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Transcript: Ziegelbauer, HTR Q-&-A on county government finances

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This is a transcript of a 70-minute question-and-answer session about Manitowoc County government finances. It was conducted Tuesday, June 30, 2009, at the Herald Times Reporter between County Executive Bob Ziegelbauer and Charlie Mathews, Pat Pankratz, Dylan Tomlinson and Steve Reed of the HTR.

Bob Ziegelbauer: I don't have anything in particular, but I have a lot in particular that I want to run by you under the guise of 'Hey, I think we have a lot of stories to tell.' Under the heading of county government and maybe other topics... I'm frustrated that we're not telling them, at least not in the context that might be helpful for people — and take my frustration for what it's worth.

My first one is about health insurance. ... I think there's a big story on health insurance that we have to tell and I get frustrated and I guess I read that blog too often. Maybe you're not supposed to read it, but when people are putting out there in the world the idea that things that have been major successes for people and say, 'No, they're not a success, they're a failure,' and they say, 'Oh, I heard about that and it's all a lie and it's wrong.' And we never tell the story about what's happening with it. Our health savings account program has been a big plus. It maybe has not been perfect, but it has been a significant economic positive for both the employees of Manitowoc County as well as the taxpayers of Manitowoc County. More important than that, I think there's a story to be told about health insurance in government. It starts with how much does it cost and when you look at the city of Manitowoc and what they're paying for health insurance and you look at the county of Manitowoc and what they're paying for health insurance and then you add the reality that our plan is better than their plan and our employees have significantly more coverage than their employees and that it's \$6,000 per employee different in cost, it would seem to me that there's the beginnings of a story there that might be worth telling. Let me give you the selfish reason why I think it's important to tell: I think our plan gets better and works better the more people try to copy it because it's about competition and changing things. ...

What we're trying to do is to get employees to have choices about where they buy expensive health care and reward them for making good choices, but not penalizing them at all if they don't choose to make the choice that we offer them. It has to do with expensive medical procedures and thousands of dollars of taxpayer money that we're trying to save by creating a new competitive dynamic. ... But again, this is going to be one of those things that you hear 'Ziegelbauer is sending business away from our hospitals over to Green Bay and Appleton.' Well, maybe yes, maybe no, but it's up to the individuals to make their own decisions without penalty, but with a reward if they make a good decision. So that's one category of things I'd like to see more interest in. The other thing is, is it three months in a row, I think it is that we've had 10.9 right?

Charlie Mathews/HTR: County unemployment? 10.9 April, I think it was 10.5 in March. The city, I think has gone from 10.9 to 13.2 to 13.5.

Ziegelbauer: This is serious stuff. That brings me to my proposal, my crazy proposal, to the county employees. I recognize that I'm Pollyanna on this one. It's either a one-in-a-thousand or a one-in-ten-

thousand shot. I understand that and I've known that all along, but it's sincerely been an attempt to try to say to the employees of Manitowoc County that we have a big storm coming and it's going to hit us, we know it. I'm the weatherman and I'm just telling you about it. We have an opportunity to take one painful pill and be done with it and unless another storm comes right behind it, we should be OK. I recognize that in our world, this is not the kind of thing that easily goes voluntarily to public-sector unions, for them to say, 'Oh, that's a good idea, let's do that.' I recognize all that, but on the other hand, the storm is real and it is really coming. I'm guess I'm frustrated that we're still at the level of 'Well, what about him? Is he going to cut his pay?' and I thought I answered that a couple of times in the unveiling of the proposal and we shouldn't be at the point of...

Mathews: And we've printed that.

Ziegelbauer: Yeah, you have, and I'm trying to pass the point of 'Oh, there he goes lying again,' because I read on the blog that 'He stole all this money,' and all that nonsense stuff and I'm not asking you to be my public relations agent. All I'm trying to do it to use the medium of the media to communicate with the people of the community.

Mathews: Go back and add some flesh or meat to the 'The storm is real,' as evidenced by ...

Ziegelbauer: 10.9 percent unemployment for three months in a row, no immediate change in that in sight, an economy that has as much negative indication for the near future as anything, significant changes in the revenue that are available to local government as coming through the conduit of state government that we are connected to and the national government.

Mathews: What kind of categories?

Ziegelbauer: Well, we've talked about them. They go from general revenue sharing categories to health and human services categories, which by the way is a major part of the business we're in, the business of providing human services, primarily. If you look at our budget, that's the biggest single piece. There are a whole slew of interconnections with state and federal government that they're going to nickel and dime us around the edges on that we're identifying and talking about. It's hard to be an accountant about this, because we're talking about projecting for the future, based on an unknown precise understanding of what exactly is going to happen, but we know the law of large numbers happens. In any given year, we have about this many of those and about this many of these and we know that we're going to take a hit of so many thousands of dollars about that much and we're going to take a hit of so many thousands of dollars on this much and we can say with some confidence that even though the number in the human services area for example is three quarters of a million dollars to a million-and-a-half, there's quite a bit of range there, we know it isn't going to be zero.

We already can concretely identify hundreds of thousands of dollars of impact and we understand how this plays out and can see what is happening at the state level and where the money comes from. They don't have a printing press. They've already concretely said they're cutting here, here and here and that no cuts are probably coming in there, there and there. This is as precise as it gets in this stage of the game and ultimately, you know, when I predict and project and describe, my own credibility is I guess how honest and good I have been at doing that, recognizing that we're in a different world than we've been in for the last 40 years and there are additional uncertainty that we're all going to have to live with. Whether it's a category 4 or a category 5 tornado, I can't tell you, but I can sure tell you it's a tornado and it is actually hitting us. It's hitting our community right now. The other part of my plan or my proposal is connected to a recognition that government is connected to the community. We're not in a situation where that's for you to live through, you don't have to live through this economy. That's not true at all. We depend on the support, both conceptually and emotionally as well as economically of the real people in the private sector of the community, and if they're being clobbered, we can't go on as if nothing has happened.

For example, shortly, in the next few months, I'll be talking about how my intention is to hold the line on property taxes again for Manitowoc County. Now, I think tax burden is an important story to tell and the other units of local government have not done that. When we raise taxes collectively in local government on the people, like property taxes, that has an impact on them when the unemployment rate is 13.5 percent in the city. There should be some recognition that these 8 and 9 percent increases happening as if they're almost unavoidable, they're not unavoidable. That's where a story like the health insurance story comes in. I was disappointed that didn't become more fleshed out even when we had a political campaign about big issues. When you think of 300 or 400 employees at \$6,000 a copy, if they're just buying what we're buying, and paying what we're paying for it, they'd have millions of dollars difference at that one unit of government. Now maybe there are some details that need to be fleshed out to put that into context, but that's for you guys to do, not for me. I think this is a big story that we need to tell and you don't need to tell my story only and the way I want to tell it, but I think it's important enough that it should get some attention.

The other things that are coming, you know, I gave you this package, Charlie you saw this at the last county board meeting, if you listened to my 15 minutes or so description about it, if you want to go back and look at it again, I think is either on the [county] Web site or now or will be soon. It sort of describes one of the illusions going on out there. Now you've got one or two of those whack jobs out there that keep putting their news on your Web site. They're basically saying that the Health Care Center move was a terrible mistake financially. ... In fact, the health care center, now a year-and-a-half, almost a year-and-a-half, 16, 17 months, has been a tremendous success financially. We've had \$50,000 worth of safety net exposure, as opposed to \$2.5 (million) to \$3 million every year and we took one hit that the economy gave us. Compared to that annual annuity of dollars that were going for services that continue to be delivered, that we aren't paying that extra \$2.5 million for. That frees up the money to provide money to provide these totally different services that we would be obligated to pay for anyway in the human services area. They're not the same services. They're totally different services that we would have been stuck with anyway, but we would have had a hard time coming up with the money because we would have had to spend the money over there. It seems very straightforward and I just can't imagine the idea that 'it all was a big mistake and Ziegelbauer is lying to you' keeps coming up like this and it's very irritating, because to me, the reality is pretty straightforward. That's another of my frustrations.

Mathews: Stay on that a bit. Of the 72 counties, something like 32 have publicly run nursing homes, for those that don't, how do they handle the needs that they have apparently agreed that the state mandates them to provide?

Ziegelbauer: They're different services provided in different ways. There are very few of those needs that are not provided through the federal, state and Medicaid program. That's separate from us. It's apples and oranges. There is no need for the county to be in the nursing home business because other people are willing to be in it and have them funded by those services and have them funded through the combination of Medicaid, private insurance and the Veterans Administration. It's no either-or thing. It's a matter of sometimes some nursing homes evolve with different kinds of specialties and expertise, but the care is being delivered. You can go to the Health Care Center and take a walk through it. It's people providing the same care to the same part of the population, except they're providing it at a lower cost in terms of operating cost because it's being done in the private sector instead of in the public sector. The revenue stream is basically the same except for the tax, the local property tax that isn't going in to pay for the difference in cost. It's Medicaid and it's private paid, primarily about 50-50 or 60-40. It would be done anyway. The one safety net case that we had was such a unique combination of things, you cannot even imagine it or predict that we're exposed to it. A lady comes in to visit from Mexico to visit her family, all here legally, immigrants and legal residents and she comes to visit and has a catastrophic diabetes complication on top of a heart attack-stroke and she spends nine months here with no money in our nursing home on our dime and then dies. You couldn't predict that that would be the one exposure you would have when you get out of the business, but we're the ones left holding the bag on that one case where she doesn't qualify for the federal welfare program. Oh, by the way, they still have an emergency category that we're still

applying for and we might get some reimbursement for some of the money that we paid. But compare that \$50,000, once-in-a-lifetime, once-in-a-million situation to millions of dollars a year that were projected at the beginning of this, when I was standing up saying, 'No, no, no, this isn't the way it will work. The Medicaid system will take care of it and we won't be holding the bag on hundreds and hundreds of thousands of dollars of expenses.

Here, a year-and-a-half later and it's worked out exactly the way I predicted it would. Am I some kind of genius? No, it was pretty straightforward. ... I hope to build some confidence because as we move forward, I'm going to, if we need, use the medium of the media to communicate. We depend on our credibility as we talk about other things. This weekend you had the story about the courthouse building project. Long overdue, long delayed, very expensive to get those steps finally fixed after a decade of complaining about them and patching them as they continued to fall apart and the roof on the centerpiece building that absolutely has to be fixed or the whole thing goes to pot and you do a story on that and some guy walks by, I don't know if he had a beer in his hand and says, 'I don't know if we need to fix that.' C'mon, give me a little more credit than that. We've been talking for two years about this project and it's on the budget and it's in our public discussion at the county board and one guy walking by and says 'They don't need to do that.' Why does he have any credibility? Who is he?

We've been telling the story and offering evidence and telling the story more and more. We have a bigger one coming and this is another one of those that's going to lead to 'You don't need a new dispatch center. That's just a Taj Majal.' If we had one case like they had in Dane County where the dispatch function breaks down and there will be all kinds of heck to pay. What we're trying to do is to provide a professional, high-quality, public-safety service and this stuff costs money. You'll start to see the county board talking one more time, very publicly about this project. It's a \$15 million project and in July all the committees connected to it will discuss it one more time and it's already been discussed several times because I want to draw attention to it so the public has an awareness of this all fits together and it's not one of those things where people say, 'Oh, Ziegelbauer says we're in trouble, but here he goes putting up these expensive office buildings that aren't needed just because he can and he found some money.' That's bologna. We haven't been borrowing money at the county in the 3 ½ years that I've been here and we're finally embarking on a project that really gives us no other alternative than to do a long-term borrowing of money and when the economy is bad, we need a context to explain this. It's OK to say, 'You're nuts,' I get that. But I would hope they say, 'You're nuts,' after they understand the context of how this all fits together. It isn't stupid to spend big money on capital projects that need to be done at the same time we have an operating-cost problem as a result of this big storm that's heading our way. If we don't make these structural decisions, we'll be where we would have been if we were afraid to deal with health insurance and deal with the Health Care Center. The health insurance was going at a rate where it was going to double every couple years and we were paying a couple hundred dollars more a year than we were paying three years ago. If that were to continue, we'd be where the city is and if we had kept the Health Care Center, we'd be paying millions of dollars every years and I have no idea how we would have done it because there isn't enough tax increase available to us to get there. We would have been in a real fix. I'm not looking for a parade and I'm not looking for a medal, I'm just trying to get my story in a context where people can pin me down and find inconsistencies, but I'm trying to get it out there to where it's in the public domain.

Mathews: Is there a statutory limitation as to what you can raise property taxes as a county?

Ziegelbauer: They're on the order of several hundred thousand a year and I'm describing last year's limit. Todd's (Reckelberg) got a calculation of it here in the budget book. Last year, it was on the order for three or four hundred thousand dollars and we didn't use it all. All I raised the levy was to keep the property tax burden per person, per property low and I only raised it for new construction. I think we could have raised it another 1 or 2 percent. 1 percent, 2 percent was the limit. It's all discussed in here. It would have been a couple hundred thousand dollars if we had maxed it out. This year, because new construction is probably effectively zero, we're probably looking at a levy that won't increase at all and if it does, it will be tiny, with tiny meaning less than \$50,000. It's all in here. It

shows the calculation of the levy money. It starts on page 38. \$26 million is roughly our levy. This is on our Web site. It takes three pages. I'm happy to discuss any of this if you want to cross-examine me on it.

Steve Reed/HTR: ... One of the terms you used a few minutes ago about the Health Care Center is along the lines of 'The same people are providing the same care to the same audience.'

Ziegelbauer: I think that's true.

Reed: Then I'm thinking ... I don't get calls or e-mails every day, maybe not every week, from people griping about county government or you. But you recognize trends over awhile when you do get calls ... One of the things that I hear I would characterize as resentment, lingering resentment about the Health Care Center. ... I don't know the answer to this ...but if the same people are providing the same care to the same audience and yet money is being saved, are the people doing the care doing it for substantially lesser salaries or without benefits and that's a source of resentment?

Ziegelbauer: I think it's more than a possibility; it's a significant part of that. The operating costs of the private organization are significantly lower than the operating costs of the governmental organization and there's really only a couple ways you do that. So, yes the operating costs are a lot less.

Reed: So people are thinking, 'Bob Ziegelbauer took away my good job. Ziegelbauer took away my benefits. I'm working as hard as ever, if not harder, and I'm not getting what I had.'

Ziegelbauer: Yeah, I guess that's true. And unfortunately when the decision that I believe is my responsibility to make and recommend and it's done in a public way because we're a public entity, ultimately, it all comes back to 'Bob Ziegelbauer did this to me.' I would describe it as 'Bob Ziegelbauer just reported on the reality of the world that we live in. Because I'm the weatherman, I get blamed for the storm and I understand that. I don't have a complaint about that. I knew that going in and I know that moving on, all I'm trying to do, again, I'm not looking for a parade, I'm just looking to tell interesting stories that are true and people can judge for themselves what it means to them and whether they feel good or bad about it.

Reed: I'm not trying to put a judgment value on this. I'm just trying to figure out, if there is this resentment ...

Ziegelbauer: I'm certain that would be part of that and the less context that I can provide people on the edges of being directly involved in that, the more danger of resentment there is because it becomes simplified as 'What does this Bob Ziegelbauer think he's doing? My friend works out there. He did that to them.'

I understand all that. That's why in general, I'm trying to tell a story that's got a lot of different facets to it and people can feel good or bad about it if they want. Coming back to the health insurance story, I just feel that's a big story, bigger than me and Manitowoc County. It's a story for our age really. It's a way of explaining what's happening that's meaningful because these are big dollars and big commitments and big relationships that government is involved in that maybe aren't completely understood and we're never going to get a perfect equal level of understanding, the more we tell these interesting stories, it's what's it's all about really and your mission is to keep them better informed rather than less informed and make their own decisions and I would agree with that.

Reed: I want to talk about public perception for a moment. The privatization of the Health Care Center was a big issue, a huge issue and you prevailed. The switch of group health insurance for county employees was a huge issue and you prevailed there, too. So, I guess, there's at least a possibility that there's a broad audience out there that ... want to know where it ends. 'I thought if we

did A and B we were going to be in good shape and now Bob comes in and says we need to take a pay cut and if you don't take a pay cut, I can't promise that you won't lose your job.'

Ziegelbauer: That's true too. Let's look at A and B and share my pain and frustration here. The health insurance thing was a big win for the people who are employees of Manitowoc County. It put thousands, literally thousands of dollars of cash right into their pockets just as soon as it gave them better health care insurance coverage than they had ever had, than anyone had ever had anywhere. They're still thinking they got a concession there. It boggles the mind that we did that and we didn't get credit for the good thing we did. OK, the other one, I can understand the negative implications, but the bigger picture of dealing with these important problems is if we had done nothing about health insurance that our neighbor three blocks down is on, you can see what might have happened to us and do the math with almost 500 employees and say 'Wow, they really would have had a catastrophe, if they hadn't done something.' When you move out of the way of a storm, you don't get the credit you get for being in the search party that digs people out of the building that tipped over. I don't know. I'm not looking for credit, but here is how this all becomes important, when you don't tell these stories, then when you get to the really tough one, and this is a really tough one right now and people are making decisions based on insufficient understanding of the reality, by my definition and I admit that, it puts them at risk. If they think, 'Oh, he's just lying again,' or 'He's just on his own agenda again.' This is a real storm. That's the frustration.

Reed: All I'm trying to suggest is they understood when you said that something was important and a savings was achieved, and something else was important, and not particularly welcome, because these were contentious issues, but a savings was achieved and now they just truly don't understand.
...

Ziegelbauer: Here is the issue and it is that simple, our costs for personnel are a very significant part of the pie, whether it's 70 percent, 60 percent or 90 percent, pick a number, it's big. You can't have a segment of your operating cost grow at 5 percent greater than the rate of inflation for some time and not have a something get out of whack. That's what's happening. Go to the CPIU site and you can see that for the last 12 months it's minus 1.2 percent. We have a commitment in place and we have a world that's been going on like this and our personnel costs go up 5 or 6 percent a year when inflation was 2 percent. Now, it's 3 percent less and it's still growing at that level. Government can't just go whistling by the graveyard like nothing is happening.

How are our revenues connected? The state income tax, Joe Leibham quotes this statistic and I don't have it at my fingertips but it's a number like -28 or -30 percent just in the first quarter that tax collections are down. Sales taxes, the other main income for state government, are connected directly to the economy, so when the economy is going at minus-5 percent, sales taxes are going down faster than that. The county, much more than the city, we are the branch office of state government. Our human services department is on the order of \$32 million a year and we only put in local money, on the order of \$4 or \$5 million a year. We might have to scratch around to come up with a number. We're disproportionately vulnerable if the state cuts back 5 percent on their 80 percent and then I've got to make that all up on my 20 percent if I'm going to provide the same level of services.

So the leverage of that makes even smaller pullbacks that much more severe for us. We can see them and detail them and certainly this information is now five or six weeks old, so we can update it and we can show, very specifically, hundreds of thousands of dollars here and there and the uncertainty of other areas that are real, but we just can't come up with a precise variance number, but the storm is real and the most important part, it's not over. It really isn't. We do nothing about this at our own peril. There are important stories to tell here and I'm trying to build your enthusiasm to tell them and I understand how the process works. I'm not asking you to turn the paper over to me. I think there are some stories to tell.

Dylan B. Tomlinson/HTR: Bob, when you meet with the union heads since you proposed the 5

percent cut do you get the sense that they don't believe the storm is real? Do they think they won't be affected by it?

Ziegelbauer: I just came from a meeting with the nurses and frankly, it was a meeting much like this. They reacted almost the exact same way. There is a natural, human resistance to Chicken Little saying the sky is falling because it never fell before. Steve, you might be a few years older than me and Charlie is my age and Pat (Pankratz) is a couple years younger, but in our lifetimes, we've only heard stories about people who have experienced severe economic calamity, but most of us, haven't actually seen it firsthand. Pat and I were here in the early '80s and they were pretty tough times. They might have seemed tougher statistically than these, but I don't think psychologically they were as difficult to swallow as these. This one isn't over yet. That one snapped back a bit. They're like any other human group where there is resistance and a certain amount of disbelief. 'This can't be happening. It can't be this bad. That iceberg can't do damage to this ship, this is the biggest ship ever.'

I hope I'm wrong. I really do. This could be bad. My responsibility is to do the best I can based on what I see and I may have some elements of it wrong, but I think on the balance, this has kind of played out the way we thought it would so far.

Reed: That leads to at least some consideration as to how long do they (county employees) have to buy in or not.

Ziegelbauer: That's a really important question. Let me give you my typically long-winded answer to that. When we had the story about the meeting with the AFSCME group and their reaction. The e-mail came over, 'Did anything get accomplished?' and I said the meetings were cordial and they were. Then the question came back, 'Did you accomplish anything?' and I said, 'well, nothing in particular was accomplished. All we did was have a good discussion but there was no end of anything.' The reaction to that came and it was hilarious, 'Oh, there he is again. He's pounding on the union.' I guess what I'm trying to say is I don't want to be specific about making threats or, 'If you don't agree by Friday, we're going to do this.' What I tried to say six weeks ago when I met with the employees and they turned out really en masse and I was very impressed with them coming to listen and paying attention, is that if we don't do something, something very dramatic will have to happen, if it isn't this dramatic thing, it will have to be some other dramatic thing. I don't want to get into details of that because I don't want to threaten specific groups. I've been trying to approach this as 'Look, we're all in this thing together,' but we come to it with different salaries and different likelihoods of being able to be laid off. That's not how I want to approach it. I don't want to be divisive about it, like the letter to the editor made it. What I really want to do is try to be as egalitarian and as equal about it, as I can that we're all in this together from top to bottom and we all take the same proportionate impact and then we move on and life goes on.

Tomlinson: Do you think they feel that everybody is in this together?

Ziegelbauer: It's hard to get that across, certainly. That's my challenge. That's why I try to just keep saying the same thing over and over again and we just met with the nurses group, which is the smallest union of all of them and they're asking all the predictable questions and making the same predictable suggestions like 'Well, what if we just do a little of this and a little of that? We've never done that before, wouldn't that be a good response?' My response to that is, 'You don't understand, this is a tornado. This is a big tornado coming and a little of this and a little of that isn't going to do it. You can't protect the southside and leave the northside alone. It doesn't get it done. This is a big problem that requires a big solution, but I really appreciate that you're starting to get that.'

This is more than 'Well, every 10 or 20 years we have to take a little cut.' This is bigger than that. I recognize that I sound like Chicken Little saying that because it's a sunny day and it's summer.

Pat Pankratz/HTR: If you're going to get a blanket rejection from everyone, isn't a little bit of

concession better than no concession at all even if it's piecemeal?

Ziegelbauer: Well, the concessions come with ... they would like the guarantees too. If you've got a wounded arm and a wounded leg, I can't just fix your leg and say you'll be fine. This is a bigger problem than that. Sure, it would be better partially, but I can't ... this isn't a buffet where you can pick and choose. If I take partial solutions I can't call it a permanent fix. I can't guarantee we won't have to lay anybody off because it doesn't solve the problem.

Pankratz: If your specific proposal is rejected by Union A, but accepted by Union B, why not take up Union B on their offer?

Ziegelbauer: Because I don't want to divide the county government into employee against employee. For example, what we could do, we could take back, just by action of the county board, or effect, how we pay our non-union people. Just pass a resolution that says, 'Their pay shall be such and such.' I don't think that's how you treat people. I'm committed to treating all of our employees with the same amount of respect and not taking targets of opportunities and taking a pound of flesh out of them and leaving others to not feel any pain at all. I believe this is a community-wide situation and that's why I said to the unions as a group, 'The way this all works is you have to agree to go on this journey and then I will bring the rest of it and we will simultaneously sacrifice together. I'm not going to single people out and say, 'Well, I can layoff, I can cut the Highway Department in half and save all my money there and then you and the Sheriff's Department and the jail won't feel any of the pain.'

I don't think that is the right way to do this. I don't want to send any of those young people home to their families saying, 'I just lost my job and my health insurance only goes for so many more months and I'm stuck.' I have a responsibility to all of these people and that's why I'm trying to find a solution that saves all of them. I don't want to throw anybody over the side.

Tomlinson: Do you get the feeling that they get the sense that you're bluffing?

Ziegelbauer: That's not for me to judge. Charlie asked me that, when did you ask me that? A couple weeks ago, how did you say that? You said, 'You have a reputation as someone who doesn't bluff.' I think that's what you said. That's not a bad reputation to have, but I don't know what my reputation is. I think this is serious and I'm not kidding about how sincere I feel about that. You decide whether I'm bluffing or not.

Mathews: ... Dan Fischer used to say that county government operates with one arm tied behind your back because of state mandating XYZ. Human services would seem to be the department area where there is the greatest level of state influence because of the level of services that they expect you to provide, as opposed to Parks and Rec, where you could basically say, 'The state isn't going to force you to keep parks operational. The state isn't going to force you to keep the airport in operation.' Who do you turn to for counsel if what you think if what the state is mandating you to provide as far as human services, is either in economic times unfair or isn't appropriate no matter how good the times are?

Ziegelbauer: I think that's a good way of asking that question. I don't really agonize over that one too much because whether life is unfair or not, doesn't really change much. I think our mission right now is to deal with the reality of what is because it really is. While I don't want to diminish or demean the complaining about how unfair the relationship can be at times with the mandates and all of that, those are not going to change in the immediate future and to waste all our energy feeling how unfair things are...

Mathews: Do you think some county executives are maybe asking their Human Services people to be precise about making sure people are eligible for certain services?

Ziegelbauer: We are trying to do that every day. We recognize that that's a big part of what we have to continually do. Whether we're being good at it or not, time will tell I suppose, but that's always been a big part of what we know we need to do with the human services, which is so diverse and so changing in terms of what expectations are, what options are available to us. They continually change in tens of different areas. It's a constant battle to try to understand what our choices are and then to make use of them, and it sounds vague, but it really is rather complex. Just dealing with adults with developmental disabilities and various mental health, which is different, and the kinds of care, and the kinds of facilities and the kinds of delivery mechanism of care, that changes in what we're allowed to do. We're constantly wrestling with that. The bigger point you're making about trying to be as precise and providing the care that we're required to provide as precisely as possible is always on our minds, but keep in mind too, there are some politics to that as well. We provide some services beyond our legal requirement to provide and mandate. For example, our relationship with Holiday House goes back generations in Manitowoc County and some of that is not legally mandated, but I think it's politically mandated by what the community expectation is.

Reed: That's not what you thought about the Health Care Center.

Ziegelbauer: Well, there isn't somebody else willing to provide the services like there was with the Health Care Center. When you look at my Human Services Department, those are services that I can't find someone else to do, so we have to do it. With Holiday House, there is nobody else. If somebody would come in and take that over and run it, that would be swell, but I don't see that scenario. I don't see that as a contradiction. There are not other providers willing to go into the business and do it. This isn't a game of perfect.

Reed: You've proposed wage cuts and I apologize for not knowing ... whether furloughs and wage freezes have also been in play.

Ziegelbauer: No, although wage freezes are part of the wage proposal. My proposal was that we would have, we're in the fourth year of a five-year contract, with all of our employees, basically, 3 percent a year, and the health insurance change, which was a significant benefit at the front end and now continues. My proposal was, to go from our plus 3, that is already in effect for 2009 and on July 1, go down 5 percent and stay there. The impact of that would be that instead of a 3 percent increase for 2009, it would be a half a percent increase for 2009, plus 3 for half the year, minus 2 for the other half of the year and then freeze at that level for 18 months, so there would be a freeze that would continue for all of 2010 and we would contain the price of health insurance. That was my proposal.

Now furloughs, I don't think are a good idea, first for two reasons, it's a different way of cutting wages, but you do it by cutting back the hours worked and to get what I've been trying to get is a million and a half or so on an annual basis out of our operating costs, which is on a \$20-\$22 million wage base, we're talking 5ish percent. Five percent of our days, would be, out of 250 days would be almost three weeks to furlough 5 percent. I think furloughs are a way of saying to your public, in this case because we're a public entity, that we have too many employees and I don't believe we have too many employees. For the work that we're doing, I think we have about the right number of employees. If we're going to cut employees than we're also going to have to cut some of the mission back. That would be the way if it comes to that, we would try to do it. In other words, if we wouldn't say we're going to try to cut back 5 percent of every department. We would cut a certain amount in places where we can cut it and it would be very uneven. That's part of the reason why I've tried to appeal to our employees on 'We're all in this together,' perception because the alternative to 'We're all in this together' is 'We're all in this separately and it's every man for himself' and that's not the way I hope to proceed. So, I guess I'm trying to interest them in solidarity in how we, as a group, make it through this storm, and still be here to provide the same package of services to the people in the community that we're providing now.

Reed: When was the last time we gave you a platform?

Ziegelbauer: We were doing it every week and then we stopped and cut back. From time to time. Two weeks ago, you printed as an Op-Ed, one of my radio messages. Maybe it was three weeks ago. Periodically. This is a long story. It's probably better told in bits and pieces. I don't know if the website lends itself to posting some of these things like it used to. A few years ago, a couple years ago, you used to post a lot of documents. We had video of the county board meeting where I discussed this and maybe that could be linked. I don't know... I'm happy to let you convert. I usually copy you on the messages and when it's my turn, you run it and when you don't, that's fine. I'm trying to tell this story piece by piece too and there is other coverage. I sent Charlie a link to Wisconsin Eye just on the legislative side where I did a 20-minute interview where maybe it would be interesting to let people listen into this kind of discussion, only on state issues. It's an imperfect way of getting information across. I understand that. We can't force everybody to sit down and listen. We try to be interesting from time to time and get their attention by being interesting, but I don't know how this gets to be interesting, sometimes it is, sometimes it isn't.

Pankratz: You could get 5 percent that way maybe?

Ziegelbauer: Yeah, and the battle is tough. The world has changed. It used to be that the first thing you would do is grab a newspaper and read it or read parts of it that you were looking for and now you're lucky if you can get them to have a newspaper in the house, much less have somebody read it. I'm guilty of that as much as anybody. They're very interesting times we live in.

Reed: Yeah, the new proverb is, 'May we live in less interesting times.'

Ziegelbauer: So anyway, I just keep trying to spew it out and let you pick and choose whatever parts you think are interesting you can tell bits and pieces of. We have a lot happening and it affects the community.

Mathews: How, for example, yesterday a judge ruled against Scott Walker down in Milwaukee County in terms of how he was going to handle... Would you call what he was doing furloughs?

Ziegelbauer: I think I would call it furloughs.

Mathews: I think they went from 40 to 35 and I guess the judge said no, and they have to retro pay them as well.

Ziegelbauer: If you remember, they tried a version of that before I got to the county and they ended up having to pay all that back because they went to arbitration on it and they didn't have the authority to do it. They believed they had the authority to do it. They had all kinds of legal documentation supporting their belief. They did it, the union won the arbitration and they wound up having to pay all of it back. So, I think ultimately we can only do what we can agree to do. I was just telling these nurses that this was a one-in-a-thousand shot and it's really more of a one-in-10,000 shot. I understand that, but I think it's the least painful good alternative in times like these.

Reed: How many county employees?

Ziegelbauer: I think 440 is the most accurate number.

Reed: How many county employees are covered by bargaining units and how many are non-union?

Ziegelbauer: ... It's 114 and 345 it says here as of the beginning of the year. So maybe about 350 and 120.

Mathews: Ultimately, if your vision is the right one will be judged if you run again next spring.

Ziegelbauer: Right. I accept that. That's how this works. In fact, I have a county board that can preempt my vision by overriding it and re-creating it according to their view of it. That's fine too. That's the way the process works. I'm OK with that. I'm not anxious for that to happen, because I really think we all in local government have a responsibility to a minimum, hold the line this year, but I recognize that there are different views of that. It's me sitting here and I'll be here until April, so I'm going to do it the best I can. I accept the consequences. I've always said whenever, if ever, if I get asked to leave any of these jobs that the people have been nice enough to give me, the first thing I'll say is, 'Thanks very much for letting me have them. I appreciate it.' So, I have no complaints about that. If I'm all wrong with the electorate, and they want a totally different vision of higher taxes and bigger government, then that's the way a democracy works. I won't agree with it, but I accept it if that's how the politics of it turn out. That's sort of the way it goes. None of us are that important or indispensable. If people say, 'No, you're wrong, get out of town or get out of that job,' I'll do that. I'll stay here, but ... I don't know what else to say on that. I just think it would be a big mistake and I'll say that like I've said that with this budget. I think it's a big mistake and I'm concerned that if you look at that Wisconsin Eye piece that there is a feeling out there in the air that we've kind of made it through this turbulent time and we'll be OK and I think we're playing with fire. I hope I'm wrong.
