

Kewaunee County
FINANCE & PUBLIC PROPERTY COMMITTEE MEETING

MEETING MINUTES

Date: April 20, 2016 Time: 4:30 PM

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

Call to Order: The meeting was called to order at 4:34 PM by Chairman Lee Luft

Roll Call: Members present were: Lee Luft, Tom Romdenne, and Virginia Haske.

Absent: John Mastalir, Ken Tebon

Others Present: Scott Feldt, Paul Kunesh

Approve the Agenda: Motion by Virginia Haske, second by Tom Romdenne to adopt the April 20, 2016 agenda. Motion carried.

Approve Minutes: Motion by Virginia Haske, second by Tom Romdenne to adopt the April 8, 2016 Finance Committee minutes. Motion carried.

Approval of Stop Loss Insurance: Presentation by Scott Feldt. Premium will increase to \$815,736 from \$704,284 or a 15.82% increase. Handouts show the premium paid vs reimbursements received since 2014. The last few years we have received over \$740,000 of reimbursements above what we pay in premiums. He recommends approving today since we may have limited options. Motion by Virginia Haske, second by Tom Romdenne to approve the payment of stop loss premiums to Humana. Motion carried.

Review and Possible Action on Debt Refinancing: One of the County's bond issues (2007 GO) can be refinanced in the near future. Administration has considered and contacted local banks, the Board of Commissioners of Public Lands (BCPL), and Hutchinson, Shockey, & Erley & Co (HSE) for options. The best of the four options would be one of two from HSE that would provide a lower interest rate with the same or very similar annual debt service payments, resulting in a total savings of \$423,000 over the remaining term. The HSE option provides the best result of the available options. The refinancing would appear on the May County Board agenda, with a June refinancing issue date. Motion by Virginia Haske, second by Tom Romdenne to recommend to the County Board to refinance the 2007 GO debt as proposed by HSE. Motion carried.

Approve Additional Bills for Payment: Motion by Tom Romdenne second by Virginia Haske to approve the bills as presented. Motion carried.

Approve County Board and Supplementary Payroll: Motion by Tom Romdenne second by Virginia Haske to approve the County Board and Supplementary Payroll as presented. Motion carried.

Other Matters as Authorized by Law: None.

Adjournment: Motion by Virginia Haske, second by Tom Romdenne to adjourn the meeting. Motion carried. Meeting adjourned at 4:50PM.

Submitted by:

Paul Kunesh, Recording Secretary



Kewaunee County

FINANCE & PUBLIC PROPERTY COMMITTEE MEETING

MEETING MINUTES

Date: Friday, April 8, 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 Supervisor Pat Benes, Franklin Town Chair Richard Wochos, Carlton Chair Dave Hardtke, County Board Supervisor and Carlton Town Clerk Linda Sinkula, Lincoln Town Chair Cory Cochart, County Board Supervisor and Ahnapee Town Chair Gary Paape, Ahnapee Zoning Administrator Sharon Grosbeier, Montpelier Town Clerk Mark Wessely, County Board Supervisor Chuck Wagner, County Board Supervisor Bob Garfinkel, County Board Supervisor Kaye Shillin, Kewaunee County residents Linda Teske, Donna Thomas, 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 approximately \$600,000 of unallocated road funds in the County Highway Department was 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 and all employees now pay 15% of the health care insurance premiums (up from 10%. Other changes made to the health insurance plan include higher deductibles and co-payments.

The committee is looking to plan for the next 5 years or more and not just to plug a one-year shortfall. 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 April 8, 2016 Agenda: Motion by Virginia Haske, second by Ken Tebon to adopt the agenda. Motion carried unanimously.

Approve March 11, 2016 and March 15, 2016 Minutes: Motion by John Mastalir, second by Virginia Haske to approve the March 11 & March 15, 2016 meeting minutes. Motion carried unanimously.

Overtime Report: Scott Feldt presented the overtime report. Sheriff will come to the next finance meeting to address the overtime in his department. Administrator Feldt stated the he had purposely reduced overtime amounts in 2016 budget. He did it so that the department would have the mindset to reduce overtime as much as possible – but this amount may have not been realistic.

Monthly Financial Report: Paul presented the financial report based on what was received through the end of February 2016. No outliers 2 months into the year. Health and Dental funds are not terribly relevant at this time – effective the first of the year there is a new way of posting those accounts and it is not complete yet.

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)

Expect growth in real property in Kewaunee County to be around 1% - this will allow us to increase our levy approximately \$100,000.
Budget for 2016 does not include income utility step down.

Scott explained that we must find ways to grow our county. As for the short fall – if we look at expense standpoint – make cuts and reduce service levels. For the revenue standpoint, as a county we implement a sales tax, increase levy limits, create new fee or put our expenses on a credit card (in other words, borrow money to pay for current expenses. This can be a dangerous path and it is not one the Finance Committee favors.) Some combination of a sales tax (for example and new user fees could also be considered but again, income from user fees must go toward expenses related to that user fee

Lee stated that it is impossible for our county to grow enough in the next year to cover the shortfall. He stated that the county is encouraging growth by hiring tourism professional. Last year Door County had 3 million visitors, we had 30,000. One percent of what Door County had. We need to highlight the many other reasons visitors may find Kewaunee County an attractive place to visit. These include the Ahnapee Trail, Winter Park, the many antique shops, artist galleries, the Heritage Center, Agri-tourism, wineries, the light houses and hopefully soon the U.S. Marine Sanctuary. We need to encourage families to come here. We need all communities to come together. We don't talk enough about the other things we have to offer– this is changing. This cost of this new position, a complete upgrade of our on-line presence and new welcome signs to replace our aging signs will constitute less than 1% of our total budget.

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 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. Some concerns arose about the "wheel tax". A wheel tax would appear to generate about \$300,000 which is not enough on its own to address the expected shortfall and there is some unfairness to a wheel tax. For example, property owners in the incorporated cities and villages already pay for road repairs in those areas as part of their property taxes and they would also be paying for upgrading county roads. Additionally, farm equipment which has been linked to some of the road repair concerns would have to be exempt from a wheel tax.
- *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:

It will be hard to educate people at town meetings because they don't come.

Town representatives felt it's important to be honest with our residents; we have a short fall and tell them what we are going to do about it.

Visitors to the county help pay for the sales tax, the burden would not be just on the property taxpayers.

I would support a ½% sales tax a better option than major budget cuts or other taxes.

Wheel tax is unpopular.

Fear in the community that the government is going to use up all the sales tax or levy increase and then ask for more money.

Lack of growth is not a new thing to Kewaunee County. Maybe should look at incentives for industries to come here.

Sales tax will not keep people away from Kewaunee County

Should also let public know that we having a sales tax does not solve our jail issue.

Pat Benes gave an update on Wednesday's jail meeting. Per the Federal Government, something needs to be done and either we do it or they will tell us how to do it. The present jail does not meet federal standards for Americans with Disabilities, etc.

Luft thanked all those who attended and expressed the appreciation of the County Board for the input from those representing the Townships. Luft thanked many who chose to take home the full 2016 Kewaunee County Budget (296 pages) for review. Luft also suggested one or two well publicized public meetings might be in order to inform our residents about the projected 2017 budget shortfall, the reasons behind that shortfall and what could be done to address it. It was generally agreed that there must be a solid communication effort between the county, the towns, the villages, the cities and the citizens if we want to produce a lasting budget solution.

Approval of Bills: Motion by Virginia Haske, second by Ken Tebon to approve the bills. Motion carried unanimously.

Next Finance Committee Meeting: April 20th at 4:30 pm (before county board meeting), Thursday May 12th at 9:00 am

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

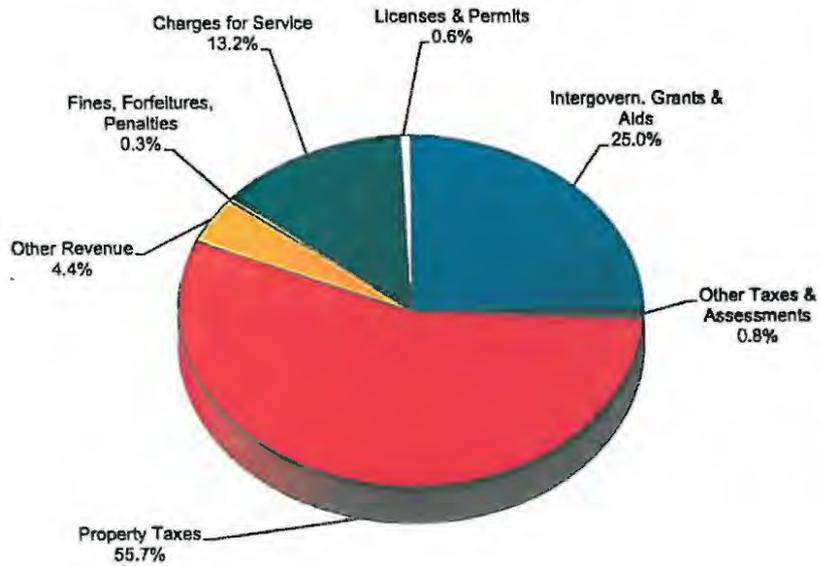
Submitted by:

Michelle Dax, Recording Secretary

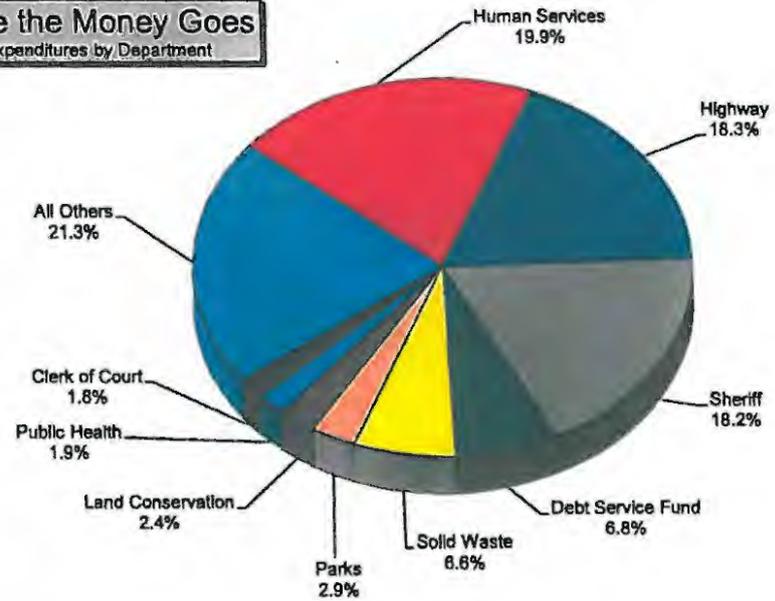
Kewaunee County
2016 Adopted Budget
Graphical Representation

Total Expenditures = \$20,630,184

Where the Money Comes From
 % Source of Total Revenue



Where the Money Goes
 % Expenditures by Department

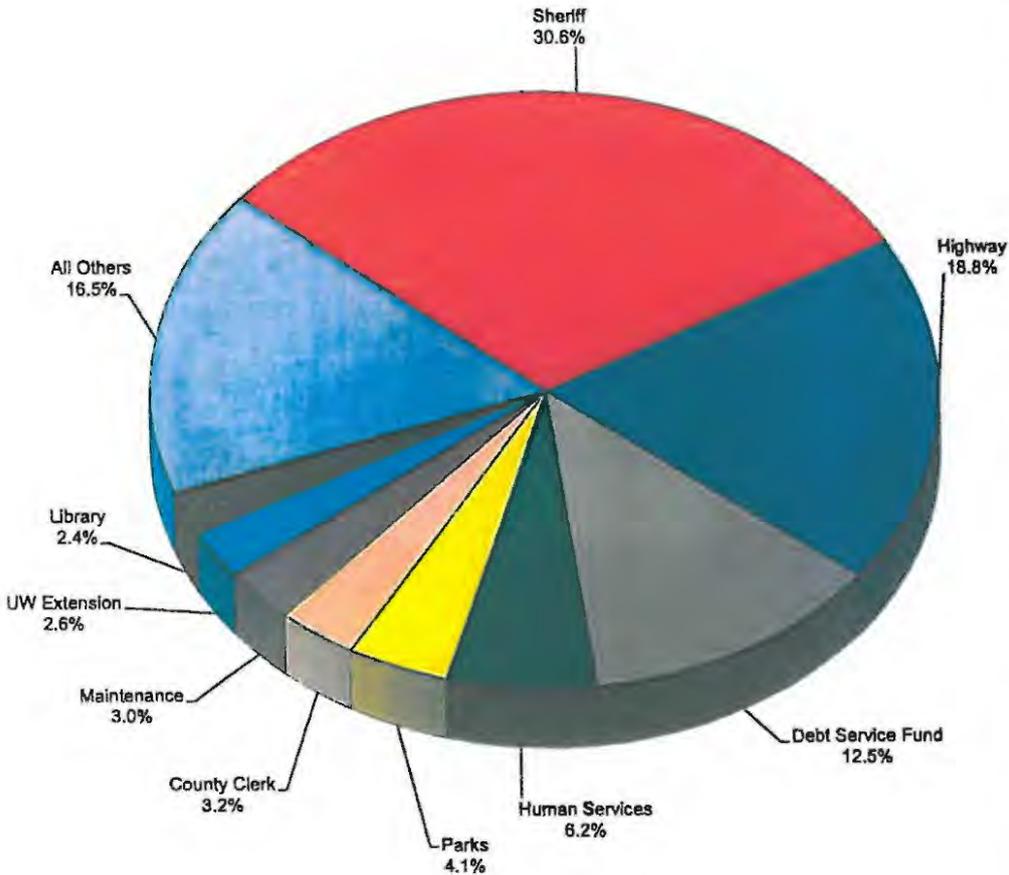


All Others:			
County Clerk	1.81%	Administrator-HR/Other	0.88%
Maintenance	1.85%	Treasurer	0.83%
UW Extension	1.42%	County Board	0.79%
Library	1.31%	Finance	0.70%
Land Information Office	1.26%	District Attorney	0.70%
Zoning	1.13%	Veterans Service	0.69%
County Administrator	1.12%	Information Services	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%		

Kewaunee County, Wisconsin
 County Board Adopted Budget-2016
 Tax Levy by Department

	2015 Revised Budget		2016 CB Adopted Budget	
SHERIFF	3,480,612	31.56%	3,423,072	30.62%
HIGHWAY-ROADS & BRIDGES	2,811,854	25.50%	2,105,546	18.84%
DEBT SERVICE	1,299,262	11.78%	1,397,184	12.50%
HUMAN SERVICES	712,495	6.46%	688,750	6.16%
PROMOTION & RECREATION	409,861	3.72%	462,245	4.14%
COUNTY CLERK	334,720	3.04%	357,702	3.20%
MAINTENANCE	346,690	3.14%	339,725	3.04%
UW EXTENSION	290,795	2.64%	286,347	2.56%
LIBRARY	284,064	2.58%	270,818	2.42%
LAND CONSERVATION	207,530	1.88%	268,204	2.40%
ADMINISTRATOR	225,657	2.05%	231,718	2.07%
CLERK OF COURT	215,582	1.95%	206,852	1.85%
PUBLIC HEALTH	212,050	1.92%	202,532	1.81%
SOLID WASTE	193,347	1.75%	182,994	1.64%
ADMIN-HR & INSURANCE	156,500	1.42%	171,500	1.53%
REGISTER IN PROBATE	170,981	1.55%	170,605	1.53%
COUNTY BOARD	173,535	1.57%	162,202	1.45%
LAND INFORMATION OFFICE	162,016	1.47%	151,007	1.35%
FINANCE DIRECTOR	129,442	1.17%	144,979	1.30%
INFORMATION SERVICES	207,579	1.88%	132,264	1.18%
VETERAN SERVICE	143,058	1.30%	130,137	1.16%
DISTRICT ATTORNEY	114,199	1.04%	114,004	1.02%
REGISTER OF DEEDS	81,915	0.74%	105,840	0.95%
HUMAN SERVICES-ADRC	87,506	0.79%	87,506	0.78%
CORPORATION COUNSEL	71,800	0.65%	70,033	0.63%
FAMILY COURT COMMISSIONER	64,197	0.58%	64,109	0.57%
ZONING	82,926	0.75%	61,103	0.55%
EMERGENCY MANAGEMENT	42,568	0.39%	39,305	0.35%
HIGHWAY-COUNTY AID BRIDGES	23,282	0.21%	30,000	0.27%
CORONER	23,747	0.22%	22,020	0.20%
CIRCUIT COURT	11,907	0.11%	12,117	0.11%
CHILD SUPPORT	(8,867)	-0.08%	(4,682)	-0.04%
TREASURER	(107,007)	-0.97%	(39,349)	-0.35%
NON-DEPARTMENT	(1,628,300)	-14.77%	(870,234)	-7.79%
	11,027,283	100.00%	11,177,945	100.00%

**Kewaunee County
County Board Adopted Budget-2016
Budget Summary**

Revenue:	Amount	Percent of Total
Property Tax Levy	11,177,945.00	55.68%
Other Taxes	337,700.00	1.68%
Intergovernmental	4,841,569.00	24.12%
Licenses and Permits	126,000.00	0.63%
Fines, Forfeitures and Penalties	62,542.00	0.31%
Charges for Service	3,232,226.00	16.10%
Other Revenue	295,816.00	1.47%
Total Revenue	20,073,798.00	100.00%
Transfers IN	173,813.00	
Fund Balance Used	920,223.00	
	<u>1,094,036.00</u>	
Total Budget	21,167,834.00	

Expenditures:	Amount	Percent of Total
General Government	4,471,860.00	21.68%
Public Safety	3,940,658.00	19.10%
Transportation	3,780,531.00	18.33%
Health & Human Services	4,893,692.00	23.72%
Recreation & Education	1,177,235.00	5.71%
Conservation & Development	786,030.00	3.81%
Debt Service	1,580,178.00	7.66%
Total Expenditures	20,630,184.00	100.00%
Transfers OUT	173,813.00	
Fund Balance Applied	363,837.00	
	<u>537,650.00</u>	
Total Budget	21,167,834.00	

Total Revenue	20,073,798.00
Total Expenditures	20,630,184.00
Fund Balance Used	<u>(556,386.00)</u>

Assumptions:

2016 Budget excludes utility tax payments for the Dominion plant (formerly about \$710,000) but includes utility tax for wind farms & other utilities (\$180,000).
The unbudgeted 2016 anticipated utility tax step down payment is estimated at \$427,957.

Kewaunee County
Tax Levy Limit information

How much Net New Construction is needed to increase the County levy limit by \$1,000,000?

Budget Year	2014	2015	2016	2017	Additional Levy of \$1M
Equalized Value Value		1,454,689,200	1,483,318,300	1,942,499,300	1,942,499,300
Net New Construction		23,914,800	22,723,800	19,424,993	178,585,696
		<u>1,478,604,000</u>	<u>1,506,042,100</u>	<u>1,961,924,293</u>	<u>2,121,084,996</u>
New Construction %	0.969%	1.644%	1.532%	1.000%	9.194%
Last Years Actual Levy (Operating)		10,771,119	10,719,937	10,877,127	10,877,127
Levy Limit Increase		177,075	164,225	108,771	1,000,000