

Minutes of WCUTA Board of Directors Annual Meeting, May 9, 2019

The meeting was called to order at 10:07AM by interim President Brad Karger.

PRESENT: Chuck Hoffman- Manitowoc County Supervisor, Bob Yeomans- Rock County Supervisor, Don Kriefall- Washington County Board, Vern Gove- Columbia County Board Chair, Walt Christensen- Jefferson County Supervisor, William Goehring- Sheboygan County Board, Brad Karger- Marathon County Administrator, Robert Sivick- Waushara County Board

VIA PHONE: Don Pazynski- Marinette County Supervisor, Kevin Hamman- Oconto County Administrator, Robert Kahl Vernon County

STAFF: Alice O'Connor- WCUTA, Kelly McDowell- WCUTA

GUESTS: Lois Schepp- Columbia County Comptroller

Approval of Past Minutes: Supervisor Goehring moved to approve the minutes of the March 12th special meeting, seconded by Supervisor Hoffman. Motion passed.

Supervisor Goehring moved to approve the February 15th Board of Directors meeting minutes, seconded by Supervisor Yeomans. Motion passed.

Special Discussion: Alice reported that Rick Olin of the Legislative Fiscal Bureau plans to retire after this budget. Rick has been especially accommodating to WCUTA, he has a soft spot for local elected officials. Alice proposed presenting Rick Olin with a gift in appreciation for his work on WCUTA's behalf. A motion to approve a \$100 gift certificate for Rick Olin when he retires was made by Supervisor Yeomans and seconded by Supervisor Hoffman. Motion passed.

Audit Committee: The Audit Committee comprised of consisting of Chuck Hoffman, Bill Goehring, and Bob Yeomans examined WCUTA's financial documents and made a motion to pass the audit report. Committee members determined that everything did in fact square, and the prepared report was correct. A question was asked: "Why do we have so much stagnant money in the checking account?" It was reported that this is the time of year that WCUTA has the most money in the account after collecting yearly dues for the new calendar year. Motion to approve the Audit Committee report Supervisor Vern Gove, second by Supervisor Christiansen. Motion passed.

Treasurer's Report: WCUTA Treasurer Supervisor Yeomans said for the period of February 1, 2019 to April 30, 2019, he reported total assets of \$71,116.10, comprised of \$30,493.86 in checking, and \$40,622.24 in a CD that will mature in July 2019. The CD gained \$147.25 in interest in the period. The checking account gained \$6.29 in interest in the period. Total expenses accounted for \$16,917.40 in the period. Supervisor Hoffman made a motion to approve the Treasurer's Report, seconded by Supervisor Gove. Motion passed.

2019 Dues: Interim President Karger gave an update on the status of 2019 dues. The following counties still owe thir 2019 dues: Buffalo, Douglas, Grant ,Vernon and Sheboygan.

Ashland	\$ 104,500.76	\$ 156.75	1/26/2019	\$ 302.14
Buffalo	\$ 504,299.15	\$ 756.45		
Chippewa	\$ 1,079,545.54	\$ 1,619.32	1/15/2019	\$ 1,619.32

Columbia	\$ 2,097,268.64	\$ 3,145.90	10/11/2018	\$ 3,145.90
Douglas	\$ 100,092.90	\$ 150.14		
Dunn	\$ 113,593.72	\$ 170.39	1/26/2019	\$ 170.39
Forest	\$ 11,018.00	\$ 16.53	1/15/2019	\$ 16.16
Grant	\$ 331,373.93	\$ 497.06		
Jackson	\$66,249.10	\$ 99.37	11/8/2018	\$ 99.37
Jefferson	\$ 892,501.12	\$ 1,338.75	11/8/2018	\$ 1,338.75
Juneau	\$ 136,980.17	\$ 205.47	1/26/2019	\$ 205.47
Kenosha	\$ 1,636,432.48	\$ 2,454.65	1/29/2019	\$ 2,454.65
Kewaunee	\$ 285,961.58	\$ 428.94		
LaCrosse	\$ 522,553.97	\$ 783.83	10/24/2018	\$ 783.83
Manitowoc	\$ 1,920,549.81	\$ 2,880.82	1/26/2019	\$ 2,880.82
Marathon	\$ 1,790,455.49	\$ 2,685.68	4/9/2019	\$ 2,685.68
Marinette	\$ 810,456.45	\$ 1,215.68	10/17/2018	\$ 1,215.68
Marquette	\$ 40,156.38	\$ 60.23	1/16/2019	\$ 60.23
Oconto	\$200,018.40	\$ 300.03	2/1/2019	\$300.03
Ozaukee	\$ 1,514,842.23	\$ 2,272.26		
Rock	\$ 2,040,915.44	\$ 3,061.37	2/6/2019	\$ 3,061.37
Sauk	\$ 271,749.71	\$ 407.62	2/18/2019	\$ 407.62
Sheboygan	\$ 1,268,673.59	\$ 1,903.01		\$
Trempealeau	\$ 123,580.80	\$ 185.37	2/20/2019	\$ 185.37
Vernon	\$ 596,816.22	\$ 895.22		
Washburn	\$ 29,493.48	\$ 44.24	12/17/2108	\$ 44.24
Washington	\$ 444,455.49	\$ 666.68	11/16/2018	\$ 666.68
Waushara	\$ 69,863.06	\$ 104.79	10/24/2018	\$ 104.79
Wood	\$205,849.82	\$ 308.77	11/9/2018	\$ 308.77
TOTAL:	\$ 19,004,397.61	\$ 28,506.59		\$22,057.99

Nominating Committee: The Nominating Committee comprised of Chair Vernon Gove Gove, and Supervisors Christianen and Hoffman reported on the new officers nominated to the WCUTA Board. Walt Christensen noted that his name was misspelled on the nominating committees report. Supervisor Gove made a motion to accept the report and slate of officers with corrected spelling, seconded by Supervisor Kriefall. Motion passed. New 2019-2020 WCUTA board officers are:

President: Administrator Brad Karger (Marathon County)

Vice President: Supervisor William Goehring (Sheboygan County)

Secretary: Supervisor Walt Christensen (Jefferson County)

Treasurer: Supervisor Bob Yeomans (Rock County)

Executive Director's Report: Alice reported on two Wisconsin Towns Association bills that WCUTA has taken an interest in. The first bill, Assembly Bill 235/Senate Bill 251, authored by Rep. Samantha Kerkman (R-Powers Lake) and Sen. Van Wanggaard (R-Racine), creates a levy limit exception for a political subdivision that is receiving these utility aid payments. The amount that is exempt from the levy limit is equal to the full amount of the utility aid in the first year less the amount of the utility aid to be paid to the political subdivision in the year in which the levy is imposed. It was suggested that there will also be a budget motion. Bob Yeomans made a motion to support this legislative proposal/budget motion, seconded by Supervisor Sivick. Motion passed. The second, authored by Rep. Patrick Snyder/Senator Tiffany, would only affect two towns in the entire state. Their plan had been to lengthen the spend down period from five to ten years when local unit of government were receiving a reduction in aid. They decided to, work instead with Rep. Kerkman on her bill. Supervisor Gove made a motion to support this legislative proposal, seconded by Supervisor Hoffman. Motion passed.

There was also brief discussion of Senate Bill 90 which requires the DOR to post on its websites the details of general purpose revenues, where the dollars come from and how they are expended. This issue will be discussed further at the next Board meeting.

Alice reported that she, Supervisor Yeomans and Kelly McDowell had a productive meeting with Peter Barca, Secretary of the Department of Revenue (DOR). Discussion centered on the utility aid budget motion, the need for more transparency of the inputs to the utility aid formula, and expanding the basis for the calculation of utility aid to include other tax-exempt properties such as pipelines. Secretary Barca is interested in delving deeper into utility aid, a possible legislative study committee was mentioned by Alice.

Alice and Kelly recapped WCUTA efforts to develop a utility aid proposal. The focus was to increase the amount of utility aid returned to counties. The Board opted to work with Rep. Robert Brooks and Rep. Rick Gundrum, both of whom previously served on the WCUTA Board, to develop draft legislation and a budget motion. After much deliberation, it was determined that the only feasible approach was to work with the municipalities to seek an inflationary increase in formula components. This option was developed with the help of Rick Olin of the Legislative Fiscal Bureau. Despite the utility aid budget motion coming in late in the budget process, Alice reported that the issue is being actively discussed by Joint Finance members. She said there was not time to also introduce a separate bill as had been discussed. WCUTA members have been contacting their legislators to ask for support of the utility aid inflationary index proposal, and have been receiving a favorable response.

Kelly McDowell gave a report on the utility aid budget motion with our Coalition partner from WCS Towns Association and League of Municipalities. She said that utility tax collections totaled almost \$360M in 2017, yet counties and municipalities only received \$75M dollars, or about 17% of the total. She explained the purpose of the motion is to return utility tax collections to counties and municipalities as payments in lieu of taxes as intended and to address the unfair shifting of costs to owners of taxable property due to declining or stagnant utility aid payments. The amendment proposed to increase utility aid payments by indexing utility aid formula factors (mill rates and dollar amounts) based on the change in the consumer price index (CPI) from 2005 to 2018, and beginning in 2020, using mill rates and dollar amounts to annually increase to reflect the change in the CPI. The 13-year inflationary indexing would increase utility aid payments by an estimated \$22.5M. About 40 percent of utility aid payments, or \$30.4 million, are generated via the *ad valorem* component. The other key component, the \$2,000 *per megawatt (MW)* or name-plate generating capacity payment,

applying to electric generation facilities that began operation or were rebuilt or repowered after December 31, 2003 would have increased the rate in their formula to \$2,595, a projected \$10.5 million. Under current law, the MW basic aid formula is generating \$35.4 million annually in utility aid payments.

Alice reported that Rep. Brooks is also interested in the longer term goal of returning all utility tax collections to local units of governments, tech schools, and K-12 public schools. She also said that impacted utilities support the return of additional utility tax collections to the local communities where they are located.

Next Meeting Date: The date for the next WCUTA Board of Directors meeting was set for October 4th.

Meeting Adjourned: The meeting adjourned at 12:45AM by a motion from Supervisor Hoffman, seconded by Supervisor Yeomans. Motion passed.