



COUNTY BOARD STAFF COMMITTEE
Minutes – June 29, 2021

Call to Order. Chair Mawhinney called the meeting of joint meeting of the County Board Staff Committee and Finance Committee to order at 6:00 P.M. via telephone conference.

Committee Members Present via Phone: County Board Staff Committee - Supervisors Beaver, Brien, Richard Bostwick, Peer, Podzilni, Leavy, Yeomans and Davis. Finance Committee – Supervisors Mawhinney, Rich Bostwick, and Davis.

Committee Members Absent: County Board Staff Committee – Supervisor Sweeney. Finance Committee – Supervisors Aegerter and Fox.

Staff Members Present via Phone: Josh Smith, County Administrator; Randy Terronez, Assistant to County Administrator; Sandy Disrud, Register of Deeds; Michelle Roettger, Treasurer; and Terri Carlson, Risk Manager.

Others Present: Supervisor Richard

Approval of Agenda. Supervisor Davis moved approval of the agenda as presented, second by Supervisor Rich Bostwick. ADOPTED.

Public Comment. None.

General Review of County’s Financial Position as it Relates to the 2022 Budget Sherry Oja went over a PowerPoint presentation with the committees (attached). She covered delinquent tax balances and the impact of COVID-19 on penalties collected. There was an increase in sales tax in 2020.

Josh Smith went over a PowerPoint presentation with the committees (attached). He informed the committees that the biennial budget is scheduled to be approved by the legislature this week. Josh covered ARPA (American Rescue Plan Act) and recommendations for spending. He covered the impact of wage increases, potential issues, and capital improvement projects.

Next Meetings Tuesday, July 6, 2021 (Zoom) for the Public Works Department & Airport
Tuesday, July 13, 2021 (Zoom) for the Human Services Department
Tuesday, August 3, 2021 (Zoom) for the Sheriff’s Office

Adjournment. Supervisor Peer moved adjournment at 6:54 P.M., second by Supervisor Podzilni. ADOPTED.

Respectfully submitted,

Haley Hoffman
Office Coordinator

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.

**ROCK COUNTY
DELINQUENT TAX BALANCES
BUDGET YEARS 2010 - 2020**

Balances at December 31

Levy Year	due in	Budget Year	Amount
2009		2010	6,856,091
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
2019		2020	4,610,583

**INTEREST & PENALTY COLLECTED
ON DELINQUENT TAXES
BUDGET YEARS 2010 - 2020**

Year	Amount
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
2020	1,043,376

Interest Earned on Investments

<u>Year</u>	<u>Amount</u>	
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	\$ 1,700,730	
2021	\$ 1,800,000	Budgeted

Rock County Sales Tax Receipts

Month Received	FY 2020	FY 2021	\$ Inc/Dec	% Inc/Dec
March	1,147,437	1,182,045	34,608	3.02%
April	1,308,813	1,762,214	453,401	34.64%
May	1,150,543	1,468,773	318,230	27.66%
June	1,127,062	1,661,279	534,217	47.40%
July	1,498,220			0.00%
August	1,428,845			0.00%
September	1,377,388			0.00%
October	1,534,327			0.00%
November	1,171,380			0.00%
December	1,427,147			0.00%
January	1,428,776			0.00%
February	1,326,063			0.00%
Total	15,926,001	6,074,311	1,340,456	

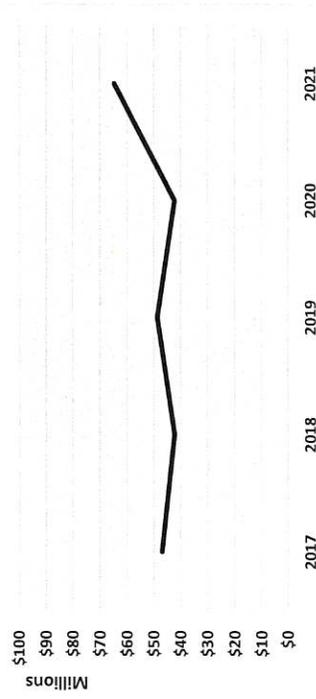
Prior Year Collections

2020	15,926,001
2019	15,015,283
2018	14,542,163
2017	13,900,629
2016	13,355,987
2015	12,450,696
2014	11,847,461
2013	11,832,271
2012	10,509,124
2011	10,056,749
2010	9,647,350
2009	9,837,711
2008	10,505,177

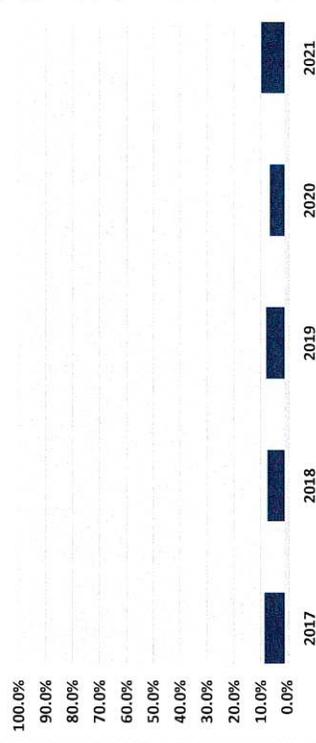
OUTSTANDING DEBT

	2017	2018	2019	2020	2021
Total Outstanding Debt	\$46,915,000	\$42,130,000	\$48,730,000	\$42,205,000	\$64,715,000
Equalized Value (with TIDS)	10,907,782,900	11,530,222,000	12,364,512,600	13,178,803,700	13,178,803,700
Legal Debt Capacity (5% of Equalized Value)	545,389,145	576,511,100	618,225,630	658,940,185	658,940,185
Unused Debt Capacity in Dollars	498,474,145	534,381,100	569,495,630	616,735,185	594,225,185
Percentage of Debt Limit Used	8.6%	7.3%	7.9%	6.4%	9.8%
Population	159,372	162,309	160,444	163,354	163,354
Debt Per Capita	\$294	\$260	\$304	\$258	\$396

Total Outstanding Debt



Percentage of Debt Capacity Used



Debt Service Schedule as of December 31, 2021

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	6,585,000	1,230,553	7,815,553
2022	8,325,000	1,964,822	10,289,822
2023	8,395,000	1,493,470	9,888,470
2024	8,010,000	1,259,095	9,269,095
2025	8,075,000	1,021,495	9,096,495
2026	7,490,000	777,045	8,267,045
2027	4,570,000	526,145	5,096,145
2028	3,190,000	398,625	3,588,625
2029	2,890,000	326,200	3,216,200
2030	1,890,000	271,900	2,161,900
2031	1,190,000	237,600	1,427,600
2032	1,190,000	213,800	1,403,800
2033	1,190,000	190,000	1,380,000
2034	1,190,000	166,200	1,356,200
2035	1,190,000	142,400	1,332,400
2036	1,190,000	118,600	1,308,600
2037	1,190,000	94,800	1,284,800
2038	1,190,000	71,000	1,261,000
2039	1,180,000	47,200	1,227,200
2040	1,180,000	23,600	1,203,600

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		Low credit risk	
A+	A+	A1			
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			
BB-	BB-	Ba3		High credit risk	
B+	B+	B1			
B	B	B2			
B-	B-	B3		Very high credit risk	
CCC+	CCC+	Caa1			
CCC	CCC	Caa2			
CCC-	CCC-	Caa3		In or near default, with possibility of recovery	
CC	CC	Ca			
C	C			In default, with little chance of recovery	
DDD	SD	C			
DD	D				
D					

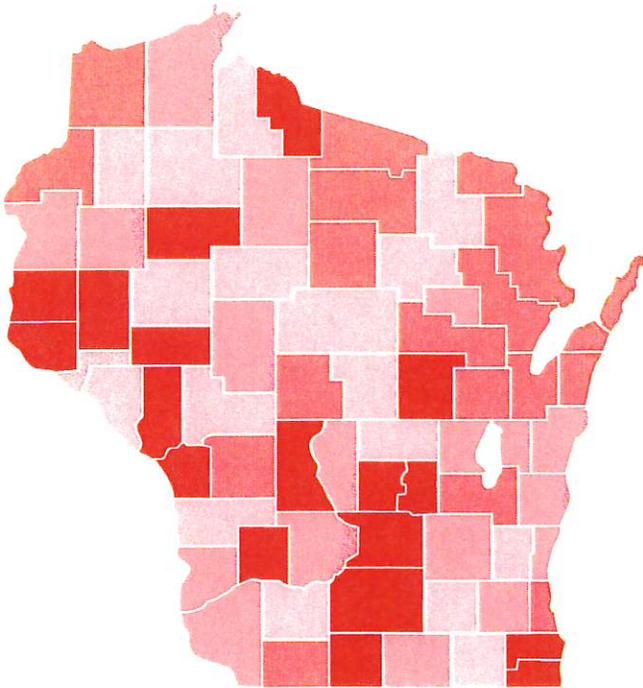
County Debt

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

On average, counties in 2018 owed \$445 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 (GO) Debt Per Capita, 2018

Counties by Quartile, Low to High Amount



Debt: Low to High



Source: Wisconsin Department of Revenue, CMRE

General Obligation (GO) Debt Per Capita, 2018

County	GO Debt	County	GO Debt
Adams	\$304	Marathon	82
Ashland	162	Marinette	612
Barron	201	Marquette	793
Bayfield	235	Menominee	252
Brown	400	Milwaukee	533
Buffalo	157	Monroe	439
Burnett	395	Oconto	554
Calumet	303	Oneida	412
Chippewa	159	Outagamie	379
Clark	275	Ozaukee	277
Columbia	961	Pepin	91
Crawford	332	Pierce	689
Dane	706	Polk	333
Dodge	314	Portage	117
Door	553	Price	307
Douglas	642	Racine	712
Dunn	749	Richland	1,405
Eau Claire	830	Rock	263
Florence	432	Rusk	775
Fond du Lac	568	St. Croix	694
Forest	21	Sauk	224
Grant	258	Sawyer	69
Green	707	Shawano	383
Green Lake	737	Sheboygan	318
Iowa	51	Taylor	144
Iron	1,209	Trempealeau	940
Jackson	155	Vernon	137
Jefferson	170	Vilas	414
Juneau	938	Walworth	0
Kenosha	740	Washburn	183
Kewaunee	581	Washington	125
La Crosse	731	Waukesha	186
Lafayette	369	Waupaca	715
Langlade	174	Waushara	173
Lincoln	572	Winnebago	196
Manitowoc	308	Wood	344

Statewide Measures

Average	\$445	Median	\$338
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Fund Balances

	Audited Balance 12/31/16	Audited Balance 12/31/17	Audited Balance 12/31/18	Audited Balance 12/31/19	Unaudited Balance 12/31/2020
General Fund					
Nonspendable	2,736,148	2,644,407	2,660,594	2,605,913	3,026,634
Assigned	3,755,686	4,214,150	4,817,456	1,736,271	3,686,668
Unassigned	31,324,971	32,419,421	33,525,023	37,654,021	38,658,190
Total General Fund	37,816,805	39,277,978	41,003,073	41,996,205	45,371,492
Special Revenue Funds					
Revolving Loans	973,140	1,004,557	1,019,065	1,061,275	1,833,810
Land Records	174,854	205,775	241,117	306,864	241,053
Arrowhead Library System	204,314	238,887	271,212	292,022	269,197
Airport	101,781	135,627	256,501	306,282	667,569
Enterprise Funds-Working Capital					
Rock Haven	1,883,240	1,852,667	2,427,672	1,759,923	496,540
DPW-Highway	(2,628,653)	2,652,713	637,195	1,869,246	(1,620,639)
Internal Service Funds-Working Capital					
Information Technology	2,298,716	2,874,066	2,323,202	1,690,778	1,069,683
Self Insurance	7,320,102	7,509,094	5,978,801	2,963,308	2,608,231

Notes:

General Fund

Nonspendable - Consists mainly of delinquent tax revenues.

Also includes inventories (Employee Recognition, Central Services)

Assigned - Consists mainly of excess sales taxes. Also includes carryover requests.

Unassigned - Available for appropriation

DPW-Highway

Working capital cycles up and down due to the issuance of long term debt being issued only every two to three years.

Self Insurance

As of 1/1/20, Health Insurance is no longer included, as we are now fully insured.

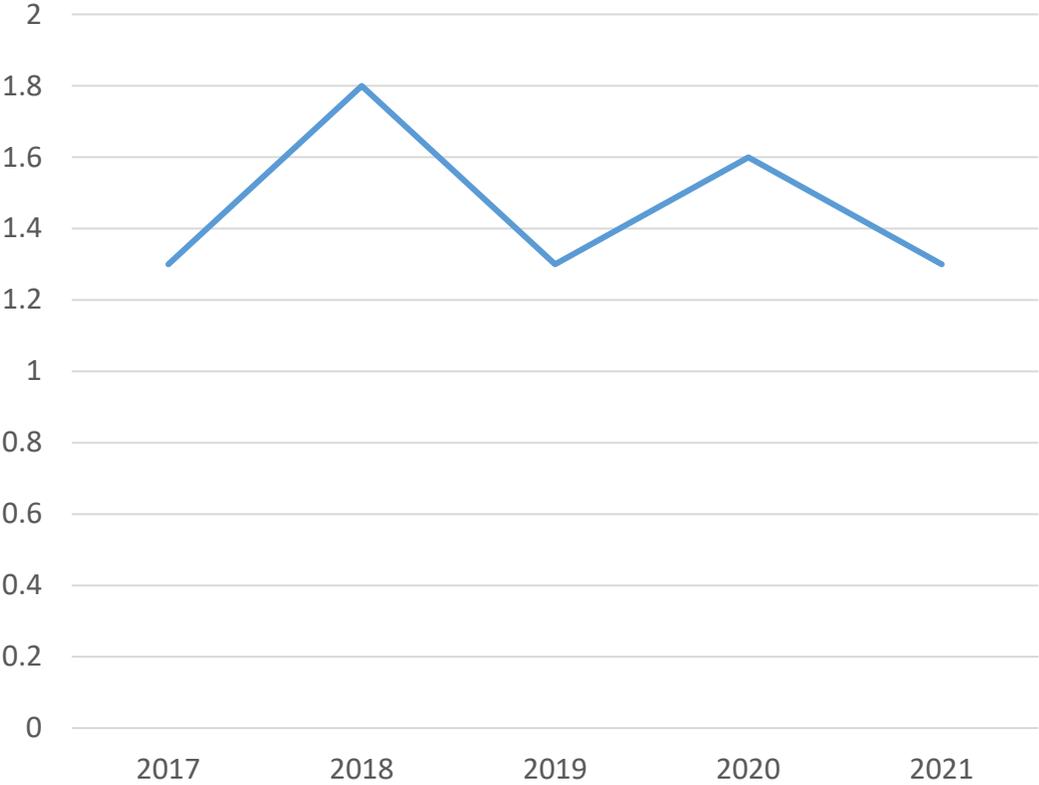
County Board Staff Committee
Finance Committee
2022 Pre-Budget Overview

June 29, 2021

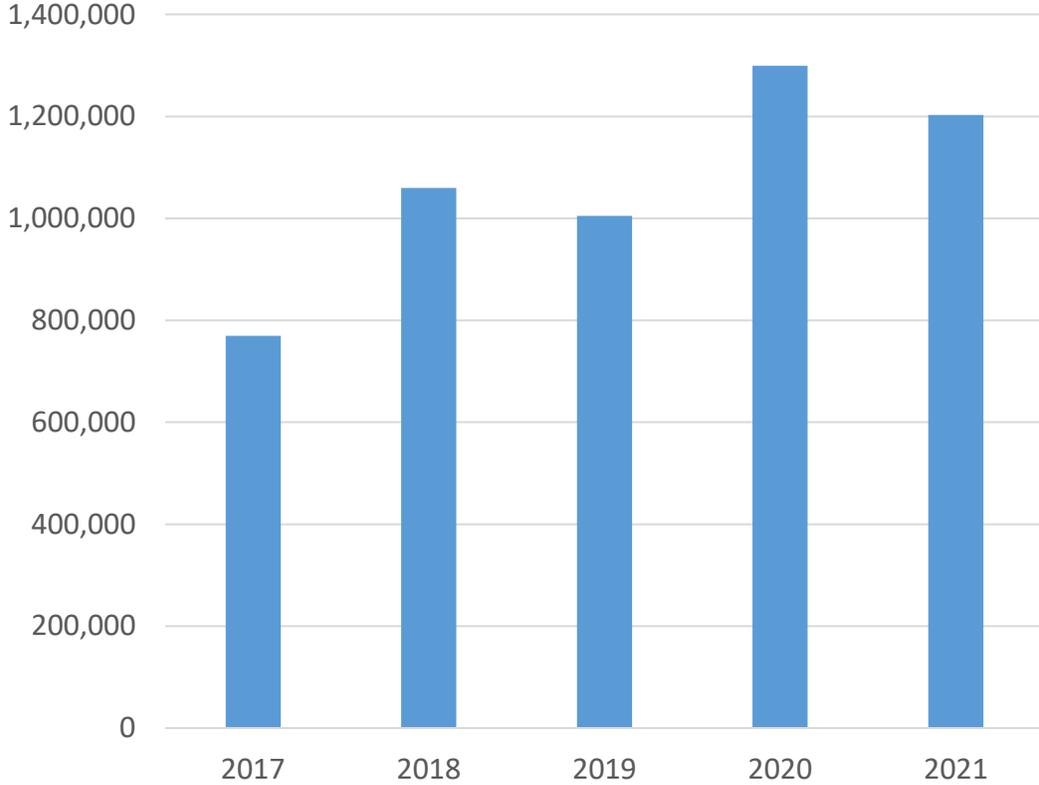
Revenue

Tax Levy Limits

Levy Limit Increase (Percentage)



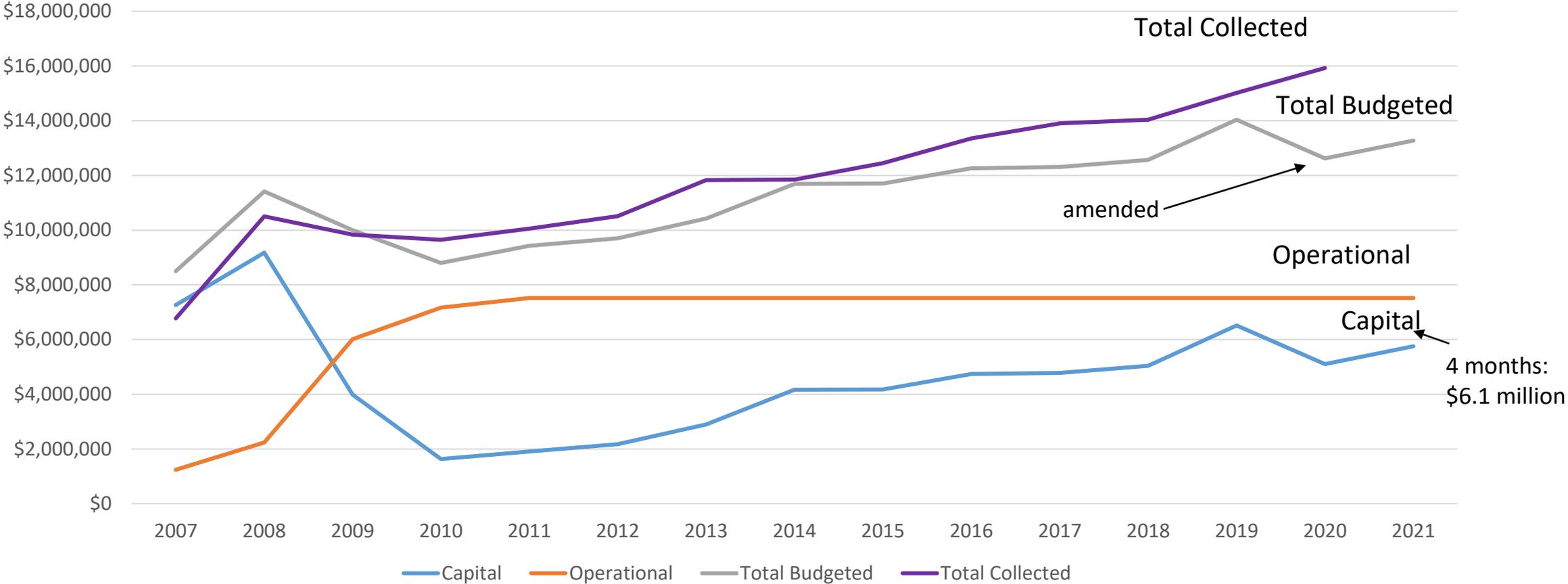
Levy Limit Increase (Dollars)



Sales Tax Collections

- 2021 budget = \$13.28 million
- Anticipate same \$7,522,973 for operational costs (since 2011)
- Excess Sales Tax Balance (current) = \$1,026,373
 - Used \$671,687 for Dr. Williams Center furniture/equipment
 - Used \$1.8 million for Sheriff's Office project architecture/engineering
- 2022 budget = ? (but trending higher than budgeted for 2021)

Sales Tax Collection and Appropriation, 2007-2021



Other Revenue

- Alliant Energy Riverside Plant
 - \$318,500 of revenue in 2021 used for one-time costs; available in 2022
- Beloit Ho-Chunk Casino Project
 - Construction timeline uncertain
 - No revenue will be included in 2022 budget
 - County will eventually receive 0.6% of net profit

2021-23 Biennial Budget

- Legislature scheduled to approve budget this week
- Includes several revenue increases affecting counties
 - General Transportation Aids
 - Local Road Improvement Program (LRIP)
 - Nursing Home Reimbursement
 - Child Support Funding
 - Land Conservation Staffing Grants
 - Veterans Service Officer Grants
 - Subsidized Guardianships
- Personal property tax elimination

American Rescue Plan Act (ARPA)

- \$31.7 million allocated to Rock County
- Budget may include some recommendations for spending
 - Public Health positions and COVID-19 response needs
 - County department operational improvements
 - Directives from the County Board
 - One-time planning-related expenditures

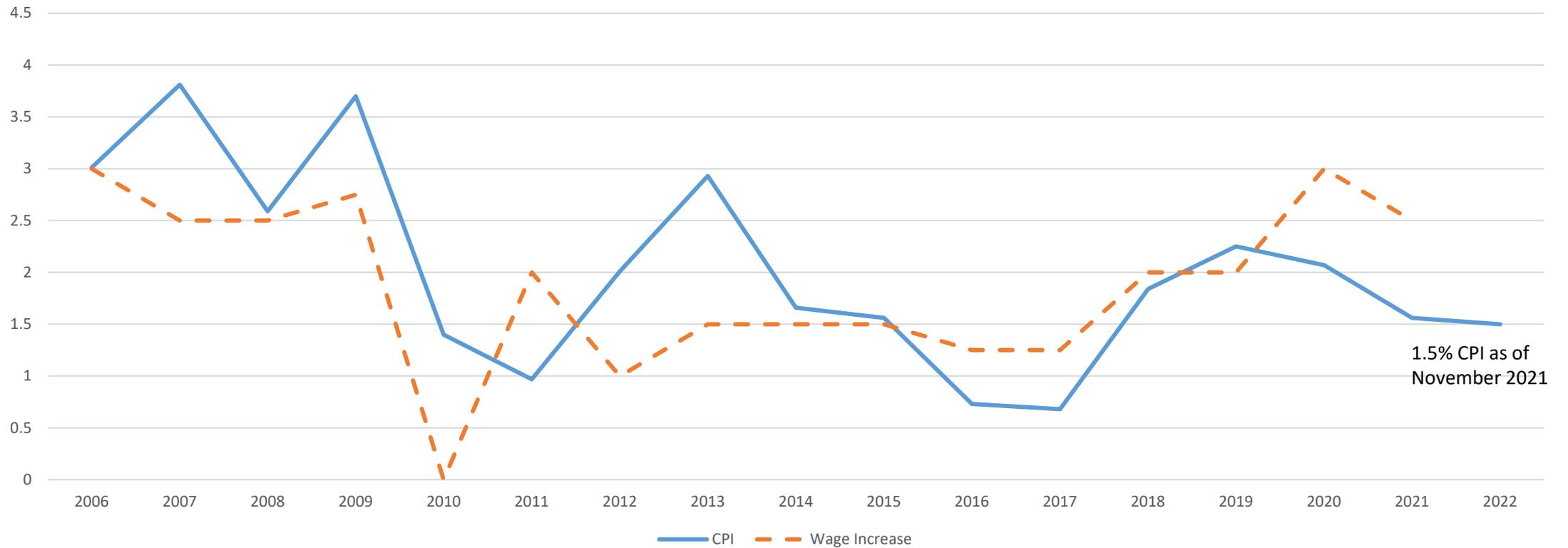
Operational Expenditures

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 \$815,000

Wages

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



Wage and Personnel Considerations

- Rock Haven wage resolution
 - Estimated 2022 cost of \$303,000
 - Additional effects on overtime
- Minimum wage resolution = \$162,000
- Personnel requests for 2022
 - 17 departments have made personnel requests
 - 14 non-grant funded new positions
 - 25 titles with wage adjustments
 - Reevaluation of 1077 pay grid, movement among other grids

2022 Potential Issues to Address

- Targeted wage adjustments/workforce issues
 - Policy changes, flexibility—post-pandemic lessons learned
- Diversity, equity, and inclusion initiatives
- Internal support functions (HR, Facilities, Finance, Corp. Counsel, IT)
- IT operational and equipment upgrades (infrastructure, cybersecurity)
- Ongoing costs of COVID-19 response/Public Health planning
- Pre-trial expansion, enhanced deferred prosecution (EBDM)
- Sheriff's Office programming/services (mental/health care, reentry)
- Implementation of federal child welfare changes in Human Services

Capital Expenditures

2022 Capital Improvement Plan Projects

- Facilities Management
 - \$96.6 million for Sheriff's Office project
 - \$4.8 million at other facilities
- Airport = \$4.5 million
- 911 Communications Center = \$1.2 million
- Sheriff's Office = \$633,000
- Information Technology = \$376,000
- Council on Aging = \$140,000

Public Works Projects

- Capital Improvement Plan (CIP) projects identified for 2022 consideration
 - Highway construction projects = \$6.4 million
 - Public Works equipment = \$4.3 million
 - Park projects = \$195,000
- Camp Indian Trails Purchase and Capital/Maintenance Investments?

Questions?