

RESOLUTION # 57-08

Resolution to Develop Bargaining Policy and Guidelines

WHEREAS, Bargaining must be performed with forethought and without prejudice so as to not compromise the counties position in arbitration; and

WHEREAS, Bargaining under statutory caps present a unique challenge; and

WHEREAS, Budget statutory caps are subject to CPI increases in goods and services; and

WHEREAS, Costs associated with salary schedule increases, longevity increases, benefit increases, early retirement & retirement increases, or any other negotiated costs directly affect monies available for wage increase; and

WHEREAS, Mandated program increases not earmarked with matching revenue may reduce the money available for negotiations; and

WHEREAS, It may be necessary to reduce service and programs to create resources for collective bargaining; and

WHEREAS, It is critical to prioritize the reduction of service and programs; and

WHEREAS, comparables from the Bureau of Labor Statistics, National Compensation Survey, Wisconsin Taxpayers Association, Weld, Riley, Prenn, Ricci or other creditable identities are vital to the county to measure how their wage and benefit package compares with industry trends.

NOW THEREFORE BE IT RESOLVED the Standing Committees be directed to create a list of services and programs, within their assigned area of responsibility, categorized as mandated, essential or supplemental to their efforts.

BE IT FURTHER RESOLVED that Finance and Personnel Committees be directed to develop a comprehensive report of comparables for employee wages and benefits as compared to local industry and other governmental identities.

BE IT FURTHER RESOLVED the Finance Committee be directed to develop an estimated percent of impact for goods and services on the budget for the upcoming year.

BE IT FURTHER RESOLVED the County Board will review documentation presented and provide policy and guidelines to the Finance and Personnel Committees to assist in budget projections and bargaining goals.

BE IT FURTHER RESOLVED the Finance Committee, in conjunction with Department Heads, be directed to develop a quarterly report that summarizes how actual revenue and expenditures compare to the adopted budget.

Funding Amount:   n/a   Funding Source:   n/a  

Approved as to form: *Jerry B. Luge*  
Corporation Counsel

Date County Board Considers: \_\_\_\_\_

County Board Action \_\_\_\_\_

Submitted at the request of: *Ken Sample* *7-2-08*  
Date

- Item. 1 Wistax data on 18 year County Levy Increases indicates:
- a. Polk County % of Increase 407%
  - b. State Average 168% or Polk County 239% higher.
  - c. Burnett 192%- St. Croix 203 % - Polk over twice as much.
  - d. Barron 338%- or Polk 69 % higher

2008 Polk County increase was 13.5% or second highest in the state.

- Item. 2 That being said we still had a need to bond or borrow an additional 4 million beyond our operating levy.

- Item. 3 Using financial data distributed at the May Executive Committee meeting, wages and benefits increased 8% in 2007 and projected 2008 will be 8.7%. This comes thru new hires, contract carry-over, and negotiated increases. We need to identify the breakdown of these percentages.

- Item. 4 Three year increases in wages and benefits is 20.4%  
Three year increases in Operations Expense is 59%  
Three year increases in Capital Expense is 32.4%  
Three year increases in Debt Expense is 30.6%

All of the above were incurred, predominantly, under levy caps.

- Item. 5 Estimated 2009 levy increase, after adjustments, is 11.75%, coupled with a 16.5% increase in debt service.

- Item 6 Wistax data indicates 2006 change in County per Capita Personal Income growth for the state as follows:

State Avg. 4.8%    20 Counties increased more than 5%  
                          14 Counties increased more than 4%  
                          25 Counties increased more than 3%  
                          13 Counties increased less than 3%

Polk County was one of the 13 of less than 3% and none of our neighboring counties were in that category.

Collectively these numbers concern me and need to be put in context so this board can be fiscally responsible.

Current policies are not clear, conflict, or not complied with.

Policy 881 states, "By the first business day in June, the Dept. of Administration and the Human Resources Dept. will develop and distribute the staffing and budget-planning calendar." It further states, "Prior to commencement of the process, preliminary salary and benefit information will also be distributed."

Policy 10, Chapter 2, Polk County Executive Committee, Rules and Responsibilities 6. states; "No later than April 20<sup>th</sup> the Executive Committee shall issue staffing and programming guidance per Policy 881 .....so forth"

Policy 10, Chapter 9, Duties Specific to the Personnel Committee 2. states; Negotiate all Labor Contracts for Polk County and recommend to the County Board the approval of these agreements."

The current board chair and the Employee Relations Director have informed me this includes establishing the financial parameters of wages and benefits in addition to other governing language. This is inconsistent with my experience in corporate, governmental, and private sectors and UW-Extension Training.

How is our current environment affected? Using data from the Finance Director, Information Technology Department, that consists of 5 employees, increases in wage and benefits from contract language carry-over will be \$7000 or 1.7 % of forecasted expense. It is critical to future negotiations that this cost be identified for all identities prior to making financial commitments in bargaining.

It is also a certainty that goods and services costs will increase significantly even if fuel costs is the only factor considered.

It seems probable if not absolute we are entering bargaining without any available funds unless reduction in programs, services and/or staffing are incurred. This means, under current interpretation of policy, the Personnel Committee is placed in the position of bargaining an expense and bringing back a recommendation that would require revenue that is not available.

Successful bargaining will be accomplished thru pro-active decision making and not reactive or crisis decision making.

Let me make it very clear. I am not making a criticism of the Personnel and Finance Committees collectively. They are and will continue to be a valid and important resource to the governing efforts of this board. The process is what needs to be improved upon.

What we need to understand is, Information is power and gives us the ability to:

- a. Comprehend
- b. Debate
- c. Discuss
- d. Problem Solve
- d. Advocate and the list goes on.

2008 information provided by the Administration Dept. indicates 69.6 % of General Fund Expenditures are wages and benefits. To advocate that five supervisors assigned to the Personnel Committee are responsible to determine the financial parameters of wages and benefits and negotiate the desired outcomes is abdicating the full boards responsibility of establishing policy and guidelines and borders on mismanagement.

This process assumes that I as an individual have;

- Nothing to learn from the process
- Nothing to contribute to the process

And most importantly, the constituents of the remaining 18 supervisors are not provided equal representation.

Board establishes fiscal and policy guidelines.

The county finance committee is usually responsible for recommending financial policies and guidelines to the county board for approval, including those that apply to developing the budget. Examples of such fiscal guidelines can include, but are not limited to:

- ❑ Wage increases for salaried and nonrepresented employees.
- ❑ An estimate of wage and benefit adjustments for contracted employees, if under negotiation.
- ❑ Levels for reserve funds, such as contingency, nondesignated and capital reserve funds. These should be consistent with the capital improvement plan and the debt management plan.
- ❑ Level of fee increases and other program revenues.
- ❑ Priorities in capital improvement projects.
- ❑ Levels of service, elimination of services, or changes in service delivery such as transfer of services to other governments/private sector/nonprofits, contract for service, or consolidation of services.
- ❑ Tax policies, such as enacting the sales tax, use of special property taxes, and any further limitations on the use of the property tax.

These fiscal and policy guidelines are not developed in a vacuum. Based on the county's strategic plan and related plans, such as the county's comprehensive growth plan, the county board should determine its goals and needs within its fiscal limitations for the coming year. Part of this review may include program evaluations and work plans for departments and programs. Irrespective of the results of this discussion, guidelines for budget development should be established to assist departments in their decision-making and budget requests.

The board must also have information on expected increases in expenditures, such as insurance increases and any new state law requirements, as well as expected changes in revenues. These estimates allow the board to determine what parameters they need to work within to realize their goals and policies in budget development. The discussion below provides more detail on components of the revenue estimates.

Responsibilities	Dates
Mid June	Board provides fiscal guidelines
Mid July	Coordinator and departments prepare budget requests
August	Departments and Coordinator review requests with committees
2nd Week of September	Coordinator compiles department budgets approved by committee
End of September	Finance committee reviews budget requests/makes changes
Early October	Finance committee presents budget to county board for review and any changes
Late October	County board conducts public hearing on budget
On Tuesday after the Second Monday in November	County board adopts budget at annual meeting

In summation, UW-Extension information provided in a training session on budgeting states:

“Good information and effort upfront in the budget process help reduce the need for later changes and potential conflicts among competing interests. And good information throughout the year keeps the board and the public apprized of any needed changes in program needs and priorities as well as progress and successes.”

The resolution before you is not a cure-all for all the concerns presented. It is a first step in eliminating a bottleneck of information critical to this board in developing effective fiscal policy and guidelines.

I made mention at orientation that I had an agenda, and that agenda was to improve communications and thus give us the ability to effectively govern in the best interests of Polk County members. I perceive this resolution as consistent with that goal and respectfully ask for your support.