



COUNTY BOARD STAFF/FINANCE COMMITTEES
Minutes – June 18, 2018

Call to Order. County Board Staff Committee Chair Podzilni called the joint meeting of the County Board Staff Committee and Finance Committee to order at 8:01 A.M. in the Conference Room at the Southern Wisconsin Regional Airport.

Committee Members Present: County Board Staff Committee - Supervisors Podzilni, Bussie, Sweeney, Thomas, Mawhinney, Bostwick, Brill, Yeomans and Peer. Finance Committee – Supervisors Beaver, Fox, Mawhinney, Yeomans and Podzilni.

Committee Members Absent: None.

Staff Members Present: Josh Smith, County Administrator; Randy Terronez and Nick Osborne, Assistants to the County Administrator; Duane Jorgenson, Public Works Director; and Gregory Cullen, Interim Airport Manager.

Others Present: Supervisor Terry Fell.

Approval of Agenda. Supervisor Bostwick moved approval of the agenda, second by Supervisor Sweeney. ADOPTED.

Citizen Participation, Communications and Announcements. Supervisor Bussie announced that today is Mr. Jorgenson’s birthday.

Approval of Minutes – June 11, 2018. Supervisor Peer moved approval of the minutes of June 11, 2018 as presented, second by Supervisor Thomas. ADOPTED.

Review and Discussion of Preliminary 2019 Budget Projections and Program Information-Public Works Department. Mr. Jorgenson provided three PowerPoint handouts to the committees.

Parks.

Mr. Jorgenson said the Parks Division consists of five full time and two seasonal employees. The budget areas for the Parks Division are: Administration, consisting of administrative salaries and costs; Operating and Maintenance consisting of operation and maintenance for 17 parks, 2 wildlife areas and 3 trail ways, and includes field wages; Capital Projects include new or replacement park facilities and land acquisition.

Mr. Jorgenson said there have been 14,109 park and shelter reservation users year-to-date. This is the only tangible data available.

Mr. Jorgenson said the boat launch fee comparison is as follows:

2012	\$17,922
2013	\$17,966
2014	\$19,654
2015	\$21,004
2016	\$21,354

2017	\$25,288
2018	\$10,216 (year to date)

Mr. Jorgenson said boat launch fees have declined in 2018 and it is mostly due to the fact that Anchor Inn has put in a boat launch which is taking away from the nearby County boat launch.

Mr. Jorgenson said the Parks budget is as follows: Revenues for 2018 budget is \$49,940, and 2018 year end projection of \$53,030, with the 2019 request of \$45,680; Expenses for 2018 budget are \$592,853, and 2018 year end projection of \$530,213, with the 2019 request of \$604,710; the Tax Levy for 2018 budget is \$542,913, and 2018 year end projection of \$477,183, with the 2019 request of \$559,030. 2019 Levy difference of \$16,117

Mr. Jorgenson said the Parks Division 2018 – 2019 comparison is as follows:

	<u>2018</u>	<u>2019</u>	<u>Difference</u>
Salaries	\$418,437	\$426,806	\$ 8,369
Operations & Maintenance	\$236,016	\$250,824	\$14,808
Grants	<u>(\$ 61,600)</u>	<u>(\$ 72,920)</u>	<u>(\$11,320)</u>
Total Expenses	\$592,853	\$604,710	\$11,857

Mr. Jorgenson said the 2019 Proposed Capital Projects include: Gibbs Lake Pier at \$50,000; Gibbs Lake Horse Lot Bathroom at \$50,000; and South Smith Road Bridge relocation at \$100,000 for a total cost of \$200,000.

Mr. Jorgenson said the Parks Division's 2018 tax levy was \$542,913. The requested 2019 budget levy is \$559,030 or an increase of \$16,117 (2.88%). This increase is a result of revenues expecting to decrease from \$49,940 to \$45,680 and increasing expenses by 2% to match an estimated inflation factor.

Mr. Jorgenson said the tax levy impact is dependent on winter maintenance needs. Options to maintain the 2018 levy amount are: 1) Enhance marketing efforts which include additional efforts to generate interest (website exposure) and potential acceptance of credit cards/online reservations; unknown financial impact. 2) Reduce service by reducing maintenance efforts requiring rental of equipment; approximate \$6,500 reduction. 3) Increase fees (increase park reservation fees by \$5-\$10 each; approximate \$700-\$1,500 in additional revenue and/or increase boat launch fees by \$2-\$3 each; approximate \$5,000-\$8,000 in additional revenue)

Mr. Jorgenson said some of the 2018 Capital Projects were: Peace trail construction, Happy Hollow Restroom, Gibbs Lake Controlled burn, Gibbs Lake boat launch construction and installation.

Mr. Jorgenson said he wished to thank the following Rock County parks friends and volunteer groups: Friends of Rock County Parks; Friends of Beckman Mill; Friends of Carver Roehl Park; Pelishek-Tiffany Nature Trail Foundation; Friends of Turtle Creek; Friends of Welty Environmental Center; Rock County Alliance of Snowmobile Clubs; Ice Age Trail – Rock County Chapter; Rock County Conservationists; Rock County Multi-Use Trail Group; Rock River Coalition; the Prairie Enthusiasts; Rock River Trail Initiative; and Rock Trail Coalition. Nature based and volunteer programs continue to be a vital part of our Park system. Mr. Jorgenson said these volunteer groups put in an average of 10,000 hours per year. Some items the volunteer groups provide are: special events, programs, ecological restoration, trail building and maintenance, board meetings, annual workdays and general park maintenance. What does this mean in dollars? State rate \$12.00 per hour x 10,000 = \$120,000 or County billing rate \$35.00 per hour x 10,000 = \$350,000. The Public Works Department is very grateful for these volunteer groups.

Supervisor Sweeney asked if we charge equestrian trail fees. Mr. Smith said we do not collect equestrian fees at this time. It has been explored in the past. Supervisor Sweeney suggested at least a donation box be placed near Gibbs Lake equestrian trail.

Supervisor Bostwick left at 8:54 A.M.

Highway.

Mr. Jorgenson went over the organizational chart for the Highway Division which consists of 80 plus employees and said the Highway division operations consist of the state trunk highway system, county trunk highway system and town roads. The responsibilities consist of winter maintenance, reconstruction projects, bridge repairs, paving (overlays and patching), sealcoating, crack filling, shouldering, signing, ditching work, section routes, guardrail repairs, snow fence, mowing, culvert work, brushing, curb and gutter cleaning and accident recovery.

Mr. Jorgenson reviewed three graphs with the committee: County Construction Trends, County Construction-Cost per mile and Municipality Revenues.

Mr. Jorgenson said the Administrative Summary is:

<u>Administrative Revenues</u>	<u>2018</u>	<u>2019</u>	<u>Difference</u>	
Records & Reports	\$156,818	\$159,954	\$ 3,136	
Other State Routine	\$209,601	\$213,793	\$ 4,192	
Other Non-State Routine	\$ 13,055	\$ 13,316	\$ 261	
Supplemental/Carryover	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	
Revenue Subtotal	\$379,473	\$387,062	\$ 7,589	2.0%
<u>Administrative Expenses</u>	<u>2018</u>	<u>2019</u>	<u>Difference</u>	
Routine Administrative	\$848,249	\$875,067	\$26,817	
Drug & Alcohol Compliance	\$ 7,700	\$ 7,700	0	
Supervision	\$359,550	\$366,741	\$ 7,191	
Radio Maintenance	<u>\$ 71,900</u>	<u>\$ 73,338</u>	\$ 1,438	
Expenses Subtotal	<u>\$1,287,399</u>	<u>\$1,322,846</u>	<u>\$35,446</u>	2.75%
Net Admin. Levy Cost	\$ 907,927	\$ 935,784	\$27,857	3.07%

Mr. Jorgenson went over the County Maintenance and Construction Summary.

<u>Revenues</u>	<u>2018</u>	<u>2019</u>	<u>Difference</u>	
State Transportation Aids	\$2,339,524	\$2,386,314	\$ 46,790	
State Construction Aid	\$ 5,000	\$ 321,899	\$ 316,899	
Town Winter Maint. Chgs	\$ 540,000	\$ 540,000	\$ 0	
Other Revenues	\$ 5,030	\$ 5,130	\$ 100	
County Sales Tax	\$1,578,200	\$1,194,289	\$ -383,911	
Prior Years Sales Tax	\$ 0	\$ 0	\$ 0	
Long-Term Debt Proceeds	<u>\$3,000,000</u>	<u>\$4,991,711</u>	<u>\$1,991,711</u>	
Revenue Subtotal	\$7,467,754	\$9,439,344	\$1,971,590	26.40%
<u>Expenses</u>	<u>2018</u>	<u>2019</u>	<u>Difference</u>	
Routine	\$1,778,440	\$1,814,009	\$ 35,569	
Winter	\$2,376,566	\$2,424,097	\$ 47,531	
Crack Sealing	\$ 190,000	\$ 150,000	\$- 40,000	
Bridge Maintenance	\$ 93,848	\$ 134,064	\$ 40,216	
Seal Coating	\$ 140,000	\$ 160,000	\$ 20,000	
Grader Patching	\$ 164,950	\$ 100,000	\$ - 64,950	
Shouldering	\$ 100,000	\$ 102,000	\$ 2,000	

Blacktopping	\$3,097,000	\$5,153,000	\$2,056,000	
Equipment Storage	\$ 254,197	\$ 259,281	\$ 5,084	
Expenses Subtotal	<u>\$8,195,001</u>	<u>\$10,296,451</u>	<u>\$2,101,450</u>	25.64%
Net Admin. Levy Cost	\$ 727,247	\$ 857,107	\$ 129,860	17.86%

Mr. Jorgenson said the Highway Levy Cost (by Activity) are:

<u>Activity</u>	<u>2018</u>	<u>2019</u>	<u>Difference</u>	
Administration	\$ 901,927	\$ 935,784	\$ 33,857	
Maintenance & Construction	\$ 8,195,001	\$10,296,451	\$2,101,450	
Federal Aid	\$ 1,475,720	\$ 1,161,400	\$ - 314,320	
Other Funding Sources	(\$ 8,625,152)	(\$10,315,035)	(\$1,689,883)	
Cost Pools	<u>\$ 1,204,109</u>	<u>\$ 1,302,020</u>	<u>\$ 97,912</u>	
Highway Total Regular Levy	\$ 3,151,604	\$ 3,380,620	\$ 229,016	7.27%
Limited Levy Item – Bridge Aid	\$ 306,200	\$ 394,100	\$ 87,900	

Excluding Bridge Aid

2018 Base (w/o Bridge Aid)	\$3,151,604
Target of 0% Increase	\$3,151,604
2018 Highway Levy Request	<u>\$3,380,620</u>
Difference	\$ 229,016

Mr. Jorgenson said some of the options to maintain the 2018 levy amount are:

- 1) Utilize Cooperative Equipment Resources - Green County truck rental, local private companies.
- 2) Project Plan Strategy - organized effort/efficiencies (unknown financial impact), proactive and responsive instead of reactive, service level impact.
- 3) Reduce Construction efforts - delay CTH K Design, real estate and culvert repairs-\$185,000 reduction.
- 4) Reduce maintenance efforts – crack sealing-\$65,000 reduction and sealcoating-\$50,000 reduction.

Impacts: Deterioration of CTH will continue at faster pace and future costs (higher, sooner)

Mr. Jorgenson said the challenges for the Highway Division are:

- Yearly completion of work
- Staffing Increases due to Interstate expansion (crew, supervisors and shop personnel, 2nd shift potential)

Mr. Jorgenson said the strategies for the Highway Division are:

- Create efficiencies (lowers cost) - Towns (and State) first approach, improve project schedule including plans being shelf ready, utility relocations, real estate and culverts
- Equipment - GPS, sizing, availability, cooperative options
- Town's First approach – 2017 Implementation (went well), further refining is needed (timing of project planning, offered town's assistance in developing 5 year plan)
- Overall Work Plan (completion of work) – 2017 Implementation (went okay), further refining is needed (more detail and consistent updating), safety (focus on safety, keep

staff working which minimizes delays, 2017 – 10 Workers Comp Claims with prior average being 17

CTH Condition Challenges are that high percentage (62.5%) of highways are in the 4 to 7 PASER scoring range. The concerns are the balance and timing of reconstruction, rehabilitation and maintenance.

CTH Condition Strategies are to increase rehabilitation and maintenance and minimally reduce construction efforts. Rehabilitation costs about 33% less than reconstruction. Rehabilitation delays deterioration of CTHs (develop a plan to balance program).

Mr. Jorgenson provided the committee a schedule for proposed CTH Construction projects for 2019-2023.

State Maintenance Challenges are I39/90 Expansion. Additional resources needed including staff, fleet and storage.

Airport.

Mr. Jorgenson introduced Mr. Cullen, Interim Airport Manager.

Mr. Cullen said the Airport Division has 1 FTE Airport Specialist, 1 FTE Airport Maintenance Crew Leader, and 3 FTE Airport Maintenance Workers.

Who uses Southern Wisconsin Regional Airport?

- 1-Fixed Base Operator
- 5-Corporate Hangars
- 11-Businesses
- 70-Based Aircraft
- 130-Full time employees
- General Aviation pilots
- Community Businesses
- Other County employees

Two new things happening at the airport in 2018 is a new restaurant (Bessie's Diner) and a new flight school (Elevation Air).

Airport revenue is: 29% leases, 20% rent, 34% operational and 17% non-aviation. Operational revenue is obtained from landing and fuel flowage fees; lease revenue from building owners, rent revenue from t-hangar rent; and non-aviation revenue from farm land and golf course leases. We are looking at total Airport revenue for 2018 to be \$393,800, which is down from 2017 mainly due to loss of revenue from Sonic Boom music festival. Sonic Boom will not be held in 2018 but they are hoping to bring it back in 2019.

Mr. Cullen said the Airport budget expenses consist of: Administration and Maintenance, which encompasses salaries, public liability insurance, training, office supplies, utilities, maintenance supplies, airfield lighting, equipment repairs, machinery lease, and capital assets, for a total of \$935,689 for 2018. For a tax levy for 2018 of \$541,906.

Mr. Cullen said the 2018 to 2019 comparison is as follows:

	<u>2018</u>	<u>2019</u>	<u>Difference</u>
Administration	\$248,189	\$239,642	- 3.44%
Operations & Maintenance	\$687,500	\$747,171	8.68%
Total Operating Expenses	<u>\$935,689</u>	<u>\$986,813</u>	<u>5.46%</u>
Operating Revenue	<u>\$393,783</u>	<u>\$392,947</u>	<u>-.021%</u>
Tax Levy	\$541,906	\$593,866	9.59%

Mr. Cullen said some of the expenses are: Part 139 compliance (training, painting and maintaining), updating old documents in order to move forward, customer demand, creating a safe work environment and storm water runoff fees. Mr. Cullen noted that this budget proposal is missing an IT and audit fee.

Mr. Cullen said the 2019 estimated budget request would need to be reduced by \$40,977 to achieve a 2% increase or reduced by \$51,960 to achieve a 0% increase. Some options to reduce the tax levy are:

- 1) Raise fuel flowage fees from \$.08 to \$.09 per gallon for an estimated \$15,500 in revenue. The impact would affect all airport users and could potentially have an adverse effect as pilots may choose to stop for fuel in areas with lower fuel fees costs and landing fees. Research has proven we are competitive with other Wisconsin airports our size.
- 2) Reduce vegetation control by not mowing roadways, property borders and entrance roads. Mow only the required safety areas within the airport operations area. The impact would be the appearance of the airport, an increase in hazardous wildlife activity and creating an environment for birds and small animals to live and hide.
- 3) Reduce maintenance activities safety related i.e. reduce winter maintenance (snow and ice related) limiting access to various movement areas to all airplanes. The impact is this action would have an adverse effect on the airport businesses, tenants and general aviation.
- 4) Reduce or defer pavement marking painting. The impact is this action would adversely affect the visibility of the pavement markings and the airport would not meet the FAR Part 139 requirements. This was one of the areas found deficient in May 2018 inspection.
- 5) Reduce or defer projected training opportunities. Impact: This was one of the areas found deficient in May 2018 inspection. Would prefer to keep employees compliant and qualified to uphold standards.
- 6) Reduce or defer requested Capital Assets. Impact: Equipment requested improves worker efficiency and quality of the work environment but the airport would keep running without requested items.

Mr. Cullen said the Capital Improvement Projects for 2019 are: update airport layout plan with the local share cost of \$7,500; southeast ramp expansion with the local share cost of \$100,000; maintenance building upgrades with a local share cost of \$30,000; and improve Runway 36-18 surface with the local share cost of \$350,000.

Supervisors Sweeney, Thomas and Fell left at 10:22 A.M.

Future Meeting Dates:

Monday, June 25, 2018 (N-1/N-2) for Human Services Dept.
Monday, July 16, 2018 (Sheriff's Office) for Sheriff's Office
Monday, July 23, 2018 (N-1/N-2) for Public Health Dept. and Rock Haven

Tour of Airport. The committees toured the airport from 10:22 A.M. to 11:11 A.M.

Adjournment. Supervisor Bussie moved adjournment at 11:11 A.M., second by Supervisor Peer.
ADJOURNED.

Respectfully submitted,

Tracey VanZandt,
HR Secretary

NOT OFFICIAL UNTIL APPROVED BY COMMITTEES.