

**WISCONSIN COUNTY HIGHWAY
ASSOCIATION
(WCHA)**

**REPORT
OF
THE PRESIDENT'S
TASK FORCE**

December, 2011

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INTRODUCTION

The Wisconsin County Highway Association (WCHA) President's Task Force was established by the WCHA Board of Directors at their August 15th, 2011 meeting. The WCHA President, Bruce Stelzner, laid out the following charge for the Task Force:

"The issues that lay ahead for our Association are many including understanding the impacts of both financial and transportation language changes that were included in the recently adopted state budget; the perceived loss of credibility with the State Legislature, WISDOT, WCA and others in the transportation industry; the internal divide within our Association between those counties that perform primarily system preservation activities from those that do both system preservation and perform significant system improvements; and our collective inability to define a single common goal relating to the diverse operations of Highway Departments throughout the State.

County Highway Commissioners and Committee members throughout the State are very concerned about the above listed issues and are looking for answers to better understand the impacts that recent legislative changes will have on their respective department budgets and operations. Highway Commissioners are looking to restore working relationships with their respective legislators and others and to find the common goal and objective that must be developed to move the WCHA forward in a positive manner."

Each WCHA District was represented within the Task Force as follows:

- Emmer Shields, Ashland County NW District, Chairman
- John Rogers, Forest County, NC District
- John Kolodziej, Door County, NE District
- Ben Warrington, Menominee County, C District
- Randy Anderson, Clark & Jackson County, WC District
- Ron Chamberlain, LaCrosse County, SW District
- Brian Field, Dodge County, SC District
- Allison Bussler, Waukesha County, SE District

These Task Force members have worked diligently to answer the charge given to them. This report is the culmination of 5 lengthy meetings and countless hours of preparation. The Task force met for full day meetings as follows:

- August 30, 2011 - Wausau
- September 9, 2011 - Stevens Point
- September 14, 2011 - Wausau
- September 22, 2011 - Stevens Point
- October 4, 2011 - Wausau

The Task Force membership reflected the diverse membership of the WCHA. There was an often lively and spirited discussion on issues and positions. Through it all, the Task Force members have been committed through a desire to make the WCHA a stronger, more effective organization and a desire to unite its membership. We hope that this document will be a focal point for the success of that endeavor.

The recommendations and statements in this report reflect the opinions and thoughts of the Task Force and should be considered as such. They are not meant to serve as a finding of fact or an official WCHA position.

EXECUTIVE SUMMARY

The Wisconsin County Highway Association (WCHA) President's Task Force was established by the WCHA Board of Directors at their August 15th, 2011 meeting. The goal of the Task Force was to examine the controversy surrounding the recent State budget deliberations and the conflicts and disunity arising from it within the WCHA. Each WCHA District was represented on the Task Force. A total of five full day meetings were held to develop the Task Force report. While the Task Force membership is diverse and brought a wide range of perspectives to the deliberations, the members were unified in their commitment to make the WCHA a stronger, unified and effective organization.

The Executive Summary is a very brief overview of the Task Force report. It is strongly recommended that all members thoroughly read the document.

CONSENSUS BUILDING

The Task Force has developed a recommended guideline for consensus building. An organizational weakness exposed, as a result of the recent state budget deliberations, was the inability of the WCHA to form a consensus. The one page document developed gives recommendations for establishing positions and platforms; roles of leadership; and handling dissent. The Task Force believes that more has to be done to broker communication between our leadership and the membership.

CORE VALUES

The Task Force has given recommendations for the creation of a list of Core Values. The Association's vision; mission; platforms; and priorities should be a reflection of the core values of the membership. The recommendations identify core values for individual County Highway Departments, as well as core values for the WCHA.

2011 STATE BUDGET

The Task Force was asked to respond to this question concerning the 2011 State Budget: "Was the outcome a victory or defeat for County interests?" The unanimous response by the Task Force membership was that the outcome was a defeat for County interests and the WCHA. The defeat cannot be measured just in a legislative outcome favoring or adversely effecting Counties, but also in the disunity created within the WCHA; the perceived loss of WCHA credibility by transportation stakeholders; and the failures within our organization to respond decisively to a challenging legislative initiative. The 2011 State Budget process has exposed weaknesses within the WCHA that must be addressed. The failures that occurred during budget process cannot be blamed solely on individuals within our organization, but are a corporate, systematic failure of the Association itself. A breakdown of the WCHA's ability to engage in the political process occurred, due to organizational weaknesses that can be readily recognized. In order to recommend changes that must be made, the Task Force identified a lengthy list of failures at every level, from leadership to the membership itself.

The Task Force recognized four broad areas where change is needed:

- Communication
- Education
- Structure
- Process

MOTION 352

The focus of controversy in the 2011 State Budget was Joint Finance Committee Motion 352. Motion 352 contained numerous provisions, which would have made significant changes to County Highway Department operations. While Motion 352 called for increases in County General Transportation Aids, the County Highway Improvement Program and State Highway Maintenance, these were offsets for the loss of Local Force Account work, limitations on intergovernmental work and other constraints on Counties performing improvement work. The value of the offsets and the impact of the non-fiscal language written into a budget motion, led to opposition by a significant portion of WCHA's membership. While Motion 352 was supported by the Wisconsin Counties Association (WCA), the WCHA took no official position. A position of no WCHA endorsement for Motion 352 was eventually registered by the President of the WCHA, after which the WCA modified its position. The Motion was eventually pulled by the Legislature, but several provisions constraining County Highway Departments was contained in the final enrolled bill.

There has been much misinformation spread about the WCHA's conduct in the creation of Motion 352. Because of the WCHA's Summit discussions with WTBA and the Public and Private Union representative's, there had been an assumption by many that the WCHA had a role in developing Motion 352. There have also been additional rumors, that the development of Motion 352 occurred in "secret", "closed door meetings".

The Task Force has reviewed this matter and found, that while Motion 352 did incorporate some concepts explored in the Summit discussions, no one at WCHA had any involvement in the writing of Motion 352. It would appear that either WTBA or the Local 139 Operating Engineers had some input in cooperation with one or more Legislators in the authorship of Motion 352. The lack of WCHA involvement, in essence, led to a flawed legislative proposal, which, in turn, led to the confusion and conflict at the County level.

POLITICAL CLIMATE ASSESSMENT

The Task Force recognizes that there are political forces at work at the local, state and federal levels that for better or worse, impact the WCHA. The Task Force examined all aspects of the political landscape and all parties affecting the political climate.

The current economic distress has put an increased emphasis on private sector job creation, even if it is to the detriment of the public sector. Couple this with the power of the private sector to lobby for their positions and the public sector finds itself in a significant disadvantage in the political arena.

The Task Force believes that the WCHA must quickly regain its footing after the problems with a 2011 Budget and prepare for a very dynamic and active political environment. The Task Force has developed a list of steps the WCHA needs to take to prepare for future legislative and fiscal challenges. These recommendations call for an organization wide effort from the leadership to the membership. The recommendations also call for the WCHA to engage transportation stakeholders.

SUMMIT DISCUSSIONS

Given that Motion 352 was seen by many in the WCHA membership to be an extension of the Summit Discussions, the Task Force considered whether a reengagement of the Wisconsin Transportation Builders Association (WTBA) was appropriate. The Task Force believes that the WTBA is an important stakeholder with considerable political influence. To ignore the WTBA or its influence would leave the WCHA in a very vulnerable position and would more than likely be very unsuccessful from a legislative standpoint.

The WCHA needs to be able to defend its interests and reach common ground with the WTBA, where possible. Stakeholders that cannot be considered partners must still be engaged.

The resistance to Motion 352 was to a great extent the perception that it did not live up to the concepts explored in the Summit Discussions and also because of the confusing language contained within it. If the WCHA had been allowed to contribute to the development of Motion 352, these problems might, very well have been avoided. The Task Force has developed a list of recommendations based on the Summit Discussions concepts that should be incorporated into future meetings with the WTBA.

OPERATIONAL PLANS

A factor leading to division and conflict within the WCHA has been the operational orientation of member counties. All Wisconsin counties do system preservation (maintenance). In addition to system preservation, many counties perform improvement work and provide services to local governments. County operational plans can range from predominately maintenance to predominately improvement with most counties somewhere in between. All counties provide maintenance services to the state and many counties provide both maintenance and/or improvement services to local units of government.

The perceived impacts to county operational structure from Motion 352 and the concepts proposed in the Summit Discussions have led to counties viewing themselves as winners or losers. Generally, those counties with a primarily maintenance orientation see the proposals as beneficial while those with a heavy improvement emphasis see them as detrimental.

The Task Force believes a political trend is pushing the public sector towards a "system preservation" (maintenance) model with a corresponding trend of promoting the private sector as the provider of "improvement" work. This can be seen in the 2011 Enrolled State Budget Bill, which put constraints on Counties working together on improvement projects and elimination of any County to work on municipal improvement projects (over a population of 5,000). Pressure to eliminate Local Force Account (LFA) work and constrain County improvement work will, no doubt, continue. It is very likely that LFA work could end through Legislative action or through agency policy changes.

Counties will be facing a number of challenges at the operational level and must be prepared to change their operational plans. The emphasis on system preservation will have little impact on counties that are presently maintenance oriented. Counties that have a significant improvement orientation will face more challenges to their operations and can anticipate more change.

Many "improvement" oriented counties view changing their operation to a more "maintenance" orientation as being destructive. Yet, there are many stable, functioning counties utilizing a maintenance orientation.

In order to meet this challenge, the WCHA must work to maintain as much flexibility as possible in the operational options for counties. Failure to stay engaged in the legislative process could open the door to imposition of operational changes by misguided or uninformed decision-makers.

GENERAL RECOMMENDATIONS

The Task Force has developed a number of general recommendations for the WCHA to consider:

Recommendations for Immediate action include some of the following:

- Convene a statewide Commissioner's Meeting to review the Task Force report and recommendations
- Develop a plan for Legislative correction of several provisions contained in the 2011 Budget Bill
- WCHA Board of Directors and Executive Committee adoption of Task Force Consensus Building Agreement
- Meet with WISDOT leadership in effort to forge new partnership

Recommendations for Short Term and Long Term action include the following:

- Establish list of duties and responsibilities for Board of Directors and Executive Committee members consistent with Task Force Consensus Building Agreement
- Establish mechanism for effective communication with membership
- Establish a WCHA platform and written positions statements
- Establish rules for BOD action and procedures including the following:
 - Process for approving WCHA positions
 - Process for press release and media contacts
 - Process for establishing agendas and action items
 - Rules for confidentiality
 - Rules of conduct for officers and board members
 - Quick response plan to Legislative or Regulatory action
- Gather data on county operations that can be used to demonstrate County cost-effectiveness, responsiveness and changes made to accommodate current funding limitations
- Create educational campaign for Legislators, Public and Stakeholders concerning what County Highway Departments do
- Establishing dialogues with WTBA and other "non-partisan" stakeholders (reengage Summit Discussions)

TASK FORCE RECOMMENDATION FOR CONSENSUS BUILDING

- 1) The leadership in the form of the Board of Directors (BOD) and Executive Committee shall develop WCHA positions and platforms. All WCHA positions and platforms shall be voted on by the BOD, or by the WCHA membership at a statewide meeting convened for such purpose, before they are established as an official WCHA position or platform. Through communication and education, the leadership should try to build a consensus within the membership for a given position and/or consider changes to a position that will lead to a broader consensus. Each Board of Director representing a given district shall be responsible for communicating WCHA positions and platforms to their district's membership; providing information pertaining to the justification for such position and/or platform; and reporting to the BOD on the results of their discussions at the District level.
- 2) The BOD shall determine if a poll of the membership is necessary for a given position, due to lack of agreement or significant dissent. Such a poll will allow three responses: Support; Do Not Support; and No Position. A valid response requires at least 50% of member counties responding.
- 3) The results of the poll shall be tallied by the BOD and a final determination shall be made by the BOD on the WCHA position to be taken. Those counties wishing to provide a dissent from the position taken will be allowed to present their reason for lack of support.
- 4) The approved position of the WCHA will be presented for public release. If dissenting counties wish to be named in the release, they may be or the number of dissenting counties may be noted if none wish to be named.
- 5) Individual counties will have a right to represent their own "individual County positions" on any position or platform of the WCHA. Members of the BOD and Executive Committee in their official capacity shall support the WCHA position and shall not represent any other position to be a WCHA position. BOD & Executive Committee members can represent their own "individual county positions", but must not infer or imply that it is representative of the WCHA membership or leadership's position.

CORE VALUES

The WCHA President's Task Force has identified a number of core values that it believes all Wisconsin County Highway Department share. These core values are an integral part of why our Association exists and need to be considered as the foundation for the efforts our Association undertakes. The Associations vision; mission; platforms; and priorities should be a reflection of the core values of the membership.

COUNTY HIGHWAY DEPARTMENT MISSION: To provide safe, reliable, cost-effective transportation services.

COUNTY HIGHWAY DEPARTMENT SERVICE: The County Highway Department serves the public whose interests are represented by County Government in the form of County Highway Committees, County Boards and County Executives and /or Administrators.

COUNTY HIGHWAY DEPARTMENT OPERATIONS: The services each County provides are based on the plan established by the Highway Commissioner and endorsed by the County's governing body. Each county must establish an operational plan that best serves the public interest for that individual County. Intergovernmental cooperation is a valued aspect of a County's operational plan.

COUNTY HIGHWAY DEPARTMENT ASSESSMENT: The ultimate measure of the value of the services a Department provides is public perception. The ultimate measure of the cost-effectiveness and quality of the service a Department provides is the governing body of that County.

ASSOCIATION MISSION: The WCHA mission is to educate and inform its membership; the general public; decisionmakers; and transportation stakeholders. The WCHA mission also includes the promotion and representation of County transportation interests.

ASSOCIATION VALUE: The WCHA's value is in its ability to provide a unified voice for County Government's transportation issues.

ASSOCIATION RESPONSIBILITY TO MEMBERSHIP: The WCHA has an obligation to communicate and provide information to its membership concerning issues affecting County transportation interests. The WCHA has a responsibility to develop positions and platforms representing the membership.

ASSOCIATION MEMBERSHIP RESPONSIBILITY: Members of the WCHA have an obligation and responsibility to participate in Association activities, including volunteering to serve the Association; attending meetings and conferences; and assisting with educational and promotional initiatives; and working cooperatively with the Association to define and promote WCHA positions and platforms. Members also have a responsibility to provide input and feedback on issues under consideration by the WCHA's governing bodies.

ASSOCIATION CONSENSUS: Building consensus among the membership is essential to the success of the Association. Every effort shall be made to build and achieve consensus among the membership.

ASSOCIATION DISSENT: While consensus is strived for, it may not be achieved in all cases. In the event a county or counties cannot support a WCHA position, they may register their dissent with the Association. While all counties are urged to support a majority decision, no county is constrained by their membership in presenting their own individual position.

2011 STATE BUDGET

The Task Force was asked to respond to this question concerning the 2011 State Budget: "Was the outcome a victory or defeat for County interests?" The unanimous response by the Task Force membership was that the outcome was a defeat for County interests and the WCHA. The defeat cannot be measured just in a legislative outcome favoring or adversely effecting Counties, but also in the disunity created within the WCHA; the perceived loss of WCHA credibility by transportation stakeholders; and the failures within our organization to respond decisively to a challenging legislative initiative.

FAILURES

Motion 352 and the 2011 State Budget process has exposed weaknesses within the WCHA that must be addressed. The failures that occurred during budget process cannot be blamed solely on individuals within our organization, but are a corporate, systematic failure of the Association itself. A breakdown of the WCHA's ability to engage in the political process occurred, due to organizational weaknesses that can be readily recognized. In order to recommend changes that must be made, the Task Force first identified perceived failures at each level.

Executive Committee

Among the failures identified at the Executive Committee level are the following:

- The Executive Committee fractured, expressing contradictory WCHA positions
- The Executive Committee did not prepare the membership for the position taken
- The Executive Committee assumed the membership was supportive rather than engaging the membership to measure support or opposition. A disconnect between leadership and membership occurred.
- The Executive Committee allowed the short legislative time line to trump communication with BOD and membership
- The Executive Committee underestimated the membership's opposition to non-fiscal impacts of the Legislation
- The Executive Committee did not complete an assessment of the impacts of the legislation to individual Counties

Board of Directors

Among the failures identified at the Board of Directors level are the following:

- The Board of Directors (BOD) failed to lead by failing to get involved in the process and assert their legislative authority under the WCHA By-Laws and Constitution.
- The BOD failed to communicate to the membership.
- The BOD failed to communicate membership input to the Executive Committee

Association Membership

Among the failures identified at the membership level are the following:

- In general, the membership did not engage the WCHA governing body with respect to the legislation. There was a lack of understanding on how to communicate concerns and to whom.
- The membership did not pay attention to information provided by WCHA. Misinformation was often accepted as fact
- The membership often ignored the WCHA and lobbied on their own behalf giving Legislators contradictory and confusing positions
- The membership exhibited lack of understanding of the political climate generating the legislation and a naivete on how the political process can be affected
- The membership often resists change and defines the status quo as the default position when it is not

Executive Director

Among the failures identified at the Executive Director level were the following:

- The Executive Director failed to communicate in a simple, straightforward method the pros and cons of the legislative initiatives
- The Executive Director was perceived by the membership as being an "advocate or supporter" of the proposed legislation rather than a resource or facilitator for the WCHA position
- The Executive Director allowed the WCA to use his review of several pieces of legislation as the premise for supporting Motion 352

Wisconsin Counties Association

The Wisconsin Counties Association (WCA) represents all facets of County Government. In the capacity the WCA initially took a position in support of the legislative initiatives and then modified it when a statement that the WCHA does not join the WCA in their endorsement of Motion 352 was released by the WCHA President.

Among the failures identified at the WCA level were the following:

- The WCA took the lead in responding to the legislation without a comprehensive review by the WCHA
- The WCA made an assumption that the funding increases outweighed the adverse non-fiscal impacts. There appeared to be a slant towards funding increases overriding any technical or operational impacts.

ADDRESSING FAILURES

The Task Force has provided an extensive list of recommendations for change that the WCHA should consider (see General Recommendations) . Recognizing and addressing the failures that occurred should lead to a strengthening of our Association and prepare us for future challenges.

The Task Force recognizes four broad areas where change is needed:

- * Communication
- * Education

* Structure

* Process

One of the biggest failures cited over and over again by the Task Force members is a breakdown in communication. Communication problems exist at all levels and between all levels. The nature of communication goes beyond the simple dissemination of information, and includes conveying the direction of the Association, not merely where the Association has been, but also where it's going.

Education is also often cited as a major issue to be addressed. Leadership has a responsibility to provide information that will allow the membership to understand and be able to formulate positions on matters that may be quite complex. Leading includes providing information to the members that will allow them to have an understanding similar to that of the leadership. As an organization, we select our peers to serve as our leaders, an equality of knowledge strengthens and empowers us as an Association.

The WCHA has a structure for governance. Yet it is clear that this structure has led to failures. Are the components of that structure wrong or are they not being used appropriately? It is clear that the Association does not need radical changes to its organizational structure, but each component of the structure needs to change, so that it strengthens and serves the Association. If any component of structure fails or if multiple components of a structure partially fail, there can be a catastrophic failure. The components of the WCHA governing structure needs to be recalibrated and repaired in order for that structure to function correctly.

Of all the failures that have occurred, process is one that is the most visible. One of the failures that occurred was that there really was no process to be engaged. In other cases the process was limited by time constraints or breakdowns in organizational mechanics. The WCHA needs to establish a process for addressing issues, of any kind, that is accepted throughout the organization. A component that needs to be included in any process is planning. Keys to any plan are a platform, goals, policies and positions, which can be a guide for process and anticipates challenges for our organization.

MOTION 352

DEVELOPMENT

There has been much misinformation spread about the WCHA's involvement in the creation of Motion 352. Because of the WCHA's previous Summit discussions with WTBA, and the Public and Private Union representatives, there has been an assumption by many that the WCHA had a role in developing Motion 352. There have also been additional rumors, that the development of Motion 352, occurred in "secret", "closed door meetings".

The Task Force has reviewed this matter and found, that while Motion 352 did incorporate some concepts explored in the summit discussions, no one at WCHA had any involvement in the writing of Motion 352. It would appear that either WTBA or the Local 139 Operating Engineers had some input in cooperation with one or more Legislators in the authorship of motion 352. The lack of WCHA involvement, in essence, led to a flawed legislative proposal, which, in turn, led to the confusion and conflict at the County level.

The intent of the original Summit discussions was to span the political divide between WCHA and private sector interests represented by WTBA and Local 139 Operating Engineers. Both sides felt continued

political disagreements, with respect to the provision of transportation services, was detrimental to the advancement of Wisconsin's transportation program. Both sides acknowledged that a united transportation community would be a great asset in dealing with future transportation challenges. The goal of the Summit was to identify what issues led to conflict between Counties and the private sector. Once the issues were identified, a determination could be made of the fiscal impacts and required funding offsets necessary to make counties whole.

The Summit discussions took place over 2009 and 2010, with the final Summit meeting taking place in July of 2010. At that meeting, the WCHA Executive Director was directed to meet with a representation of WTBA to discuss and resolve several remaining differences. Several additional meetings were set for these discussions along with additional Summit Meetings. None of the meetings took place, due to the ill health of the WTBA representative, discussions were by phone only. From July 2010 to the introduction of Motion 352 there were no formal discussions with WTBA about the Summit or the conceptual proposals developed by the WCHA Executive Director and WTBA representative.

The concepts being discussed at the Summit meetings were first presented at the 2010 Commissioner's Training session. The framework for the Summit proposals was presented at the Commissioners Training meeting in April 2011. After discussion a hand vote was taken, with the majority of counties supporting the basic concept of trading county improvement dollars funded from State or Federal sources (Local Force Account Work) for increases in State Trunk Highway Maintenance Funding; General Transportation Aids and increases in the County Highway Improvement Program. Several counties dissented and there was considerable concern about the non-fiscal provisions such as the definition of maintenance, as well as what was considered "State Funding" sources. From the April 2011 Commissioners Training to the present, there have been no additional Summit meetings and no discussion between the parties for implementation of the Summit proposals. It appears that parts of the Summit proposals were incorporated into Motion 352, but the WCHA did not have any involvement in the development, nor the specifics included in Motion 352.

WCA AND WCHA POSITIONS

The WCA and WCHA first became aware of the Joint Finance Committee's intention of submitting language addressing County Highway Operations on May 27, 2011. Several bills were discussed including one that would have prohibited counties from doing any improvement work over a \$25,000 threshold. The Legislators authoring the draft budget amendments indicated that one of the amendments would be introduced. The WCHA Executive Director was asked by the WCA to review the drafts and present a recommendation on, which one should be supported. He indicated with considerable reservations that draft Motion 352 was the best of the three, but that it was not totally reflective of the summit discussions and contained several provisions of concern and confusing language. The WCA made a decision to support Motion 352 on May 27, 2011. The WCHA Executive Committee chose not to take any position in support or opposition, and looked for input at the approaching WCHA 100 year anniversary road school that was coming up in a week. The Motion and the provisions contained in the motion were discussed at the WCHA Executive Committee, WCHA/WCA Joint Legislative Committee Meeting, and WCHA Board of Directors meeting at the WCHA Summer Road School June 6,7,8, 2011. Mr. Mark O'Connell, Executive Director of the Wisconsin Counties Association was in attendance at the conference and presented the WCA position to those in attendance. No WCHA position was officially taken at any of these Association Meetings. The WCHA President later issued a letter on his own volition, stating WCHA did not endorse the WCA position in support of Motion 352. Subsequently, the WCA revised their position requesting that the fiscal portions

of Motion 352 be adopted, but the non-fiscal portions be removed. The Joint Finance Committee then stripped both the fiscal and non-fiscal language of Motion 352 from the budget bill and substituted several provisions constraining intergovernmental cooperation between counties and municipalities.

MOTION 352 PROVISIONS

Perhaps the biggest flaw in Motion 352 process was the exclusion of the WCHA in the drafting process. The WCHA and WCA were placed into the position of accepting the "package" without input on the language itself. If Summit participants were allowed input into the drafts, it would appear only those representing the construction industry were provided the privilege of doing so. This led to a biased document with only some of what the parties had originally discussed and an abundance of confusing language.

The Task Force believes Motion 352 was not the "same" as the summit points. It went well beyond the agreements we had conditionally accepted in some areas and fell short in funding other areas. Confusing language in several provisions caused a great deal of uncertainty. Those private interests that supported the Motion then characterized the WCHA and WCA positions to Legislators as a withdrawal from a previous agreement. The Task Force believes there were differences between the non-fiscal language included in 352 and the concepts explored at the summit. Even those Counties that supported Motion 352 had reservations on aspects of the legislation. The consensus from those counties that opposed Motion 352 was that the positive provisions were not adequate to overcome the negative provisions.

The Task Force has identified a number of problems with Motion 352. A brief list follows:

- The WCHA was not allowed input or participation in the drafting of the legislation
- The language within Motion 352 was confusing and is still unclear to this day. Its impact on counties was and still is subject to debate, due to unclear and poorly written language
- No guarantees on where additional STH maintenance funding would go
- Increases to CHIP-D, but constraints on CEF's for CHIP projects. Summit discussions called for an 80/20 program. Motion 352 kept ratio at 50/50
- Inadequate GTA funding. While the proposed GTA funding was higher than Governor's proposal, it was still several million below 2011 levels
- The \$100,000 threshold for state and federal projects had no inflationary consideration
- Ban on counties doing "improvements" to State Trunk Highway System

The final enrolled bill removed most of the language contained in Motion 352 including the positive financial and non-fiscal items. Among the positive provisions included in Motion 352 that were removed from the enrolled bill are:

- \$10M from GTA and removal of language setting \$102M base
- \$10M from CHIP-D
- \$15M from STH Maintenance allocation *
- Land acquisition reform language
- WISDOT study of County maintenance operations with budgeting requirements
- Process for defining "Maintenance"

* Task Force members agree that there was no certainty these funds would have been given to Counties. An \$18.9M increase to the STH Maintenance account in the enrolled bill, yielded no funds for County RMA's.

Negative provisions removed included:

- Language constraining use of state and federal funds for LFA work
- Language constraining use of Cost Effectiveness Findings on CHIP projects
- Limits on Counties doing "private work"

Negative provisions in the enrolled bill included:

- Ban on counties cooperating on improvement projects
- Ban on counties performing work in Villages and Cities over 5,000 population
- Prevailing wage threshold of \$100,000 on "County" projects with a \$234,000 threshold for private contractors bidding on projects.

MOTION 352 AND ENROLLED BILL RAMIFICATIONS

The Task Force clearly has consensus that there were problems associated with Motion 352. Both those who supported Motion 352 and those who opposed it felt the legislation was flawed. Task Force members who supported the Motion believed the GTA, CHIP-D, and STH Maintenance funds provided in the bill outweighed the negative non-fiscal issues. They also felt that the Administrative Rule making process could have been used to clear up the uncertainties in the Motion's language. Task Force members who opposed the Motion believed the financial considerations were not enough to offset their losses caused by Local Force Account work prohibitions. They also believed non-fiscal language would damage their ability for revenue in other areas and that the language was too destructive to be fixed.

While it is difficult to ascertain how Motion 352 would have effected individual County operations, it is clear that some counties saw the defeat of the motion as positive for them financially and others saw it as a negative. What is clear, is that counties statewide received \$20 million less funding over the biennium (\$35 Million if STH maintenance is included) from the withdrawal of Motion 352. The short term and long term loss of Local Force Account (LFA) projects was a major consideration for a number of counties. Contract work completed utilizing LFA work all or in part averaged \$9.5 million annually. The Local Share Cost of Negotiated Contracts (portion of contract going to counties) averaged \$5.4 million annually. Other potential losses from limitations that could have arisen from language contained in the bill are subject to debate, since all parties agree that the language was confusing and sometimes seemed to be contradictory.

POLITICAL CLIMATE ASSESSMENT

The Task Force recognizes that there are political forces at work at the local, state and federal levels that for better or worse, impact the WCHA. A realistic assessment of political forces at work is necessary to understand what strategies need to be employed in order for the interests of the membership of WCHA to be represented effectively.

Public Perception

Task Force members established public perception as a core value for measuring Highway Department performance. Yet, the Task Force recognizes that public opinion of Highway Departments is mixed. Task Force members believed that Highway Departments get high marks from the public for responding to

emergencies and performing winter maintenance, but the public is generally ambivalent about most of the work Highway Departments do. There continues to be skepticism about the value and work ethic of public employees working for Highway Departments. There is no ground swell of public support for Highway Department operations and it is doubtful there will be any in the foreseeable future.

County Government

The level of support for Highway Department operations at the County level varies greatly from county to county. While each County has committed Highway Committee members, that represent Highway Department interests to the County Board, support for Highway Department operations are in competition with other priorities such as Human Services, Law Enforcement, etc. County transportation interests are often the first affected when budget constraints require reductions. The delay of highway improvements is often seen as having a low or no impact by County Board members not familiar with transportation issues. The economic and legislative constraints being put on counties make county transportation interests vulnerable at the County level. Tax levy constraints continue to force tough decisions on County governments.

State Legislature

As can be seen from the 2011 budget process, the State Legislature does not rely on the WCHA alone to develop legislation effecting County transportation interests. In some cases WCHA has not been allowed input and other interest groups have been allowed to take the lead in formulating the legislation affecting our membership.

At present, there are a number of problems that have been identified by the Task Force as follows:

- Current economic conditions have focused legislative efforts on "private" job creation. There is bipartisan agreement that private sector job creation is the highest priority even if it results in the loss of public sector positions. Private sector job creation trumps all other concerns
- Hostility towards public employees. The loss of work for public employees is seen as positive
- Many Legislators view transportation as a low priority or believe that transportation is a "fat cat". Their areas of interest are in other government sectors
- Special Interest Groups who are effective in using political contributions to gain access and influence in the Legislature. Counties do not make campaign contribution and therefore must rely on arguing "public interest" only.
- Many Legislators do not understand the Counties role in providing transportation services

Stakeholders and Partners

The Task Force recognizes that there are Stakeholders and Partners the WCHA must engage both in the public and private sectors. Stakeholders are parties that have an interest in County transportation, which can be supportive or in opposition to WCHA platform and positions. Partners are parties that can be counted on to work with the WCHA on a particular issue or who share WCHA's interests in general. The Task Force recognizes that stakeholders and partners cannot be ignored and must be engaged.

Wisconsin Transportation Builders Association (WTBA)

The Wisconsin Transportation Builders Association (WTBA) represents primarily private sector highway construction contractors. The WTBA generally supports the enhancement and preservation of Wisconsin's highways and road system. However, the WTBA sees private sector forces as the primary mechanisms for improving the system. While the WTBA seems willing to accept the County's roll in system preservation (maintenance), there is opposition to almost any type of improvement work being done by County forces.

The Task Force recognizes there are a number of beliefs within the WTBA and its memberships that is driving a legislation agenda to constrain Counties from doing certain types of highway work as follows:

- Counties are a competitor for scarce resources
- Counties are "unfair" competition and have certain advantages private sector operations do not have
- The WTBA believes the private sector is always the most cost-effective approach
- The WTBA believes they provide higher quality improvements
- The WTBA believes improvements should be exclusively private sector, while maintenance can be a public sector function
- The WTBA uses "worst case" examples to impugn all county work
- The WTBA believes all state and federally funded projects should be let to private contract without any public sector opportunity to perform work

The Task Force also recognizes that there are a number of beliefs within the WCHA that gives rise to hostility towards the WTBA and its membership. While all Counties perform highway maintenance, there is a range of county operations performing improvement work. Some counties rely solely on private sector contractors for improvement work. Other counties do not rely on contractors at all and perform all of their improvement work in-house. Clearly, those counties who view themselves as competitors for WTBA are more inclined to oppose the WTBA's positions. Most counties, however, view the artificial legislative constraints promoted by WTBA as unnecessary interference in local control. Briefly, here are some of the perceived reasons for opposition to WTBA:

- Counties are more "cost-effective" and cost the taxpayer less than the private sector
- WTBA does not understand that many counties have to have a mix of improvement and maintenance work, where improvement work provides stable employment levels for workers needed at prime maintenance times such as during the winter or for emergencies
- Relying on the private sector means loss of local control, especially with budgeting
- WTBA wants to cherry pick, taking "good" work and leaving counties with labor intensive work only
- Counties believe the marketplace is not working to constrain costs, because of monopolistic tendencies of the industry
- Counties resent WTBA's political influence and self-interest
- Counties believe they do high quality work and are more accountable than the private sector

Can and should the WCHA attempt to work with the WTBA, given our mutual antagonism? The Task Force believes that the WTBA is an important stakeholder with considerable political influence. To ignore the WTBA or its influence would leave the WCHA in a very vulnerable position and would more than likely be very unsuccessful from a legislative standpoint.

While it may seem the WTBA has little or no need for the WCHA, it is not true. Counties are a major customer of the WTBA membership. The well being of counties directly affects the bottom line for WTBA members. Counties also play a major role in promoting statewide transportation interests. The recent referendum on the Constitutional Amendment for a Segregated Transportation Fund could not have been done without County leadership. The future of the WTBA rises or falls with Wisconsin's commitment to its transportation system. If the only support for that transportation system is a self-interest group, it will become very difficult to generate public interest for the endeavor. The WTBA needs the WCHA as a customer and a partner in promoting transportation, which gives the WCHA an opportunity to advocate for its interests. The WTBA will, no doubt, continue to aggressively pursue its vision.

The WCHA needs to be able to defend its interests and reach common ground with the WTBA, where possible. Stakeholders that cannot be considered partners must still be engaged.

WISCONSIN DEPARTMENT OF TRANSPORTATION (WIDOT)

The Wisconsin Department of Transportation (WIDOT) is the agency that oversees the state transportation system. Counties have a long history of partnership with WIDOT and its predecessor the State Highway Commission. Counties were actually the entities that constructed the original state highway network. Counties have also been the sole source of maintenance service for the state highway system since it was created.

The Task Force assessment of the current WCHA / WIDOT relationship was one of deterioration from historic norms. The Task Force believes there is hope for improvement given the new leadership at WIDOT, but that recent trends have been negative. Overall, the Task Force believes the relationship can be rated as Fair to Poor at present. The following are a list of problems or barriers that need to be addressed for the Counties and WIDOT:

- The relationship depends heavily on WIDOT leadership, good or bad
- Increasingly counties are being treated as just a "contractor", not as a partner. WIDOT shows little interest in the sustainability of the county operations.
- Flat State Trunk Highway Maintenance funding is compromising service levels and forcing counties to subsidize state operations
- WIDOT acts like a "State Highway Department" rather than a "Department of Transportation. It seems like county and local transportation system are not a priority and self-interest is the focus
- WIDOT is not acting like an independent transportation advocate, but seems to be basing policy on political expediency
- WIDOT does not understand what counties do and seems uninterested in what they need to do it
- WIDOT continues to complicate, programs Counties participate in
- There is a disconnect between the regions and central office. Regional staff generally have a better understanding of County operations, but policy is being driven by central office
- A general feeling that WIDOT and the WCHA are no longer communicating

As stated previously, The WCHA is hopeful that changes can be made that will restore some semblance of the historic WIDOT / WCHA partnership. The WCHA needs to begin discussion with WIDOT leadership to explore how our relationship can be improved.

LOCAL GOVERNMENTS

Counties have a long tradition of working with other local government units. Wisconsin has long promoted intergovernmental cooperation. Counties provide a broad range of services to other local governments, especially in the area of transportation. Among the local government associations that the WCHA regular partners with are:

- Wisconsin Counties Association (WCA)
- Wisconsin Towns Association (WTA)
- League of Wisconsin Municipalities (LWM)

The Task Force believes that the relationships with all local government association are good, but it should be strengthened. Combined efforts and initiatives should be undertaken. The enrolled budget bill restricted Counties ability to work for municipalities, yet there has been little opposition or concern voiced by LWM over this constraint. It is difficult for the WCHA to make a case against this legislation, if those effected are mute or apparently don't care.

RECOMMENDATIONS FOR ADDRESSING POLITICAL CLIMATE

Public Perception

- The WCHA counties need to promote its operations to the public, especially emergency response and winter maintenance
- Spotlight cost-effective of County highway department services
- Spotlight intergovernmental cooperation and savings
- Explore current legislation's constraints on intergovernmental cooperation
- Use the media
- Stress a positive image and promote strengths
 - Cost-effectiveness
 - Commitment to public service
 - Emergency responsiveness
 - Intergovernmental cooperation
 - Taxpayer dollars saved
 - Value of services
 - Wise budgeting / wise decisionmaking
 - Improvement projects completed

County Government

The WCHA needs to enlist County Highway Committee Members in supporting its efforts. The County Highway Committee Members are a resource that can raise the priority of transportation issues to their own County Board, the WCA and beyond.

State Legislature

- The WCHA needs to repair damage that may have been done in the 2011 Budget process

- The WCHA needs to work hard to keep a place at the table and gain more recognition by the Legislature
- The WCHA needs to enlist County Board members in lobbying the Legislature to support County positions
- The WCHA needs to educate Legislators on what County Highway Departments do; why we're important; and what our problems are
- The WCHA needs to develop data that would counteract case histories or bad examples promoted by special interest groups
- The WCHA needs to collect data on how County operations "save taxpayer dollars"
- The WCHA needs to collect data on reduced work forces and budgets that have held the line
- Stress positives (see public perception)
- Promote local control
- Promote intergovernmental cooperation as prudent and cost-effective
- Give credit to Legislature for state funded or support county transportation projects

Stakeholders and Partners

WTBA

- The WCHA needs to gather data on private sector contracts let by Counties
- The WCHA needs to collect data on cost-effectiveness of County operations vs. private sector operations
- The WCHA needs to address previous concepts discussed with WTBA and the reasons for WCHA resistance to the recent budget proposal
- The WCHA needs to spotlight common interests and the need to work together
- The WCHA needs to collect data showing monopolistic tendencies within the industry
- Keep the door open for communication and agreement

WIDOT

- The WCHA leadership needs to meet with WIDOT leadership for direct discussion on how to improve relationship
- The WCHA needs to develop a list of recommendations for improving WIDOT programs and delivery of services
- The WCHA needs to ask WIDOT to take responsibility for maintenance services provided by Counties
- The WCHA needs to ask WIDOT to become an advocate for local road interests
- The WCHA needs to educate WIDOT leadership on what we do
- The WCHA needs to ask WIDOT to "decentralize" operational oversight
- The enrolled bill requires WIDOT to work with counties to assess their needs in the area of STH maintenance. The WCHA should make sure this is done.

Local Governments

- The WCHA needs to take advantage of the members they share with other units of government to unite our Associations

- The WCHA and individual counties needs to alert our local government to the services counties can provide and explore intergovernmental cooperation
- The WCHA and individual counties need to communicate better with local governments and rally their support for county positions

SUMMIT DISCUSSIONS

The WCHA, WTBA and several stakeholder groups met between 2009 and 2010 in an effort to develop proposals that would bridge the divide between public and private sectors. Some of the proposals contained in Motion 352 were similar to proposals developed in the Summit discussions. Given the considerable opposition to Motion 352 from members of the WCHA, the Task Force was asked should the WCHA pursue additional discussions with the private sector? The Task Force's opinion was that such discussions should be pursued and gave the following recommendations for the WCHA leadership to consider:

Local Force Account (LFA) - Private sector interests have pressed for elimination of LFA work by Counties with as offset in another program to keep the change fiscally neutral. The Task Force lists the following recommendations when considering this proposal:

- Increases to General Transportation Program for counties was the preferred offset program
- Preserve small LFA's (\$100k to \$150k) for continued use by counties
- State and Federal "transportation" projects administered by WIDOT (Surface Transportation Program, Rural, & Urban) shall be the only ones affected. Work funded by other state or federal agencies shall not be affected
- The loss of LFA work should be phased in over several years. Counties who have projects with an approved State Municipal Agreement (SMA) shall be allowed to complete their scheduled LFA.
- Full value of LFA to counties should be used to calculate offset. Full value goes beyond program dollars going to county, but also the support those dollars contributed to department operations

Local Road Improvement Program (LRIP) - As an offset for County operational changes, increases in County Highway Improvement Program (CHIP) funding was discussed. The Task Force has the following recommendations concerning CHIP and CHIP-D funding:

- Large increase to CHIP-D Program
- 80/20 cost share on CHIP-D projects
- Keep rules for CHIP the same including counties ability to perform work under a Cost Effectiveness Finding (CEF)
- Keep rules the same for Hot Mix Asphalt purchase projects
- Expand eligible projects and materials
- Drop proposed rewrite of LRIP administrative rules and keep the program simple

General Transportation Aids (GTA) - As an offset to changes to county operations and loss of LFA work, increase to GTA should be considered, as previously discussed. The following are Task Force recommendations concerning GTA changes:

- Raise "base" at a minimum to 2011 levels
- Guarantee counties a minimum share of cost return (return to historic percentage of 25 to 30%)
- Counties should be receiving a share of cost commensurate with their contribution to the highway system
- GTA should be a priority over State Trunk Highway Maintenance funding

State Trunk Highway (STH) Maintenance Funding - The private sector has indicated a desire to see County's focus on system preservation work (maintenance) including STH Maintenance. The Following are Task Force recommendations concerning STH maintenance:

- STH maintenance is not an offset program for other work, such as LFA's being done by counties. It is a state obligation to fund STH maintenance appropriately
- STH maintenance should be funded by the state at Level of Service model levels
- Any state budget proposal must have clear language funding Highway Department Routine Maintenance Agreements (RMA's)
- Consider trading Authority for Expenditure (AFE's) "improvement" projects for full funding of County RMA's. Counties should be allowed use of maintenance AFE's.
- The WIDOT needs to follow through on maintenance resource study contained in current budget bill
- WIDOT should promote consistency in maintenance support for all counties
- The State needs to indemnify counties for STH maintenance work or at least take more responsibility for level of service reductions

Maintenance Definition - The Task Force believes a good definition of what constitutes "maintenance" versus "improvement" is essential to ending controversy with respect to what should be public or private work on the State Highway System. The Task Force recommends the following:

- Use of AASHTO maintenance definitions with some consideration for small projects that could be considered improvements under the definition
- Allow small projects (\$25k-\$50k) to be completed by counties, even if they technically might be considered improvements
- Project dollar limitations would reflect county force account work only, not private work or materials included on the project
- There needs to be statewide consistency

General - The Task Force has several general recommendations as follows:

- The use of local dollars for local projects shall not be constrained in any way. Local decision making on the most cost-effective way to perform work on the local highway system must be protected
- Counties should be allowed to perform improvement work on County Trunk Highways within municipal boundaries without limitations
- Matching funds for state and federally funded county projects should be exempt from tax levy limitations
- There should be no restrictions on counties performing intergovernmental work and intergovernmental cooperation should be promoted, not constrained

- The WCHA should examine the possibility of trading federal aid program dollars (STP Urban and Rural) for a similar amount of state funding such as CHIP or GTA

OPERATIONAL PLANS

A factor leading to division and conflict within the WCHA has been the operational orientation of member counties. All Wisconsin counties do system preservation (maintenance). In addition to system preservation, many counties perform improvement work and provide services to local governments. County operational plans can range from predominantly maintenance to predominately improvement with most counties somewhere in between. All counties provide maintenance services to the state and many counties provide both maintenance and/or improvement services to local units of government.

The perceived impacts to county operational structure from Motion 352 and the concepts proposed in the Summit discussions have led to counties viewing themselves as winners or losers. Generally those counties with a primary maintenance orientation seeing the proposals as beneficial while those with a heavy improvement emphasis seeing them as detrimental.

ORIGINS OF OPERATIONAL PLANS

Generally, the determining factor on whether an operational plan has taken on a system preservation (maintenance) or improvement orientation is the tradition in an individual county. Operational plans generally change through evolution, gradually over time, rather than through revolution, abrupt changes in direction. The Task Force believes current trends are pushing highway departments away from an improvement orientation towards a system preservation orientation. This is due largely to budget limitations and political forces that favor private sector forces doing improvement work.

COST EFFECTIVENESS

The Task Force believes that cost-effectiveness can be defined simply as the delivery of the best quality services within the funding provided. While the private sector might consider cost-effectiveness as the most profitable method of delivering a service or product, government agencies strive to deliver the highest quality service within budget guidelines set by the governing authority. The level of service is defined by the funding available, as well as by the managers who develop the operational plan that delivers the services. The goal of the manager is to develop an operational plan that will maximize service. An operational plan for a government manager encompasses all services they have been directed to perform by their County. In the case of a Highway Department, this could include maintenance, improvements and intergovernmental work.

OPERATIONAL MODELS

The Task Force believes that there is no one operational model that can be created for Highway Departments. For the most part, individual counties have developed their own operational plan over decades. Generally, these plans serve the County interest and a County's plan may not work at all when superimposed over another County.

The Task Force believes that a number of models can be cost-effective. Neither, a maintenance predominant model or an improvement predominant model is inherently cost-effective, nor are they inherently ineffective.

The Task Force identified a number of factors that contributed to a predominant "maintenance" orientation as follows:

- Budget and funding issues that prevent County from making the investment in labor and equipment necessary to take on improvement projects
- Political philosophy at the local level that supports use of private sector for improvement work
- Small system counties that can't justify investment in labor and equipment necessary for improvement work
- High volume systems where maintenance and service levels provide more than ample work for year round work force
- Competitive private sector marketplace that provides improvement work at costs below what Counties could do in-house
- Lack of expertise to deliver improvement projects
- Lack of local government work support for equipment and labor needed
- Commissioners and County operational philosophy

All Counties are "maintenance" counties. System preservation is the basic service provided by all counties to the State and County system and in some cases to local governments. All counties labor and equipment resources are geared, at a minimum, to do system preservation. Current political and economic conditions are pushing Counties towards system preservation.

The Task Force identified a number of factors that contribute to a predominant "improvement" orientation as follows:

- Lack of private sector competition leading to single bids and pricing above County in-house costs (County is only competition in marketplace)
- History and tradition of Counties providing such services (Have always done improvement work)
- Demand for improvement services from public, local governments, state and other County governments
- Need to have improvement work in construction season to maintain work force needed for winter maintenance activities
- Sufficient local resources (budget) to support equipment and labor required
- Better control of budget and improvement costs (cost control)
- Political philosophy at local level that supports in-house improvement work including support for "local" employment
- Quality and accountability from County operations (bad experience with private contractors)
- Commissioner and County operational philosophy

While the above items are for a predominant improvement orientation, many counties perform improvements to one degree or another. While a county may not have an asphalt plant, they may purchase hot mix asphalt from the private sector and place it themselves. The degree to which a county provides improvement services is a reflection of what they have found to be cost-effective in their particular situation. The ability of a county to decide what is cost-effective is being challenged by political and economic forces which favor the private sector.

OPERATIONAL CHANGE

The Task Force believes that each County should formally review their operational plan at least every year as part of their budget process. Operational plans should not be static, but should be continuously refined and adapted. Given current political and economic conditions there will be internal and external pressures that will require change. Failure to anticipate change could result in an operational failure at a Department level.

The Task Force members are representative of the WCHA membership. As such they recognize that change can be difficult. Highway operations, by their nature, are generally run conservatively and change for change sake is not sought out. The Task Force identified a number of barriers to change including the following:

- Aversion to risk (change implies risk)
- Unwillingness to change at a number of levels (County Leadership, Highway Commissioners, and crew)
- Union restrictions that impede or defeat manager's ability to adjust operations
- Change is seen as a negative (comfort with the status quo)

INCORPORATION OF PRIVATE SECTOR

The Task Force members all agreed that private sector forces should be considered for inclusion into a County Highway Department's operational plan. How private sector forces are utilized is dependent on what is cost-effective for an individual County. Where private sector services are less expensive or more cost-effective they should be used.

The Task Force also recognized that there are a number of barriers to incorporating private sector forces into County Highway Department operations as follows:

- Private sector may cost more than in-house work
- Lack of private sector competition in areas that leads to single bids and non-competitive pricing
- Cost of contract development and contract administration adds significant costs not required for in-house projects
- If a County opts to use the private sector for improvements, the result could be a permanent loss of personnel and equipment. Once the labor and equipment is lost, there is little chance of reestablishing an in-house improvement operation.
- Private sector work can supplant County employees needed for winter maintenance
- Private sector is primarily interested in improvement work and cannot provide assistance in the area of maintenance

INTERGOVERNMENTAL COOPERATION

The Task Force members have seen more interest in intergovernmental cooperation and more demand for county services from local governments. Counties need to engage local governments and expand services offered to them. Services to local government could offset some of the losses counties are experiencing due to flat STH Funding and limitations on improvement funds

LOCAL FORCE ACCOUNT (LFA) WORK

All Task Force members believe the future availability of Local Force Account (LFA) work is questionable. With respect to the potential for LFA's continuing, opinions ranged from unknown, but not positive, to LFA's will soon cease to exist. There were no positive expectations for long term LFA usage.

There continues to be pressure from the private sector to curtail public sector usage of LFA's. Where federal dollars are being used, the private sector has pointed out that Federal Highway Administration Rules state a preference for private sector and that LFA work should be "rare". The political climate, which promotes private sector jobs is also a pressure point.

The WCHA has pursued a policy of trade-off of LFA dollars for GTA or LRIP dollars. There is some recognition, that at some point, legislation or agency rules could be used to end LFA's. This could occur without any trade-off.

A review of the use of LFA's (past 5 years) shows that a number of counties use the program on an almost annual basis, while a majority of the counties either use the program for small projects or do not use the program at all. For those counties who have continuously used the program, the LFA program has become a part of their annual budget. Eliminating the LFA program would have serious implications from an operational standpoint for those counties. The heaviest users of the LFA program are also generally "improvement" orientated operations. For those counties that do not use LFA's, or use them on small projects (less than \$100k), a trade for GTA or CHIP dollars would be seen as being very beneficial.

A five year (2007-2011) review of the LFA program by the Task Force Chair showed the following statistics:

- The top 10 user counties used 68.5% of the dollars available
- 46 counties participated in the program over the 5 years
- On average, 21 counties use the program per year
- 18 counties had only one project over the 5 year period
- A significant number of projects done by counties yielded under \$30k for non-excluded costs (total of 88 out of the 226 projects - 39%)
- A majority of projects yielded less than \$100k for the county doing the project (non-excluded costs). Out of 226 projects, 159 (70%) were under \$100k
- Based on a \$100k "project threshold, under Motion 352, 108 projects out of 226 (48%) would have been allowed

MAINTAINING OPERATIONAL FLEXIBILITY

The Task Force believes that there is no question that changes will have to be considered at the operational level. While Highway Department's may have gone decades without major operational changes in the past, the current environment for government services is dynamic. Highway managers will have to anticipate change and make rapid adjustments.

Current economic and political trends are moving counties toward system preservation. Economically, construction inflation and constrained government revenue are limiting system improvement. Reduced system improvement dollars increase the need for system preservation to lengthen the usable life of the existing system. Politically, unemployment and the economic downturn have led to advancing private sector interests. In transportation, private sector interest includes doing improvement work presently being done

by the public sector. Fortunately, system preservation work is not as important to the private sector given the public sector's long history of providing maintenance services and the difficulties associated with privatizing such work.

The emphasis on system preservation will have little impact on counties that are presently maintenance oriented. Counties that have a significant improvement orientation will face more challenges to their operations and can anticipate more change.

Many "improvement" oriented counties view changing their operation to a more "maintenance" orientation as being destructive. Yet, there are many stable, functioning counties utilizing a maintenance orientation.

In order to meet this challenge, the WCHA must work to maintain as much flexibility as possible in the operational options for counties. Failure to stay engaged in to legislative process could open the door to imposition of operational changes by misguided decisionmakers. The recent imposition of bans on intergovernmental cooperation at the County level are examples of what can happen if Counties lose an opportunity for input or are unable to counter questionable initiatives.

GENERAL RECOMMENDATIONS

The following are some general recommendations the Task Force believes the WCHA should consider:

IMMEDIATE ACTION

- Convene a statewide Commissioner's Meeting to review the Task Force report and recommendations
- Develop a plan for Legislative correction of several provisions contained in the 2011 Budget Bill including:
 - Removal of ban on County's cooperating on improvement work
 - Removal of ban on County's performing work on municipal projects (population greater than 5,000)
 - Change language in Prevailing Wage from \$100,000 for Counties to the standard thresholds
- WCHA Board of Directors and Executive Committee adoption of Task Force Consensus Building Agreement
- Meet with WIDOT leadership in effort to forge new partnership
- Begin outreach to Legislators

SHORT TERM AND LONG TERM ACTION

- Establish list of duties and responsibilities for Board of Directors and Executive Committee members consistent with Task Force Consensus Building Agreement
- Establish mechanism for effective communication with membership
- Establish a WCHA platform and written position statements
- Establish rules for BOD action and procedures including the following:
 - Process for approving WCHA positions

- Process for press release and media contacts
 - Process for establishing agendas and action items
 - Rules for confidentiality
 - Rules of conduct for officers and board members
 - Quick response plan to Legislative or Regulatory action
- Gather data on county operations that can be used to demonstrate County cost-effectiveness, responsiveness and changes made to accommodate current funding limitations.
 - Create educational campaign for Legislators, Public and Stakeholders concerning what County Highway Departments do stressing positive images, including:
 - Cost-Effectiveness
 - Emergency Response / Winter Maintenance
 - Intergovernmental Cooperation
 - Public Service
 - Savings to Taxpayers
 - WCHA Legislative Committee and WCA Public Works and Transportation Steering Committee to develop closer ties
 - Study LFA issues and develop a proposal for phasing them out with a neutral or positive fiscal impact on Counties statewide
 - Establish platform as basis for discussions with "non-partner" stakeholders
 - Establish dialogues with WTBA and other "non-partner" stakeholders (reestablish Summit Discussions)
 - Develop plan for involving local government Associations in WCHA efforts
 - WCHA should contact Wisconsin County Executive and Administrators Association to discuss Task Force Report
 - WCHA should examine makeup of Executive Committee and length of terms for Officers

PLATFORM RECOMMENDATIONS

It is important for the WCHA to have a written platform that can be periodically updated and edited. A platform performs several functions including:

- Alerting membership to core WCHA positions in advance of legislative action
- Setting parameters for leadership to operate under
- Communicating County positions to stakeholders and public

The following items that the Task Force would suggest for inclusion in a WCHA 2012 platform

- **LOCAL CONTROL** - The WCHA believes that individual County governments should be the primary decisionmaker at the County level. Counties and local governments being closest to those they represent understand the needs of their communities and as such should be empowered to develop public service models that best serve the public interest.

POSITION - Preserve and protect local governmental control

- **OPERATION PLANS** - Counties have been improving and maintaining major portions of Wisconsin public highway system for 100 years. Over that time the Counties have developed cost-effective operational plan for serving the public interest. The WCHA opposes unwarranted constraints to individual Counties operational plans by state or federal governments.

POSITION - Preserve and protect operational flexibility

- **INTERGOVERNMENTAL COOPERATION** - Wisconsin has always promoted intergovernmental cooperation. Such cooperation has always been seen as a cost-effective way of delivery services without duplication of effort. The WCHA supports the empowering of intergovernmental cooperation and opposes any effort to constrain it.

POSITION - Promote intergovernmental cooperation

- **USER FEES** - County governments have over 19,000 miles of collector highways, a system functioning at a level just below the State Trunk Highway System. The WCHA believes that user fees in the form of General Transportation Aids need to be increased to Counties, commensurate with Counties contribution to Wisconsin's highway network.

POSITION - Insure an equitable share of user fees for Counties

- **LOCAL ROAD IMPROVEMENT PROGRAM** - The WCHA supports increases to the County Highway Improvement Program. Also, simplification of the program including the development of Administrative Rules that empower counties to make good improvement decisions at the county level

POSITION - Support a simple and effective Local Road Improvement Program

- **STATE TRUCK HIGHWAY MAINTENANCE** - The WCHA recognizes that current State Highway Maintenance funding levels are totally inadequate for the delivery of service levels stipulated in the WIDOT Maintenance policy. The WCHA supports increases in STH funding levels consistent with the WIDOT's own Level of Service guidelines.

The WCHA opposes any direct or indirect subsidies from Counties to WIDOT to support STH maintenance operations

The WCHA supports working with WIDOT to establish maintenance operational plans for individual counties that insure WIDOT's full compensation for services being provided

POSITION - Support full funding for State Trunk Highway maintenance

- **COST EFFECTIVENESS** - The WCHA supports individual Counties ability to use County funds (including GTA) in the most cost-effective way possible without constraint.

POSITION - Preserve and protect local government's ability to spend local funds in the most cost-effective way

- **LOCAL FORCE ACCOUNT WORK** - The WCHA believes State and Federal authorities have the right to set parameters for those funds they provide County Governments. However, loss of Local Force Account work by Counties must be offset by providing increased share of user fees or increased maintenance funding.

POSITION - Reductions or changes to Local Force Account Work should be offset by increased funding

- **LIABILITY** - Counties are subject to liability exposure while performing State Trunk Highway Maintenance. Present STH Levels of Services are below those established by the Wisconsin Department of Transportation. Yet, the State of Wisconsin has failed to take action to indemnify Counties

POSITION - Indemnify Counties from liability for State Trunk Highway Maintenance