

SHEBOYGAN COUNTY RESOLUTION NO. 12 (2010/11)

Re: **Encouraging Fiscal Constraint Measures in 2011 Budget**

WHEREAS, extremely difficult economic conditions have prevailed in Sheboygan County as well as in Wisconsin and the United States in general since late 2008 causing businesses to close facilities, reduce staff, cut wages, and increase employee share of benefit costs, leading to persistent unemployment at unacceptably high levels and impinging on the ability of many Sheboygan County tax payers to pay the costs of operating local government, and

WHEREAS, in recognition of public opposition to higher taxes and the Board's awareness that many constituents lack the ability to pay tax increases of any kind during the current economic conditions, the Sheboygan County Board recently voted against imposing a County sales tax, and

WHEREAS, although Sheboygan County has been striving to address the concerns of its residents and taxpayers and has been successful in avoiding any increase in the County portion of the real estate tax levy for the past three years, under the current collective bargaining laws, the County has relatively little power to address employee wages and benefits in the absence of union agreement and thus has found it necessary to increase wages by approximately 2.95% in 2009 and 2.05% in 2010, in addition to increases in contributions to the Wisconsin Retirement System amounting to an additional 1% of wages over the same two-year period, and

WHEREAS the County budget for 2010 included approximately \$2,728,000 in fund balance usage, and such usage cannot be sustained in 2011 and beyond without adversely impacting the County's bond rating and threatening the County's financial stability, thus creating a structural deficit in the County's 2011 budget;

NOW, THEREFORE, BE IT RESOLVED as the County Administrator and the County Finance Committee begins the process of preparing the County's 2011 budget, the Board urges that the budget be based on the following principles:

- A. no increase in the total County tax levy over 2010 levels;
- B. no usage of any fund balance other than debt service fund balances as specified below;
- C. no usage of the Internal Services fund balance by the Highway Department in 2011;
- D. the Highway Department and Transportation Committee shall be charged with developing and implementing a restructuring plan designed to eliminate the continuation of its historical operating deficits via revenue enhancements, cost savings, and reduced staffing levels in accordance with recommendations contained in the Operational Diagnostic Analysis prepared by Virchow Krause & Co., dated November 21, 2008 (this restructuring plan shall also take into account future possible revenue reductions);

- E. a reduction in levy for Rocky Knoll in the amount of \$279,023 compared to 2010;
- F. no increase (0%) in general operating expenses (excluding wages, benefit costs, and debt service which shall be separately budgeted) for any Department;
- G. a reduction of approximately 12 full-time employees or equivalent from Departments other than Highway or Rocky Knoll as determined by the County Administrator and the appropriate Committees, resulting in reductions of approximately \$1,020,000;
- H. increases in non-tax levy revenue of at least \$171,000; and
- I. no increase in total wage and benefit costs from 2010 to 2011 which may be accomplished through reductions or freezes in wage and benefit levels or by staff reductions (in addition to those mentioned above) or by some combination thereof, such that there will be no increase in overall wage and benefit costs for any of the County's eight groups of bargaining employees or for the group of non-bargaining employees.

BE IT FURTHER RESOLVED that to the extent that the budget as proposed by the County Administrator and the Finance Committee does not include principles set forth above, the County Administrator is directed to provide to the Board scenarios and calculation worksheets reflecting what the 2011 budget would have looked like if the proposed budget had utilized the principles set forth above.

BE IT FURTHER RESOLVED that the Sheboygan County Board, the County Administrator, and his Department Heads are directed, as part of the 2011 budget process, to develop contingency plans to reduce programs or services or to otherwise reduce costs in the event that non-levy revenue from state or federal sources may fall short of budgeted amounts.

Respectfully submitted this 20th day of July, 2010.

EXECUTIVE COMMITTEE

Michael J. Vandersteen, Chairperson

Jerald A. Holub

Jerald A. Holub, Vice-Chairperson

William C. Goehring

William C. Goehring, Secretary

Devin LeMahieu

Devin LeMahieu

Michael S. Ogea

Opposed to Introduction:

Michael J. Vandersteen

Michael J. Vandersteen, Chairperson
