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# ◆ The TAX TIMES ◆

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## THE COUNTY BUDGET

The County Budget is a document used to manage the financial activities of the County. It is proposed by the County Executive and approved by the County Board of Supervisors. Each of our supervisors has a major role in the final budget, and may add or delete items until a final document is approved, generally at an all day session in November.

Our current County budget is composed of expenses, revenue, deposits and levy. Levy is the part that you and I pay for County purposes on our real estate tax bill. We also are assessed for the Technical College, our school district, the State of Wisconsin, and our local municipality on the same bill. I am going to list a short summary of the current budget and then list some of the major contributors to the budget and the levy.

The total budget expenses for Brown County are \$199.5 million. The revenue is \$140.9 million. Deposits total \$4.47 million leaving a levy of \$63.3 million. The taxpayers in Brown County pay sixty-three million dollars to support spending by the County. With a population of about 225 thousand, that means the county spends on average, spends \$281 per year for every person in the county.

There are thirty departments in the County and each is part of the budget document. Following is a list of the top five departments when it comes to expenses or as we would say, spending; **1) Human services at \$85.6 million, 2) Sheriff with \$25.5 million, 3) Highway at \$10.7 million, 4) Facility Management with \$6.1 million and 5) Library with \$6.0 million.** These five departments account for 67% of the total county spending. The top five departments when it comes to levy is a bit different. They are as follows; **1) Human services with \$21.2 million on the levy, 2) Sheriff with \$19.9 million, 3) Library with \$5.5 million, 4) Facility Management with \$3.37 million and 5) Public Safety Communications with \$3.2 million.** These five departments account for 84% of the levy. It is important to understand that spending above the growth rate in County value will add to the levy.

It is of note that the majority of the spending in the County is paid for by taxpayers from a broader base than Brown County. Many dollars come from the federal and state budgets, in addition to user fees and fines that are collected by the various departments. Grant writing by a department is an important source of income and many times a grant writer position will bring in several times the cost of the position. Green fees at the golf course are an example of income for the budget even if the golf course is an enterprise fund.

Another expense item for the budget is the cost of debt. Debt service for the current year is \$7.5 million of which \$6.9 million comes from the levy. The outstanding indebtedness for the County at the start of 2002, excluding the airport, stood at \$64.765 million. Paying off \$5.225 million and adding \$3.325 million per the current budget, would put us at \$62.865 million as of 12/31/2002. We are spending \$7.5 million to pay off \$5.225 million. This year the bonding is for highways and the DePere library branch.

Why all this information you may ask? When the budget is set, it will define our priorities. If a new mental health center were added at about \$30 million, it would add almost 50% to our indebtedness and about \$3 million a year to debt service. All of this would be on the levy and some spending would need to be cut to keep the budget within a reasonable increase. When the cost of health insurance is at \$15.1 million for County employees and a large increase is proposed, where will the cuts come to pay for the increase. It is important to know where the spending is generated and where the money comes from to pay for it. The spending must be controlled and we have the County Board to do it.

**The BROWN COUNTY TAXPAYERS ASSOCIATION**  
**Promoting Fiscal Responsibility in Government**

The high cost of prescription drugs has become a concern for all of us, and is shaping to become a major issue in coming political campaigns. Agree or disagree, the following article contains a number of points to be considered including high cost and effect on the economy.

## Prescription Drugs: Big Government vs.

**Really Big Government.** by Raymond J. Keating, Chief Economist, Small Business Survival Committee.

Prescription drug coverage under Medicare once again has become the hot topic in our nation's capital. Unfortunately, consumers, small businesses and the pharmaceutical industry will lose no matter who wins this latest battle between Republicans and Democrats.

Republicans in the U.S. House of Representatives, with the support of President Bush, have put forth a big government drug proposal, while Democrats support a really big government plan. The House Republican plan, passed in late June, carries a projected price tag of about \$350 billion over ten years, with taxpayers subsidizing private insurers that would run the program. It would feature a \$33 monthly premium, a \$250 annual deductible, and a \$3,700 cap on out-of-pocket payments. Taxpayers would be on the hook for 80% of drug costs up to the first \$1,000, and 50% on the next thousand dollars, and 100% beyond the \$3,700 cap. Low-income seniors - a sizeable group since by definition retirees don't earn much money - would have either no co-payments and deductibles, or pay reduced rates according to their income levels.

As for the Democrats, their various plans carry price tags ranging from \$500 billion to \$1 trillion over the next decade. Co-payments would be lower than under the GOP plan. Deductibles would be smaller or simply not exist. And taxpayers would be on the hook for a bigger chunk of the prescription drug tab.

Unfortunately, the actual costs of both these plans will be much higher than what is being estimated today. Recall that when Medicare was established in the mid-1960s, costs for Medicare's hospital insurance were projected to be \$9.1 billion in 1990. The actual costs in that year were more than seven times higher at \$67.1 billion.

When the government picks up the tab for a health care service, the consumer and the provider have no reason to be concerned about costs. For good measure, no one inside government has any incentive to control costs either.

The federal government's foray into prescription drug coverage and subsidies has completely predictable results. Allow me to tell the story of how this promises to play out.

With government coverage, utilization will jump. Increased demand will translate into higher costs and more spending. Higher demand and prices will affect the entire drug market, raising prices for all consumers and boosting health care premiums paid by employers offering drug coverage to their employees. Seeking more votes, politicians will broaden prescription drug coverage and force taxpayers to pick up a

bigger share of the bill.

Facing ever-mounting costs, the idea of cutting benefits or increasing premiums will be a political non-starter. So, the government will begin to ration prescription drug care, and price controls will be imposed. Indeed, once the politician's nose is under the tent with the passage of Medicare prescription drug coverage, price controls become inevitable - not a question of "If?" but "When?"

But what about the fact that the House GOP plan specifically says that the government cannot set prices? Well, the law creating Medicare in 1965 said the same thing, but Medicare imposes all sorts of controls on coverage and payments today.

Price controls would do extreme damage to the U.S. pharmaceutical industry. In particular, it would cripple the critical and costly research and development that these companies

**"Price controls would do extreme damage to the U. S. pharmaceutical industry."**

undertake in the pursuit of new and improved prescription drugs. That means fewer cures and treatments will be discovered and de-

veloped over the long haul.

Rather than creating a new and dangerous entitlement, if politicians are truly concerned about prescription drug costs and coverage, then they should seek out positive, market-based reforms. For example, deregulation and tax relief make sense in order to reduce costs and boost investment and saving incentives.

Also, making tax-free medical savings accounts (MSAs) available to all health care consumers would expand choices and competition in the marketplace. With MSA/catastrophic insurance coverage, consumers and their health providers call the shots regarding treatment, including prescription drugs; they have incentives to watch costs; and are insured against large, unforeseen medical expenses.

Let's hope that the disagreements and political posturing between Democrats and Republicans on Medicare prescription drug coverage derails the big government efforts, and that pro-market reforms eventually carry the day.

**Contributed by Mike Riley – TNI.** E-mail comments and questions to Raymond J. Keating, Chief Economist, Small Business Survival Committee . [membership@SBSC.org](mailto:membership@SBSC.org)

"The Constitution requires that Congress treat similarly situated persons similarly, not engage in gestures of superficial equality. . . . William H. Rehnquist

"To define democracy in one word, we must use the word *cooperation*" . . . Dwight D. Eisenhower

"Don't make me come down there." . . . God

**VISIT OUR WEBSITE**  
**[www.BCTaxpayers.Org](http://www.BCTaxpayers.Org)**

## Why is Economic Development Important, And Should Brown County Continue to Fund “Advance”? (The economic development arm of the county).

### Why Should You Be Concerned About Economic Development?

The reasons are quite basic. Economic development helps pay the bills. Economic development is about working together to maintain a strong economy by creating and retaining desirable jobs, which provide a good standard of living for individuals, thereby increasing the tax base, so a community, county or state can provide the level of services residents expect.

### Does Economic Development Really Matter?

A community needs ED in order to help pay for growing citizens wants, to retain and grow existing businesses, to attract new business and investment, to nurture local entrepreneurs (start-ups) and to replenish income lost by dollar “leakage” out of the community through the purchase of goods made elsewhere. Job growth and maintenance in local basic industries (which produce goods and services sold outside the area) brings new dollars into the community. New dollars invested or spent in a community generate more economic activity, creating a “multiplier” effect. The higher the multiplier, the greater is the effect on the local economy. The sample applies for new jobs in the community. Multiplier total impacts commonly fall in the range between 1.5 and 2. Subsequently, the total community impact of new dollars or jobs can be up to double the amount of the original amount.

### Why Economic Development Now?

Major changes in world and national economies are now taking place. In response to globalization, some companies are merging, moving, shrinking or closing. Community economic success is no longer a “given” and cannot be taken for granted. What then?

It all depends upon how a community reacts to economic change; what it knows about itself, its economy and the wants and needs of all its citizens; and, how it is positioned to satisfying these wants and needs in the future.

The significance of ED programs and professions is never greater than in “challenging” times, such as we currently have. The last place to for cuts and cost savings is the one place – ED that can best return our communities and state to the level of growth and prosperity we so recently enjoyed.

### What Is “Advance” And What Are It’s Key Functions”

“Advance” is the key economic development arm for Brown County. It is part of the Green Bay Area Chamber of Commerce, but operates independently out of the incubator building on Potts Avenue. It has it’s own income and is responsible for it’s expenses. The funding for “Advance” is dependent on contributions from the public and private sector. The staff answers to an independent board of directors.

Some of the key activities that “Advance” is responsi-

ble for that help to create/maintain tax base for Brown County are as follows:

- “Advance” is home to the business assistance center that is a partnership of small business service providers designed to create a one-stop shop for small business assistance.
- “Advance’s” incubator, houses over 30 small businesses that share common services. In 2001 nine small businesses graduated. There have been a total of 98 graduates since the incubator’s inception. Several prominent businesses in our community started out in the “Advance” incubator.
- “Advance’s” business retention and expansion committee calls on over 100 existing businesses yearly to see how “Advance” and their local government can be of assistance to their success and profitability.
- The international division of “Advance” helps businesses expand their sales into foreign markets, which helps to make their companies more profitable.
- “Advance” is continually working with new prospects from throughout the world in order to get new expansions into Brown County. The prospects that “Advance” was very instrumental in bringing to Brown County have generated \$25 million in tax base, 1, 206 good paying jobs and annually generates \$573,000 in property taxes. Consequently the county’s investment in “Advance” of \$65,000 out of a total county budget of \$181,000,000 has created a very good rate of return.

These are just some of the activities that “Advance” and its many volunteers (over 100) accomplish each year. These activities must be maintained if we are going to stay strong in economic development and grow the county’s tax base. The analogy of the county not funding “Advance”, would be similar to a company who’s sales are down to cut the marketing and sales activities from their budget.

We all know that our county taxes are too high and we must continually look for ways to cut our county expenses in order to lower the individual property taxes. The other part of the solution is to grow our tax base so that the taxes are spread over more companies and individuals, which also in turn lowers everyone’s property taxes.

It’s critical that we fund the part of the County budget that generates/maintains good paying jobs and creates/maintains our tax base. **Gary J. Delveaux, Manager of Business & Community Development, Wisconsin Public Service Corporation**  
(920) 433-1105, gdelvea@wpsr.com

“I wish that party battles could be fought with less personal passion and more passion for the common good. I am not interested in fighting persons . . . But in fighting things.”  
. . . Woodrow Wilson

*The following has been distributed widely on the internet, and you probably have seen it already. Agree or not, it still makes a lot of "sense".*

### **An Obituary Worth Thinking About.**

Today we mourn the passing of an old friend, by the name of "COMMON SENSE."

COMMON SENSE lived a long life, but died in the United States from heart failure on the brink of the new millennium. No one really knows how old he was, since his birth records were long ago lost in bureaucratic red tape.

He selflessly devoted his life to service in schools, hospitals, homes, and factories helping folks get jobs done without fanfare and foolishness. For decades, petty rules, silly laws, and frivolous lawsuits held no power over COMMON SENSE. He was credited with cultivating such valued lessons as "to know when to come in out of the rain", "why the early bird gets the worm", and that "life isn't always fair".

COMMON SENSE lived by simple, sound financial policies (don't spend more than you earn), reliable parenting strategies (the adults are in charge, not the kids), and it's okay to come in second. A veteran of the Industrial Revolution, the Great Depression, and the Technological Revolution, COMMON SENSE survived cultural and educational trends including body piercing, "whole language", and "new math." But his health declined when he became infected with the "If-it-only-helps-one-person-it's-worth-it" virus.

In recent decades, his waning strength proved no match for the ravages of well intentioned, but overbearing regulations. He watched in pain as good people became ruled by self-seeking lawyers. His health rapidly deteriorated when schools endlessly implemented zero-tolerance policies. Reports of a six-year-old boy charged with sexual harassment for kissing a classmate, a teen suspended for taking a swig of mouthwash after lunch, and a teacher fired for reprimanding an unruly student only worsened his condition. It declined even further when schools had to get parental consent to administer aspirin to a student but could not inform the parent when a female student was pregnant or wanted an abortion.

Finally, COMMON SENSE lost his will to live as the Ten Commandments became contraband, churches became businesses, criminals received better treatment than victims, race quit being part of a physical description, and federal judges stuck their noses into everything from the Boy Scouts to professional sports. Finally, when a woman, too stupid to realize that a steaming cup of coffee was hot, was awarded a huge settlement, COMMON SENSE threw in the towel.

As the end neared, COMMON SENSE drifted in and out of logic, but was kept informed of developments regarding questionable regulations such as those for low-flow toilets, rocking chairs, and stepladders.

COMMON SENSE was preceded in death by his parents, Truth and Trust; his wife, Discretion; his daughter, Responsibility; and his son, Reason. He is survived by two stepbrothers: My Rights, and Ima Whiner. Not many attended his funeral because so few realized he was gone. **Author unknown.**

## **Tuesday, September 10, 2002 Primary Election - Get out and Vote !**

**The primary election can be as important as  
the General Election.**

**Candidates for Wisconsin Governor, Lt. Governor,  
And other State Offices including your legislators  
will be determined.**

**Members of Congress representing our interests  
in Washington and final candidates  
candidates for county elected offices  
will also be determined.**

***"Bad officials are elected by good citizens  
who do not vote." ... George Nathan***

### **Does Wisconsin Have A Brain-Drain Problem?**

The Wisconsin Taxpayers Alliance reports between 1989 and 1999, the number of state residents with a bachelor's degree rose 218,875. However, during that period of time the states colleges and universities granted 269,647 bachelor's degrees, or a net loss of 50,772 or 18.8%. The remaining 81.2% who remained, or retention rate ranked 28th in the nation.

A study by the University of Indiana indicated that only 61.6% of graduates remained in the state 12 to 18 months after graduation, with the difference in graduates from other states moving here. Some of the reasons given were the relatively low number of large national firms headquartered here and lower average wages than other states.

Other causes are the number of wealthy individuals moving or retiring to other states, and taking their investment money with them. While average income and personal wealth in Wisconsin is below the national average, in 1998-99, Wisconsin's state-local government spending was 20.5% of personal income, or 8.0% higher than the national average.

### **Having a Bad Day.**

The average cost of rehabilitating a seal after the Exxon Valdez oil spill in Alaska was \$80,000. At a special ceremony, two of the most expensively saved animals were being released back into the wild amid cheers and applause from onlookers. A minute later, in full view, a killer whale ate them both.

Two animal rights protesters were protesting the cruelty of sending pigs to a slaughterhouse in Bonn, Germany. Suddenly, all two thousand pigs broke loose and escaped through a broken fence, stampeding madly. The two hopeless protesters were trampled to death.

## Why are Wisconsin taxes high?

Wisconsin's state and local taxes claimed 12.71% of personal income in 1999 (the latest year available), according to the U.S. Census Bureau. This placed us third in the nation behind New York (14.03%) and Maine (13.91%), and 15% above the U.S. average (11.05% of income).

That's part of the reason why taxes are a frequent topic of discussion on the campaign trail and why surveys often show the issue to be at or near the top of voter concerns. Nevertheless, there is less understanding among taxpayers, politicians and the press as to why Wisconsin taxes rank high.

As it turns out, a number of factors impact the state's tax burden--and tax ranking. They fall into three broad categories: the mix of government revenues, the level of public spending and the public's ability to pay. Looking at Census figures for state-local revenues and spending relative to personal income helps one develop a better understanding of the roles these factors play in Wisconsin's tax rank.

### REVENUE MIX.

Without borrowing, Wisconsin can fund government from four revenue sources: fees charged to program users; monies from the federal government: miscellaneous revenues, e. g., interest income; and taxes. To the degree that the first three sources provide adequate revenues, general taxes can be limited if expenditures do not increase.

### Fees.

Historically, Wisconsin has chosen to charge less in user fees than other states. For example, vehicle license fees are low here compared to other states.

Thus, fees for public programs outside higher education claimed only 2.03% of personal income here vs. 2.17% nationally. This seemingly small difference--0.14% of income--translates into state and local taxes being almost \$200 million (m) higher than they would be if Wisconsin fees were at the same level as the nation's.

As already suggested, user fees for higher education run counter to this pattern. Although the individual bill for resident tuition here is lower than elsewhere, the total amount of college and university fees paid in Wisconsin is higher (0.93% of personal income) than the U.S. norm (0.69%). The reasons for this paradox are that, compared to other states, Wisconsin's higher education system is more extensive, enrolls a greater share of its high school graduates, and attracts a larger proportion of high-tuition-paying nonresident to its campuses.

### Feds.

. Another source of state-local revenue is Washington. On average, states receive federal aid equal to 3.67% of personal income. We receive only 3.37% and rank 43rd in the return of federal money for taxes paid. That 0.30% gap translates into taxes here being more than \$400m higher than they would be had our federal aid levels been at national norms.

### Other Revenues.

Miscellaneous revenues other than taxes round out the

revenue mix. This category includes interest earnings, special assessments and property sales. These revenues equal 1.72% of personal income; the national figure is 1.86%. The gap between the state and nation translates into another \$200m in revenues that are made up through tax collections.

### Combined Effect.

If the only difference between Wisconsin and the U.S. were the revenue-mix just discussed, the tax load here would be 11.39% of personal income. At that level, our tax rank would be 12th, placing us between North Dakota (11.49%) and New Jersey (11.37%). For comparison, if the Badger State's burden were the same as the nation's (11.05%), the state would rank 21st.

Clearly, Wisconsin's reliance on taxes, as opposed to other revenues, as it turns out, it only accounts for 20% of our higher tax load. A piece of the puzzle is missing.

### Spending matters.

According to the Census Bureau, "direct general" expenditures by state and local governments in Wisconsin total 20.5% of personal income, compared to 18.9% nationally. Wisconsin spending exceeds U.S. averages in virtually every category, with the largest gaps coming in K-12 education, higher education, highways and sewers/sanitation. In each of these areas, state and local governments combine to spend 20% or more than U.S. averages. In dollar terms, Wisconsin's above-average spending translates into an additional \$1.8 billion in taxes.

As it turns out, 80% of the difference between the state's tax burden (12.71% of income) and the U.S. (11.05%) is due to these expenditure preferences, with the remaining 20% due to revenue mix.

***"Wisconsin spending exceeds U. S. averages in virtually every category."***

### What about income?

The final factor worth mentioning is income. Wisconsin's per capita personal income runs about 4% below the nation's. What if our income matched the U.S.? What effect would that have on our tax burden and rankings?

Raising incomes, without changing the tax take, would lower our tax-to-income ratio from 12.71% to 12.25%. That would shift Wisconsin from third to fifth on the tax list, moving us behind Minnesota (12.33%) and Hawaii (12.30%).

### The bottom line.

Diversifying our revenue mix and raising personal income can help Wisconsin's tax ranking, but the key factor behind Wisconsin's high-tax status remains its above-average commitment to spending in most categories.

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## What About Government Accountability?

Accounting scandals have dominated recent headlines, with publicity hungry politicians from the House and Senate acting self-righteous while grilling WorldCom executives. However, the message that Congress will clamp down on corporate accounting practices rings hollow with at least one journalist. Neil Cavuto from Fox News recently offered a very important question that desperately needs to be asked of Congress: "Who the heck are YOU to judge? Given the incredible fiscal mismanagement that pervades the federal government, Congress is "throwing stones from a very big glass house," as Mr. Cavuto puts it. It's refreshing to hear him point out the hypocrisy of politicians standing in judgment of executives whose misdeeds pale in comparison to their own reckless spending.

This does not mean corporate America is innocent. Many big corporations soak taxpayers for billions in government subsidies every year, while using political influence to avoid fair competition in the marketplace. Criminal conduct by executives at Enron, WorldCom, or any other company should be prosecuted vigorously under existing state fraud laws. If these executives indeed lied to investors, presented false earnings statements, or otherwise stole from shareholders, they should return the stolen money and serve jail time.

Yet Mr. Cavuto is absolutely right. No corporation on earth comes close to the accounting fraud practiced year after year by the federal government. In fact, there is no real accountability at all for the trillions in tax dollars raised and spent annually by Congress and our entrenched federal agencies. The official "accounting" that does take place is a sham. Every year Congress creates a meaningless budget, the Fed prints phony money, the Budget office issues false revenue forecasts, and the administrative agencies waste billions in the most unproductive ways imaginable. Literally tens of billions of dollars go unaccounted for every year, simply disappearing down bureaucratic black holes. This hardly represents a standard against which corporations should be judged!

None of the free-market restraints

against financial mismanagement apply to government. The federal government doesn't need to raise money by meeting a market demand or raising investment capital- it simply takes what it wants through taxes, which can be raised at will. It never has to operate profitably or efficiently; witness Amtrak and the Postal Service. It also has no incentive to cut costs. In fact, federal agencies scramble to spend every last penny of their budgets to justify more the next year. There is no stock price to worry about, and nobody tracks government "performance" against earlier years. Nobody ever gets fired. Simply put, the money is not hard-earned, so it's not well-spent.

So why is there not more outrage about government financial accountability? Of course we read the occasional news article lamenting \$400 hammers at the Pentagon, but for the most part Congress gets a free pass on its own fiscal mismanagement. What we hear instead are calls for more regulation of our already heavily regulated mixed economy. Few suggest that federal interference in the market, especially Federal Reserve expansion of credit, creates the distortions that make it possible for corporations to become so overvalued in the first place. No one mentions that market forces ultimately cut through the distortions, causing the stock prices of fraudulent corporations to plummet. Instead we hear denunciations of the free market, and calls for more regulations from the very career politicians who are so completely unfit to manage anything.

Of course Congress could clean up its financial mess, but ultimately it is voters who must demand accountability for their tax dollars. Remember that you give government at all levels nearly half of everything you earn. If you invested that much into a private company, don't you think you would keep a close eye on it and demand accountability as a shareholder? The only thing we know for sure about the federal budget is that it will go up each year unless and until voters remove the politicians who insist on taxing, spending, and borrowing us to death. **Contributed by Mike Riley, Taxpayers Network Inc.**

## Are Prisons Our Newest Growth Industry?

A recent front page article in the *Press-Gazette* reports that there are 6.6 million adults in the United States who are either in jail or prison, or on parole. This represents one of every 32 adults. The numbers for Wisconsin were a total of 98,000, which would correspond roughly with the national average.

To put this into perspective, imagine 64,000 people seated in Lambeau Field, and then have 2,000, or 1 in 32 leave their seats and stand in the center. The care and maintenance of those 2,000 is an expense to those remaining in the stands.

"Get tough on crime" and "three strikes and you're out" laws are probably responsible for some of these numbers, and most people seem to agree. Drugs and family related problems also contribute. The problem is, with education, infrastructure senior citizen health care, and other demands on limited resources already creating state and local budget problems, how much are we going to be willing or able to spend on prisons and related problems? Another problem will be rehabilitating such a large proportion of our population to normal lives if and when they are released from confinement.

## Wisconsin Lottery Sales Rise Slightly in Fiscal 2002.

Wisconsin lottery officials reported total sales from Megabucks, Powerball, instant games and others of \$427.6 million for the fiscal year ending June, 2002. Wisconsin sales average \$74.30 per capita compared to \$161.47 in Michigan and \$113.90 in Illinois.

Of the \$427.6 million, about \$135 million will go to property tax relief, and \$240 million was distributed in prizes. No word on where the remaining \$52.6 million went.

Also, no word on how much is wagered in the states casino gambling, or how much is returned to the state for property tax relief.

**August Meeting Notes. Large turnout for Sheriff Candidates Debate.**

More than 75 BCTA members and guests attended the August 15, monthly meeting at the Glory Years.

The entire meeting was devoted to a debate between the three candidates for Brown County Sheriff. Insofar as all of the candidates are from the same party, the primary election will likely determine who our next county sheriff will be. The moderator was Rod Goldhahn, former BCTA president.

**The candidates.**

**Pat Buckley** is a Green Bay police officer with 12 years of experience, presently working in community policing. He has done undercover work. He began with one Subway store in 1994. Now he and his wife own 15 Subway stores.

**Dennis Kocken** is a Patrol Captain with the Brown County Sheriff's Department, presently Patrol Division Director. He has 25 years of experience. He has been Packer Traffic Director and airport safety supervisor.

**Don Stewart** is a Detective Sergeant with the Brown County Sheriff's Department. He has 25 years of experience, including 16 years as a patrolman and seven years as an investigator, working on major crimes.

**Questions asked.**

*How will you ensure our tax dollars are spent wisely?*

- **Buckley** - Work with the county board; fix the archaic accounting system.
- **Kocken** - The county board sets the budget; I will seek grants and donations.
- **Stewart** - Open accountability; I want to have personal relationships with county board members.

*What are your priority areas for improvement?*

- **Buckley** - Leadership, more accountability. Change the structure to fix the overtime problem.
- **Stewart** - The Communications Center needs attention. Strong leadership is needed to control department costs.
- **Kocken** - The Communications Center is outside the Sheriff's Department. Reduce transportation costs by putting GPS's in all transport vans and coordinate with other counties.

*What is your position on the Metro Police Study?*

- **Stewart** - Supports study.
- **Kocken** - Supports study. Allouez and Suamico have lower costs than Green Bay.
- **Buckley** - There are possibilities for sharing other services before we go to a metro system.

*How will you deal with the costs of jail housing?*

- **Kocken** - Take the sworn sergeants out of the jail. Allow corrections officers to be promoted to sergeant. Obtain long

term contracts with Door and Kewaunee Counties. Catch up on 5,000 outstanding warrants; most will pay.

- **Buckley** - Make it a regional jail; market it to the state.
- **Stewart** - Close the downtown jail. Move the Huber prisoners to the main jail, using the basketball courts and other space.

**Final comments:**

**Buckley** - I'm young, but energetic. I'm an outsider so I can be objective. I have the most business experience of all the candidates. I hear that the southwest part of the county never sees deputies; it can take half a day for a response to a call. I will look at improving county-wide service.

**Kocken** - I sought grants and got them. The NTSC funded additional patrol efforts for the county. Past performance is a predictor of the future.

**Stewart** - I have a passion for public service; I'm a consensus builder. I will protect the weak and be tough on crime. I will step up the war on drugs with a highway drug interdiction team.

The next BCTA meeting is scheduled for Thursday, Sept. 19, 2002 at the Glory Years. Details on the back cover of this "TAX TIMES."

**Dave Nelson – Secretary**

**BCTA President Frank Bennett Introduces Candidates.**

**Left to right – Pat Buckley, Don Stewart & Dennis Kocken.**

## Taxpayers Pay Wisconsin Retirement Fund.

Wall Street's recent troubles have taken a toll on the Wisconsin Retirement Fund (WRS) – according to a recent Milwaukee Journal-Sentinel column, WRS has lost about \$90 million in the past year, just on Enron, K-Mart, and WorldCom stocks. In the past two years, the fund has dropped by about \$7 billion – nearly 11% of its former value.

Despite that, WRS remains one of the biggest pension funds in the world, with nearly \$57 billion in assets.

So why should taxpayers be concerned? In 1999, only 20 members of the Assembly voted against AB 495 – the pension reform bill, now known as Act 11. It became law, and we, the taxpayers, are paying for it.

Act 11 made WRS – already the Cadillac of retirement plans – even better. For example, the average employee who retired in 2001 with 30 or more years of employment had a Final Average Earnings (FAE) of \$49,764. The FAE is the average of the employee's three highest-paid years – that figure is used in calculating retirement benefits.

Before Act 11, that average employee would have received a monthly benefit of \$1,991. After Act 11, the monthly benefit goes up to \$2,182. This average employee will receive an average benefit of \$2,182 a month (\$26,186 a year). Add in a likely Social Security benefit of \$1,200 (\$14,400 a year), and that retiree is making nearly as much in retirement, \$40,586, as he did when he was working.

To pay for the increased benefits, Act 11 took \$4 billion from the WRS fund. This was money that could have been used to lower contribution rates, or simply left in the fund. Either option would have been better for the taxpayer.

This year, WRS contribution rates will climb by 0.6%. That doesn't sound like a lot, but state and local payroll is nearly \$10 billion and growing. It adds up. That's an additional \$60 million cost per year for employers (state and local governments).

Usually, when the state makes improvements to employee benefits, it's because those improvements were negotiated. Employees ask for the benefits, and give something in return.

Not this time. The Legislature simply looked around and saw some extra money in the retirement fund. The stock market was (at the time) soaring, and with its typical shortsightedness, the Legislature decided that it was money we could afford to spend. So we did. We made improvements to a retirement fund that was already among the best in

the nation.

And this may not be the last time we do it. The increases to retirement benefits, enacted in Act 11, only apply to time served before January 1, 2000. On that date and thereafter, benefits accrue at the older, lower rate.

Why? It was a political decision. Applying the increase into the indefinite future would have been far too expensive, even for the Legislature. It would mean huge increases in the unfunded liability.

Despite that, there are rumblings in state government that we may try to extend those higher benefits to all employees and all time periods. It's not fair, proponents will say, for some employees to get the increase and others not.

If we do that, we must do it differently than in 1999. The increase should be part of the negotiation process: if employees want better benefits, that cost should be offset by decreases elsewhere.

We should also consider opening WRS to private employers, which would make Wisconsin's jobs more attractive, and would mean comfortable retirements for more and more. Then, we should make the benefit portable, so skilled government workers are no longer discouraged from entering the private sector, or vice versa.

Over the years, the Legislature has improved the Wisconsin Retirement Fund – the public employee retirement benefit – without paying for those improvements: that's what created the "unfunded liability;" the \$2 billion gap between the fund's assets and the amount of benefits owed.

For example, in 1983, the Legislature passed a bill increasing the modifiers, which help determine how big a retired employee's checks will be. Increasing the modifiers meant paying out more money.

Because the increase was retroactive, everybody in the system got it, including those who were already retired. That pushed the unfunded liability up by \$463 million.

In 1989, the Legislature did something similar: this time it was an early retirement plan. The state opened a one-year window, during which older employees could retire without penalty. Those extra benefits weren't paid for, either, so the unfunded liability grew \$513 million.

Again in 1999, the Legislature increased benefits, but this time only retroactively: benefits improved for employees who were with the state before 2000. We used \$4 billion of WRS money to pay for it.

Two other state-managed funds have unfunded liabilities: duty disability for

protective occupations (police, firefighters, etc.) is only 33% funded – it has \$100 million in assets, and a \$200 million unfunded liability.

The sick leave conversion fund, which allows retired employees to convert unused sick leave into health insurance, is about 65% funded: assets of \$650 million and liability of \$350 million. That unfunded liability will go up between \$70 million and \$100 million this year, because the budget repair bill put off payments until next year.

WRS is about 96.5% funded: assets of about \$57 billion, and an unfunded liability of just over \$2 billion. The unfunded liability in each of those funds gets bigger if we don't make regular payments on it: the interest rate is 8% a year. Our payments frequently haven't been big enough and accordingly, the WRS liability has gotten bigger in 7 of the past 11 years.

Still, WRS is a strong fund, with about \$57 billion in assets. The system isn't about to break down and collapse. All 68,000 state employees aren't going to call in all of their retirement benefits at the same time, today. The sky isn't going to fall. The fund will remain, and as the economy improves, its assets will grow.

The fact that the unfunded liability exists at all is just one more example of state irresponsibility. We want our employees to have good retirements – everybody deserves to enjoy their retirement. But if the state improves benefits, those benefits should be paid for.

Instead, we let our debts grow, to curry favor with unions, to make us look like nice people, to help us balance a budget that's out of balance because the state was irresponsible in the first place.

This is also an example of the state pushing costs onto local governments, because those higher benefits cost the local governments more. Some local governments have paid their liabilities off – others have not. I'll write more about that later.

**State Representative Frank G. Lasee**

"Wisconsin had the most egregious example of jiggery-pokery among budget-balancing efforts in the various states."

. . . UK-based *ECONOMIST* magazine describing the spending of future tobacco settlement monies to balance the state budget.



## JULY MEETING NOTES.

### *Ed Thompson Addresses BCTA.*

Regular monthly BCTA meeting held July 18, 2002 at the Glory Years.

After a brief business session, Ed Thompson, Libertarian candidate for governor of Wisconsin addressed the meeting. He began by emphasizing that his number one priority is reducing taxes.

Elected as mayor of Tomah in April, 2000, he found that the city government had 24 committees. Attending every committee meeting, he learned enough to eliminate nine committees. His final tally of savings as mayor was \$4 million. The Senior Center was operated by seniors at no cost to taxpayers. Non-violent inmates from the county jail were used for city work.

Mr. Thompson noted:

- Zero base budgeting is a necessity for the state.
- All DNR spending for land should be halted (\$60 million in this budget).
- Department of Corrections 1989 spending was \$224 million; it's now over \$1 billion.
- 50 percent of police, court and prison costs are for drug offenses.
- A part-time legislature, with term limits, would produce massive savings.
- The voucher system, which saved \$53 million in Milwaukee, should be expanded.
- The SAGE program produces dubious results for \$100 million.

He concluded by saying emphatically that his Number One goal is to get Wisconsin out of the top ten in taxes. He pledges "No tax increases! Cut spending!" For further information on his candidacy, he has a web site at [www.edthompson.com](http://www.edthompson.com).

The next BCTA meeting will be held August 15, at the Glory Years. The program will consist of a debate between the three Republican candidates for sheriff of Brown County.

**Dave Nelson, Secretary.**

## Vote For The Candidate Of Your Choice!

### *But Not Necessarily in the Wisconsin Primary.*

As September 10, the date for the Wisconsin primary elections approach, we have been literally bombarded with strong and convincing TV commercials for candidates for governor. On the county level, we have three uniquely qualified candidates who want to be Brown County Sheriff. I am sure that many of us are carefully considering the viewpoints and experience of the individuals in both of these races and looking forward to showing your support on Sept. 10.

Only one problem. The gubernatorial candidates who have been bombarding us with the commercials are all Democrats while the candidates for Brown County sheriff are all Republican. Nothing really wrong with that. Many people vote for candidates based on their qualifications and what kind of job it is perceived they will do once in office rather than the political party they represent. So called "split" tickets are even encouraged. However, in the Wisconsin primary, such that on Sept. 10, you will be required to declare one single political affiliation and cast your votes accordingly. In other words, even if you intend to do so in the November 5, general elections, you cannot split your vote between parties in the primary, or you vote will be discarded and not count.

*In the case of the Brown County Sheriff race, only those that vote Republican in what is usually a small turnout will effectively decide who the counties top law enforcement officer will be for the next two years.*

Although there are possibly some good and valid reasons for this restriction, it could be difficult for election clerks to explain to well meaning citizens and taxpayers who make it a point and expand the effort to go vote.

Wisconsin has a history of unique laws and partisan politics and I would welcome a better explanation. It seems that in the 1970's it was changed because it was perceived that people were crossing parties in the primary to vote for weaker candidates of the other party. Whether this was true then or

would be true today is debatable. As it stands, it possibly reinforces the party system, with little question that politicians will favor anything that gives them an advantage. (*More about campaign finance reform later.*) There are probably a long list of reasons for this law, and it will probably be with us forever. It took Wisconsin over a hundred years to repeal the law that taverns be closed on election day because candidates for office supposedly were exchanging drinks for votes.

While it is encouraging to see the competition for governor and sheriff, it is discouraging that there is still very little interest displayed in running for public office.

If we expect to attract good candidates and create competition for voters to choose from, everything from public official pay, requirements to become a candidate, liability while in office and election laws would have to be reviewed, to determine the problems. The high cost of campaigning for a stressful job doesn't help either.

**Jim Frink**

"The more you read and observe about this Politics thing, you got to admit that each party is worse than the other. The one that's out always looks the best."

. . . Will Rogers

"There is no Democratic or Republican way of cleaning the streets."

. . . Fiorello

Articles and views appearing in the "TAX TIMES" do not necessarily represent the official position of the Brown County Taxpayers Association. We want to encourage discussion and input on current issues of taxpayer interest and invite your comments or articles suitable for future "TAX TIMES." Please send them to the BCTA, P. O. Box 684, Green Bay, WI 54305-0684, or call Jim Frink at 336-6410.

E-Mail [Frink@ExecPC.Com](mailto:Frink@ExecPC.Com).

## THINGS THAT MAKE US WONDER.

Do you ever get the impression that the states and some of our local government units idea of balancing the budget is to keep the same number of people on the payroll but cut down the amount of work that they do?

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We all try to conserve energy and the utilities raise their rates claiming insufficient profits. We try to save money on postage by eliminating unnecessary mailings and the postal service raises their rates to compensate for the loss of business. The economy is blamed for insufficient revenues feeding government spending in the form of income and other taxes so tax increases are often the solution of choice. Shouldn't some of this be the other way around?

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This is an election year, and apparently our legislature is content to pass the buck to the next session. I read where only about half of the legislative seats are even being contested this year. This must mean that they are doing a good job and considered unbeatable or potential candidates know enough to stay away. Take your choice.

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We are entering another slick TV commercials for political candidates season. Unfortunately this type of deception has become accepted in recent years by generations of gullible potential voters who are used to being told what to believe from watching the tube and reading what the papers want to tell us. These commercials are prepared by highly skilled motivational experts who can sell you a candidate for congress or governor the same way they sell you a Hollywood movie or box of cornflakes.

"Truth in advertising" rules don't seem to apply. Look through the smoke screen and try to determine what a candidate stands for and what his or hers parties agenda actually is. Where is the money for the ad coming from, and why? What is he going to do for you or to you when elected?

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The stock market has been in complete disarray, with much of the blame going to questionable accounting

practices and greedy executives. It is effecting all of us and none of it is good. As usual, when things don't seem right there is a call for the Federal government to step in and straighten things out. With tax dollars if necessary. What can they do that wouldn't make things worse by placing more ridiculous controls and restrictions on business, most of whom are honest and already struggling to operate in a anti-business atmosphere. There are already hundreds of old and tested laws on the books intended to keep business honest and protect stockholders and government interests. The IRS code is several thousand pages long, and every business is expected to somehow comply with it. No doubt some of the problem can be related to taxes. Just like with an individual, the more money you make the more tax you pay. To some extent business has control over their taxes. It most cases it is perfectly legal to avoid taxes but completely illegal to evade taxes. It is up to your accountants to know the difference. One observation is that the IRS has not been doing their job with corporate audits designed to scrutinize income and expenses. Supposedly there have been limits placed on corporate executive compensation, but these rules seem to have been ignored in recent years.

It seems that not long ago the media was busy criticizing members of congress who didn't support pending campaign finance reform legislation. Now with the fall elections looming they are finding that there are ways to avoid the restrictions and we are back where we started from. Maybe because some of their favorites won't have as much money to spend on advertising. Some candidates are getting a jump on competition with well-funded advertising budgets. Do you think we will see any TV stations turning down advertising money because they think it violates campaign finance laws?

The new Resch Center arena will be opening shortly, and we wish it the success its promoters promised us. Though some of us have never heard of the rock groups scheduled to appear

there will probably be something for everyone as time goes on. No doubt the distance to the parking lot will be a concern and the old arena will be vulnerable as a parking ramp site. We have to remember one of the biggest selling points for a new facility was all of the convention business we were losing because the old arena wasn't adequate. The need was for additional but not necessarily larger space. It will be interesting to see if resources will be available to keep the old arena open, or how many groups will be able to afford the new one.

Congress is ready to give itself a \$5,000 annual raise, claiming this was part of a package approved several years ago. Included are a number of other federal tagalong bureaucrats. Obviously when the boss gets a raise all the other employees will have their hands out also. There are millions of federal employees. No one denies their pay should be comparable to the private sector, but in many cases, thanks to extravagant benefit packages, it is the other way around.

It is time for congress to learn a new word: "EXAMPLE." Set an example of holding government spending by freezing, (or even cutting), their own salaries and benefits and perhaps the whole federal bureaucracy would get the message. Wouldn't that be a surprise?

Weren't Worldcom and MCI the result of the Justice Dept. decision to break up AT&T several years ago. They claimed it was a monopoly and as a result many new companies were formed to get their share of the telecommunication business. No doubt this contributed to the rapid technical growth of the industry even though our phone bills keep rising also. Worldcom's inability to manage its business will probably require a government bailout which will cost all of us, and trickle down to other business organizations.

While the state blew all of the tobacco settlement money for a fraction of its value just to balance last years budget, one new spending item was inserted - funds for anti-smoking education in schools. It's a strange world.

Our lawmakers tell us with a straight face that the agreement reached between the senate and house to settle the state budget is a "good deal for taxpayers." Is spending \$50,000 of our money to bring an art exhibit to Milwaukee a good deal? If this is such a cultural necessity the first 50,000 people to attend shouldn't mind paying an extra dollar. How do you explain giving most of our state employees a Cadillac health coverage plan at no cost to them when many private citizens can no longer afford minimal supplemental coverage?

Is this right? The stadium district board has been looking for naming rights contributors that would possibly alter the name of Lambeau Field but would "save the Brown County taxpayers some money" by applying the proceeds against the renovation debt. The same applies to the proceeds from special license plate sales and income tax check-offs. In the meantime, the Packers have struck deals with Miller Brewing, Verizon, and the Oneidas to plaster their name all over the new atrium we are also paying for with tax dollars. Those proceeds, however, would not apply against the stadium bonds, and the taxpayers still pay interest on the unpaid balance. Yes, we realize this is all about the cost of being competitive, but money is money.

The price of prescription medicine is becoming a political football with candidates offering solutions which could be difficult to enact. For example, negotiating with drug companies to lower their prices. We all probably think drug prices are too high, but stock in drug manufacturers has not been a profitable investment either. Having the state or national government subsidize seniors and lower income groups is a great idea, but the cost would be astronomical, and likely require tax increases which would be political suicide. Having drug providers give lower prices to one group of customers only means that someone else would pay more which is also a bad idea. We hear a lot of stories about new wonder drugs being held from the market because the government wants further testing, and of other drugs which have been accepted but are suspected of causing

unforeseen side effects and costing billions in lawsuits. If anyone has a solution, we would like to hear about it.

No doubt many Americans are more concerned about whether major league baseball plays out this season with or without a players strike than they are about the stock market or the rest of the economy. While the players think they are underpaid, and the owners feel entitled to a profit, no-one has any pity or consideration for the taxpayers who are footing the bill for most of the new stadiums around the country and will still be paying for them regardless of what happens at the bargaining table or the game of baseball.

While our politicians ponder a national "foolproof" ID card as the solution to identifying potential terrorists, the best they have done so far is the same old paper Social Security card that is usually issued at birth and can probably be duplicated by anyone with a copier. The Social Security Administration and IRS aren't even able to identify false wage reports submitted which would enable them to identify illegal aliens if they were doing their job. In the meantime, most of the states (even Wisconsin) are issuing drivers licenses containing security features. Why not have the states issue similar cards to all non-drivers if they think an ID card is such a good idea. The equipment to do this is already in place and simpler to impose than if Uncle Sam tried it.

It has been proposed by MADD that raising Wisconsin's beer tax would help reduce teen-age drinking. While it is acknowledged that the beer tax is one of the more reasonable taxes imposed on Wisconsin citizens, would raising it for all of us be the answer to underage drinking?

How many times has the cigarette tax been raised to "discourage smoking?" The end result usually just means more money in the state treasury. As proof, one of the gubernatorial candidates has proposed another huge increase in the cigarette tax. Not to discourage smoking, but to finance a

health benefit plan scheme for senior citizens that she has cooked up.

It is too bad the state doesn't have any of the tobacco settlement fund available as perhaps this could have been used to discourage drinking as well as smoking for which it was intended.

Thinking about it, what would ever happen to the state budget if the legislature finally raised the cigarette tax so high that everyone actually quit smoking because they couldn't afford it?

Bellin Health's proposal to provide county hospital services will be for the county board to consider. The bottom line will be to determine if necessary services can still be provided while actually saving taxpayers a bundle of money. Studies and surveys have always seen like a waste of taxpayers money, but perhaps this time it may be justified. It seems that when privatization is suggested for anything the idea is soon batted down by special interests. Already the unions and administrators from the present facility are defending status quo while we wonder why taxes are so high.

While some of our county supervisors are being criticized for revealing salaries of some county police officers, the bottom line is that these salaries were apparently much higher than anyone, especially taxpayers realized. It should not be a secret how tax dollars are being budgeted or spent. Also, the W-2 forms in question do not specify the amount these employees received in benefits which could be another shock for taxpayers. Where do these items show up in the county budget? Supervisors should be straight forward about where our money goes.

There are a lot of things to wonder about. Send me your suggestions. JF

**The TAX TIMES**  
**Brown County Taxpayers Association**  
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**Green Bay, WI 54305-0684**

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and more.

## **The TAX TIMES September, 2002**

### **BCTA Meeting and Events Schedule. (Mark Your Calendars)**

#### **Tuesday - September 10, 2002. PRIMARY ELECTIONS**

County, state and congressional races will have primaries.  
SHOW YOUR SUPPORT !

#### **Thursday - September 19, 2002. BCTA Monthly Meeting.**

GLORY YEARS, 347 S. Washington St., 12:00 Noon.  
Open discussion of current events. Review of ongoing  
BCTA projects and planning for annual meeting.

#### **Thursday - October 17, 2002, BCTA Annual Meeting.**

GLORY YEARS, 347 S. Washington St., 12:00 Noon.  
Review of past years activities. Election of BCTA officers for  
coming year. Speaker and complete program to be  
announced in October "TAX TIMES."

#### **Tuesday - November 5, 2002. GENERAL ELECTIONS.**

County Officials, Governor, Legislature and U. S. Congress.

Regular monthly meetings of the BCTA are held on the third Thursday of each  
month at the Glory Years, 347 S. Washington St., Green Bay.

Cost - \$6.50 per meeting – includes lunch, tax & tip. Payable at meeting.

All BCTA members, their guests, and other interested parties are invited to at-  
tend and participate in these open meetings.

Phone 336-6410 or 499-0768 for information or to leave message.



**September  
2002**

"I don't know the key to success, but  
the key to failure is trying to please  
everybody." . . . **Bill Cosby**

"A politicians words reveal less  
about what he thinks about his sub-  
ject than what he thinks about his  
audience." . . . **George F. Will**

### **SUPPORT THE BCTA**

**New Members are Always  
Welcome.**

**Call 336-6410 or 499-0768**

**Write us at P. O. Box 684**

**or visit our website**

**[www.BCTaxpayers.Org](http://www.BCTaxpayers.Org)**

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