

Intercounty Coordinating Committee (ICC)

April 16, 2007

Dodge County Administration Building

Attendance:

Joseph Ruf, Susan Martin, Harlan Baumgartner, Debra Wopat, and John Tramburg, Columbia County; Dave Neuendorf, Ray Seaholm, Russell Kottke, Joe Rains, and Garland Lichtenberg, Dodge County; Orrin Helmer, John Brennan, and Jeff Hoffman, Green Lake County; Steve Grabow, Gary Petre, Sharon Schmeling, Ellen Braatz, and Steven J. Nass, Jefferson County; Michelle Koehler, Kathy Schaaf, Marty Krueger, and Judy Ashford, Sauk County; Robert Conlin, Wisconsin Employee Trust Fund; Jon Hochkammer, Wisconsin Counties Association; Scott Fitzgerald, 13th State Senate District; and Jeff Fitzgerald, 39th State Assembly District.

1. Call to Order

Chair Steve Nass called the meeting to order at 9:30 a.m.

2. Certification of Open Meeting Notice

The Secretary confirmed that the requirements of the Wisconsin Open Meetings Law were met.

3. Adoption of Agenda

Motion by Dodge, second by Green Lake County to approve the agenda. Approved.

4. Approval of Previous Meeting Minutes

Motion by Green Lake County, second by Columbia County to approve the minutes of the March 2007 meeting of the Intercounty Coordinating Committee. Approved.

5. Reports from Visiting Legislative Officials

Jeff Fitzgerald, 39th Assembly District, reported that the legislature is concentrating on the next biennial budget. He sees two different philosophies in the legislature regarding health care. One, primarily supported by the Democrats, leans toward a publicly-run health care system. The other, primarily supported by Republicans, supports a privately-run health care system with government incentives to keep costs down. One part of this approach is the creation of health savings accounts that will give people incentive to save for health care. The accounts will promote a more consumer-driven health care system. He gave the example of laser eye surgery where market forces have driven costs down. There may be legislation to move state employees to this type of health care coverage.

Scott Fitzgerald, 13th Senate District, reported that the State Senate is adjusting to the loss of their majority. The Democrats are bringing back legislation they were previously unable to move through the legislature. The Joint Finance Committee is holding hearings around the state on the budget. He feels that some Democrats will have difficulty supporting many of the fee increases proposed by the Governor. With regard to health care, he feels the Governor's focus is on access, not affordability. There are several alternative proposals for health savings accounts in the legislature, including some from Democrats.

Question: What about increased court funding for counties? Will there be anything in the budget? There is discussion about it. Some of the proposals involve transfer of funds from other areas e.g. increase in real estate transfer fees. Justice Abrahamson has been promoting increased funding, so it will get a hearing.

Ten counties have been identified as having a need for another judge. Support will be needed from the Governor and the legislature to get funding for the judges.

Legislation regarding the utility shared revenues will be reintroduced.

Someone heard that a tax on soft drinks was proposed to discourage consumption. No one was aware of this. This would fall in the realm of other proposals to add or remove sales tax on many goods including toothpaste, dental floss, etc. So far, none of these proposals has gone anywhere.

Some opposition was expressed regarding the proposal to increase real estate transfer fees. The feeling is that these revenues should not be used to fund other departments. The Joint Finance Committee will be reviewing all proposals. People should contact them regarding their viewpoints.

Jefferson County shared the resolution they passed supporting the restriction of phosphates in lawn fertilizer. Bans have been implemented in Madison and in Minnesota. There is uncertainty whether counties have the authority to implement bans, so Jefferson County is recommending statewide legislation.

6. Update of County Issues - WCA

Jon Hochkammer, Director of Insurance Operations, Wisconsin Counties Association reported that Craig Thompson is leaving WCA to become the executive director of the Transportation Development Association. Jon reviewed the highlights of the Governor's proposed budget. The WCA supports the real estate transfer fee increase. He feels that the levy limits are here to stay. He agrees with Rep. Fitzgerald that an extra burden should not be placed on employers to fund health care costs. Consumers need to be more involved in health care payments through HSA's, higher deductibles, wellness grants, etc.

7. PROGRAM: "Retirement & Health Insurance Benefits: Outlook for County Governments", Robert Conlin, Wisconsin Employee Trust Fund

- Bob gave an overview of the Wisconsin Retirement System(WRS), demographic trends that will be affecting the retirement system, and challenges facing the system.
- The Wisconsin Retirement System was established in 1982 as the unified public employee retirement system in the state.
- The day-to-day administration of the WRS, health and life insurance, income continuation insurance, and deferred compensation programs is handled by the Department of Employee Trust Funds(ETF)
- The State of Wisconsin Investment Board(SWIB) handles the investment of the Public Employee Trust Fund and other state funds.
- The operational budget of ETF and SWIB are funded by a small portion of the investment income from the Public Employee Trust Fund.
- There are 530,000 participants in the WRS, 261,000 active, 137,000 retirees, and 132,000 inactive. WRS is the 10th largest public pension fund in the U.S. with \$83.1 billion in assets.
- 80% of benefits come from investment returns. The average benefit is \$23,000.
- 90% of retirees maintain some residence in Wisconsin.
- The WRS is healthy and well-positioned for the next 25 years.
- There are some challenges:
 - The "Baby Boom" generation is beginning to retire
 - In the next 10 years 120,000 new retirement applications
 - Retiree population will peak at 300,000 in 2034
 - The WRS has sufficient financial resources to meet the increase
 - Increasing workload to meet growing retiree population
 - During last 20 years membership in WRS has increased by 60% but ETF's staff has only grown by 20%

- Has resulted in longer processing times
- The demographic trends will result in challenges for local governments also
 - Loss of experienced workers at increasing rates
 - Loss of productivity and experience due to hiring, training, and retraining
 - Loss of institutional memory and efficiency
- Bob reviewed some possible strategies to address these workforce challenges
 - Rehire retirees
 - Phase retirement
- Bigger Picture Retirement Funding Trends
 - Lots of news about problems with private and public retirement programs.
 - Many programs are not as well funded and managed as WRS
 - WRS has a ratio of assets to benefit liabilities of 99.5%
 - The average for public plans is 85%
 - Some state programs have ratios lower than 50%
 - WRS has also been able to maintain a stable contribution rate—about 10%. This stability will continue into the future.
 - Many private and public employers are switching from “defined benefit” programs to “defined contribution” programs.
- Discussion
 - Does not see the need for any major changes to WRS. Some small tweaks will probably happen.
 - There is discussion about changing health insurance program, but nothing is certain at this time
 - Some policy changes will be needed to open door for phased retirement and to facilitate rehiring of retirees.
 - There are proposals to eliminate state income tax on pensions. Removal of tax on Social Security was passed.

8. Open Discussion:

Question about Jefferson County resolution. Was it passed by voice vote? Yes, so yea’s and nay’s were not recorded.

Question about how many county boards were reduced in size after last election. Walworth County’s referendum passed. Two others (Jackson County and Rusk County?) failed.

9. Next Meeting:

May 21st in Jefferson County. Subject will be Public Finance II: Budget Approaches and Models.

10. Adjournment

Motion to adjourn by Green Lake, seconded by Dodge. The ICC meeting was adjourned by Chair Nass at 11:40 a.m.

Respectfully submitted,

Dave Neuendorf
 Community Development Educator
 UW-Extension, Dodge County