

**SEPTEMBER 8, 2020 SESSION  
OF THE  
WALWORTH COUNTY BOARD OF SUPERVISORS  
COMMITTEE OF THE WHOLE**

The Walworth County Board Committee of the Whole meeting was called to order by Chair Russell at 2:30 p.m. at the Government Center, 100 W. Walworth Street, Elkhorn, Wisconsin.

**Roll Call**

Roll call was conducted and the following Supervisors were present, either in person or remotely: Vice-Chair Jerry A. Grant (Via Telephone), Brian Holt, Kathy Ingersoll, Daniel G. Kilkenny, Kenneth H. Monroe, Susan M. Pruessing, Joseph H. Schaefer, Ryan G. Simons, Rick Stacey, David A. Weber and Chair Nancy Russell. A quorum was established.

○ **Presentation of County Administrator's proposed 2021 budget and budget workshop**

Administrator Mark W. Luberda presented an overview of the 2021 Administrator's Budget, including the 2021-2025 Capital Improvement Plan (CIP), a copy of which was distributed to those present.

Luberda stated the overall County tax levy needed to support the 2021 budget is \$60,781,480, an increase of \$811,671 (1.35%). The overall tax levy of 1.35% utilizes the entire cap under State law, which is based upon net new construction. The levy portion applying uniformly throughout the County is \$52,734,247, an increase of \$745,266 (1.43%). Luberda explained the tax bill and stated the numbers may differ, since not all tax levies are uniform and also dependent on the equalized value of the individual's taxing jurisdiction.

Luberda noted for the 2021 budget, the allowable growth from net new construction increase has dropped from 1.585% last year to 1.403% this year. Last year's percent change in total levy of 1.80% dropped to 1.35% this year, which amounts to a restriction in the allowable increase of nearly \$138,500. Luberda provided a brief overview of the State of Wisconsin levy limits beginning in 2005 through 2020 and stated Walworth County's net new construction has remained below what had previously been the statutory floor. He said levy limits adjusted for net new construction are intended to provide the resources to address new residents and businesses moving into Walworth County. However, they fail to address inflationary impacts on new technologies and equipment the County must adopt to stay current. They also fail to account for changes in the market place that redefine how items are purchased. Luberda stated levy limits add greater pressure on the ability to maintain operations and require greater diligence in making the most of the dollars that are already in the base.

Luberda began to give a brief overview of the 2021 Budget Themes:

**Primary New Initiatives** –

- **Health and Human Services (HHS) / Law Enforcement Partnership: Embedded-Response Pilot Program**  
Luberda briefly explained the partnership between law enforcement and HHS and stated the 2021 budget will take their partnership one step further by developing a pilot program that will embed two Crisis Intervention Specialists within local law enforcement departments, while the remainder of the Crisis Intervention staff will enhance support to the Sheriff's Office and other jurisdictions. The two embedded positions are funded in the first year by Medicaid reimbursement (12%), the Time is Now donation (65%), and the tax levy (23%).

- **Risk Management**

Luberda stated risk management is basically the quality control component for the insurance program and gave a brief summation as to the history of the multiple risk management positions. The 2021 budget will add a Risk Manager position with duties that will relate to property and liability insurance policies and purchasing contract advising. It will also sit in a consulting or advising role to multiple operational areas. Risk Management will be set

up as a division within Administration. The existing half-time Administrative Assistant in Corporation Counsel will be reassigned to this division as well.

- **Communications Coordinator**

Luberda explained the need for a Communications Coordinator and stated this budget incorporates redefining the Office Supervisor position to include duties equivalent to a half-time Communications Coordinator. The newly created Office Supervisor – Administration/Communications Coordinator position will be located in the County Administrator’s Office.

**An Eye to the Future: How the 2021 Budget Could Impact Year-End Fund Balances and the 2022 Budget**

- **Health Insurance Rates and the Health Insurance Funds**

Luberda noted the 2021 budget contains limited plan design changes with no anticipation for any rate increases. The goal was to stabilize employee rate shares for 2021. He reported 2020 anticipated using approximately a million dollars in the health insurance fund balance reserves to offset 2020 costs. Due to the COVID-19 pandemic, fund costs are down for 2020. As such, the 2021 budget reflects carrying forward that intended use of fund balance from 2020. Additionally, with rates remaining stable, the additional amount that would have been anticipated for 2021 is added on top. The net result is that the 2021 budget anticipates use of slightly over two million dollars from the Health Insurance Fund. Luberda referred to Figures 5a and 5b and proceeded to explain the strategy incorporated into the budget regarding the Health Insurance Fund Balance. He announced an extensive review was performed with the options of either moving to the State Health Plan or to a fully-insured plan, which revealed they were not valid considerations. Luberda said the County will need to consider more current data-driven and consumer-driven strategies and that everyone should anticipate potential plan design and premium structure changes.

- **Lakeland Health Care Center**

Luberda stated this budget positions Walworth County with the desired stability relative to the 90-bed facility. The 2021 levy request comes in at the original 2020 budget level. Luberda provided a brief overview of potential plans for the C-wing and stated until a completed business model shows a secure, low-risk positive revenue stream, consideration of action on any construction should not occur. Until that time, we will continue to see savings from keeping the C-wing unoccupied. Should the C-wing provide a revenue stream, it will need to be built into the budget. Luberda stated there is insufficient justification for this budget to propose continuing to pay monthly bed tax fees to the state equal to \$61,200 per year for the 30 additional unoccupied beds.

**Stabilization Funding and Excess Appropriation Strategies**

Luberda noted yearend returns to fund balances suggests that Walworth County historically budgets very conservatively. He briefly explained the strategies utilized to set revenues and expenditures at a realistic level that will improve budgeting for annual operations and creation of reserves to be drawn upon when expenditures are unexpectedly high or revenues are unexpectedly low.

- **Revenue Stabilization Program**

Luberda announced a resolution to establish the Revenue Stabilization Program will be brought before the County Board at their September 8<sup>th</sup> meeting. He stated with over \$2 million proposed to be in the Revenue Stabilization Program, the County will be able to safely budget sales tax revenues at the low end.

- **Vacant Position Health Insurance Funding**

Walworth County historically incorporated funding for family coverage. Recent history indicates about half of the employees have been taking single coverage. Luberda stated a significant amount of excess appropriations could accrue with a difference in premium of approximately \$15,000. He said the 2021 budget anticipates the average vacancy will be filled at the single level and explained further how the contingency appropriation could be applied. Given the size of the organization, the net result could avoid excess appropriations of \$287,000.

- Salary Savings: AKA a Vacancy Adjustment Factor

In 2019, an ordinance limited the County Administrator to budgeted salary savings of 1.5% of payroll for any department. Luberda referred to Figure 7, which indicates the salary savings incorporated into the 2021 budget and reveals a conservative application well below the limit.

Luberda then referenced the four sidebar articles addressing different projects or issues related to the CIP and provided a brief overview of the Walworth County Jail, a Pavement Management System & Analysis, County-wide Communications Infrastructure Upgrade: “The 911 Radio System”, and Capital Improvement Plan Financial Summary.

**Other Areas of Interest or Note**

- Community Initiatives

Luberda referred to Figure 8 and stated this budget holds each of the outside organizations at a 2021 level that matches their 2020 allocation, except for the reduction of \$10,000 in the remaining balance for the County Fair’s loan forgiveness.

- Parks

Luberda referred to Figure 9 and spoke briefly regarding the parks.

- Recruitment Specialist

Luberda gave a brief overview of the Recruitment Specialist position and stated the Human Resources budget includes an additional \$31,500 in operating and small equipment costs for recruitment-related purposes.

- HHS Grant Revenue

Luberda reported in 2021 HHS will be receiving approximately \$2.1 million less in grant funding and spoke briefly regarding the state funded Children’s Long-Term Support Waiver program and the Rural/Urban Women’s Substance Abuse grant relative to the Women’s Wrap program.

**The Budget Process and Conclusion**

Luberda referred to the key dates and milestones and provided a brief explanation of the budget, appeal, and budget amendment processes.

Luberda concluded by thanking the department heads and elected officials for their efforts and assistance in preparing the budget and commended the Administration staff and Finance Department.

**Adjournment**

On motion by Supervisor Weber, seconded by Supervisor Monroe, the meeting was adjourned at 3:40 p.m.

Prepared By: Patricia Sommers, Administrative Assistant

Submitted By: 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 September 8, 2020 Committee of the Whole Meeting.