COUNTY BOARD STAFF/FINANCE COMMITTEES
Minutes - June 2, 2022

Call to Order: Chair Mawhinney called the joint hybrid meeting of the County Board Staff and Finance Committees to order at 6:00 P.M. on Thursday, June 2, 2022 in Conference Room N1.

Committee Members Present: Supervisors Bostwick, Wilson, Brien, Peer, Podzilni, Sweeney, Beaver, Mawhinney, Fox, and Clasen.

Committee Members Absent: Supervisor Leavy, Towns, Farrell.

Staff Members Present: Josh Smith, County Administrator; Sherry Oja, Finance Director; Randy Terronez, Assistant to the Administrator; Dave Slusser, Human Resources Director; Terri Carlson, Risk Manager.

Others Present: Supervisors Whitledge, Sutterlin, Zoril.

Approve Agenda: Supervisor Bostwick moved approval of the agenda as presented, second by Supervisor Podzilni. ADOPTED.

Citizen Participation, Communications and Announcements: None submitted.

General Review of County's Financial Position as it Relates to the 2023 Budget: Sherry Oja went over a presentation with the committees (attached). Net new construction comes out in September.

Josh Smith went over a PowerPoint presentation with the committees (attached). He covered the impact of revenue sources, operational expenditures, capital expenditures, inflation, and budget priorities.

Supervisor Mawhinney inquired whether there has been any savings on the geothermal at Rock Haven. Staff will have to come back with more information. Supervisor Mawhinney asked where we are in the wage study. Dave Slusser stated that first results should be available in July.

Supervisor Zoril asked if there was information adding in fringe benefits to the Consumer Price Index versus wage comparison. Josh responded that staff can come back with that information.

Next Meetings: Thursday, June 16, 2022 - Public Works Department & Airport; Thursday, June 30, 2022 - Human Services Department; Thursday, July 7, 2022 - Public Health Department and Rock Haven; Thursday, July 21, 2022 - Sheriff's Department: Next meeting at the Department of Public Works building at 6:00 P.M. on Thursday, June 16.

Adjournment: Supervisor Wilson moved adjournment at 7:12 P.M., second by Supervisor Podzilni. ADOPTED.

Respectfully submitted,

Haley Hoffman
Office Coordinator

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.

ROCK COUNTY
ANALYSIS OF TAX LEVY AND RATE
BUDGET YEARS 2013-2022

Levy Year	Budget Year	Tax Levy Amount	Tax Levy $ Increase/ (Decrease)	Tax Levy % Increase/ (Decrease)	Tax Rate (per $1,000 of equalized value) Amount	Tax Rate $ Increase/ (Decrease)	Tax Rate % Increase/ (Decrease)
2012	2013	61,114,210	940,990	1.56%	6.64	0.23	3.59%
2013	2014	62,497,976	1,383,766	2.26%	6.99	0.35	5.29%
2014	2015	63,045,891	547,915	0.88%	6.78	(0.21)	-(3.05%)
2015	2016	64,156,054	1,110,163	1.76%	6.77	(0.01)	(0.13%)
2016	2017	65,107,690	951,636	1.48%	6.70	(0.07)	(0.99%)
2017	2018	66,912,013	1,804,323	2.77%	6.52	(0.18)	(2.76%)
2018	2019	67,635,689	723,676	1.08%	6.20	(0.32)	(4.91%)
2019	2020	70,418,774	2,783,085	4.11%	6.00	(0.20)	(3.23%)
2020	2021	72,576,118	2,157,344	3.06%	5.83	(0.17)	(2.76%)
2021	2022	73,677,623	1,101,505	1.52%	5.42	(0.41)	(7.01%)

EQUALIZED VALUE
(EXCLUDING TIDS)
BUDGET YEARS 2013-2022

Levy Year	Budget Year	Equalized Valuation	$ Increase/ (Decrease)	% Increase/ (Decrease)
2012	2013	9,207,493,910	(180,620,400)	(1.92%)
2013	2014	8,939,858,910	(267,635,000)	(2.91%)
2014	2015	9,302,076,610	362,217,700	4.05%
2015	2016	9,477,775,810	175,699,200	1.89%
2016	2017	9,714,971,710	237,195,900	2.50%
2017	2018	10,267,284,710	552,313,000	5.69%
2018	2019	10,914,360,200	647,075,490	6.30%
2019	2020	11,742,857,300	828,497,100	7.59%
2020	2021	12,446,225,600	703,368,300	5.99%
2021	2022	13,586,952,946	1,140,727,346	9.17%

Rock County Sales Tax Receipts

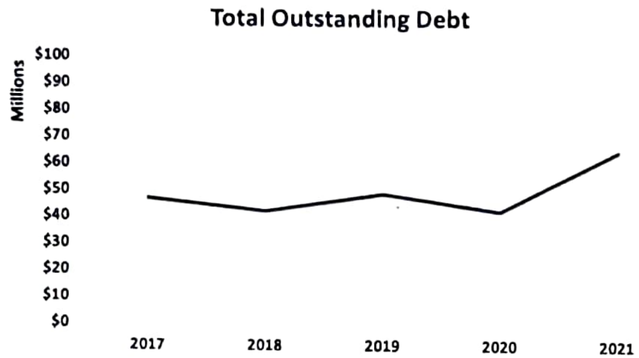
Month Received	FY 2021	FY 2022	$ Inc/Dec	% Inc/Dec
March	1,182,045	1,326,108	144,063	12.19%
April	1,762,214	1,421,526	(340,689)	-19.33%
May	1,468,773	1,388,120	(80,653)	-5.49%
June	1,661,279			0.00%
July	1,621,414			0.00%
August	1,320,198			0.00%
September	1,776,451			0.00%
October	1,468,582			0.00%
November	1,419,572			0.00%
December	1,683,981			0.00%
January	1,213,357			0.00%
February	1,599,927			0.00%
Total	**18,177,793**	**4,135,753**	**(277,279)**	-1.53%

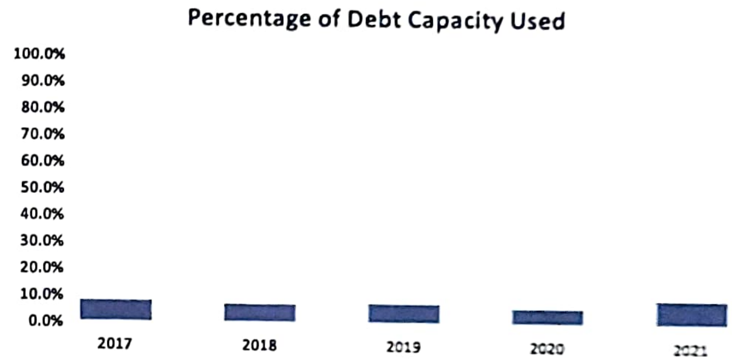
Prior Year Collections		% Change Over Prior Year
2021	18,177,793	14.1%
2020	15,926,001	6.1%
2019	15,015,283	3.3%
2018	14,542,163	4.6%
2017	13,900,629	4.1%
2016	13,355,987	7.3%
2015	12,450,696	

Prior Year Sales Tax Balance	
5,620,675	Excess as of 12/31/2021
(55,772)	Add'l for Strategic Plan Res #22-3A-453
(650,000)	Camp Indian Trails Res #23-3A-455
(43,000)	Peace Trail Paving Res # 22-3B-469
(256,646)	911 Radio Equip Res #2022-6
(106,170)	Courthouse Roof Replacement Res #2022-25
4,509,087	

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





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

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<tr><td>AAA</td><td>AAA</td><td>Aaa</td><td rowspan="4">Investment grade</td><td>Minimal credit risk</td></tr>
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AA-</td><td>Aa1
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Aa3</td><td>Very low credit risk</td></tr>
<tr><td>A+
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<tr><td>BB+
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Ba2
Ba3</td><td rowspan="5">Speculative grade</td><td>Substantial credit risk</td></tr>
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B-</td><td>B+
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B-</td><td>B1
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B3</td><td>High credit risk</td></tr>
<tr><td>CCC+
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CCC-</td><td>Caa1
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Caa3</td><td>Very high credit risk</td></tr>
<tr><td>CC
C</td><td>CC
C</td><td>Ca</td><td>In or near default, with possibility of recovery</td></tr>
<tr><td>DDD
DD
D</td><td>SD
D</td><td>C</td><td>In default, with little chance of recovery</td></tr>
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General Obligation (GO) Debt Per Capita, 2019

County	GO Debt	County	GO Debt
Adams	$558	Marathon	131
Ashland	179	Marinette	555
Barron	161	Marquette	702
Bayfield	212	Menominee	172
Brown	342	Milwaukee	503
Buffalo	200	Monroe	398
Burnett	330	Oconto	518
Calumet	579	Oneida	336
Chippewa	134	Outagamie	366
Clark	0	Ozaukee	281
Columbia	956	Pepin	496
Crawford	290	Pierce	626
Dane	754	Polk	276
Dodge	0	Portage	217
Door	479	Price	251
Douglas	552	Racine	879
Dunn	869	Richland	1,335
Eau Claire	842	Rock	304
Florence	441	Rusk	637
Fond du Lac	731	St. Croix	711
Forest	4	Sauk	179
Grant	489	Sawyer	95
Green	871	Shawano	481
Green Lake	686	Sheboygan	259
Iowa	26	Taylor	101
Iron	1,994	Trempealeau	1,068
Jackson	271	Vernon	288
Jefferson	161	Vilas	594
Juneau	820	Walworth	0
Kenosha	693	Washburn	651
Kewaunee	527	Washington	103
La Crosse	691	Waukesha	195
Lafayette	365	Waupaca	196
Langlade	148	Waushara	128
Lincoln	526	Winnebago	203
Manitowoc	351	Wood	362

Statewide Measures

Average	$447	Median	$363

Fund Balances

	Audited Balance 12/31/17	Audited Balance 12/31/18	Audited Balance 12/31/19	Audited Balance 12/31/2020	Unudited Balance 12/31/2021
General Fund					
Nonspendable	2,644,407	2,660,594	2,605,913	3,032,201	2,920,651
Assigned	4,214,150	4,817,456	1,736,271	3,686,668	7,798,595
Unassigned	32,419,421	33,525,023	37,654,021	40,701,632	41,770,711
Total General Fund	39,277,978	41,003,073	41,996,205	47,420,501	52,489,956
Special Revenue Funds					
Revolving Loans	1,004,557	1,019,065	1,061,275	1,833,810	1,558,827
Land Records	205,775	241,117	306,864	241,053	520,920
Arrowhead Library System	238,887	271,212	292,022	269,197	287,388
Airport	135,627	256,501	306,282	667,569	711,253
Enterprise Funds-Working Capital					
Rock Haven	1,852,667	2,427,672	1,759,923	1,169,113	(679,217)
DPW-Highway	2,652,713	637,195	1,869,246	(3,389,675)	1,784,152
Internal Service Funds-Working Capital					
Information Technology	2,874,066	2,323,202	1,690,778	1,063,164	568,030
Self Insurance	7,509,094	5,978,801	2,963,308	2,548,064	2,514,938

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.

Total County Expenditures Per Capita, 2019

County	Total Exp.	County	Total Exp.
Adams	$1,775	Marathon	819
Ashland	1,526	Marinette	1,167
Barron	1,077	Marquette	1,586
Bayfield	1,780	Menominee	1,909
Brown	913	Milwaukee	1,083
Buffalo	1,287	Monroe	820
Burnett	1,355	Oconto	975
Calumet	973	Oneida	1,123
Chippewa	1,010	Outagamie	732
Clark	1,104	Ozaukee	668
Columbia	1,239	Pepin	1,406
Crawford	1,226	Pierce	976
Dane	995	Polk	988
Dodge	818	Portage	1,011
Door	1,733	Price	1,387
Douglas	1,336	Racine	1,402
Dunn	1,237	Richland	1,129
Eau Claire	1,098	Rock	926
Florence	2,479	Rusk	1,531
Fond du Lac	1,347	St. Croix	914
Forest	1,468	Sauk	1,161
Grant	1,105	Sawyer	1,631
Green	1,054	Shawano	1,678
Green Lake	1,315	Sheboygan	874
Iowa	908	Taylor	1,213
Iron	3,596	Trempealeau	1,078
Jackson	1,518	Vernon	989
Jefferson	826	Vilas	1,315
Juneau	1,297	Walworth	1,118
Kenosha	1,193	Washburn	1,834
Kewaunee	1,122	Washington	636
La Crosse	912	Waukesha	582
Lafayette	955	Waupaca	1,070
Langlade	1,250	Waushara	1,400
Lincoln	967	Winnebago	719
Manitowoc	953	Wood	904

Statewide Measures

Average	$1,011	Median	$1,120

County Board Staff Committee
Finance Committee
2023 Pre-Budget Overview

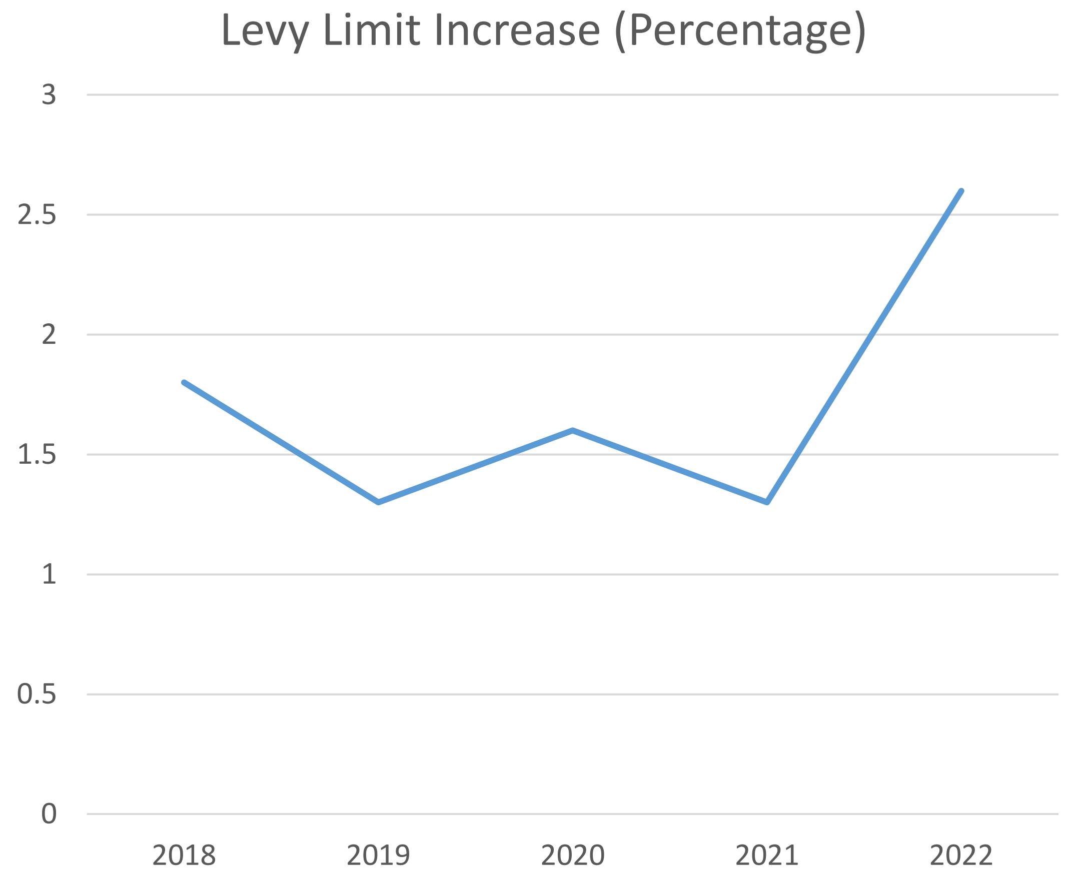
June 2, 2022

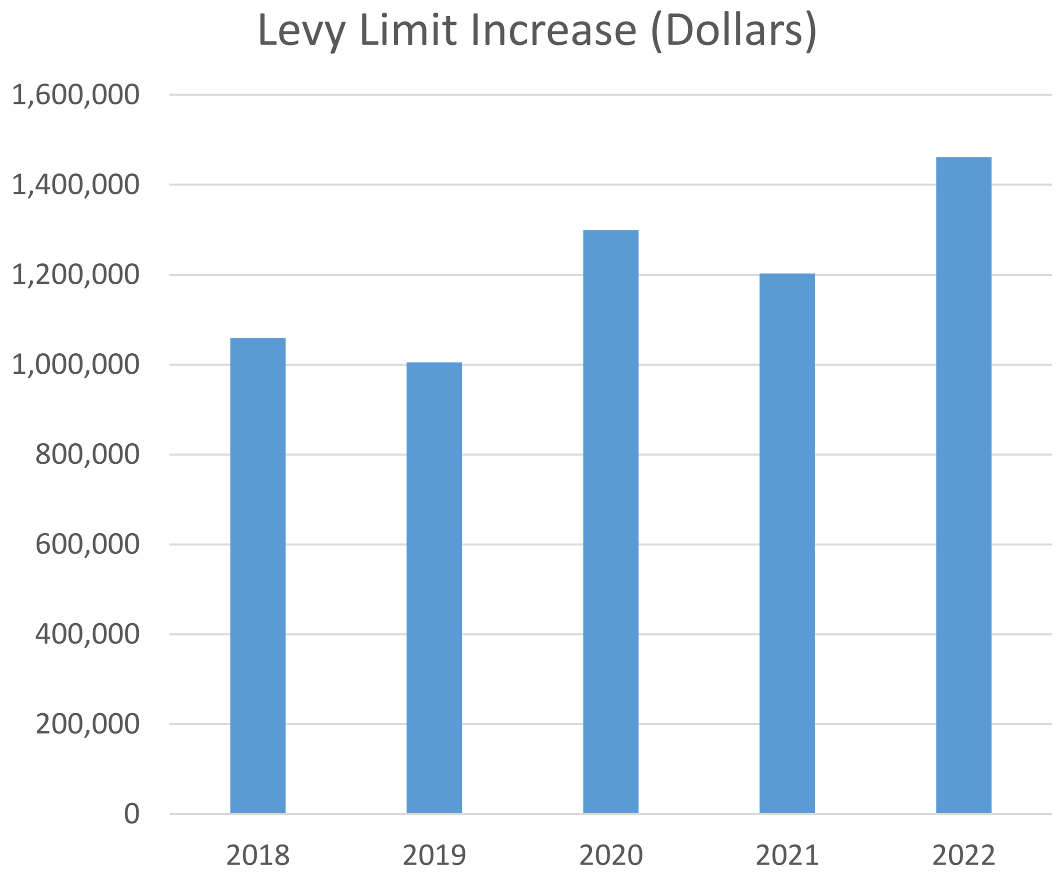
Agenda

- Revenue and Sources
  - Levy limits and property taxes
  - Sales tax
  - Other revenue sources
- Operational Expenditures
  - Wages and personnel costs
  - Other operational issues
- Capital Expenditures
- Summary and Questions

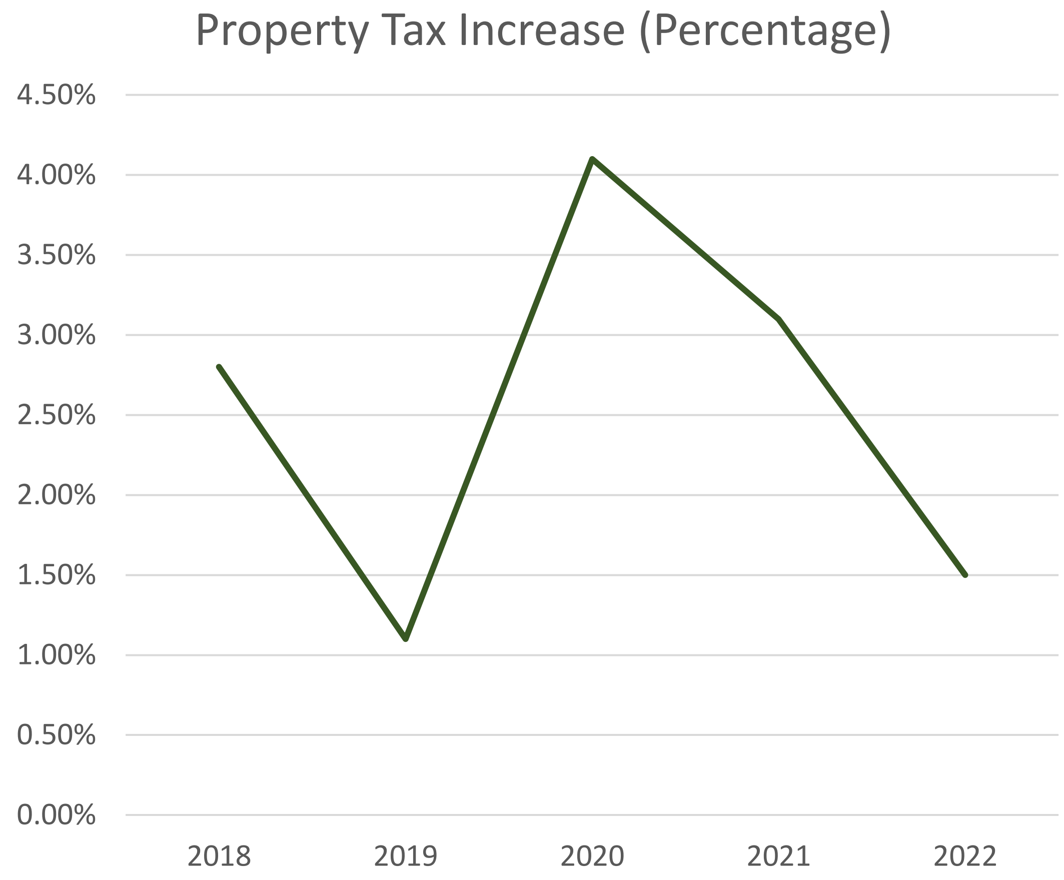
Revenue and Sources

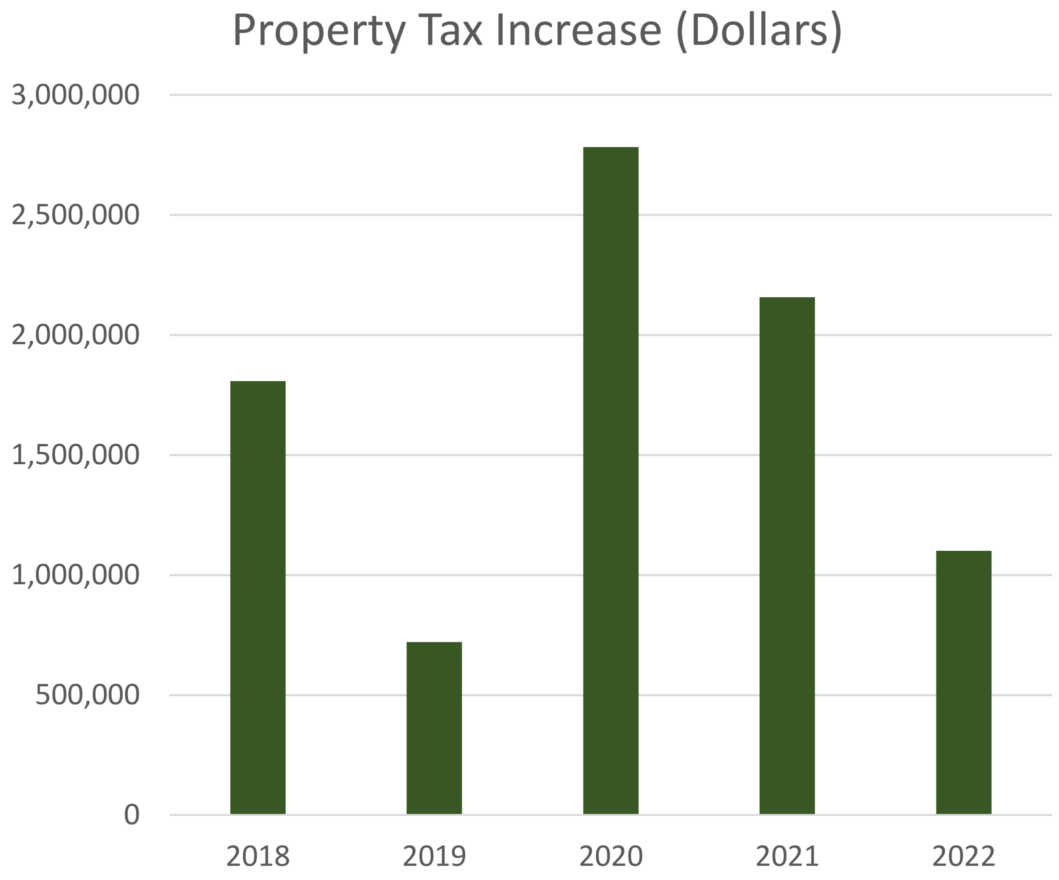
Tax Levy Limits





Property Taxes

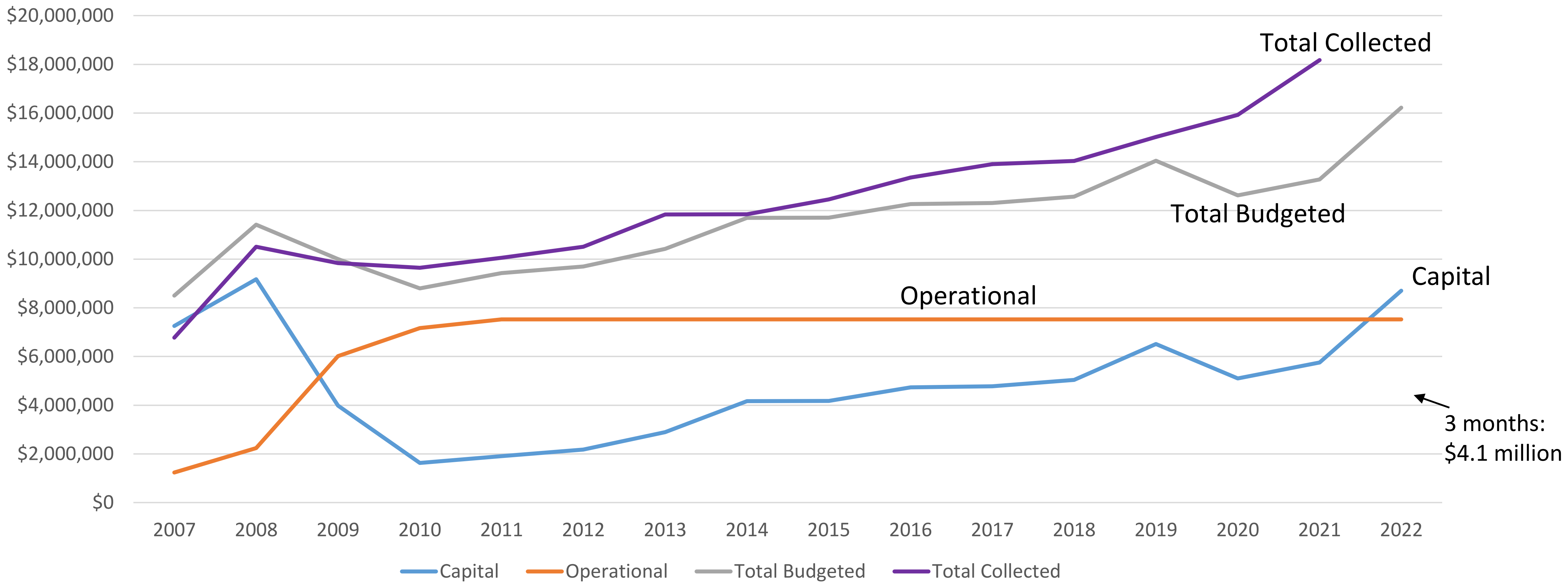




Sales Tax Collections

- Rock County implemented ½ percent sales tax in 2007
- 2022 budget
  - $16.23 million total collections budgeted
  - $7,522,973 for operational costs (same since 2011)
- Excess Sales Tax Balance (current) = $4,509,087
- 2023 budget = ?
  - Collections March 2022 through May 2022 = $4.1 million
  - Trending $277,279 less than same period in 2021
  - $4 million dedicated to Sheriff's Office construction project

Sales Tax Collection and Appropriation, 2007-2022



Other Revenue

- State and federal (intergovernmental) revenue = 45% of budget
- Shared revenue increases from various solar projects
- Federal infrastructure funding
- Beloit Ho-Chunk Casino Project
  - Construction timeline uncertain
  - No revenue will be included in 2023 budget
  - County will eventually receive 0.6% of net profit

American Rescue Plan Act (ARPA)

- Amount allocated to Rock County: $31.7 million
- Amount obligated by County Board: $30.4 million
- Amount remaining: $1.3 million

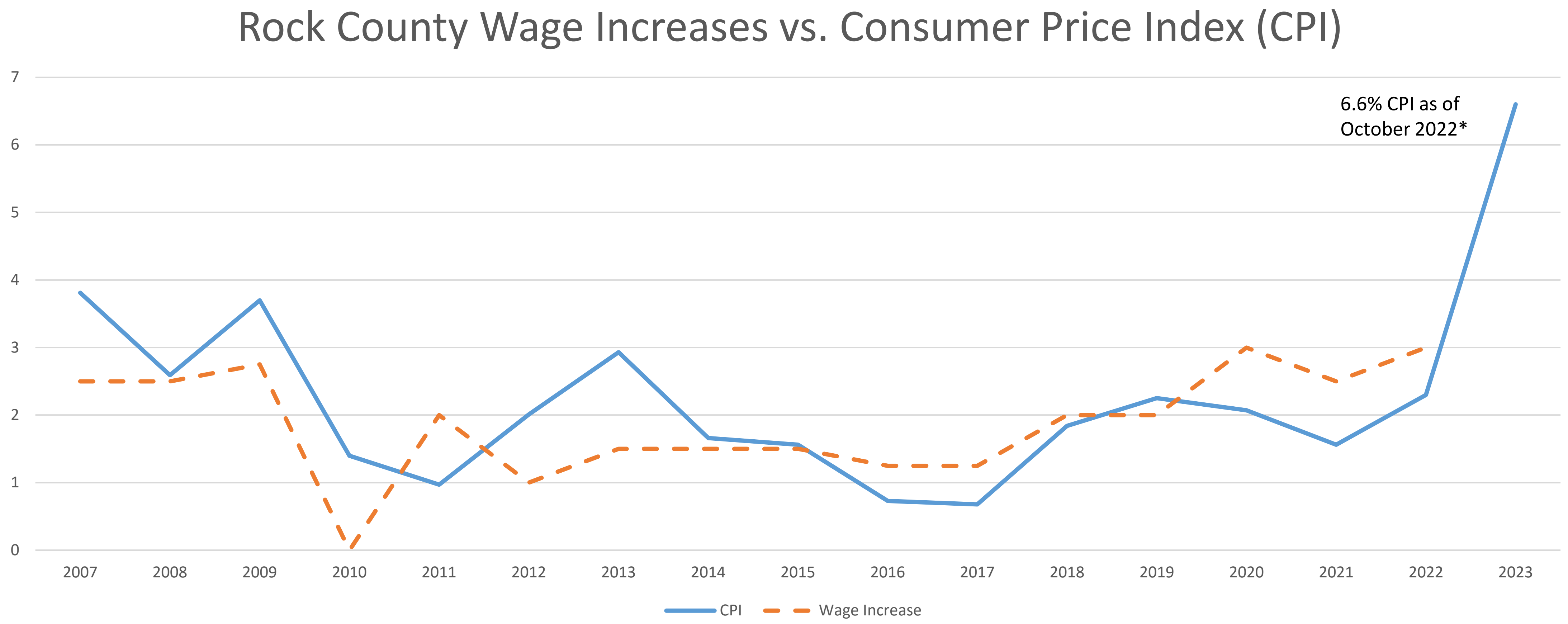
- 2022 budget included $2.9 million in new ARPA spending
- 2023 budget
  - Not likely to include any new allotment of ARPA funds
  - Will include ongoing costs of ARPA-funded projects

Operational Expenditures

Wages and Personnel Costs

- Direct personnel costs comprise 59% of the budget
  - Wages = $87.5 million
  - Insurance (health, dental, life) = $23.7 million
  - FICA = $6.3 million
  - Retirement = $6.3 million
- 1.0% increase in wages = about $815,000 in additional costs

Wages vs. Consumer Price Index (CPI)



*The Wisconsin Department of Revenue (DOR) has advised the Wisconsin Employment Relations Commission (WERC) that this is the CPI-U increase applicable to one-year collective bargaining agreements with a term beginning on this date.

Wage and Personnel Challenges

- Annual wage 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
- Acute workforce and labor issues
  - Recruitment and retention issues are exacerbated in competitive market
  - Cannot spend our way out of the problem
  - Need to devote effort to creating and sustaining attractive work environment

Organizational Improvement Priorities

- Strategic plan priorities and future implementation/monitoring
- Classification and compensation study
- Recommendations from Blue Ribbon Commission/Hue Life Report
- Butler Institute child welfare assessment
- Finance Department review

Other Operational Issues and Priorities

- Inflation increase = 8.3% from April 2021 to April 2022
  - Food prices up 9.4%
  - Energy prices up 30.3%
- Internal support functions (HR, Facilities, Finance, Corp. Counsel, IT)
- Pre-trial expansion, enhanced deferred prosecution (EBDM)
- Ongoing pandemic recovery
  - Health Department
  - Rock Haven census and staffing
  - Mental health of staff, clients, and community
  - Economic effects on revenue (investments, real estate fees, etc.)

Capital Expenditures

2023 Capital Improvement Plan (CIP) Projects

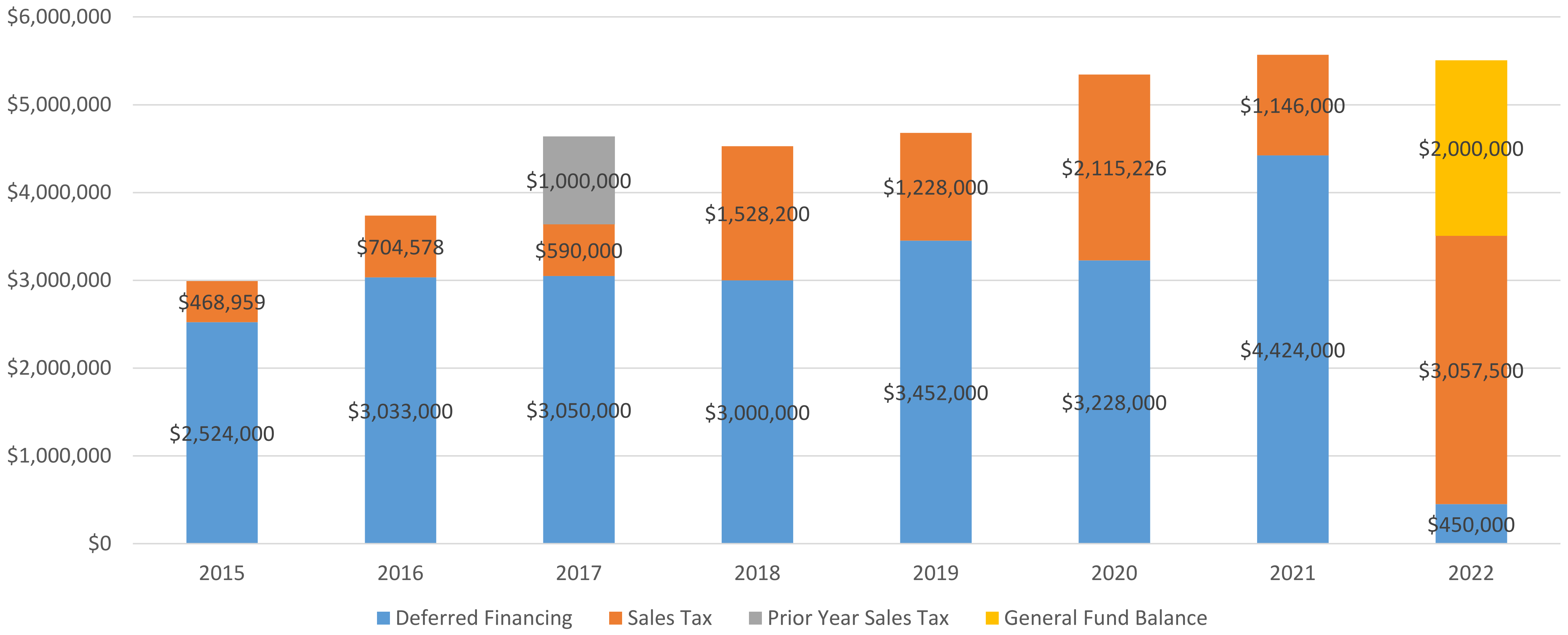
- Facilities Management
  - $44.0 million for Sheriff’s Office project
  - $4.6 million at other facilities
- Airport = $5.0 million
- Information Technology = $822,000
- Sheriff’s Office = $741,000
- 911 Communications Center = $740,000
- Human Services = $440,000

2023 CIP Projects-Department of Public Works

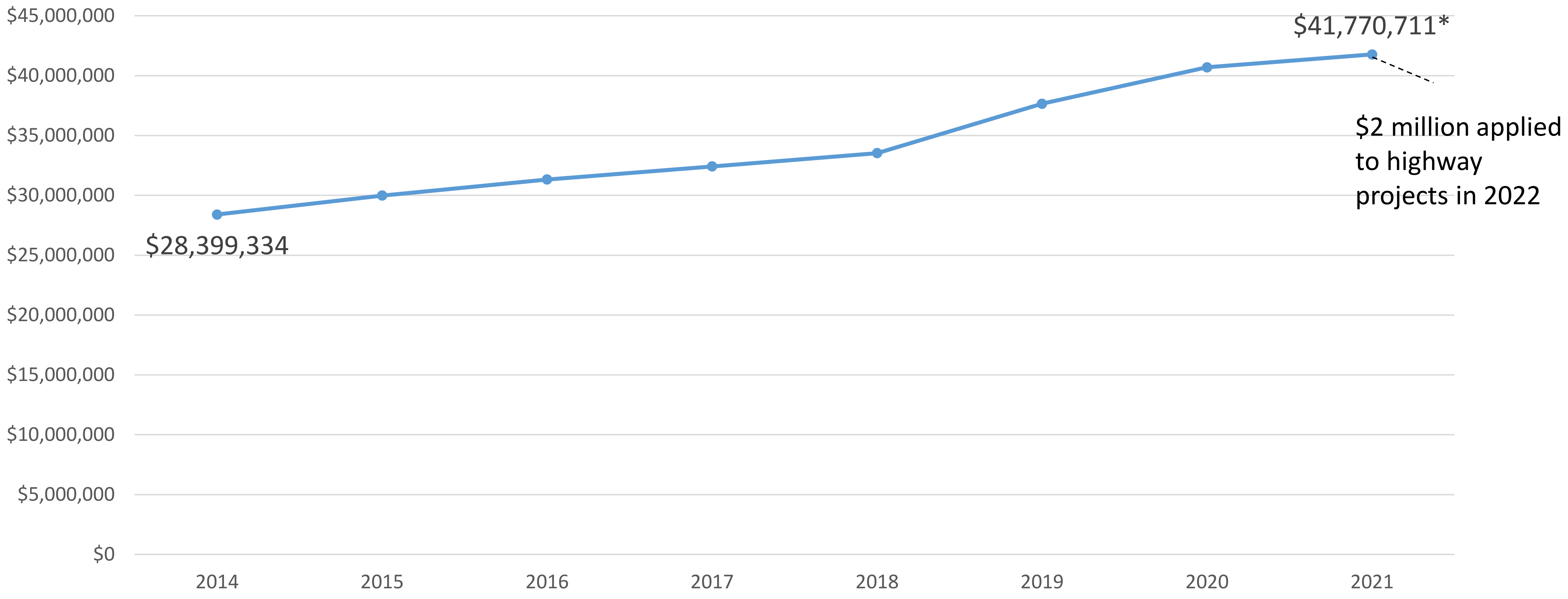
- Highway Projects
  - Highway construction projects = $14.3 million ($5.4 million local sources)
  - Public Works equipment = $4.6 million

- Parks Division Projects = $210,000

Highway Construction Funding Sources, 2015-2022



Unassigned General Fund Balance, 2014-2021



*Unaudited

Summary

- Rock County remains in a strong financial position
- 2023 budget priorities include:
  - Workforce (employee wages and work environment)
  - Addressing inflation
  - Strategic plan and organizational improvement implementation
- Ongoing Facilities Master Plan implementation
  - Borrowing and debt service will increase (Sheriff’s Office, 911/IT project)

Questions?