

WCUTA Board of Directors Meeting June 16, 2017

The meeting was called to order at 10:30 by Chairman Willkom. A roll call was taken.

PRESENT William Goehring – Sheboygan County Board, Chuck Hoffman – Manitowoc County, Robert Keeney – Grant County Board Chair, Linda Sinkula – Kewaunee County Board Supervisor, John Tramburg – Columbia County Supervisor, Lawrence Willkom – Chippewa County Supervisor, Bob Yeomans, Rock County Supervisor. Nick Osbourne (Asst. to the County Administrator Rock County).
PHONE Don Pazynski, Marinette County Board.

EXCUSED: Rick Gundrum – Washington County Board Chair,

Staff: Alice O'Connor, Chelsea Fibert – WCUTA Government Affairs assistant

Minutes April 21, 2017 approved as amended- The minutes were amended changing Chelsea Fibert title to Government Affairs Legislative Assistant and correcting her last name removing the letter "l" so it is Fibert. The minutes as amended were adopted on a motion from Supervisor Bill Goehring, seconded by Supervisor Chuck Hoffman

President's report

Supervisor Larry Willkom stated that Alice O'Connor's contract with CSI was approved at the last board meeting giving her a \$200 per month pay raise retroactive to January 2017 with a 3-year review. He said Alice had not had a pay increase in eight years.

Supervisor Bob Yeomans pointed out that after dues are collected with the nominal telephone, copying and meeting costs, WCUTA would end up with \$700 in the bank if it does not raise dues. This not does not account for the \$40,363.78 CD that comes due later in the year because of frugal management of WCUTA funds.

There was discussion about the need for budgeting additional funds in the event the utility tax formula is messed with. After discussion, it was decided to put this matter on the agenda for the next board meeting to discuss. Alice was directed to notify the board if additional time is required on a specific legislative proposal that would require an additional investment of time above and beyond her current duties and current contract.

A copy of the contract will be emailed to everyone. Supervisor Willkom will sign it at the next meeting.

Nomination Committee- Supervisor Willkom said it was time to appoint the nominating committee to determine the slate of officers for 2018. Some current officers are not running for re-election so there will be board slots open. He asked for up to three individuals to serve on the nominating committee to let him or Alice know.

Some felt it would be better to wait until the fall so that people could determine if they were going to run for office again. Supervisor Tramburg pointed out he would not be running again but as a longtime member of WCUTA he is going to check with his County Board to see if he could be both a representative of Columbia County and also bring along whoever the new County designee would be.

Others pointed out that this was not a new precedent and had been done in the past.

Treasurer's report- Supervisor Linda Sinkula.

Because of the discrepancy in the treasurer's report showing that total assets were \$77,577.27 and the previous balance included was \$76,606.11, it was not clear whether expenses of \$11,461.81 had been deducted from the \$77,577.27 balance. Everyone liked the level of detail. Alice was directed to clarify any unpaid checks that were not a part of this treasurer's report for the next meeting. She pointed out that both Kenosha and La Crosse had paid and the only remaining County that had yet to pay is Ozaukee County. Alice will revise the Treasurer Report format as suggested by Supervisor Sinkula. The Treasurer's report will be approved at the next meeting. There was consensus the level of detail regarded as income was not needed on every treasurer's report but it is nice to have. The motion to table this month's Treasurer's report was offered by Nick Osborne, seconded by Supervisor Tramburg. This will be taken up at the next meeting.

Executive Director report - Alice O'Connor mentioned there was a continued stalemate with the governor's budget bill and the big three areas: transportation, taxes, and education had not yet been dealt with. Speaker Vos has proposed a budget different from Governor Walker who has already signaled it is dead. Senate Majority Leader Scott Fitzgerald has been more aligned with Governor Walker but has a more fragile caucus as well to deal with.

Republicans are interested in additional tax reductions and the proposal that may have some traction this session has to do with completely eliminating schools and vocational colleges off the property tax. Should that occur, the state of Wisconsin will have to find approximately \$283 million dollars each year to fund schools. Both Chelsea and Alice agree this session it could be a part of the larger budget tax package. There is a strong push by Tea Party Republicans to get schools off of property tax. They are talking about a phase in which would kick the can down the road a bit. This is similar to bonding levels with the Transportation budget. Bonding verses reinstating the gas tax to deal with the \$1.6 billion dollar deficit is one example of differences.

For lawmakers running for election next year, they can say they solve the problem without raising taxes. Alice mentioned that some of the ways they are looking to fund Transportation would be to put a higher truck fee structure or per mileage charge on interstate trucking companies and those operating with diesel.

Alice shared a report regarding a meeting she had with Rep.Thiesfeldt who has made changes to legislation he intends to push this fall related to sufficient funding for counties that expand wind operations within their jurisdiction. She indicated that Representative Thiesfeldt was tired of fighting with the WCA and counties so he has revised his proposal. He says his new bill will work under the existing wind formula and any shortfall experience by towns would be back filled with general-purpose revenue or state tax dollars. He indicated he's pushing this in the fall because he feels like maybe he'll have a better chance of passing it if it is not tied into the budget bill. He also pointed out that his proposal only benefits 20 counties were there and save seats so he is not sure if he's going to have enough of a support the fiscal impact would be approximately \$400,000.

Alice also provided some context of current fiscal dilemma lawmakers face based on latest figures from the Wisconsin Taxpayer Alliance report. She reminded the Board that former Governor Jim Doyle took \$1.4 billion from SEG DOT fund to erase MA deficit over ten years ago and it has never been repaid.

DOT Debt rose. Then, GPR income from sales and excise taxes that went to fund education, health and property tax relief had to subsidize transportation.

Since 2003 the state has shifted \$2.3 billion to DOT mostly to pay off highway bonds. Now, 20 cents of every gas tax paid is diverted from roads to pay off debt. This makes it challenging to repair and rebuild dated infrastructure. Some GOP want sustainable solutions, but will they delay until 2019? The ripple effect impacts school aid and Medicaid which account for more than 50% of general fund. Add property tax credits, higher education, prison, and local government aids, impacts multiply.

Medicaid is always difficult to limit growth. In 2003, MA claim on benefits was 10%. In 2016, it is now up to 18 percent -- nearly doubling in 15 years. Some lawmakers feel MA is crowding out other general fund programs, especially education. Does increased general fund taxes to bail out the transportation fund deficit magnify the Medicaid costs or impact other programs? Income & sales taxes change with economic cycles. i.e. During 2008-2010 average annual changes income (-4.8%) and sales (+3.9%) taxes were negative. Between 2010 and 2013 the opposite was true (7.2% and 3.8%).

Alice says lawmakers must answer a longer term question, because current growth of 3.1% does not match the historical growth Wisconsin has enjoyed. Between 1990 and 2000 GPR grew an average of 6.8% per year. From 2010 on (after the last recession), annual growth has consistently averaged only 3.1% growth. If growth in tax collections is slowing, is there a need to rethink state fiscal policies and budget practices well beyond highways?.

WCA REPORT – Chelsea Fibert indicated that the WCA webinars take place every Monday at 9 a.m. when there is something to report on the budget bill. Because of the impasse, they have not been having webinars. When they do, they are very popular. She indicated that WCA has been at the table when conversations about the tax package and changes to Shared Revenue are taking place. It remains unclear if the legislature will delay some Transportation projects or come up with a mix of funding that would include some bonding to erase the projected \$1.6 billion dollar deficit.

Questions were asked about the status of the forestry tax which will be reported on at the next meeting. The meeting was adjourned at noon on a motion from Supervisor Hoffman, seconded by Nick Osbourne, The next meeting of the WCUTA board is scheduled for Friday, September 8, 10:30 a.m.