



COUNTY BOARD STAFF/FINANCE COMMITTEES

July 24, 2017

Call to Order. County Board Staff Committee Chair Podzilni called the joint meeting of the County Board Staff Committee and the Finance Committee to order at 8:00 A.M. in Conference Room N-1/N-2, Rock County Courthouse.

Committee Members Present County Board Staff Committee – Supervisors Podzilni, Kraft, Arnold, Brill, Bussie, Peer and Sweeney. Finance Committee – Supervisors Kraft, Beaver, Fox, and Podzilni.

Committee Members Absent: County Board Staff Committee – Supervisors Mawhinney and Thomas; Finance Committee - Supervisor Mawhinney.

Staff Members Present: Josh Smith, County Administrator; Randy Terronez and Nick Osborne, Assistants to the County Administrator; Duane Jorgenson, Public Works Director; Ron Burdick, Airport Director; Lori Williams, Parks Director; Michelle DeRubeis.

Others Present: Supervisor Yeomans.

Approval of Agenda. Supervisor Arnold moved approval of the agenda as presented, second by Supervisor Peer. ADOPTED.

Citizen Participation, Communications and Announcements. None.

Adoption of Minutes of July 10, 2017. Supervisor Bussie moved approval of the minutes of July 10, 2017 as presented, second by Supervisor Arnold. ADOPTED.

Review and Discussion of Preliminary 2018 Budget Projections and Program Information – Public Works. At this time Chair Podzilni turned the meeting over to Mr. Jorgenson.

Mr. Jorgenson introduced his staff and turned the meeting over to Ms. Williams.

Ms. Williams said the budget areas for the Parks Department 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.

Ms. Williams said there have been 17,709 park and shelter reservation users year-to-date.

Ms. Williams 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 | \$16,309 (year to date) |

Ms. Williams said the Parks budget is as follows: Revenues for 2017 are projected to be \$45,793, and the 2017 request is \$39,465; Expenses for 2017 are projected to be \$595,712, and the 2018 request is \$573,885; the Tax Levy for 2017 is projected to be \$533,663, and the 2018 request is \$538,569.

Ms. Williams said the Parks Division 2017 – 2018 comparison is as follows:

| | <u>2017</u> | <u>2018</u> | <u>Difference</u> |
|--------------------------|------------------|------------------|-------------------|
| Salaries | \$403,027 | \$415,385 | (\$ 12,358) |
| Operations & Maintenance | \$228,896 | \$224,248 | \$ 4,648 |
| Grants | <u>\$ 60,100</u> | <u>\$ 61,600</u> | <u>(\$ 1,500)</u> |
| Total Expenses | \$691,023 | \$701,233 | (\$ 9,210) |

Ms. Williams said the 2018 Proposed Capital Projects include: Carver Roehl trail redesign at \$100,000; land acquisition at \$50,000; pave Lee Park road and lot at \$75,000; Smith Road bridge project at \$15,000; and Sportsman’s fence project at \$15,000 for a total cost of \$255,000.

Ms. Williams said the increase for the 2018 tax levy is a result of increased expenses, and being a projected slow snow year results in more field wages on the Parks side versus the Highway side.

Ms. Williams said some of the 2017 Capital Projects were: Carver-Roehl new bathroom; Sweet Allyn Park ballfield and fence.

Ms. Williams said she wished to thank the following Rock County parks friends and volunteer groups: 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. Ms. Williams said these volunteer groups put in 11,529 hours of work in 2016.

Mr. Jorgenson turned the presentation over to Mr. Burdick.

Mr. Burdick said the Airport Division has 1 FTE Airport Specialist, 1 FTE Airport Maintenance Crew Leader, and 3 FTE Airport Maintenance Workers. Airport revenue is: 30% leases, 23% rent, 31% operational and 16% non-aviation. Operational revenue is obtained from landing and fuel flowage fees; lease revenue from building owners, rent revenue from t-hanger rent; and non-aviation revenue from farm land and golf course leases. We are looking at total Airport revenue for 2017 to be \$401,225, which is up from 2016.

Mr. Burdick 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 \$924,919 for 2017. A carryover of \$420,973 and tax levy for 2017 is \$503,946.

Mr. Burdick said the 2017 to 2018 comparison is as follows:

| | <u>2017</u> | <u>2018</u> | <u>Difference</u> |
|--------------------------|------------------|------------------|-------------------|
| Administration | \$258,155 | \$272,740 | 5.65% |
| Operations & Maintenance | \$575,764 | \$601,000 | 4.38% |
| Equipment Rental | <u>\$ 91,000</u> | <u>\$ 96,000</u> | <u>5.49%</u> |
| Total Operating Expenses | \$924,919 | \$969,740 | 4.85% |
| Operating Revenue | <u>\$420,973</u> | <u>\$390,783</u> | <u>-7.17%</u> |
| Funds Forwarded PY | <u>\$</u> | <u></u> | <u></u> |
| Tax Levy | \$503,946 | \$578,957 | 14.88% |

Mr. Burdick said what is driving the increase is: Wages – additional overtime is needed to complete tasks; Storm water runoff fees – are up \$70,000; Increase costs – crack sealing, training, pavement marking, and equipment rental. Mr. Burdick said he is requesting an additional full time night shift person. He said this position would add a greater degree of safety and an expansion on the complexity of duties that can be performed between the hours of 2:30 pm and 11 pm at a cost of \$86,036.

Mr. Burdick said there would need to be a reduction to the 2018 tax levy of \$75,011 to achieve a 0% increase. To achieve this they could:

- 1) Raise fuel flowage fees from \$.08 to \$.09 per gallon for an estimated \$12,700 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 fess costs and landing fees. This could also cause corporate aircraft owners to consider other airports with lower fees for their base of operations.
- 2) Reduce summer maintenance by not mowing where airport property borders roadways, entrance roads, Airport Park, and mowing only the required safety areas within the airport operations area. The impact would be the appearance of the airport, and an increase in hazardous wildlife activity.
- 3) Reduce winter maintenance (snow and ice control) by limiting overtime, closing runways and taxiways or closing the airport, limiting access to ramps and facilities, and limiting snow removal on roads and parking lots. The impact would be an adverse effect for all users of the airport by reducing/limiting the usability of the airport. Lease agreements with tenants require the Airport to make a good faith effort to provide snow removal services to the runways, taxiways, ramps and parking lots. Failure to do so could result in tenants holding the Airport liable if they incur losses due to snow.
- 4) Reduce for 2018 or defer to 2019 the pavement remarking. The impact is this action would affect the visibility of the pavement markings.
- 5) Pavement repair and crack sealing. The impact could be future repairs could be more costly because cracks may widen beyond the effectiveness of the minor sealing operation.

Mr. Burdick said the Capital Improvement Projects for 2018 are: runway safety area survey and clearing with the local share cost of \$5,000; snow removal equipment wash bay with the local share cost of \$125,000; reconstruct southwest apron with a local share cost of \$60,000; snow and maintenance building upgrades with a local share cost of \$70,000; and construct ten unit T-hanger with the local share cost of \$750,000.

Mr. Jorgenson went over the organizational chart for the Highway Division 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, ditching work, section routes, beam guard repairs, snow fence, mowing, culver work, brushing, and curb and gutter cleaning.

Mr. Jorgenson said 2016 and 2017 had little federal aid as these were design years.

Mr. Jorgenson said the Administrative Summary is:

| <u>Administrative Revenues</u> | <u>2017</u> | <u>2018</u> | <u>Difference</u> |
|--------------------------------|--------------------|--------------------|-------------------|
| Records & Reports | \$154,500 | \$156,818 | 1.50% |
| Other State Routine | \$206,506 | \$209,601 | 1.50% |
| Other Non-State Routine | \$ 12,875 | \$ 13,055 | 1.39% |
| Supplemental/Carryover | <u>\$ 26,205</u> | <u>\$ 0</u> | <u>-100.00%</u> |
| Revenue Subtotal | \$400,083 | \$379,473 | -5.15% |
| | | | |
| <u>Administrative Expenses</u> | <u>2017</u> | <u>2018</u> | <u>Difference</u> |
| Routine Administrative | \$827,889 | \$827,189 | -0.08% |
| Drug & Alcohol Compliance | \$ 7,365 | \$ 7,700 | 4.55% |
| Supervision | \$313,378 | \$355,550 | 13.46% |
| Radio Maintenance | <u>\$ 77,656</u> | <u>\$ 74,377</u> | <u>-4.22%</u> |
| Expenses Subtotal | <u>\$1,226,288</u> | <u>\$1,264,817</u> | <u>3.14%</u> |
| Net Admin. Levy Cost | \$ 826,205 | \$ 885,344 | 7.16% |

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

| <u>Revenues</u> | <u>2017</u> | <u>2018</u> | <u>Difference</u> |
|---------------------------|--------------------|---------------------|-------------------|
| State Transportation Aids | \$2,029,088 | \$2,059,524 | 1.50% |
| State Construction Aid | \$ 5,000 | \$ 5,075 | 1.50% |
| Town Winter Maint. Chgs | \$ 540,000 | \$ 540,000 | 0.00% |
| Other Revenues | \$ 5,030 | \$ 5,060 | 0.60% |
| County Sales Tax | \$ 770,080 | \$ 530,000 | -31.18% |
| Prior Years Sales Tax | \$1,000,000 | \$ 0 | -100.00% |
| Long-Term Debt Proceeds | <u>\$3,050,000</u> | <u>\$5,659,000</u> | <u>85.54%</u> |
| Revenue Subtotal | \$7,399,198 | \$8,798,659 | 18.91% |
| | | | |
| <u>Expenses</u> | <u>2017</u> | <u>2018</u> | <u>Difference</u> |
| Routine | \$1,681,433 | \$1,697,840 | 0.98% |
| Winter | \$2,221,480 | \$2,306,566 | 3.83% |
| Crack Sealing | \$ 110,000 | \$ 230,000 | 109.09% |
| Bridge Maintenance | \$ 60,000 | \$ 68,314 | 13.86% |
| Seal Coating | \$ 305,000 | \$ 200,000 | -34.43% |
| Grader Patching | \$ 100,000 | \$ 164,950 | 64.95% |
| Shouldering | \$ 105,000 | \$ 100,000 | -4.76% |
| Blacktopping | \$4,050,000 | \$5,659,000 | 39.73% |
| Equipment Storage | <u>\$ 250,440</u> | <u>\$ 254,197</u> | <u>1.50%</u> |
| Expenses Subtotal | <u>\$8,883,353</u> | <u>\$10,680,866</u> | <u>20.23%</u> |
| Net Admin. Levy Cost | \$1,484,155 | \$1,882,207 | 26.82% |

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

| <u>Activity</u> | <u>2017</u> | <u>2018</u> | <u>Difference</u> |
|--------------------------------|-------------------|--------------------|-------------------|
| Administration | \$ 826,205 | \$ 885,314 | 7.16% |
| Maintenance & Construction | \$11,586,706 | \$10,680,866 | -7.82% |
| Federal Aid | \$ 225,080 | \$ 226,041 | 0.43% |
| Other Funding Sources | (\$ 7,585,080) | (\$6,189,000) | -18.41% |
| Cost Pools | <u>\$ 715,854</u> | <u>\$ 541,611</u> | <u>-24.34%</u> |
| Highway Total Regular Levy | \$ 5,768,765 | \$ 6,144,862 | 6.52% |
| Limited Levy Item – Bridge Aid | \$ 175,000 | \$ 306,200 | 74.97% |
| Excluding Bridge Aid | | | |
| 2017 Base (w/o Bridge Aid) | \$5,768,765 | | |
| Target of 0% Increase | \$5,768,765 | | |
| 2018 Highway Levy Request | | <u>\$6,144,862</u> | |
| Difference | | \$ 376,098 | |

Mr. Jorgenson said the tax levy increases were caused by administrative adjustments and maintenance cost adjustments. He said some of the options to maintain the 2017 levy amount or to further reduce the levy are:

- 1) Route optimization – would have an unknown fiscal impact, and would have a service level impact.
- 2) Project plan strategy – organize the effort/efficiencies for maintenance and construction would have unknown fiscal impact, and would impact the service level.
- 3) Reduce maintenance efforts – reduce crack sealing by \$120,000, reduce grader patching by \$64,000, and reduce seal coating by \$100,000. The impact would be the deterioration of CTH will continue at a faster pace and future costs would be higher and come sooner.
- 4) Reduce equipment purchases – reduce by \$184,000, which would impact future depreciation, equipment maintenance would increase, and the efficiency of work completion would be impacted.
- 5) Reduce equipment fleet – auction equipment that is used infrequently or not at all, this would have an unknown fiscal impact, but would impact service in certain situations and we may need to consider setting up alternative plans of action.

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

Asset acquisition

- Determine needed assets
- Effectively acquire/replace
- Asset placement and storage

Operation Audit

- Public Works Committee has reviewed the audit recommendations and one item needs determination yet.
- Items implemented/being worked on are timely billing, automated timekeeping, and Beloit area facility.
- Staffing increases to the crew, supervisors and shop personnel, with a second shift potential.

Supervisor Kraft left at 9:11 A.M.

Mr. Jorgenson said the condition on our roads are better than much of the state, but we need to work to even out some of the maintenance so we don't have years that are heavier or lighter than others.

Mr. Jorgenson went over the construction projects for 2018 – 2022. He said he sees the following challenges for the Highway Department: State maintenance – we will need additional staff, fleet and storage for the I-39/90 expansion; and we need to optimize the routes for the highway systems for quantity and location

Mr. Smith thanked Mr. Jorgenson for the PASER report as he felt it added much to the explanation. He added that all three divisions within Public Works have capital intensive needs and these will be hard to meet with the cap we implemented.

Adjournment: Supervisor Arnold moved adjournment at 9:30 A.M., second by Supervisor Peer. ADOPTED.

Respectfully submitted,

Marilyn Bondehagen
Confidential Administrative Assistant

NOT OFFICIAL UNTIL APPROVED BY COMMITTEES.