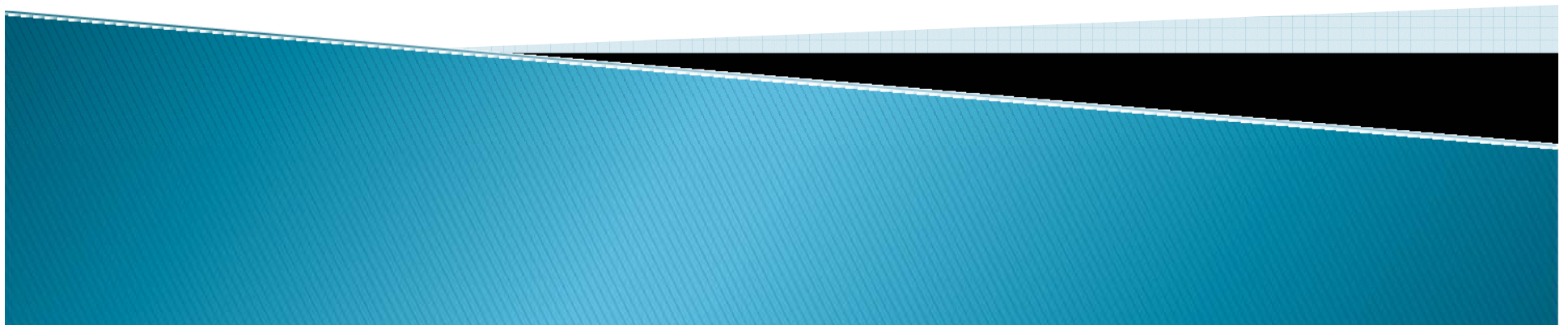


# Manitowoc County

## Managing Change Through Tough Economic Times

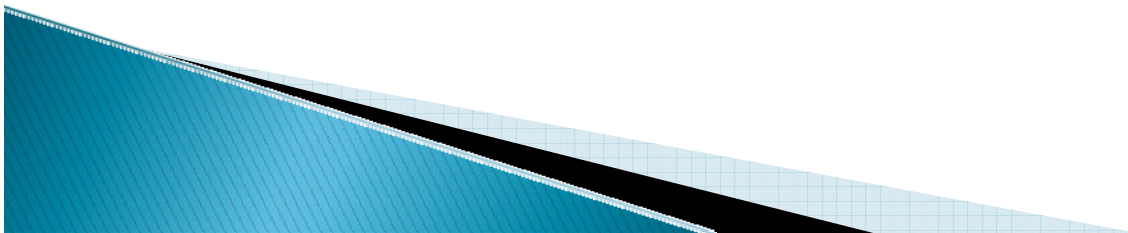
May 20, 2009  
County Executive Bob Ziegelbauer



## 2008-09 World Economic Downturn

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The recession is deep, serious, and real, with high unemployment and low inflation due to decreased economic activity. The recession is here, in Manitowoc County, now.



## How the recession impacts us

It affects all of us – in our personal lives, in our neighborhoods, in the ability of our taxpayers to pay, and, in our ability to fulfill our mandate of providing services.

### In government, our revenues decline sharply:

As the economy declines State tax revenues decrease. As State revenues decline the money it shares with local government shrinks. Local property taxpayers find it harder to bear the tax burden. Deep cuts are inevitable. Many have already been proposed. More are coming.



## Affected County Revenues

Jail revenues - \$600,000/yr. going to \$0 from 2008 to 2010.

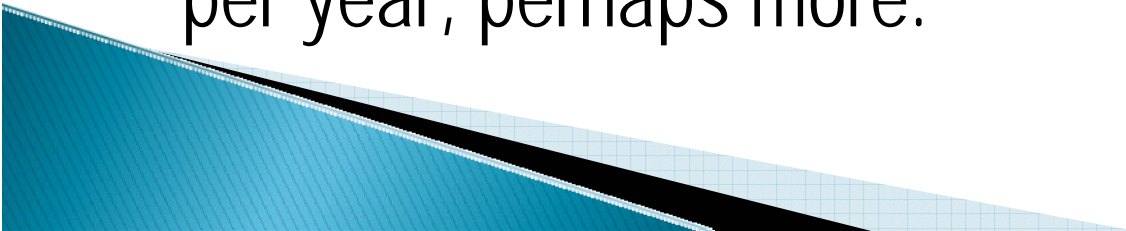
Health and Human Service related revenues - \$.75 - \$1.5 million.

Court revenues – 1% to 5% cuts?

State Shared revenues – 5% cut is \$210,000.

Transportation revenues – 1% cut or more.

**Current Estimates** - \$1 million to \$2 million dollars per year, perhaps more.

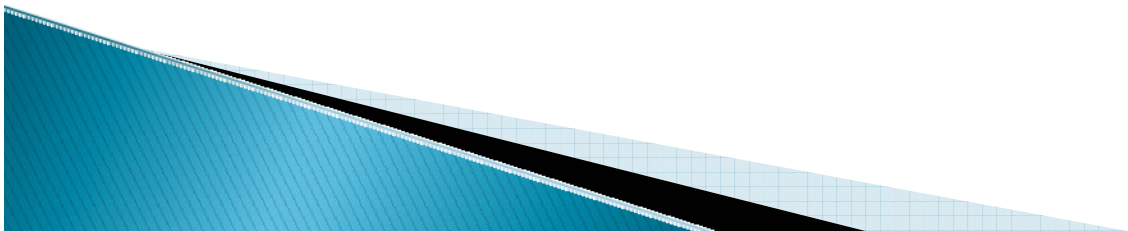


# Result:

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To remain viable, we need to cut expenses!

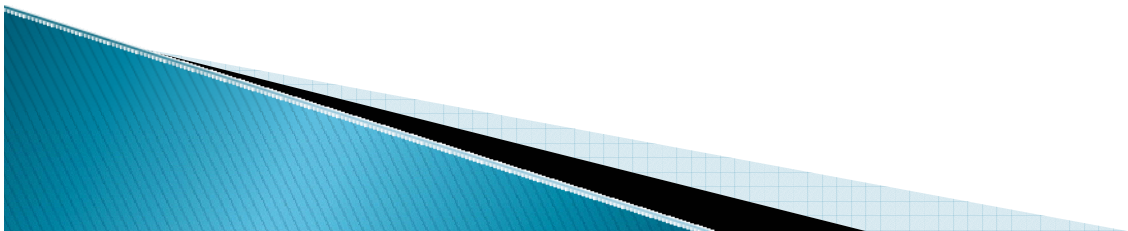
Manitowoc County payroll	\$22 million / year
w/ fringes	\$33 million / year



# My Goal

Achieve reductions in expenses while:

- Saving Jobs
- Solving the Problem of Revenue Decline
- Preserving the mission of the organization

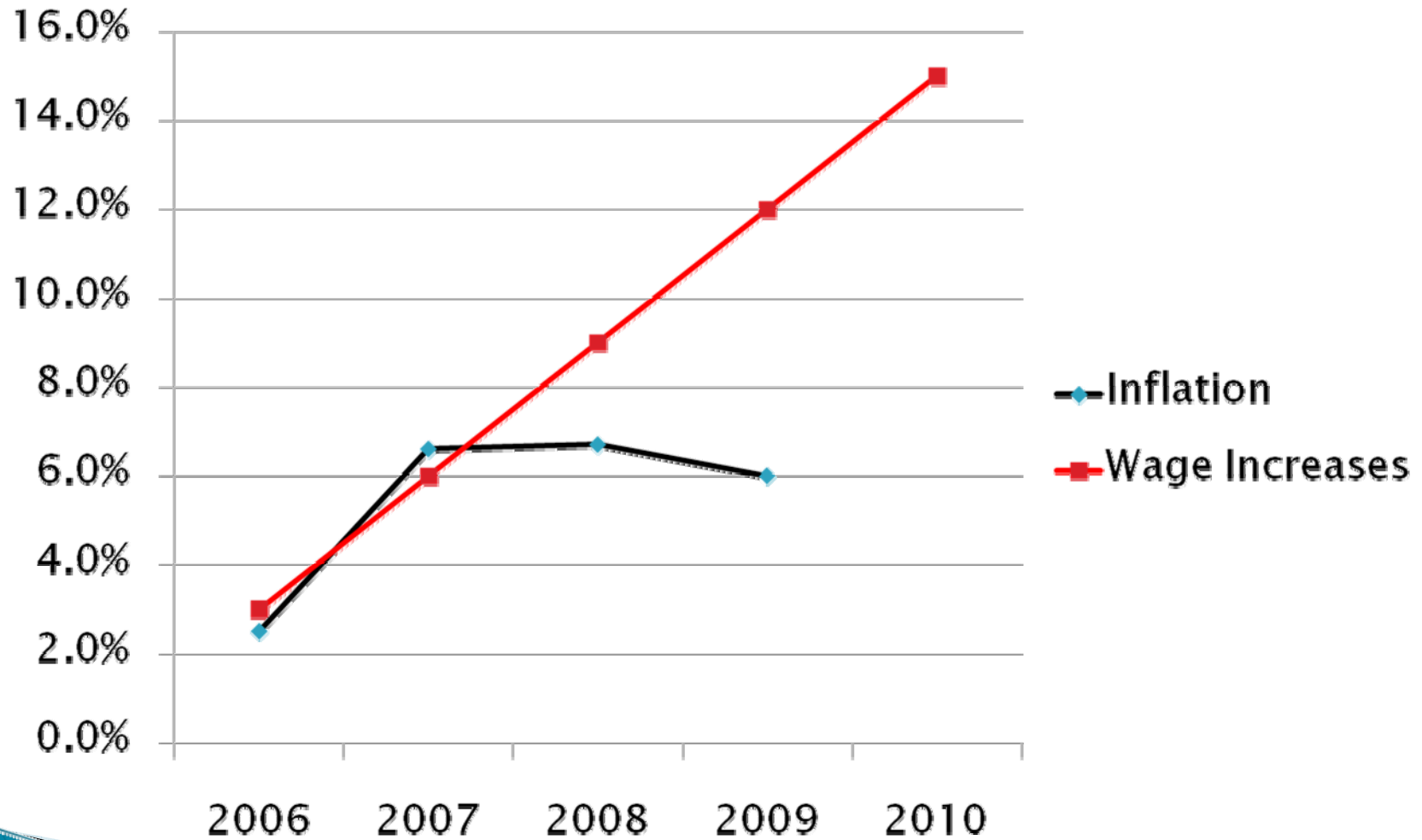


# Four Important Factors To Consider

	2006	2007	2008	2009	2010
Manitowoc County March Unemployment	6.0%	6.3%	5.4%	11.0%	?
Inflation – (CPI-U)	2.5%	4.1%	0.1%	-0.7% April '08 to April '09	?
Manitowoc County Wage Increases	3.0%	3.0%	3.0%	3.0%	3.0%
Employee cost of Health Insurance (Estimate – Single / Family)	\$750 / \$2,000	<u>\$0</u> AFSCME \$830 / \$2,050	\$0	\$0	<b>\$0</b>

# Current Comparison

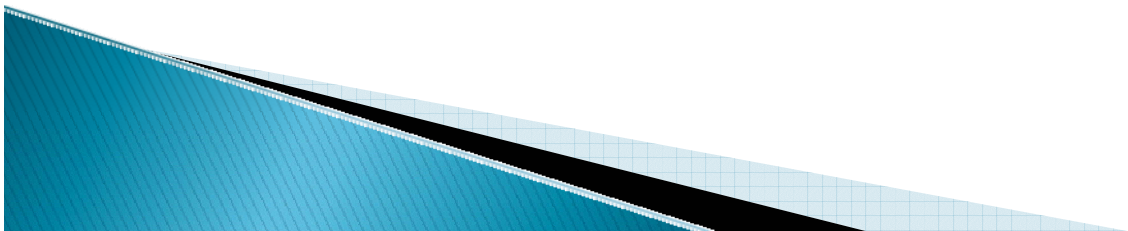
## Accumulated General Wage Increases and Inflation Percentages



# My Priorities

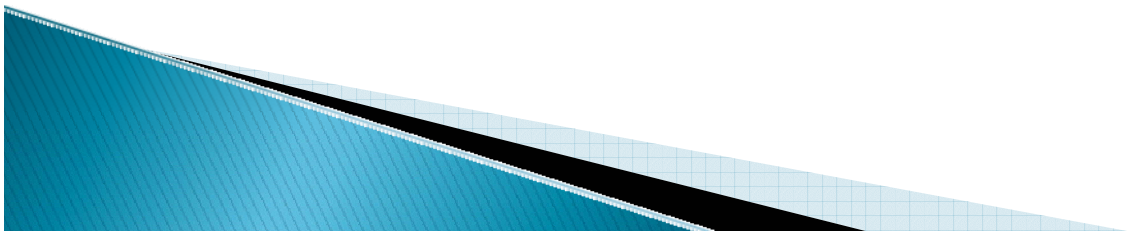
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- Maintain employment for current County Employees
- Control our own destiny by planning for and making the necessary changes ourselves, sooner than later.
- Decrease expenses by \$1,000,000 - \$2,000,000
- No tax increase for 2010
- Keep support of the Manitowoc County Community



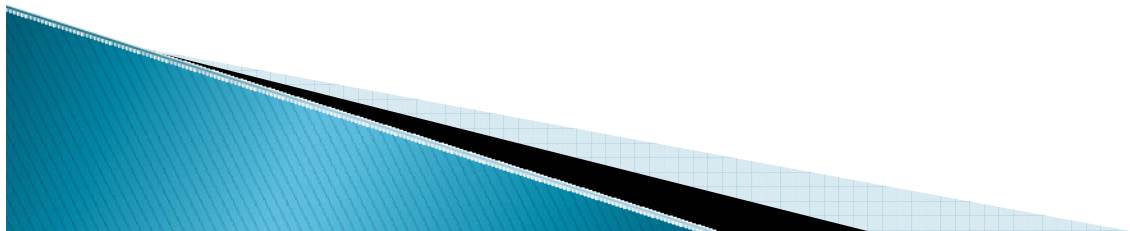
# What Can We Do – My Proposal To Manage Change

- We are all in this together. We honor our contracts. This happens only if we all agree to do it!
- Cut the general level of wages by 5% at mid year, effective June 28, 2009
- Freeze the general level of wages through December 31, 2010
- Cap employer contribution to health insurance at the 2009 level through December 31, 2010
- Avoid layoffs to the greatest possible extent, by acting now



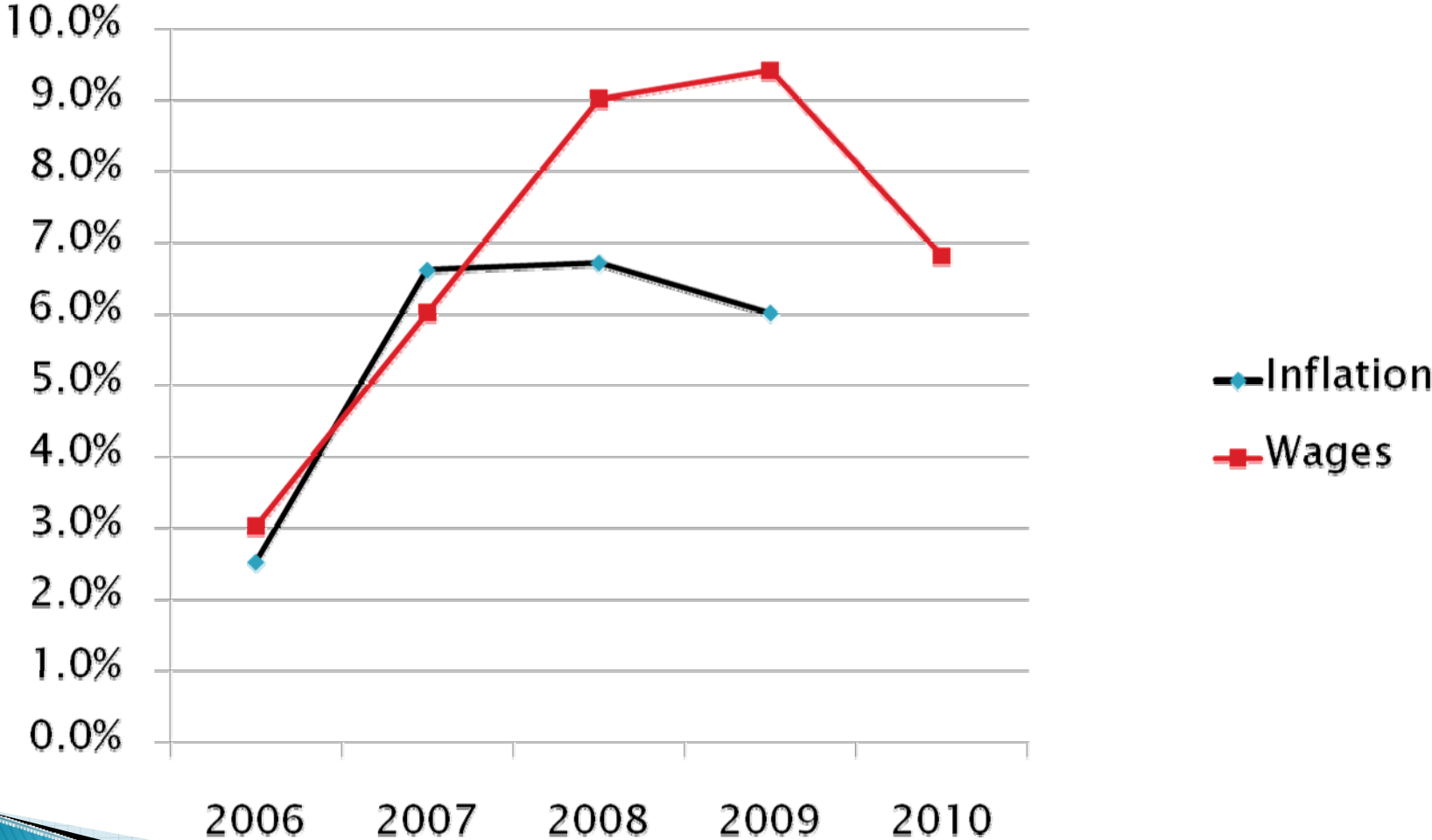
## Impact of My Proposal

	2006	2007	2008	2009	2010
Inflation – (CPI-U)	2.5%	4.1%	0.1%	-0.7% April '08 to April '09	?
Manitowoc County Wage Increases	3.0%	3.0%	3.0%	0.4%	-2.6%
Employee cost of Health Insurance (Estimate – Single / Family)	\$750 / \$2,000	<u>\$0</u> AFSCME \$830 / \$2,050	\$0	\$0	?



# Comparison After Proposed Change

Accumulated General Wage Increases and Inflation Percentages



## What happens next ?

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- County Board meets June 16, 2009.
  - Unions would need to vote prior to June 16 in order to accept this proposal.
  - **If all six unions agree**, the Board will take action to accept the agreements and adopt the non bargaining portion of the plan at the June 16<sup>th</sup> meeting.
  - If adopted, this proposal will affect the union pay schedules, and the non represented pay plan. Elected officials will be strongly urged to voluntarily comply. County Exec will comply.
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