

Kewaunee County

FINANCE & PUBLIC PROPERTY COMMITTEE MEETING

**MEETING MINUTES**

Date: February 17, 2016 Time: 5:30 PM

Kewaunee County Administration Center, 810 Lincoln St, Kewaunee, WI 54216  
Conference Room

Call to Order: The meeting was called to order at 5:42 PM by Chairman Lee Luft

Roll Call: Members present were Lee Luft, John Mastalir, Tom Romdenne, Virginia Haske, Ken Tebon.

Others Present: Scott Feldt, Paul Kunesh

Approve February 17, 2016 Agenda: Motion by Virginia Haske, second by John Mastalir to adopt the agenda. Motion carried.

Approve February 12, 2016 Minutes: February Meeting minutes will be approved at the next Finance Committee meeting to allow time for review.

Approve Additional Bills for Payment: Motion by Ken Tebon second by Tom Romdenne to approve the bills. Motion carried.

Approve County Board and Supplementary Payroll: Motion by John Mastalir, second by Virginia Haske to approve the Supplementary and County Board payroll. Motion carried.

Other Matters as Authorized by Law:

Paul Kunesh provided a handout with some preliminary financial information for 2015. Workers Compensation will be over by about \$36,200 due to the County's Experience Mod rating going up from .85 to 1.03 in 2015, and the rates used in the budget and payroll were not raised to match that increase.

The Health Insurance Fund is projected to have expenses exceed revenue by \$284,600. Claims for 2015 that are being paid in 2016 have been estimated and will be updated as known. The fund balance in the Health Insurance Fund at the beginning of 2015 was \$139,179. A loss in 2015 as projected will result in a negative fund balance of \$145,425 at the end of 2015.

The Dental Insurance Fund is projected to have revenue over expenses of approximately \$6450. Claims for 2015 that will be paid in 2016 have been estimated as well. Fund balance for the Dental Fund at the end of 2015 is projected to be \$232,424.

The Health Insurance Fund has had significant losses over the last several years. The committee discussed the need for options including looking at the insurance plan suggested by the Teamsters, getting quotes from other insurance plans, and reviewing options again with Humana and Horton.

Adjournment: Motion by Virginia Haske, second by Tom Romdenne to adjourn the meeting. Motion carried. Meeting adjourned at 5:57PM.

Submitted by:

Paul Kunesh, Recording Secretary



Kewaunee County

FINANCE & PUBLIC PROPERTY COMMITTEE MEETING

**MEETING MINUTES**

Date: Friday, February 12, 2016

Time: 9:00 AM

Health and Human Services Center, 810 Lincoln St, Kewaunee, WI 54216  
Training Room

Call to Order: The meeting was called to order at 9:00 am by Chair Lee Luft.

Roll Call: Finance Committee members present were Lee Luft, Ken Tebon, John Mastalir, Tom Romdenne, & Virginia Haske.

Others Present: County Administrator Scott Feldt, County Finance Director Paul Kunesh, County Treasurer Michelle Dax, County Clerk Jamie Annoye, Kewaunee County Information Systems Director Ross Loining, County Supervisor Robert Weidner, Corporation Counsel Jeff Wisnicky, Sheriff Matt Joski, Algoma City Administrator Jeff Wiswell, County Supervisor Kaye Shillin, Pierce Town Clerk Samantha Stauber, Pierce Town Chair Brian Paplham, County Board Chair Ron Heuer, County Board Supervisor and Ahnapee Town Chair Gary Paape, County Board Supervisor and Carlton Town Clerk Linda Sinkula, Carlton Chair Dave Hardtke, Lincoln Town Chair Cory Cochart, Kewaunee County residents Sue Weisser, and Mimi Dobbins

Introduction of Finance Committee Members and Invited Guests: Lee Luft made the introductions

Purpose of Meeting/Purpose of Invited Guests & Meeting Format Explained:

Lee Luft explained that \$600,000 of unallocated road funds in the County Highway Department were used to balance the budget. Lee indicated that this was a one-time use of unallocated funds and that these funds will not be available in the future. Lee also stated that the \$740,000 in utility tax payments the county used to receive will continue to decline by 20% each year until they end in 2019. He explained that the county has tried to reduce costs over the past two years by reducing staffing from 176 to 142 employees (due in part to the change in human services and highway department staff reductions.) In addition, the represented members of the Sheriff's department are now paying their portion of their retirement benefit and higher insurance premiums. There have been changes made to the health insurance plan creating higher deductibles and the employee's share of the premium has been increased.

The committee is looking to plan for the next 5 years or more. The hope is to keep the taxes reasonable and fair. They don't want to short change our community. The questions then are, where can and should we make cuts and what are the options for creating revenue to balance our budget in 2017 and beyond.

Approve February 12, 2016 Agenda: Motion by Ken Tebon, second by Virginia Haske to adopt the agenda. Motion carried unanimously.

Approve January 20, 2016 Minutes: Motion by Virginia Haske, second by John Mastalir to approve the January 20, 2016 meeting minutes. Motion carried unanimously.

Overtime Report: Scott Feldt presented the overtime report.

Monthly Financial Report: Paul presented the financial report based on what was received through the end of December 2015. He also stated that the auditors will be coming in May and not in July as they had in the past. Paul will be doing the audit entries before they come. This will provide the committee the information sooner than it had received it in the past.

Approval of Sequoia Consulting Group Contract: Paul explained that Sequoia currently does our indirect cost report. Paul likes the quality of work of their work and believes it is a fair price. He stated that Sequoia has a great product and will stand behind it. A motion to approve the five year contract with Sequoia Consulting Group in the amount of \$4100 per year was made by Virginia Haske, second by John Mastalir. Motion carried unanimously.

Approval – Designate Working Bank & Public Depositories: Michelle Dax explained that the resolution is to update our previous one. Baylake is now our working bank since it bought out Union State Bank. First Business Bank and Nicolet have been added to the approved depositories and Union State Bank has been removed. Michelle and Paul will be looking to do a RFP (request for proposal) in the coming months for our working bank. A motion was made by Tom Romdenne to approve the resolution and bring it to the county board for approval, second by John Mastalir. Motion carried unanimously.

Approve Purchase of IMS 21 Software:

Jamie explained that product will take us out of paper age and make it easier to locate documents. It will also provide back-up to our documents that we currently do not have. Human Services had been audited and this has been it recommended. Ross stated that this is being used in the surrounding counties of Door and Manitowoc. It allows the client information to be available on the server and not put in file cabinet. The implementation handout was discussed. The cost of the project is \$47,117.20. A LIO (Land Information Office) grant of \$20,000, excess elections 2015 budget of \$22,000 and possibly \$5000 from Human Services will be used to fund this project. Ron Heuer stated that Veterans Office may have funds for this project, Ross will contact Jane. Tom asked why this was not put in the budget. Scott stated that he was holding off because he didn't feel like he had enough information and the LIO grant was not available until after the budget. Without that grant, it appeared we would not have had the money to purchase it. Two scanning stations are included with the purchase. They can be moved and there is unlimited licensing. Paul stated that he had worked with this company and product in Manitowoc County and would endorse them, they had very good support. A motion to recommend the purchase of the IMS 21 Software and bring the resolution to the county board was made by Virginia Haske, second by Ken Tebon. Motion carried unanimously.

Approve Copier Lease: Ross stated that our current lease agreement with Bartelt will expire in April 2016. After meeting with Bartelt Business Machines, we will look to replace 8 of the 19 copiers. Bartelt will continue to service the remaining 11. With this agreement, the county will look to save \$24,203.56 per year. Ross recommends that we sign the five year agreement with Bartelt, because of the substantial savings and the excellent service they have provided the county. Scott Feldt also recommends this. Motion made to approve the five year copier lease with Bartelt Business Machines was made by John Mastalir, second by Tom Romdenne. Motion carried unanimously.

Update on Race Track Contract and Possible Action: Rock 'EM Entertainment is going to be our new racetrack promoter. A draft of the contract was handed out.

Update on Spillman Server Upgrade for Sheriff's Department and Possible Action: The Sheriff's Department was notified at the end of November that they were going to have to upgrade the Spillman Server. Sheriff Joski stated that this system has been used since 2000 and that it is necessary to upgrade the server in order to maintain our current services. He stressed that this benefits all the police departments in the county. Sheriff Joski stated that he has the surplus 2015 budget funds to cover the project of \$33,935.59. Motion to recommend the upgrade of the Spillman Server and bring the resolution to the county board was made by Virginia Haske, second by Tom Romdenne. Motion carried – John Mastalir opposed.

### Group Discussion

Projected short fall for the 2017 Kewaunee County Budget  
How we are going to address the shortfall?

Scott and Paul explained where the county's money comes from and where it goes. (Please see attached "Pie Charts" showing county revenues and spending)  
Scott explained that we are here to serve, not make a profit. Government when run like a business tries to maximize revenues and minimize expenses.

Projected shortfall for 2017 budget expected to be \$600,000 – \$1 million

How to solve:

### Increase revenue:

- *Increase the county's levy limit.* We are currently levying to the maximum allowed under State law. The county would need to go to a referendum if we want to increase this the levy limit. The levy limits are imposed by the State of Wisconsin for each county and a referendum is required to exceed the state mandated limit.
- *Institute county sales tax.* The county board can approve a ½% sales tax or the county board can request that a proposal to have a ½% sales tax go to the voters in a referendum for their approval
- *Increase fees:* Boat launching fees, wheel tax, but if we create new fees, the revenue from those fees must be related to the service we are providing and raising these fees will not have a significant impact on closing the budget shortfall.
- *Raise the property values in the county:* Net new construction allows us to raise our levy limit but given the county's current equalization values, it will take an increase of \$10 million just to increase county tax revenues by \$50,000. In short, it will take a lot of new development to increase the levy limit by an amount that will help close the budget shortfall.

### Discussion items:

Majority of our costs are for the people who provide our services and the majority of those are for services in our Sheriff's Department and in our Health and Human Services areas. Cutting people will affect our levels of service to our citizens.

At present, we are not a growing county. If you are not growing, you are not going to see increased tax revenue. Some efforts must continue to support economic development in Kewaunee County.

Some town representatives felt it's important to be honest with our residents; we need to increase our levy.

\$20 wheel tax. Majority of the funds would generated by those who live in the city and villages and the villages and cities already pay additional taxes for their town roads. We would need to use any money from a county wheel tax to go to the county roads.

Examples of impact fees.

A fee for an officer to respond to a call. This was not an idea that anyone present wanted to pursue.

A ½ of 1% sales tax is expected to bring in \$1.1 to \$1.4 million per year. The cost to consumers would be \$5.00 for every \$1,000 in purchases. Visitors to the county help pay this tax.

The County will continue to look at which services are mandated by the State or Federal Governments and which may not be mandated. Many services the county provides are required by State or Federal mandates and cannot be cut.

It will take a concerted effort to boost tourism but very good things are happening here in Kewaunee County. Lee pointed out the new \$4+ million Kewaunee Harbor project, farm technology days will bring an estimated 30,000 – 40,000 visitors to Kewaunee County, Algoma will host the tall ships this year, and a new fire equipment museum will help bring tourists to our area. Other projects such as a greatly enhanced web presence, cooperation between the various Chambers of Commerce, and new welcome signs that can display current events will help retain tourists in Kewaunee County for a longer period of time.

Other Comments included:

- Can't lose \$700,000 in utility aid and expect to make it up on cuts.
- Grant money of \$80,000 was used for voting registration & equipment. MOU had to be redone.
- Didn't like that the voter registration was just sprung on the municipalities.
- Must educate the public – show why we need to increase our levy.
- If we have a referendum – we need the support from all the municipalities.
- Sales tax seems to be fairer to the residents.
- Would like highway department to generate more and work with other counties.
- Need a combination of efficiencies and revenue.

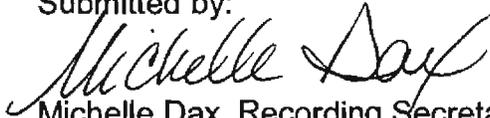
- Efficient and effective government. Must face the music – build a consensus

Approval of Bills: Motion by Tom Romdenne, second by Virginia Haske to approve the bills. Motion carried – Ken Tebon opposed.

Next Finance Committee Meeting: February 17<sup>th</sup> at 5:30 pm, March 11<sup>th</sup> at 9:00 am, April 8<sup>th</sup> at 9:00 am (will ask the municipalities to attend)

Adjournment: Motion by Virginia Haske, second by Ken Tebon to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 11:42 am.

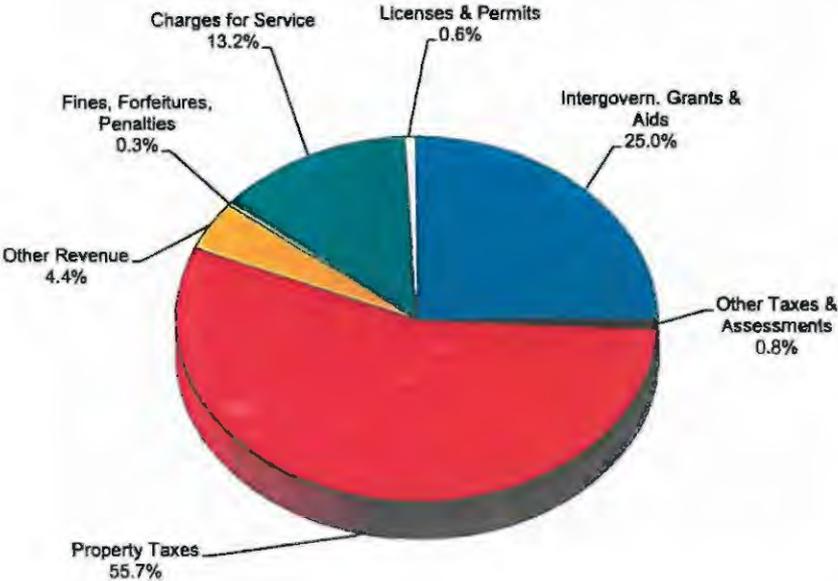
Submitted by:

  
Michelle Dax, Recording Secretary

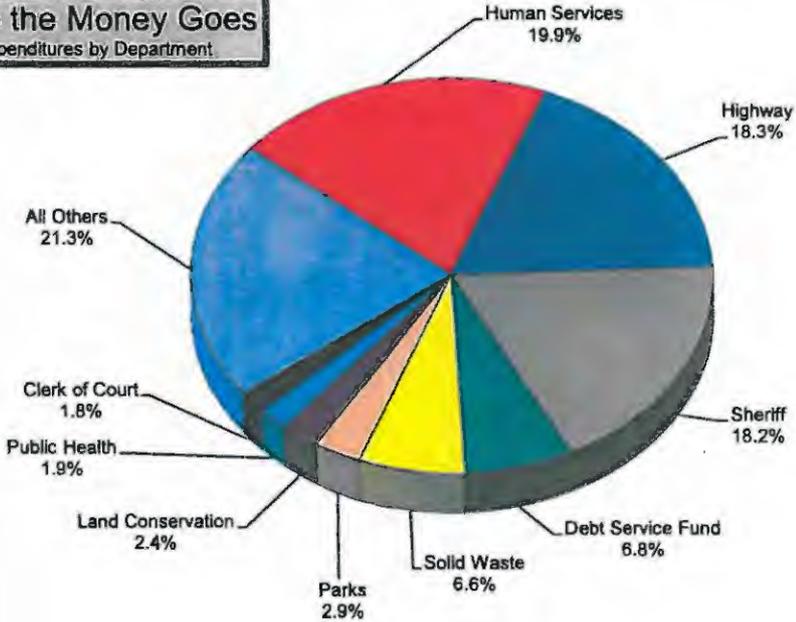
**Kewaunee County**  
**2016 Adopted Budget**  
**Graphical Representation**

Total Expenditures = \$20,630,184

**Where the Money Comes From**  
 % Source of Total Revenue



**Where the Money Goes**  
 % Expenditures by Department

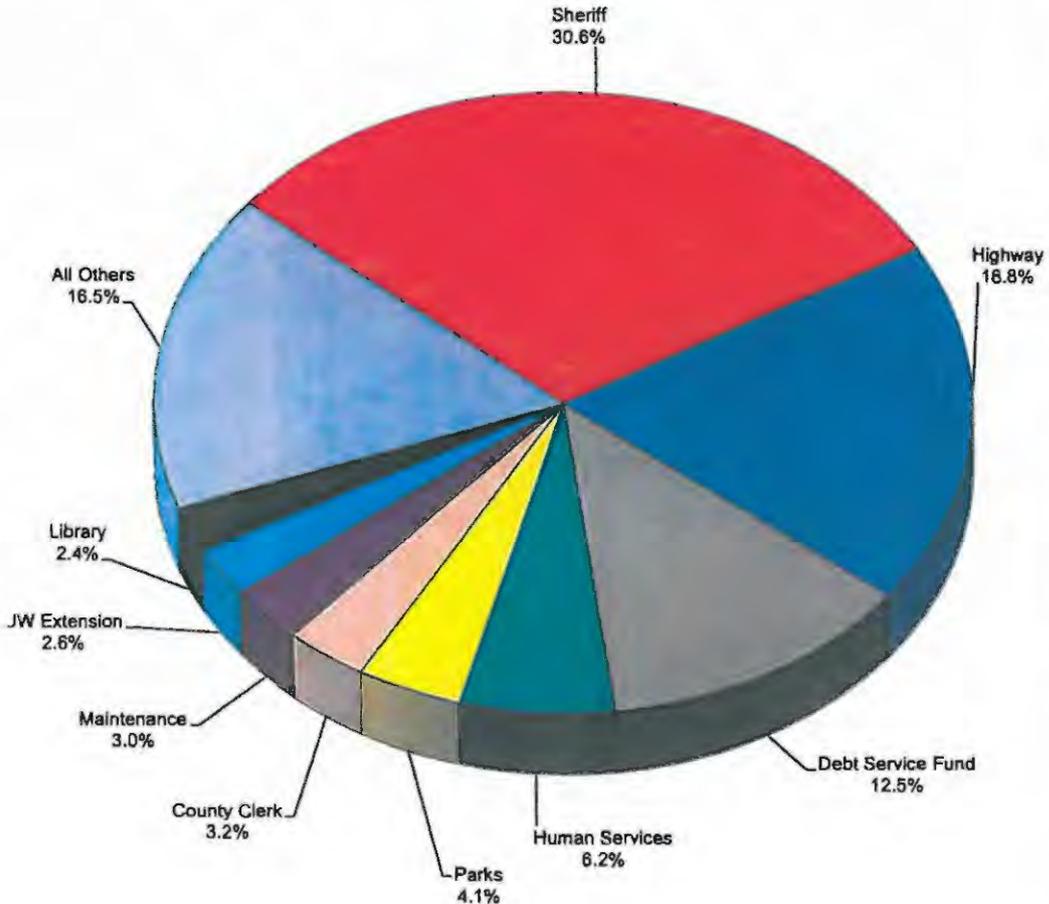


All Others:			
County Clerk	1.81%	Administrator-HR/Other	0.88%
Maintenance	1.65%	Treasurer	0.83%
UW Extension	1.42%	County Board	0.79%
Library	1.31%	Finance	0.70%
Land Information Office	1.26%	District Attorney	0.70%
Zoning	1.13%	Veterans Service	0.69%
County Administrator	1.12%	Information Services	0.64%
Child Support	1.12%	Corporation Counsel	0.35%
Register of Deeds	1.11%	Family Court	0.33%
Non-department	1.10%	Circuit Court	0.31%
Register in Probate	0.97%	Coroner	0.14%
Emergency Management	0.90%		

**Kewaunee County  
2016 Adopted Budget  
Graphical Representation**

Total Tax Levy = \$11,177,945

**Tax Levy**  
% of Levy by Department



All Others:			
Land Conservation	2.40%	Register of Deeds	0.95%
County Administrator	2.07%	HSD-ADRC	0.78%
Clerk of Court	1.85%	Corporation Counsel	0.63%
Public Health	1.81%	Family Court	0.57%
Solid Waste	1.64%	Zoning	0.55%
Administrator-HR/Other	1.53%	Emergency Management	0.35%
Register in Probate	1.53%	Hwy-Bridge Aid	0.27%
County Board	1.45%	Coroner	0.20%
Land Information Office	1.35%	Circuit Court	0.11%
Finance	1.30%	Child Support	-0.04%
Information Services	1.18%	Treasurer	-0.35%
Veterans Service	1.16%	Non-department	-7.79%
District Attorney	1.02%		