

DRAFT 5

WCUTA Board of Directors Meeting October 5, 2018

The meeting was called to order at 10:35 by Chairman Willkom. A roll call was taken.

PRESENT: Walt Christensen- Jefferson County Supervisor, William Goehring- Sheboygan County, Brad Karger- Marathon County Administrator, Bob Keeney- Grant County Board Chair, Nick Osborne- Assistant to the County Administrator of Rock County, Supervisor, Lawrence Willkom- Chippewa County Supervisor, Bob Yeomans- Rock County Supervisor, Rob Sivick-Waushara County Administrator, Lois Schepp- Columbia County Comptroller.

VIA PHONE: Cory Cochart- Kewaunee County Supervisor, Chuck Hoffman- Manitowoc County, Don Pazynski- Marinette County Supervisor, Buffalo County- David Danzinger, Don Kriefall- Washington County Board Chair.

STAFF: Alice O'Connor – WCUTA, Kyle Christianson-WCA.

GUESTS: Mark Wadium- Outagamie County Lobbyist.

Minutes May 18, 2018 meeting, as amended, approved on a motion by Supervisor Willkom, seconded by Supervisor Christensen. Amended minutes will be sent out.

President's Report – Supervisor Larry Willkom

He said discussion about what percent to charge for dues levels might be tied to a need to increase CSI contract through the budget bill if WCUTA will decide to pursue a utility tax change. Alice pointed to different dues amount on handout. Supervisor Yeomans made note of the possibility of more counties joining. He said current benefits are at a break-even point, after CSI is paid \$28,000 annually. If all counties joined, it would be \$53,000. Supervisor Willkom asked if the extra money should come from the reserves or extra dues. Supervisor Pazynski said to keep dues low to encourage more members to join, Mr. Sivick said there's a need to increase the number of counties to prevent the weight of counties "freeloading." Alice said previously members of the WCUTA Board contacted their colleagues in adjacent counties. Supervisor Keeney said it is important for other non-member counties to contribute in order to keep them interested.

A motion by Mr. Sivick, seconded by Supervisor Yeomans to maintain dues in 2019 at 0.0015% and dip into the reserves to pay operating expenses, with the understanding that member counties will increase recruiting efforts, and the Board will revisit changing the dues in May 2019. Motion passed.

A motion by Mr. Sivick seconded by Supervisor Yeomans, Alice was directed to write a paragraph to share with the board members about the value of joining WCUTA, how their individual county benefits, and how much more their county would receive if WCUTA's 2019 legislature initiative is successful.

On a motion by Mr. Sivick, seconded by Supervisor Goehring, CSI's contract is changed from \$2100 to \$3500 a month, effective November 1, 2018 to June 30, 2019, due to increased work load to pass legislation. If WCUTA decides not to pursue a change in current law, CSI's current rate of \$2100 will stay the same. Motion passes.

Supervisor Willkom then thanked WCA on partnering with WCUTA and WCUTA board members for the efforts expended and to get to the point where specific legislation could be prepared.

Treasurer's Report- Supervisor Bob Yeomans

Supervisor Yeomans reported as of August 31, 2018 that total assets were \$71,935.64. He said there is a CD worth \$40,404.16 that matures in January 2019. Total checking account: \$31,531.48. He reported WCUTA paid \$9,189.98 to Constituency Services for the period of April 2018 through July 2018. Interest earned from May to August 2018 was \$11.09. All dues for 2018 are current. There were no questions about the Treasurer's report. Motion to approve by Supervisor Willkom, seconded by Mr. Christensen. Motion passed.

Supervisor Yeoman next reported on multiple meetings with the Department of Revenue, PSC and Legislative Fiscal Bureau to try to figure out the best legislative remedy in 2019. He said many handouts were previously shared summarizing details and won't be repeated. He turned the report over to WCA's Kyle Christianson to discuss the updated legislation.

Kyle Christianson-WCA Tax Lobbyist Report

Mr. Christianson reported everyone knows counties are not receiving their fair share, and the utility tax will decline over the coming years. Counties currently received 13% of what Department of Revenue distributes from utility taxes. He met with Representative Brooks, a former member of WCUTA, who drafted a bill that will be shared as soon as it is completed. It will state that counties are to receive 20% of what the state collects. This is defensible because counties now proportionately receive 20% in shared revenue from state GPR. He said if counties were taxed for utilities and substations, they would receive about 20%. It helps cover the cost for road repair and emergency preparedness.

He discussed other options that were too complicated be passed in the state capitol, or they were politically unrealistic. He said the value of a simple 20% of whatever the Department of Revenue annually collects from utilities is that utilities won't pay more. We will meet with them to be sure they remain neutral. Once there is a Fiscal Bureau document that breaks down what a 20% across the top allocation looks like, by county, we will also meet with the League of Municipalities and WI Towns Associations to see if they would also be supportive of our efforts. Kyle said he believed all local units of government would see an increase and these dollars would fall outside of current levy limits and revenue cap. If for example, a county currently receives 3% of the total utility tax allocations, the Fiscal Bureau would have to calculate what the dollar amount would be for 3% of a 20% allocation. This will be done for every county.

Consensus is that this is a great time to pursue an increase since the Department of Revenue has collected \$1.8 billion more in taxes since the last budget. Questions were asked about how the current depreciation methodology would work under the 20% allocation. Kyle indicated he would obtain clarification from the Legislative Fiscal Bureau. The change in revenue would be from the current estimated \$36 million per year to \$49 million per year, giving counties an additional \$13 million per year, every year, for a total of \$26 million in new money over the biennium.

On a motion by Mr. Sivick, seconded by Supervisor Yeomans, Mr. Christianson was directed to continue getting legislation drafted, with a Legislative Fiscal Bureau break down by county of 20%. Motion passed.

Alice advised that once a preliminary bill draft is shared, everyone should *not* distribute widely, or post it on any local website. Kyle, Mr. Wadium and Alice need time to regroup after the election cycle to determine priority legislators to enlist to co-sponsor, and time to meet with groups previously mentioned. Any specific information around about the current utility tax distribution formula should be referenced in Chapter 76.28. Supervisor Willkom and Supervisor Yeomans thanked Kyle for all his efforts.

Mr. Christianson reported at the recent WCA annual meeting where he discussed this proposed WCA/WCUTA initiative, it was the first broad based opportunity to make county supervisors and administrators aware this would be pursued in 2019.

The next meeting date was set for Monday December 3, 10:30, at the WCA office 22E Mifflin, 9th floor conference room.

The meeting adjourned : at 12:03PM by Supervisor Goerhing, seconded by Supervisor Christensen

Minutes Prepared by M. Alice O'Connor