

# WISCONSIN COUNTIES UTILITY TAX ASSOCIATION

Two East Mifflin Street, Suite 600, Madison, Wisconsin 53703  
Phone: (608) 255-8891

## MINUTES OF THE MEETING HELD

May 17, 2010

### 2010-2011 Officers

President  
JOHN H. TRAMBURG  
(920) 484-3534  
Columbia County

Vice President  
LAWRENCE WILLKOM  
(715) 723-5804  
Chippewa County

Secretary  
PAUL TITTL  
(920) 682-6203  
Manitowoc County

Treasurer  
LINDA SINKULA  
(920) 388-3251  
Kewaunee County

Executive Director  
ALICE O'CONNOR  
Direct(608) 252-9391  
aoc@dewittross.com

### Member Counties

ASHLAND  
BUFFALO  
CHIPPEWA  
COLUMBIA  
DOUGLAS  
DUNN  
GRANT  
JEFFERSON  
KENOSHA  
KEWAUNEE  
LA CROSSE  
MANITOWOC  
MARATHON  
MARINETTE  
OZAUKEE  
ROCK  
SHEBOYGAN  
VERNON  
WASHINGTON

### **DeWitt Ross & Stevens S.C. Madison, Wisconsin**

The Wisconsin County Utility Tax Association meeting was called to order at 10:34 a.m. by WCUTA Chair John Tramburg. The following members were present:

Buffalo County	Del Twidt	(608) 687-8549
Chippewa County	Lawrence Willkom	(715) 723-5804
Columbia County	John H. Tramburg	(920) 484-3534
Grant County	John Patcle	(608) 723-2711
Jefferson County	Jan Roou	(262) 490-1734
Kewaunee County	Edward Dorner	(920) 388-2654
Kewaunee County	Linda Sinkula	(920) 388-3251
LaCrosse County	Jim Ehram	(608) 784-6538
Manitowoc County	Paul Tittl	(920) 682-6203
Rock County	Phil Boutwell	(608) 757-5506
Rock County	Richard Ott	(608) 756-2443
Sheboygan County	William C. Goehring	(920) 994-4749
Vernon County	Tom Spenner	(608) 489-2302
Washington County	John Stern	

Excused:

Kewaunee County	Larry Kirchman	(920) 388-2654
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No one joined by phone.

Staff present: Alice O'Connor, Executive Director of WCUTA, of DeWitt Ross & Stevens S.C., David Callender, Wisconsin Counties Association.

**President's Report.** Chair Tramburg asked those present to introduce themselves. The minutes were corrected as follows: Paul Tittl area code is 920 and not 608 and David Callender's name is not "Callendar," it is "Callender". On a motion from Jim Ehram seconded by Supervisor Bill Goehring, the agenda was accepted as corrected with item number 8, the 2010 Nominating Committee report moved under item number 14 on the agenda.

Chair Tramburg acknowledged the service of former Jefferson County Board Chair, Sharon Schmeling and current Supervisor Gregg Torres from Jefferson County; and Supervisor Kay Shillin from Kewaunee County who will no longer serve on the Board. He also acknowledged Richard Ott's years of service as a Rock County Supervisor and now as the Rock County Representative to the WCUTA Board. He welcomed Supervisor Jan Roou from Jefferson County and Supervisor Larry Kirchman from Kewaunee County.

**Audit Committee.** Supervisor Tramburg noted that with the Chair of the Audit Committee, Supervisor Steve Rasmussen, unable to be present, a report from the Audit Committee would be tabled until the fall meeting. Other Audit Committee members, Supervisor Linda Sinkula and Paul Tittl said they had looked at the Association records and preferred that the Chair of the Audit Committee be present so all three could examine the books simultaneously. On a motion from Supervisor Spenner, seconded by Richard Ott, the Audit Committee report was tabled until the next meeting.

**Treasurer's Report.** Supervisor Linda Sinkula reported the association balance as of January 29, 2010 as \$45,973.93. Expenses for the months of February, March and April 2010 totaled \$6,237.25. There are two CD's. One for \$25,000 opened on May 7, 2010. It matures September 7, 2010 with an interest rate of 1.5 % that comes due September 17, 2010. A second CD in the amount of \$15,000 originally opened in November 2009 and matured in February. It was rolled into another three month CD in May and the new maturity date is September 6, 2010. Maturity interest in the amount of \$37.40 as of July 26, 2009; \$37.90 as of October 26, 2010; and \$88.39 as of February 26, 2010, for total interest equaling \$163.69.

The Local Government Pool balance is \$611.42 with three months interest from February, March and April being \$.30.

The Treasurer's report was accepted as presented on a motion from Supervisor Tittl seconded by Supervisor Twidt. Alice was directed to keep \$16,000 as a check book balance and move the remaining balance into another CD. M&I Bank was reported to have 1.5% interest for their CD's so Alice is to check this out and see if interest rates are higher than Park Bank.

*NOTE:*

*M&I Bank: (3 Mths CD .5%), (6 Mths CD .65%), (9 Mths CD .75%) 1.5% interest is for a savings account that has a minimum of \$25,000 in it.*

*Park Bank (4 Mths CD 1.3%), (10 Mths CD 1.65%) (19 Mths 2%)*

Under the Treasurer's report Paul Tittl said he had made contact with Brown County Supervisor Jack Krueger about Brown County rejoining our Association because their sizable financial benefit from WCUTA efforts. It was noted that Brown County receives approximately \$800,000.00 per year.

Phil Boutwell offered to contact Jayme Sellen, Brown County Executive Assistant whom he has worked with in the past, to see if he can also encourage Brown County to renew its membership. He stressed safety in numbers as a way to protect our interests. General consensus at the meeting after discussion is that lawmakers are likely to be tempted to raid the utility tax line item because they will be desperate to find cash to fund an estimated \$3 billion debt starting in January 2011.

**Executive Director Report.** Alice reported that the legislature robbed all segregated pots of money last session along with using stimulus money to plug the State's deficit without really reducing government operations. Our vigilance again will be required to protect our utility tax money.

In 2011 Alice predicated several possible scenarios:

**Option 1** – The Department of Revenue under the Doyle Administration is already preparing their preliminary budget to be public in Fall 2010. They could increase the State’s already overreaching share of approximately 81.2% of the utility tax so that counties receive even less utility tax funds in the shared revenue formula.

**Option 2** – The Department of Revenue could leave the formula untouched but whoever is elected Governor could change the Doyle Administration’s recommendations and tinker with the formula to capture additional revenue.

**Option 3** – Towns could again seek to change the formula so they receive two-thirds funding instead of one-third funding under a complicated shared utility tax formula. Depending upon what is presented in the next budget bill, WCUTA will be (1) protecting a different legislative proposal, or (2) seeking a budget amendment or (3) separate legislation to restore funding and/or any changes to the language contained in current law. It was noted we want the status quo, especially in these tight times.

Alice also reported to date that 17 Assembly legislators had already announced they are not seeking reelection. Ten Republicans, six Democrats and one Independent. In the Senate, two Republicans and one Democrat had announced they are not running for reelection. She said races will be competitive for the Governor’s spot, the US Senate and the majority party in both the Senate and the Assembly. There will also be a contentious Congressional race to replace Congressman Dave Obey. The Tea Party movement, with many disenfranchised voters who don’t necessarily like either party, will add a layer of unpredictability. The State’s deficit will tempt lawmakers to reduce or rob our utility tax revenue.

Alice also reported the new PSC Wind Siting Council will be seeking appointments – no county representatives are designated to serve on this council.

Alice also reported the IRS has still failed to change our contact information and address since an initial request in 2007 and she will again follow-up because we have a 990 form due.

**WCA Report.** David Callender. He affirmed the dire straights of state government and the WCA concerns about how future wind regulation will impact counties.

**Guest Speaker: Scott Manley, Director of Environmental Policy Wisconsin Association of Manufacturers and Commerce (“WMC”)** reported on the efforts of WMC to defeat the Clean Energy and Job Act (CEJA). Main authors: AB-649 (Black) and SB-450 (Miller). He said 60 statewide organizations opposed the legislation against a backdrop of 100,000 manufacturing jobs lost in the last two years and industrial electric rates that grew by more than 50% between years 2000-2010. He says Wisconsin’s energy costs are now the second highest cost next to labor costs for businesses.

He said WMC supported the mandate for a 10% renewable portfolio mandate for WI businesses; but opposed the provision of 25% by 2025. He said the PSC came out with a second report during discussions that said an additional 400 megawatts would have to be built out each year starting now to reach this goal. A poor assumption about the capacity of wind to compliment this effort was unrealistic, according to Manley. Since the legislation also allowed 60% of energy generated to be transported outside Wisconsin to Minnesota, North Dakota and Iowa and it did not address how to transmit that energy back to Wisconsin—cost in the billions was a factor.

Manley reported that We Energies, the State's largest utility company, said it would have to spend \$6.6 billion to comply with a \$25 billion mandate. Manley said no one addressed how these costs would affect the price of energy.

He said second policy in the bill would have mandated energy efficiency achieved through conservation programs. Manley said this would have quadrupled what Wisconsin spends on programs now. He said the new PSC Wind Siting Rule gives the PSC new authority to tax utilities to help utilities get to a 2 % electric consumption reduction within industrial and consumer products. Wisconsin needs to create \$700 million per year in new energy taxes to obtain the new reduced energy efficiency consumption of 1.9 percent. The cap on fees paid by large industrial companies was taken out of the bill because they would have paid sizable new taxes. WMC suggested emissions modeling. This was included in the Governor's Global Warming Task Force Recommendations (from the list of 63) that mandates the use of low carbon fuel. Wind in Wisconsin only has a capacity to help us achieve about 30 percent of our needs and can be backed up with fossil fuel ( natural gas or coal.)

Manley reported that the impact of combined reporting for Wisconsin may be closer to \$150 million which means that if a company leaves, the electric load drops and the rates just shrunk so the cost to cover electricity has to be made up.

He said the biggest issue moving forward is where wind regulations will evolve. The PSC Wind Siting law will set minimum standards for setbacks, height restrictions and zoning. One exception to local regulations will be if a local community passed a Smart Growth plan by July 2009 and identified a special parcel of land as a business growth opportunity area. This is grounds to deny a wind farm. Manley said the state will still need natural gas when we can afford it. Figuring out how to store wind energy is another future issue.

**Nominating Committee:** Supervisor Willkom offered a slate of officers with his report. Supervisor Willkom said that as Chair of the nominating committee he was willing to serve again as Vice-Chair since no one else sought the position. Linda Sinkula is again nominated to serve another term as Treasurer and Supervisor Tramburg agreed to serve another term as President. Paul Tittl agreed to continue serving as Secretary. There was unanimous approval.

A motion to adjourn was made by Supervisor Willkom and seconded by Supervisor Sinkula to adjourn the meeting at approximately 1:30 p.m. **The next meeting will be held Wednesday, October 22, 2010, at 10:30 a.m. to approximately 1:30 p.m. at DeWitt Ross & Stevens, 6th floor as a working lunch.** Alice will invite a guest speaker.

Respectfully submitted,

Alice O'Connor, Executive Director