

## **Update on state of the County**

As presented to the County Board, December 15, 2015 by County Board Chairman Heuer

As the term of office for the current board is coming to an end it is important to review the accomplishments of this Kewaunee County Board of Supervisors. Keep in mind this board's term ends with the March 2016 meeting, and a new board will be sworn in at the April 2016 meeting following the spring election.

You are fortunate to have had an active, engaged board, a board comprised of elected community members that really care about the welfare of the county and its citizens. It is encouraging to attend committee meetings where these board members are prepared and engaged in the process, asking questions, and contributing overall to the process.

### **What are the greatest challenges for our county?**

- Ground and Surface water contamination
- Budget shortfall caused by the closure of the Dominion Nuclear Plant
- Restructuring of Highway Department
- Decisions on the County Landfill
- Restructuring of the Human services area

Following is more detail on each of those challenges:

### **Ground and Surface Water**

A lot has been written about this over the past couple of years, but this issue continues to be an important issue in our county. This board has been very responsive to this issue and has made significant progress to include:

- Passing a county ordinance changing winter spreading rules for all County farmers.
- We've added additional staff to Land and Water Conservation Department to allow them to better monitor and review Nutrient Management Plans (NMPs) and to ensure adherence to NMPs and compliance with our ordinances.
- The DNR is working with our county in an unprecedented fashion. They have set up five committees to work directly with our County residents and board members with a goal of determining guidelines as to how to handle the overall ground and surface water issue in the county. It is envisioned the guidelines developed here can and would be applied elsewhere in the state.

- The DNR allocated \$80,000 for additional well testing in Kewaunee County. This will allow for 800 wells to be tested across the county (320 wells tested this fall with another 500 being tested in the spring of 2016). This randomized testing should provide us with results that are more conclusive than we have ever had, and will also accurately pinpoint the sources of contamination.
- The County secured a \$50,000 PSC grant which provides the County the funds to explore the feasibility of farmer cooperative on-farm hub and satellite manure treatment program (Project Phoenix). We have just begun this process and I would like to point out, the County **will not** be building any digesters in the county. The plan would call for local farmer's cooperatives to build and operate these digesters.
- We formed a Groundwater Task Force which has a goal of continuing to inform the county residents as to what is happening in regard to the groundwater and surface water in Kewaunee County.
- In addition to the work we have been doing with the DNR, we are also working in an unprecedented manner with NRCS and DATCP in efforts of improving our groundwater and surface water.

### **Dominion Nuclear Plant**

Entering our second year with reduced income from the closure of the Kewaunee Nuclear Plant presented challenges with our budget for 2015, but thanks to a Dominion contribution of \$143,000, we were able to balance our 2015 shortfall. Also, with the help of Senator Lasee and Assemblyman Kitchens, we were able to have utility taxes reinstated for the following 3 years that overall will contribute \$855,000 to the County.

### **Highway Department**

For the first time in 12 years, the Highway Department has ended its 2014 year in the black, and it appears the same will hold true for 2015. The restructuring that was completed over the past 18 months contributed to that positive result, but also the day to day management of the department has taken on the challenge and all the employees in that department are to be commended for those results.

### **County Landfill**

Very difficult decisions have been taken regarding the landfill. As you may recall, the Highway and Landfill Committee has been working on this problem for the past two years to find the right path for the county to take regarding landfill. The reality of competition in

all directions made our landfill a losing proposition. The decision to close the County operated landfill was taken. At the current rate of fill, it will probably take close to two years to fill before we actually officially close the site. Even then, we will more than likely experience a substantial loss when we close the landfill. It has not yet been determined whether or not a transfer station could be employed by a private company.

### **Restructuring of Human Services**

With the advent of regionalized family services, our Human Services department underwent a restructuring that involved laying off a number of employees and reassigning responsibilities throughout the remaining employees. This was a painful process as it required all department employees to be re-evaluated for the remaining positions we had left in the county. The overall staff was reduced by seven employees.

### **Legislative & State Agencies Interface**

This board has engaged our legislative representatives both with Assemblyman Kitchens and with Senator Lasee and his staff. It was largely because of the interaction and relationships with these legislators and other government officials in Madison we were able to accomplish much of what we have done. Many of the board members participated in the Legislative Days in Madison where we carried the message to the legislators about our groundwater issues, the utility tax extension and Kewaunee Harbor restoration.

### **Fiscal Responsibility:**

This board has been very responsible in managing the financial affairs for the County. In spite of the revenue shortfalls caused by the closure of the Dominion Kewaunee Nuclear Plant, we were able to manage our budget without increasing the County taxes. Also, we have continued to provide all the essential services without interruption. Not only did we operate without increasing taxes, we found an additional \$1,185,000 money from State and private resources that were invested in our county to include:

- \$855,000 extension of utility tax over next three years
- Dominion financial assistance \$143,000
- DNR grant - \$80,000 2015/2016 Well Testing
- DATCP \$48,000 approval of moving funds from SEG funding to Bond Dollars
- PSC, \$50,000 funding for Manure Treatment Feasibility Study (Project Phoenix)

### **Staffing Changes and Adjustments**

Over the past two years our staffing in the county has been reduced by 34 employees, most of these were retirements in Highway Department along with the reduction of staff in the Human Services area. This was all done without impacting any of the services the county has been providing. We hired a new Administrator, Scott Feldt.

We added a new position, Director of Finance, and hired Paul Kunesh who is now generating monthly financial reports for each operating unit in the County. For the first time, we now are able to not only track where we are financially, but to manage those areas where we may be experiencing any financial abnormalities.

In 2016, we will be adding a new County Tourism / Press Information Officer. We will begin the process of a countywide initiative for tourism promotion while generating positive messaging to improve and repair our County's image.

We modified the overall insurance package for our County employees to bring them more in line with the general public sector. For the protected employees, we just finished a union negotiation that will bring them in line with the balance of the County employees both for insurance and retirement contribution.

**What we should be working on for 2016 and beyond:**

- Develop 5 Year Financial Plan, we've made it through 2016 but looking forward, our revenues will continue to decrease and expenses will continue to increase.
- Continue full effort to improve ground and surface water quality
- Maintain adequate County services to the public
- Continue to look for further efficiencies in the organization and other cooperative intra-county initiatives.
- With regard to the Kewaunee Harbor Project, do whatever we can at the County level to ensure we attract a high quality developer for that site.
- Continue to provide business loans using State of Wisconsin funds through our revolving loan fund.
- Highlight documented improvements to water quality in an effort to repair our image.
- Plan for revenue shortfalls in 2017 and beyond
- Assist in the success of 2017 Farm Technology Days.

- Find a solution to library charges from other counties.
- Engage with State Legislators for continued assistance at State level.
- Continue to ensure our government more accountable.
- Explore joint ventures and shared services with other municipalities both inside the county and outside the county (example, County Sheriff Dept. managing Algoma PD)

### **Real Estate Tax Bills**

I am sure you noticed a sizeable reduction in your real estate taxes 2016. I wish we could take credit for that, but unfortunately that is directly associated with the \$452,000,000 valuation placed on the Dominion Kewaunee Nuclear Plant. So, Dominion is, currently paying very high taxes. I say currently as Dominion is challenging this valuation in court. Currently the initial court date is scheduled for November 2016. Even if it were settled at the Circuit Court level, because of the late scheduling of this challenge, you will more than likely realize the same kind of reduction of taxes in 2016.

Now, what if Dominion prevails and the Court decides the valuation was not correct? Carlton Township would be required to refund money to Dominion and that would trigger events that would require the County to collect those monies from the taxpayers who received a reduction of real estate taxes.