



**COUNTY BOARD STAFF/FINANCE COMMITTEES**  
**Minutes – June 30, 2020**

**Call to Order.** Chair Purviance called the joint meeting of the County Board Staff Committee and Finance Committee to order at 6:02 P.M. via telephone conference.

**Committee Members Present via Phone:** County Board Staff Committee - Supervisors Purviance, Rich Bostwick, Brien, Podzilni, Sweeney, Leavy, Yeomans, Zajac at 6:05 P.M and Peer at 6:10 P.M. Finance Committee – Supervisors Aegerter, Purviance, Mawhinney and Davis.

**Committee Members Absent:** Finance Committee – Supervisor Fox.

**Staff Members Present via Phone:** Josh Smith, County Administrator; Randy Terronez, Assistant to County Administrator; Annette Mikula, Human Resources Director; Sherry Oja, Finance Director; Terri Carlson, Risk Manager; Bridget Laurent, Deputy Corporation Counsel.

**Others Present:** Supervisors Wilde, Lokrantz, Beaver and Potter.

**Approval of Agenda.** Supervisor Rich Bostwick moved approval of the agenda, second by Supervisor Podzilni. ADOPTED.

**Public Comment.** None.

**General Review of County’s Financial Position as it Relates to the 2021 Budget.** Ms. Oja went over a PowerPoint presentation with the committees (attached). She is comparing 2020/2021 to the possible recession year of 2009. If delinquent taxes reached that mark of 2009, the County would still be fine financially. Forward Analytics is projecting a 14% loss for sales tax in 2020. We have put some projects on hold, just in case, to cover this projected loss. She reminded the committees that the Fund Balance is for emergencies such as COVID.

Mr. Smith went over a PowerPoint presentation with the committees (attached).

Supervisors Purviance and Yeomans thanked Ms. Oja and Mr. Smith for their presentations.

**Next Meetings.** Tuesday, July 7, 2020 6:00 P.M. Zoom (Human Services)  
Tuesday, July 14, 2020 6:00 P.M. Zoom (Airport)  
Tuesday, July 21, 2020 6:00 P.M. Zoom (Public Works)  
Tuesday, July 28, 2020 6:00 P.M. Zoom (Sheriff's Office)

**Adjournment.** Supervisor Peer moved adjournment at 6:58 P.M., second by Supervisor Potter. ADOPTED.

Respectfully submitted,

Tracey VanZandt,  
Secretary

**NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.**

**ROCK COUNTY  
DELINQUENT TAX BALANCES  
BUDGET YEARS 2009 - 2019**

**Balances at December 31**

<b>Levy Year</b>	due in	<b>Budget Year</b>	<b>Amount</b>
2008		2009	6,723,394
<b>2009</b>		<b>2010</b>	<b>6,856,091</b>
2010		2011	6,849,376
2011		2012	5,683,105
2012		2013	5,257,798
2013		2014	4,799,542
2014		2015	4,251,229
2015		2016	4,059,268
2016		2017	4,100,293
2017		2018	3,978,070
2018		2019	3,945,550

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**INTEREST & PENALTY COLLECTED  
ON DELINQUENT TAXES  
BUDGET YEARS 2009 - 2019**

<b>Year</b>	<b>Amount</b>
2009	1,758,094
2010	2,175,780
2011	2,048,582
2012	2,171,567
2013	1,827,454
2014	1,658,286
2015	1,535,066
2016	1,382,881
2017	1,288,423
2018	1,317,114
2019	1,411,055

### Interest Earned on Investments

<u>Year</u>	<u>Amount</u>
2007	\$ 3,519,106
2008	\$ 2,651,080
2009	\$ 1,339,719
2010	\$ 683,230
2011	\$ 567,748
2012	\$ 404,772
2013	\$ 21,439
2014	\$ 429,105
2015	\$ 324,700
2016	\$ 476,821
2017	\$ 693,742
2018	\$ 1,251,901
2019	\$ 2,327,851
2020	\$ 1,421,569 Through May

2020 Budget = \$2,233,830

## Rock County Sales Tax Receipts

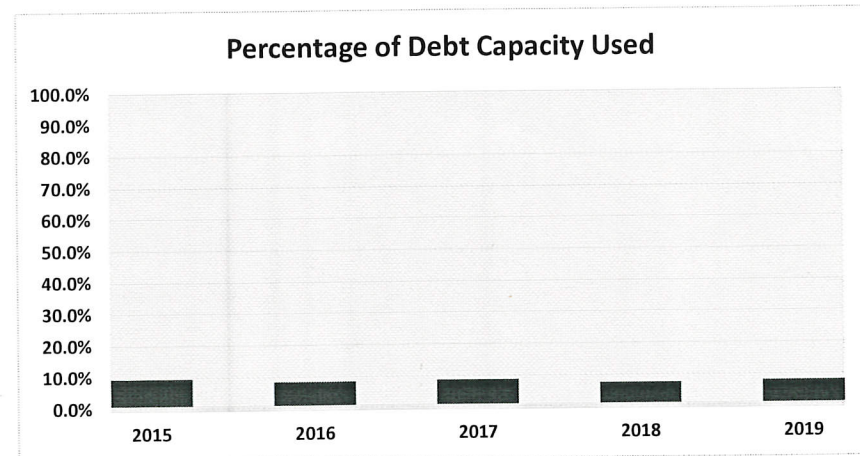
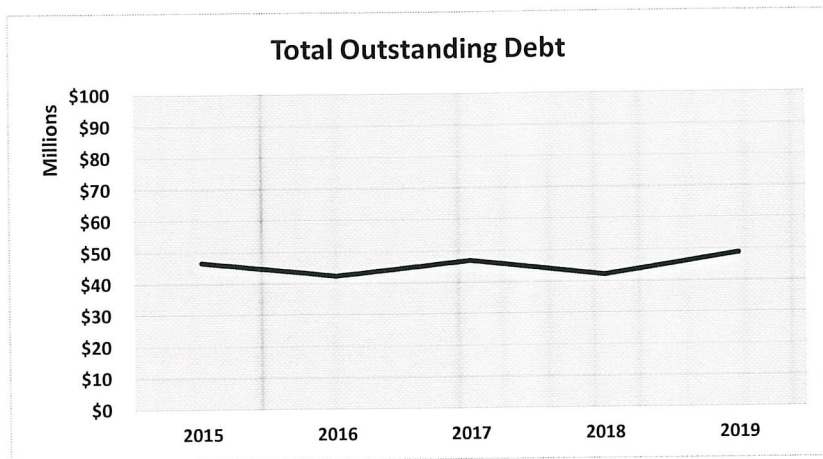
<b>Month Received</b>	<b>Recorded FY 2019</b>	<b>Recorded FY 2020</b>	<b>\$ Inc/Dec Month to Month</b>	<b>% Inc/Dec Month to Month</b>
March	1,093,250.26	1,147,436.75	54,186.49	4.96%
April	987,862.27	1,308,812.97	320,950.70	32.49%
May	1,212,335.78	1,150,543.00	(61,792.78)	-5.10%
June	1,161,156.09	1,127,061.85	(34,094.24)	-2.94%
July	1,323,082.91			
August	1,612,860.42			
September	964,339.72			
October	1,499,198.00			
November	1,394,991.98			
December	1,021,080.96			
January, 2021	1,473,138.72			
February, 2021	1,271,985.61			
<b>Total</b>	<b>15,015,282.72</b>	<b>4,733,854.57</b>	<b>279,250.17</b>	

### Prior Year Collections

<b>2008</b>	<b>10,505,176.54</b>	
<b>2009</b>	<b>9,837,711.12</b>	6.3% decrease from 2008
<b>2010</b>	<b>9,647,349.86</b>	1.9% decrease from 2009 and 8.2% decrease from 2008
<b>2011</b>	<b>10,056,749.34</b>	
<b>2012</b>	<b>10,509,123.65</b>	
<b>2013</b>	<b>11,832,270.62</b>	
<b>2014</b>	<b>11,847,461.24</b>	
<b>2015</b>	<b>12,450,696.43</b>	
<b>2016</b>	<b>13,355,986.64</b>	
<b>2017</b>	<b>13,900,628.85</b>	
<b>2018</b>	<b>14,542,163.29</b>	

## OUTSTANDING DEBT

	2015	2016	2017	2018	2019
Total Outstanding Debt	\$46,630,000	\$42,370,000	\$46,915,000	\$42,130,000	\$48,730,000
Equalized Value (with TIDS)	9,926,025,100	10,279,524,500	10,907,782,900	11,530,222,000	12,364,512,600
Legal Debt Capacity (5% of Equalized Value)	496,301,255	513,976,225	545,389,145	576,511,100	618,225,630
Unused Debt Capacity in Dollars	449,671,255	471,606,225	498,474,145	534,381,100	569,495,630
Percentage of Debt Limit Used	9.4%	8.2%	8.6%	7.3%	7.9%
Population	161,188	161,448	159,372	162,309	160,444
Debt Per Capita	\$289	\$262	\$294	\$260	\$304



### Debt Service Schedule as of December 31, 2019

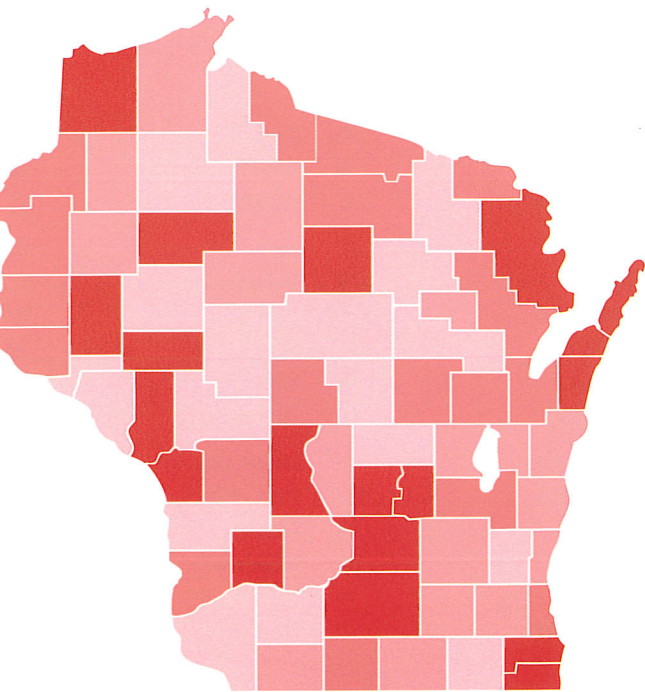
Year	Principal	Interest	Total
2019	5,055,000	1,222,403	6,277,403
2020	5,205,000	1,078,378	6,283,378
2021	5,330,000	942,278	6,272,278
2022	5,450,000	844,320	6,294,320
2023	5,600,000	682,120	6,282,120
2024	4,900,000	499,720	5,399,720
2025	4,930,000	339,720	5,269,720
2026	4,300,000	179,120	4,479,120
2027	1,360,000	29,920	1,389,920
<b>Total</b>	<b>42,130,000</b>	<b>5,817,978</b>	<b>47,947,978</b>

# County Debt

Counties usually borrow to pay for long-term capital projects, such as major highway construction, new or expanded jails, and other buildings. Debt typically is repaid over 20 years. General obligation debt is backed by the credit and taxing authority of the county.

On average, counties in 2017 owed \$413 per capita in general obligation debt, which is backed by the county's pledge to use available resources, including property taxes, to repay the debt.

**General Obligation Debt Per Capita, 2017**  
Counties by Quartile, Low to High Amount



Debt: Low to High



1st Quartile To \$167    2nd Quartile \$168-349    3rd Quartile \$350-590    Top Quartile \$591 & over

Source: Wisconsin Department of Revenue, CMRE

## General Obligation Debt Per Capita, 2017

County	G.O. Debt	County	G.O. Debt
Adams	\$348	Marathon	\$70
Ashland	34	Marinette	672
Barron	261	Marquette	844
Bayfield	257	Menominee	300
Brown	453	Milwaukee	580
Buffalo	123	Monroe	481
Burnett	458	Oconto	590
Calumet	294	Oneida	414
Chippewa	88	Outagamie	351
Clark	85	Ozaukee	307
Columbia	1,015	Pepin	97
Crawford	374	Pierce	564
Dane	676	Polk	389
Dodge	340	Portage	129
Door	624	Price	229
Douglas	615	Racine	716
Dunn	796	Richland	1,469
Eau Claire	807	<b>Rock</b>	<b>294</b>
Florence	464	Rusk	779
Fond du Lac	528	St. Croix	428
Forest	67	Sauk	267
Grant	76	Sawyer	80
Green	586	Shawano	47
Green Lake	785	Sheboygan	321
Iowa	78	Taylor	185
Iron	491	Trempealeau	1,014
Jackson	167	Vernon	157
Jefferson	177	Vilas	465
Juneau	753	Walworth	35
Kenosha	740	Washburn	181
Kewaunee	634	Washington	61
La Crosse	764	Waukesha	189
Lafayette	289	Waupaca	464
Langlade	31	Waushara	128
Lincoln	595	Winnebago	197
Manitowoc	315	Wood	359

### Statewide Measures

Average \$413    Median \$349

Fitch	S&P	Moody's	Rating grade description (Moody's)	
AAA	AAA	Aaa	Investment grade	Minimal credit risk
AA+	AA+	Aa1		Very low credit risk
AA	AA	Aa2		
AA-	AA-	Aa3		
A+	A+	A1		Low credit risk
A	A	A2		
A-	A-	A3		
BBB+	BBB+	Baa1		Moderate credit risk
BBB	BBB	Baa2		
BBB-	BBB-	Baa3		
BB+	BB+	Ba1	Speculative grade	Substantial credit risk
BB	BB	Ba2		High credit risk
BB-	BB-	Ba3		
B+	B+	B1		
B	B	B2		
B-	B-	B3		
CCC+	CCC+	Caa1		In or near default, with possibility of recovery
CCC	CCC	Caa2		
CCC-	CCC-	Caa3		
CC	CC	Ca	In default, with little chance of recovery	
C	C			
DDD	SD	C		
DD	D			
D				



## 2020 COVID-19 Revenue and Expenditures

### COVID-19 Funding

Public Health Dept	\$1,766,866
Sheriff	\$58,008
Rock Haven	\$370,000
Council on Aging	\$425,537
Route to Recovery	\$2,608,425
FEMA	TBD

### COVID Reimbursable Expenditures

Isolation Shelter  
PPE  
ME Trailers  
IT (licenses/equip to go mobile)  
Cleaning and Sanitizing  
Plexiglas dividers  
Hazard pay  
Overtime due to COVID related activities  
Emergency Quarantine  
Contact tracing  
Home Delivered Meals  
COA Supportive Services  
COA Caregiver Support  
Setting up second 911 worksite

We have about \$1.2 million expenditures to date of purchases labeled as COVID related this does not include any personnel related expenditures.

County Board Staff Committee  
Finance Committee  
2021 Pre-Budget Overview

June 30, 2020

Revenue

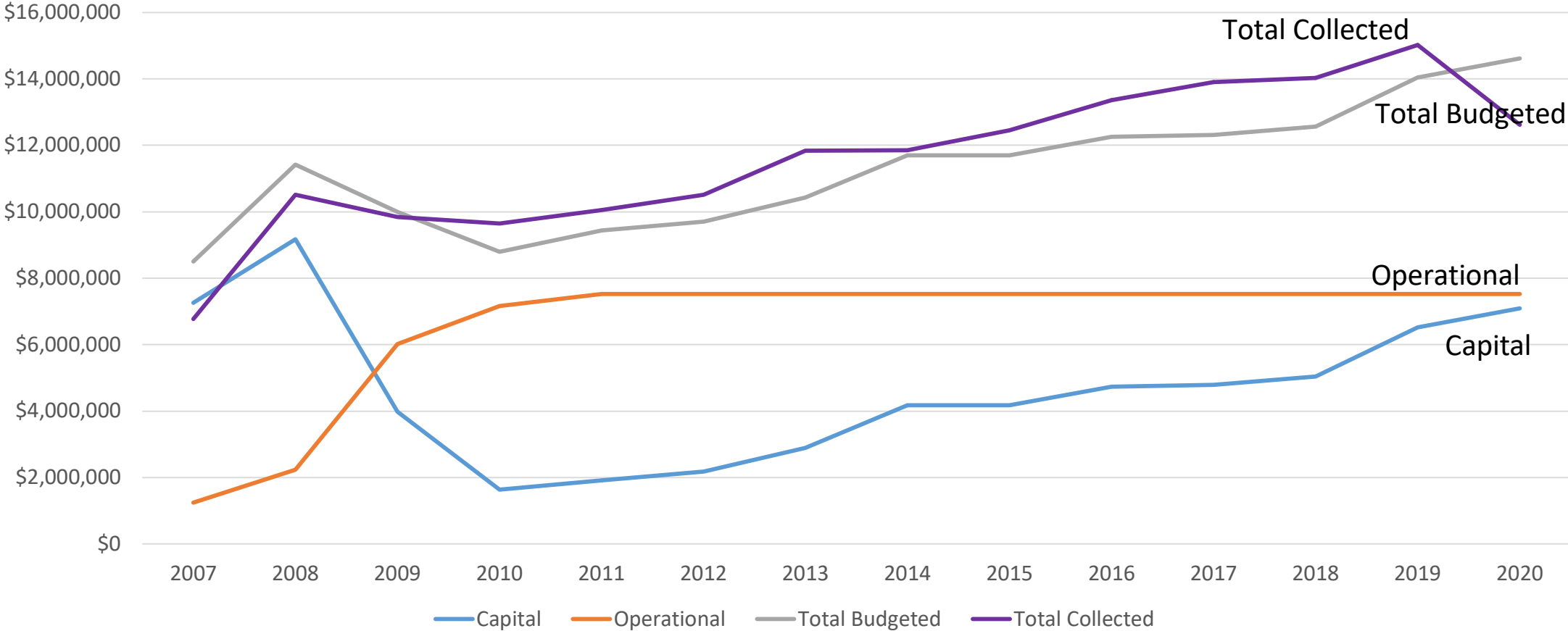
# Tax Levy Limits

- 2020 = 1.6% increase in levy for operations, or \$1,299,312
- 2021 = ?
  - Housing market has continued to be active thus far in 2020.
  - Less certain is new construction activity.
  - Have told department heads to plan for the possibility of a 0% increase in levy limits/taxes

# Sales Tax Collections

- 2020 collections
  - Already reduced expected revenue by \$2 million
  - Suspended several 2020 capital projects
- 2021 anticipated = Less than the \$14.6 million budgeted in 2020
- Anticipate same \$7,522,973 for operational costs (since 2011)
- Excess Sales Tax Balance = \$45,000
  - Reduced due to using funds for COVID-19 Small Business Loan Fund

# Sales Tax Collection and Appropriation, 2007-2020



# Other Revenue

- Alliant Energy Riverside Plant
  - \$1.2 million revenue increase in 2021
  - Original intent was to use to address high-priority County-wide issues
    - Addressing negative health outcomes
    - Mitigating groundwater contamination
    - EBDM—risk assessment for individuals in the justice system
    - Updating public safety communications (911 Communications Center)
    - Responding to the opioid epidemic
    - Priority special projects and positions
  - Economic and budget uncertainty may lead to being subsumed into the base operational budget

# Future Revenue?

- Beloit Ho-Chunk Casino
  - Approved by federal government
  - Waiting on Governor's decision
  - County would receive 0.6% of net profit
  - Rockford casino plans could affect revenue



Operational Expenditures

# Wages

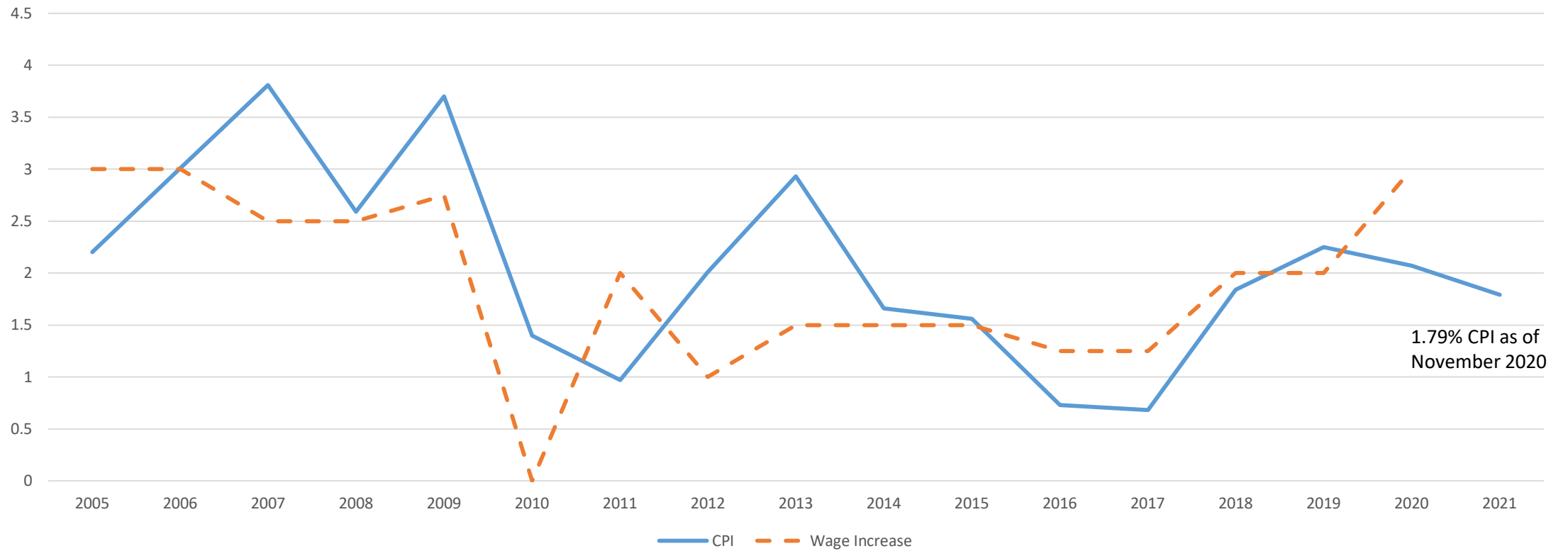
- Challenges
  - to keep wage increases at a rate *at least* equal to inflation over time
  - to remain competitive when wage increases are less than inflation
  - to maintain internal and external pay equity
- 1.0% increase in wages = about \$1.0 million
  - Vacancy factors reduce this figure
- 2021 Wages Already Determined as Follows:
  - 2.5% increase for Correctional Officers
  - 2.0% increase for elected officials (i.e. Constitutional Officers)

# Wages

- Employee engagement survey
  - 4 years of data
  - “I am compensated fairly compared to the local market” ranks lowest among 28 questions (average 2.77 on a 5.0 scale)
    - Note that this was before the 3.0% wage increase in 2020
  - “I am satisfied with my overall compensation” (average 2.93)

# Wages

## Rock County Wage Increases vs. Consumer Price Index (CPI)



# Health Insurance

- 2020

- Estimated health insurance cost = \$20.37 million
  - Does not include run-out for old self-insured program
- Budgeted health insurance cost = \$24.69 million
  - Includes revenues to cover run-out for old self-insured program

- 2021

- Estimated health insurance cost (2.0% increase) = \$20.78 million
- **Potential** budgeted health insurance cost (6.0% increase) = \$21.60 million

# 2021 Priorities and Unknowns

- Ongoing costs of COVID-19 response
- Effect of COVID-19 on Human Services programs
  - child welfare, mental health, addictions, economic support, adult protective services
- Addressing health disparities and overall population health
- Addressing racial disparities, improving inclusivity
- Pre-trial and diversion programming for low-risk offenders (EBDM)
- IT operational and equipment upgrades (infrastructure, cybersecurity)
- Continued assessment of Rock Haven operations
- Targeted wage adjustments to maintain competitiveness and equity

# Capital Expenditures

# 2020 Suspended Capital Projects

<b>Projects Suspended</b>		<b>Project Total</b>	<b>Sales Tax Total</b>	<b>Amount Spent</b>	<b>Unspent Amount</b>
Facilities - Courthouse	District Attorney - Renovate Office Space	1,075,000	1,075,000	101,914	973,086
Airport	Broom Truck (Add'l \$)	3,000	3,000	0	3,000
Public Works - Parks	Sweet-Allyn Playground	50,000	50,000	0	50,000
Public Works - Highway	CTH F(Stone Farm-N. Main Indianford)	853,000	853,000	0	750,000
Public Works - Highway	CTH O (Janesville-USH 14)	120,000	120,000	0	120,000
<b>Total</b>		<b>2,101,000</b>	<b>2,101,000</b>	<b>101,914</b>	<b>1,896,086</b>



# Other 2020 Capital Improvement Plan Projects

- Facilities Management = \$15.3 million
- Airport = \$1.3 million
- Sheriff's Office = \$1.2 million
- Information Technology = \$524,000
- 911 Communications Center = \$284,000
- Council on Aging = \$70,000

# Public Works Projects

- Capital Improvement Plan (CIP) projects identified for 2020 consideration
  - Highway construction projects = \$8.0 million
  - Public Works equipment = \$3.1 million
  - Park projects = \$155,000

Questions?