office, Register
39 of Deeds, and Sheriff's Department.

40
41 **Sales Tax Performance** - The County has used sales tax revenues to pay for most capital projects since
42 2000. The impact of this financial plan is evident in the reduced debt service costs for 2009. This is also the
43 first budget that is prepared using 50% of county sales tax revenues as an offset to property taxes, up from
44 30% in 2008. The additional 20% is applied after reaching a county levy budget target based on the rate of
45 inflation and half of the rate of net new construction valuation growth. The result is a countywide tax rate
46 reduced by 10 cents per \$1000 of valuation. The amount of county levy proposed is lower than the 2008
47 county levy and more than \$1 million less than the State levy limit for Washington County. County taxes
48 on a home valued at \$200,000 will remain about the same as this year, with a bill of \$542 for the year.

49
50 **County Board**

1 The County Board budget was presented by County Board Chairman, Herb Tennes. Mr. Tennes reported
2 the base level funding is \$524,034 and the recommended budget is \$477,712 (-8.8 %). The Requested
3 budget is below the authorized Base level.

4
5 **One more thing:** Regular meetings with area State legislators and the Executive Committee have been re-
6 activated during 2008. These meetings – about three times during the year as a portion of a monthly
7 Executive Committee meeting – are well attended by a variety of other interested Supervisors and County
8 department heads. They will resume in January with the start of a new session of the State legislature.

9
10 Moved by Ms. Russell, seconded by Mr. Borman to tentatively approve the County Board 2009
11 recommended budget and levy, including out-of-state travel, in the amount of \$477,712. Motion carried.

12 County Attorney

13 The County Attorney budget was presented by Attorney Kim Nass. Mr. Johnson presented the base level
14 funding of \$579,952 and the recommended budget is \$602,620 (+5.9%).

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17 Unlike recent years, State and federal child support funding has continued substantially the same from 2008
18 to 2009. Unless the County decides to reduce child support or other legal services, the Requested level of
19 funding is needed. A correction in salary numbers was made following the Executive Committee review of
20 this budget.

21 **Decision items funded:**

- 22 • Continue current County Attorney and Child Support staffing levels @ \$22,668

23
24
25 **One more thing:** Washington County Child Support was once again #1 in collections for medium sized
26 counties for the period January – May this year. A new record monthly amount of \$895,688 was sent to
27 families in July.

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29 Moved by Mr. Bertram, seconded by Mr. Meyers to tentatively approve the County Attorney 2009
30 recommended budget of \$602,620, plus Indirect Charges of \$216,214 for a total levy in the amount of
31 \$818,834. Motion carried.

32 Library

33 The Library budget was presented by County Clerk Brenda Jaszewski, Hartford Library Director Michael
34 Gelhausen and West Bend Community Library Director Michael Tyree. Mr. Johnson presented the 2009
35 base level funding of \$1,576,463 and the recommended budget is \$1,599,761 (+3.0%).

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38 Due to the increase of Wis. Act 420 payments to libraries outside the County, the Requested funding level
39 will still result in circulation payments to local libraries that are \$11,637 less than those for 2007. \$94,468
40 will be paid to libraries in surrounding counties from this 2009 budget.

41 **Decision items funded:**

- 42 • Circulation payments to libraries above Base level @ \$23,298

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45 **One more thing:** More than one-third of the library card holders in Washington County are residents of
46 communities without a municipal library, served via County Library Services. The number of total card
47 holders grew by more than 8% from 2006 to 2007.

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49 Moved by Mr. Bertram, seconded by Mr. Borman, to tentatively approve the Library Services 2009
50 recommended budget and levy in the amount of \$1,599,761. Motion carried.

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Administration/Emergency Management/Facilities

Mr. Johnson and Emergency Management Coordinator Rob Schmid, and Facility Manager David Loomans presented the Administration, Emergency Management, and Facilities budget with a base level funding of \$264,957 for Administration, and \$2,551,221 for Facilities. The recommended budget is \$264,671 (no increase) for Administration and \$2,644,543 (+5.2%) for Facilities.

The Requested budget for Administration (including Emergency Management) is below the authorized base level. Current Facilities staffing will need to take care of increased space with the opening of the Sheriff’s addition. Multiple vehicles used by Facilities Management were in bad condition, a situation that is being remedied by three replacements in 2008-09. There will be no vehicle request for 2010, in a new cooperative plan to alternate vehicle replacement expenses and election expenses for County Clerk.

Decision items funded:

- Replace truck for Facilities Management staff use @ \$16,000
- Continue current custodial staffing levels above Base level funding @ \$ 32,322
- Budget realistically for utilities in new Sheriff’s Department addition @ \$45,000

Outlay: Grant funded Hazmat computer equipment for local fire departments @ \$8,000 and replacement of one Facilities truck @ \$16,000.

One more thing: An increased federal sustainment grant for core operations of Emergency Management has covered annual cost increases with just a Base level county funding increase. The Administrative Services Committee approved a three year contract renewal with Johnson Controls for management and operation of all county buildings and preventive maintenance except for Samaritan.

Moved by Mr. Borman, seconded by Mr. Meyers to tentatively approve the Administration and Facilities 2009 recommended budget and levy, including outlay and out-of-state travel, in the amount of \$264,671 for Administration and \$2,644,543 for Facilities. Motion carried.

Moved by Ms. Russell, seconded by Mr. Bertram to recess the meeting at 11:15 a.m. until Thursday, October 2, 2008, at 8:30 a.m. Motion carried.

Brenda Jaszewski, County Clerk