



Office of the County Executive

Bob Ziegelbauer, County Executive

Manitowoc County Courthouse • 1010 S. 8th Street • Manitowoc WI 54220

Office: 920.683.5107 • Cell: 920.323.7497

bobziegelbauer@co.manitowoc.wi.us • www.bobziegelbauer.com

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To: Manitowoc County Employees

Tomorrow night I will be presenting my proposed 2012 County Budget to the Manitowoc County Board at their regular October meeting. I'm writing today because I wanted you to hear directly from me before hand regarding my goals in preparing this budget and a few of the provisions included therein.

The past few years have certainly been full of challenges. We all know about the difficult economy and its affect on all of us. It's had a severe impact on local government as well. Budgets have been and will continue to be difficult for everyone. As challenging as prior year budgets have been, this has perhaps been the most difficult of them all.

From the beginning of the process I've had two primary goals for the 2012 budget:

1. Continue to provide essential high quality services to the citizens of Manitowoc County while holding the line on property taxes; and,
2. Provide employment stability for the employees of Manitowoc County in a time of economic uncertainty.

In addition to these principal goals for this budget I also had two additional objectives that relate directly to our employees.

1. Continuation of the current practice of paying 100% of full time employees' health insurance premiums. Our change to a consumer centered Health Savings Account based plan has been very successful in what it set out to accomplish, containing the growth of cost while providing extremely high quality health care coverage to our employees. You all should share in the benefits of that success and in light of all of the other changes this year this is an important positive statement regarding our fringe benefit package for employees.
2. Conversion of nearly 20 contract employees to county employment in order to fairly recognize and compensate their contributions to our county organization. These people have been valuable contributors to the work we do and ought to be treated fairly as everyone else is. I believe that it's important that they be included in our organization as full fledged county employees, part of the team.

The 2012 budget meets the important goals outlined above but was only possible by aggressively stretching taxpayer dollars as far as possible. Tough choices had to be made to get to where we needed to go. There were many proposed new expenditures we would have preferred to include which were cut out, but we were able to get there in a difficult time.

As part of that effort to achieve these goals I will be proposing to continue the long term restructuring in four other areas:

- Simplify overtime rules to pay overtime as required by the Fair Labor Standards Act (FLSA), except to continue to pay overtime in excess of the FLSA minimum for all time worked on actual holidays. For most employees, this means that overtime will be paid when over 40 hours per week are worked. For employees holding the position of corrections officer or an employee with arrest powers, this means that overtime will be paid when over 171 hours have been worked in 28 days.
- For employees with arrest powers who do not currently contribute to the cost of Wisconsin Retirement System, there will be an increase in the health insurance deductible from the current \$1500 single/\$3000 family, to \$3500 single/\$7000 family. This will reduce the cost of health insurance premiums, causing a reduction in the total costs of compensation for these positions in a manner that partially offsets the reduction already incurred by employees who are contributing to the cost of the Wisconsin Retirement System.
- Modify the health plan slightly to implement a prescription drug co-pay that will become effective once the deductible is met. The co-pay will be a three tiered structure: \$10 for generic medications, \$25 for brand name medications, and \$50 for medications not on the formulary.
- Reduce the dollars paid attributed to longevity by 50% in 2012, by 100% in 2013, and commit to the process of developing equitable and simplified wage schedules that more accurately reflect the complexity of the work performed and local labor market conditions. The new wage schedules would be presented to the County Board in order to allow implementation a year from now, on January 1, 2013.

Managing our costs to get the most out of every tax dollar entrusted to us allows us to continue to provide essential services while holding the line on property taxes and provide employment stability in a time of economic uncertainty. I have demonstrated over and over during these past 5 and a half years the continuing respect I have for the employees of Manitowoc County and the important services you deliver.

I appreciate the work you do very much. It has always been a priority of mine to preserve County jobs whenever possible and to deliver an affordable Manitowoc County government to taxpayers. In difficult times like these when it is possible, I believe it is our responsibility to accomplish this.

As is always the case, please feel free to contact me anytime with any concerns or questions, or if I can ever be of assistance to you.

