

## ~State of the County~

by: Adam Payne, County Administrator

Sheboygan County is a leader of providing responsive and cost-effective local government. We have healthy fiscal reserves, an excellent bond rating, and a hard-working, caring staff providing quality services in a fiscally responsible manner.

The County has approximately **810 employees** working in **19 Departments**, administering **over 200 programs and services**, with an overall budget of **\$128 million**.

THE BIG FOUR: The Health and Human Services Department (\$33 million), Sheriff's Department (\$19 million), Transportation Department (\$15 million) and Rocky Knoll Health Care Center (\$13 million) are the largest departments and comprise nearly 2/3rds of the entire county budget.

The remaining Departments include: Building Services, Finance, Human Resources, Information Technology, Planning and Conservation, Treasurer/Real Property Listing, County Clerk, Register of Deeds, Medical Examiner, Corporation Counsel, Clerk of Courts, District Attorney, Court Commissioner, UW-Extension, and Veterans Service.

We are one of the top ten employers in the county along with the Kohler Company, Bemis Manufacturing, Sheboygan Area School District, Sargento, Nemak, Aurora, Acuity, Johnsonville Sausage, and Rockline.

The most important public policy document developed is the annual budget. Out of the \$128 million budget, the county property tax levy is \$48 million. The balance is primarily state and federal revenue, private pay and fee or service charges.

## ~What Have You Done for Me Lately?~

Top 10 list of 2015 accomplishments, working our way to number one...

**10 Wellness Initiative – YMCA/Planet Fitness Memberships through Sheboygan County** - Improving long term health will reduce health risk exposures and the need for costly medical interventions. Regular exercise is crucial to overall health. In order to support employee efforts to be healthy, Sheboygan County provided a new wellness opportunity for employees to enhance their health and fitness. Fitness center reimbursements are now offered at the Sheboygan County YMCA facilities and the Sheboygan Planet Fitness, with up to 100% paid annual membership for employees who achieve monthly participation requirements. Studies have shown that work performance and quality of life improve significantly with regular exercise. In addition, controlling health care costs for the County is very important. This wellness initiative is a win/win for our employees and taxpayers.

**9 Planning for a Drug Treatment Court is Launched** - Building on the success of the County's Veteran's Court established in 2013, and in response to the growing heroin and other drug abuse epidemic being realized across the nation including Sheboygan County, planning was initiated for the establishment of a Drug Treatment Court to become operational in 2016. The effort reflects a close collaboration between the Courts, the District Attorney's Office, the State Public Defender's Office, Probation and Parole, private treatment providers and the Health and Human Services Department under Judge Ed Stengel's leadership. Drug courts offer an effective blend of treatment and justice and have been proven effective in reducing recidivism, promoting family unity, and achieving other positive outcomes for both participants and communities.

**8 Land Purchase for Transportation Complex** - After decades of discussion, in October of 2015 Sheboygan County purchased 37 acres in the Town of Plymouth in order to build a new Transportation Complex. The new facility will allow the County to consolidate three county sheds—Elkhart Lake, Plymouth, and Sheboygan—into one complex. Building this complex will address the problems and costs associated with aging infrastructure, allow us to enhance services, centralize operations, reduce our building footprint, and offer three prime pieces of property for sale. The new facility is planned to be built in two phases over the next several years.

**7 Completion of Plastics Engineering Building at UW-Sheboygan** - The County constructed a \$1.4 million addition at the University of Wisconsin-Sheboygan. The 7,225 square foot addition contains three labs: Mechanical, Electrical and Special Projects. The labs allow local residents to obtain a four-year Bachelor of Science degree in Engineering. This addition is an answer to local business leaders seeking engineers with local roots. The intent is to encourage existing employees seeking an engineering degree to do so here and stay in the area. The funding for this project is an excellent example of what can be accomplished when government and the private sector collaborate. Plenco, Curt Joa and the Braatz Foundation all contributed to share the cost of construction with the County.

**6 Rocky Knoll Receives a Five Star Quality Rating** - The state and national rating system features an overall quality rating of one to five stars based on the facility's performance in three areas: Health Inspections, Staffing, and Quality Measures. The goal of the rating system is to help consumers make informed decisions about the skilled nursing facilities they are considering. In addition, the quality rating system helps and encourages nursing homes to strive for continuous improvement. As a result of strong leadership and staff providing excellent quality care, Rocky Knoll has achieved a Five Star Rating, and is among the best health care centers in the state and country.

**5 Partnership to Construct a Fiber Optic Network** - In partnership with the City of Sheboygan and the Sheboygan Area School District, Sheboygan County is leading the construction of a 23 mile, \$2.5 million underground fiber optic network slated to be completed in early fall 2016. This network is being built to replace the aging and sometimes unreliable radio tower equipment that currently connects County facilities. The enhanced speed and reliability of the new network will support the construction of a disaster recovery and data backup site at the Detention Center, vastly improving the security of the County's data assets and its ability to recover from data loss. In addition, this network will form the communication backbone for collaborative projects between the County and City such as the Combined Dispatch Center and Emergency Operations Center. Owning this fiber optic network guards against price volatility, especially as the County's bandwidth needs increase over time.

**4 Radio Upgrade and Combined Dispatch Project** - The Combined Dispatch and Radio Upgrade Projects are steadily progressing. The housing for the new Combined Dispatch Center was completed on August 17, 2015. The new Motorola radio equipment will be installed and tested during the first two quarters of 2016 and fully operational by June, 2016. City of Sheboygan dispatchers became Sheboygan County employees on January 1, 2016. The merger of City and County Dispatch Centers provides a single point of contact for all citizens to access emergency and non-emergency services. It provides for a more efficient and effective level of service to meet the increasing emergency response needs of the community.

**3 Compensation Study Complete and New Compensation Program Approved** - Sheboygan County hired Arthur J. Gallagher & Company to conduct a Comprehensive Compensation Study that was fully implemented January 1, 2016. The main focus of the study was to compare and contrast the County's pay ranges to comparable private and public sector data with the goal of ensuring the County remains competitive and able to attract and retain excellent employees. The study provided for a comprehensive and streamlined salary structure for all positions with the exception of the two remaining collective bargaining units (Law Enforcement & Rocky Knoll), streamlined over 200 job titles into just under 100, rolled longevity into the employee's base pay (for those who received longevity pay), eliminated the across the board annual salary increases and step increases, and instituted a Pay-for-Performance compensation system wherein employees are required to meet minimum performance standards in order to qualify for an annual salary increase, with the flexibility to reward outstanding performance. The study confirmed that the vast majority of employees were in the appropriate pay range, though there were some employees below and above their assigned DBM (Decision Band Method) Salary Range that resulted in adjustments.

**2 Strong Fiscal Track Record Continues** - Sheboygan County has a solid financial track record, healthy fiscal reserves, an excellent Aa2 bond rating and a hard-working, caring staff who are effectively meeting the demands of providing high quality services in a fiscally responsible manner. We continue to invest in major capital improvements, including our emergency dispatch and radio system and transportation infrastructure. On October 20, 2015 the County Board enacted an ordinance that increased the self-imposed bonding limitation from \$4 million to \$5.5 million annually, the first time since 2001. On November 3, 2015 the County Board enacted a 2.87% levy increase, allowing the County to assume and maintain emergency dispatch services for the City of Sheboygan as well as for all other local units of government within Sheboygan County. On average, the property tax levy has increased less than 1% per year for the past 10 years. The County also received a Certificate of Achievement for Excellence in Financial Reporting for the second consecutive year.

**1 Amsterdam Dunes Wetland Mitigation Bank and Preservation Area** - Sheboygan County acquired 333 acres in July, 2015. Amsterdam Dunes is located along Lake Michigan in the Town of Holland and is one of the last remaining undeveloped shorelines between Sheboygan and Chicago. It is comprised of rare sand dunes, forest and wetlands, bluffs, farmland, streams and diverse plants and wildlife. There is also a Wisconsin DNR Raptor Research Station directly contiguous to the property. Although the entire property will be a preservation area, 144 acres of the property will be designated a Wetland Mitigation Bank. To mitigate the destruction of wetlands during a public or private project, wetland mitigation credits may be used or purchased from a restored wetland. This positions Sheboygan County well for future infrastructure improvements and economic development, while preserving a pristine area. The sale of the future wetland mitigation credits and grant sources received to date will reimburse the County's \$4.2 million purchase price and fund restoration and enhancement of the property going forward.

## ~What is the State of the County?~

Strong. Though there is always room for improvement, ongoing challenges associated with State unfunded mandates, and escalating costs associated with providing services and maintaining our transportation infrastructure, Sheboygan County continues to be a leader of providing responsive and cost-effective local government. We have a team and track record we can take pride in.

## ~Challenges Ahead~

If the State continues to dictate rigid one-size-fits-all property tax levy caps and doesn't adequately fund state mandated programs, Sheboygan County will not be able to sustain its present level of programs, services and staffing. Although we will continue to establish priorities, streamline and become more efficient, addressing the community's transportation infrastructure needs alone with costs that have more than doubled the last decade will require additional resources. Though I share the County Board's pride that we have not yet implemented a 1/2% county sales tax (62 of 72 Counties have done so), if we are going to be fiscally responsible and meet the needs of the community, we must seriously consider alternative revenue streams. The State provided the county sales tax option decades ago to help alleviate the pressure on property taxpayers.