COUNTY BOARD STAFF/FINANCE COMMITTEES
Minutes - June 1, 2023

Call to Order: Chair Bostwick called the hybrid joint meeting of the Finance and County Board Staff Committees to order at 6:05 P.M. in Conference Room N1/N2.

Committee Members Present: Supervisors Bostwick, Mawhinney, Beaver, Brien, Towns, Wilson, Podzilni, Farrell, Leavy (6:06 P.M.), and Sweeney (6:09 P.M.).

Committee Members Absent: Supervisors Clasen and Peer.

Staff Members Present: Amy Spoden, Interim Human Resources Director; Sherry Oja, Finance Director; Josh Smith, County Administrator; Randy Terronez, Assistant to the Administrator.

Others Present: Supervisors Winter, Woodman, Whitledge, and Zoril; Chuck Flynn; Sheila Williams; Tony Severson; John Hilario.

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

Citizen Participation, Communications and Announcements: No public comment submitted.

(Supervisor Leavy joined at 6:06 P.M.)

Approval of Minutes:

July 21, 2022 Minutes: Supervisor Wilson moved approval of the July 21, 2022 minutes, second by Supervisor Beaver. ADOPTED.

General Review of County's Financial Position as it Relates to the 2024 Budget: Josh Smith and Sherry Oja provided an overview of the County's 2024 financial position (attached).

(Supervisor Sweeney joined at 6:09 P.M.)

Josh and Sherry walked through the budget overview and answered questions relating to revenue, expenditures, etc.

Next Meetings: Thursday, June 15, 2023 at 6 PM, Rock Haven & Public Health Health Department; Thursday, June 29, 2023 at 6 PM, Human Services Department; Thursday, July 20, 2023 at 6 PM, Public Works & Airport; Thursday, July 27, 2023 at 9 AM, Sheriff's Office Sheriff's Department: Next joint meeting is June 15 at 6 P.M. at the Health Department and via

Zoom

Adjournment: Supervisor Mawhinney moved to adjourn at 7:31 P.M., second by Supervisor Towns. ADOPTED.

Respectfully submitted,

Haley Thompson
Office Coordinator

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.

County Board Staff Committee
Finance Committee
2024 Pre-Budget Overview

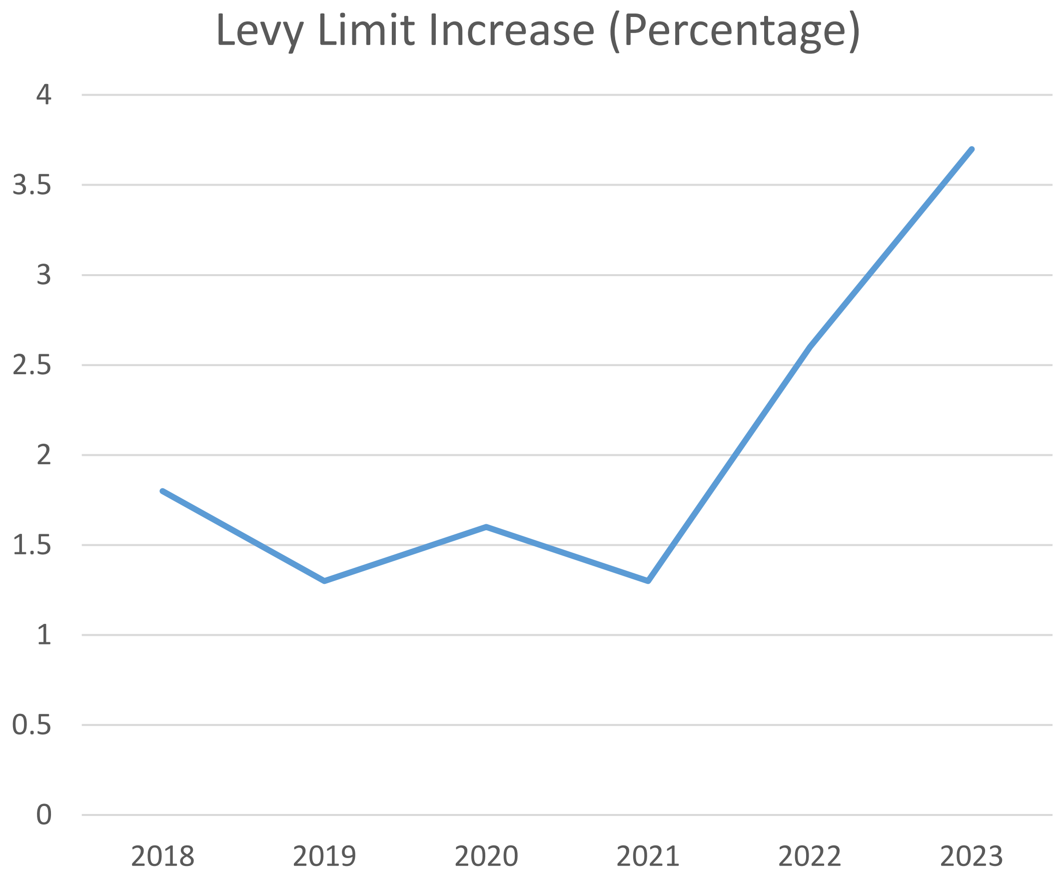
June 1, 2023

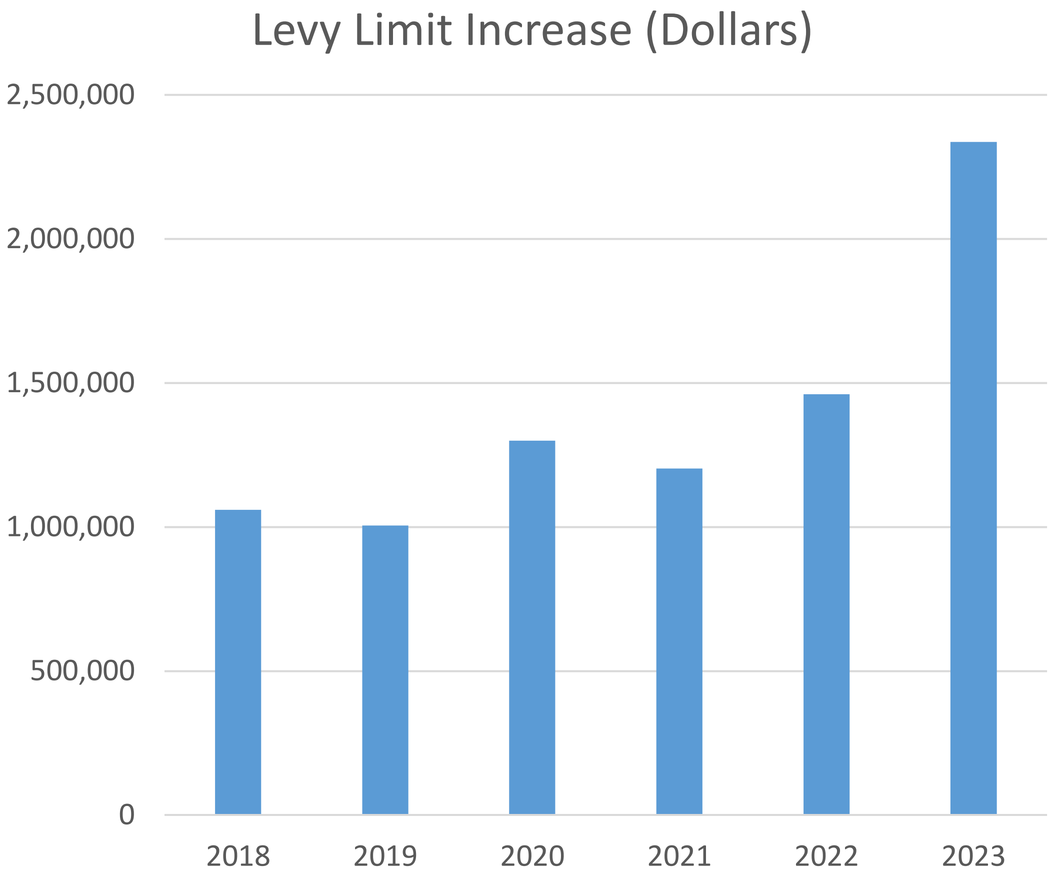
Agenda

- 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

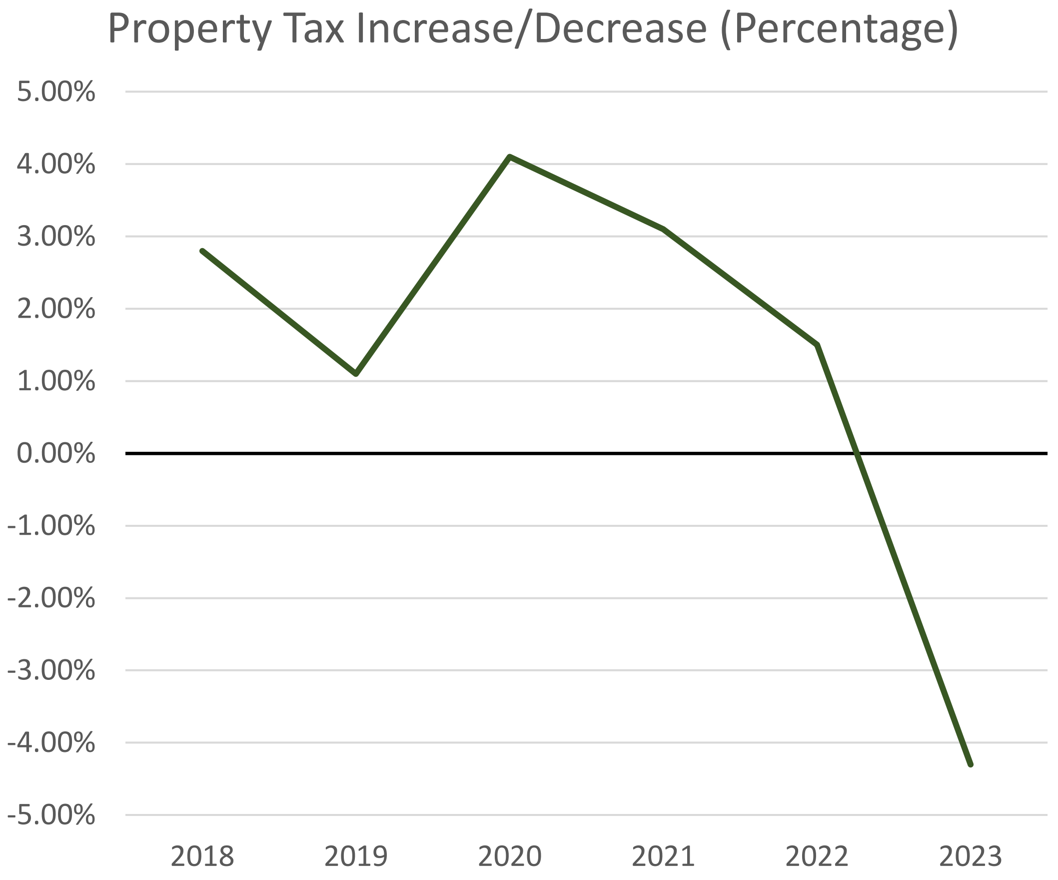
Revenue and Sources

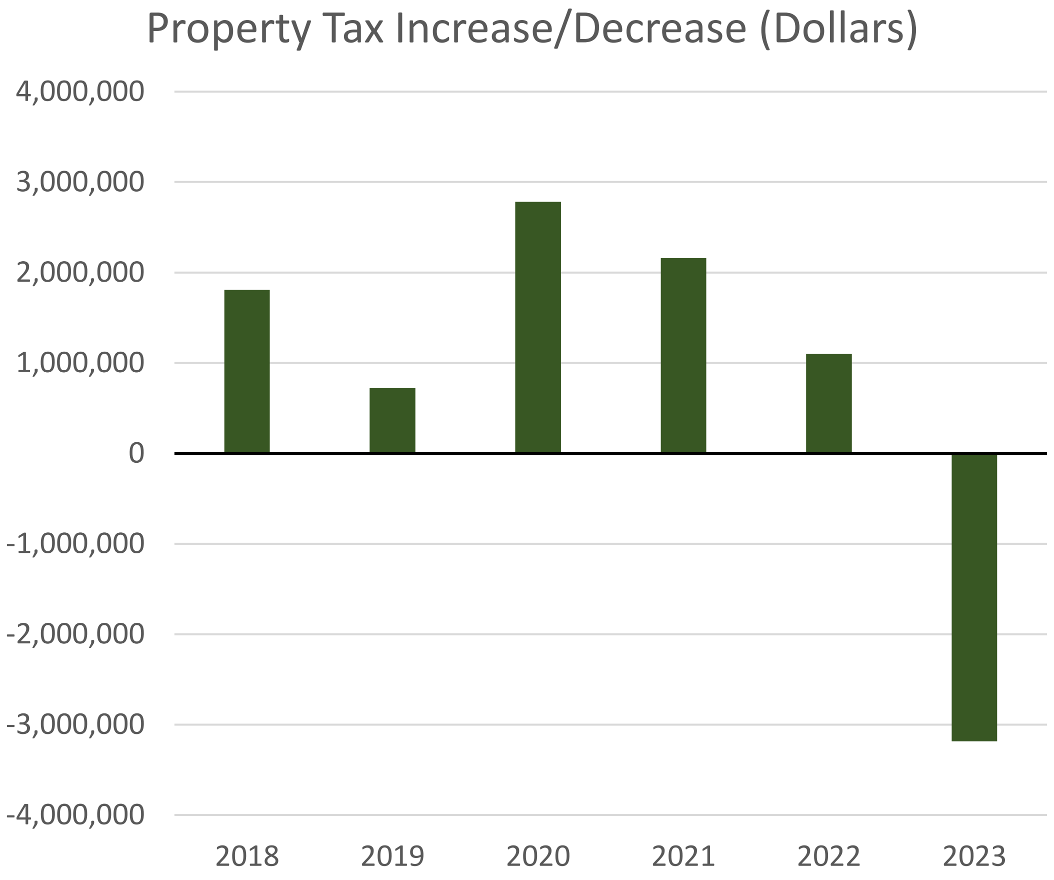
Tax Levy Limits



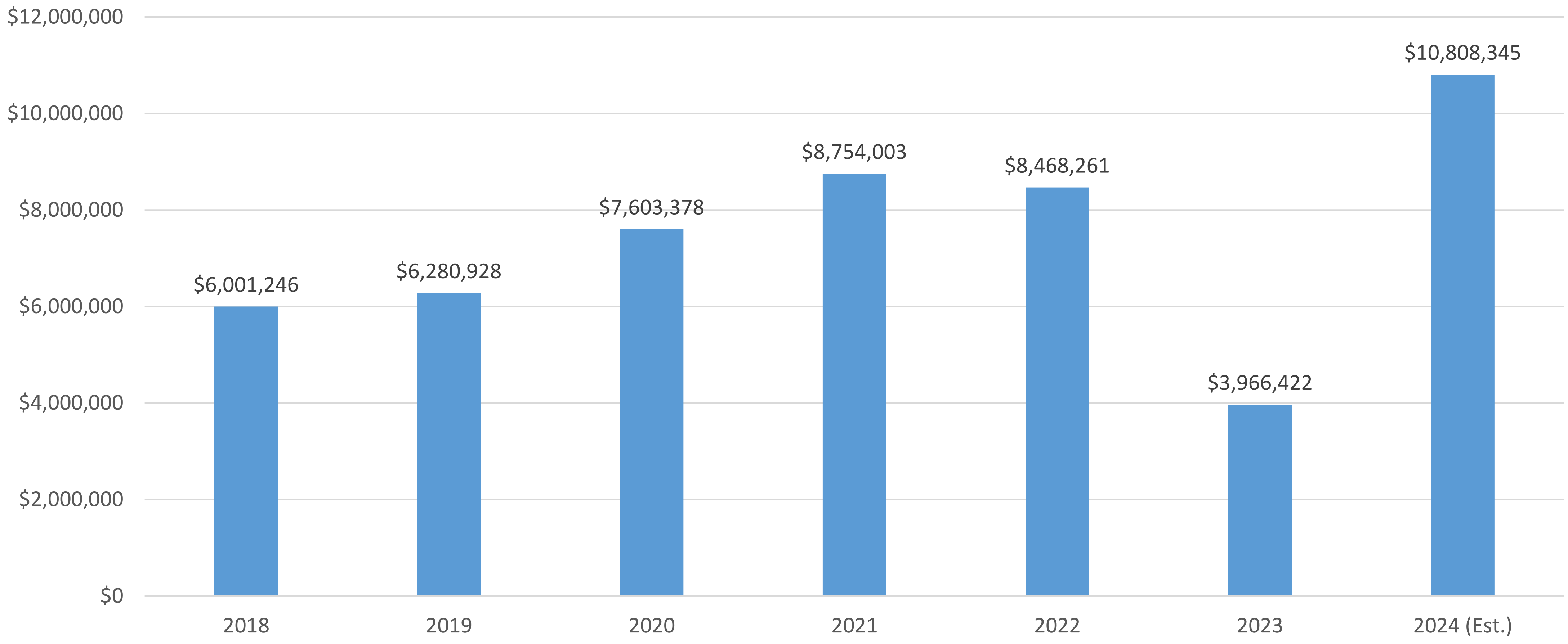


Property Taxes





Debt Service Levy



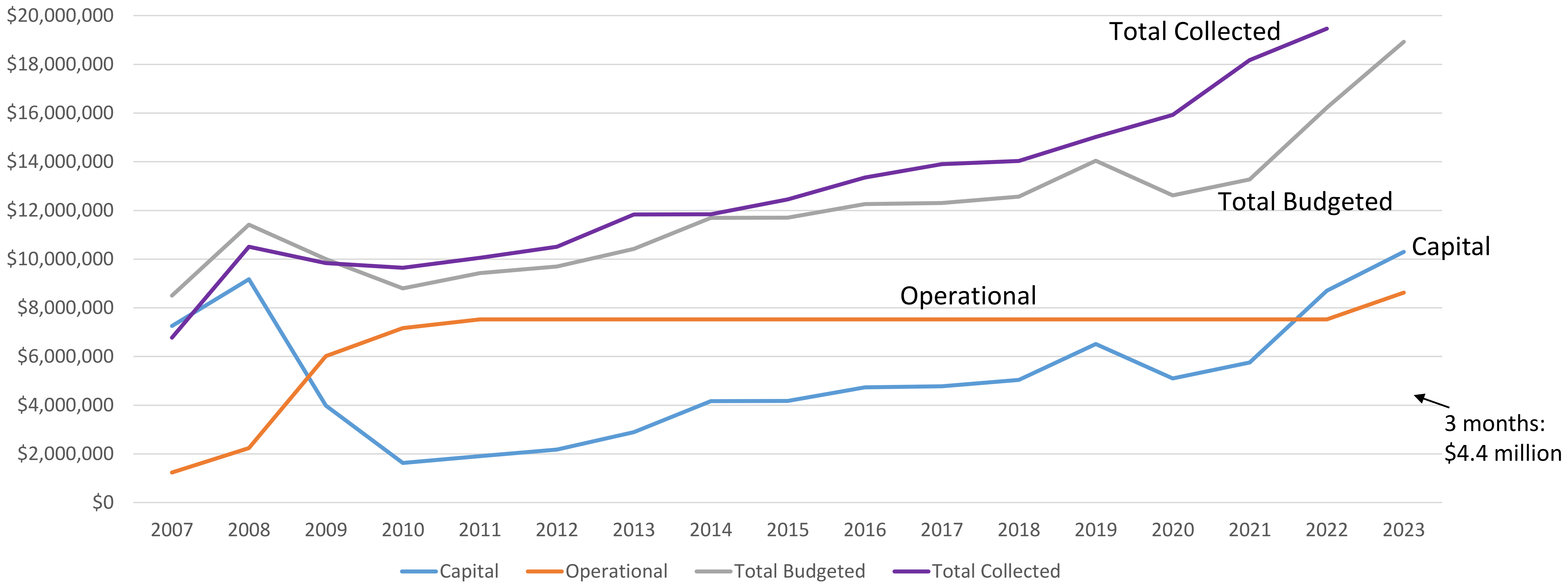
2024 Tax Levy Increase: 4 parts

- Operational costs as allowed under levy limits
- Limited levies (highway town bridge aid, library aids)
- Debt service levy increase (includes 2023 borrowing)
  - $0.42/$1,000 in assessed valuation
  - $42 tax increase on a $100,000 home
  - **NOTE: only $0.08/$1,000 is due to the 2023 borrowing**
- Debt service levy increase due to 2023 tax cut
  - $0.35/$1,000 in assessed valuation
  - $35 tax increase on a $100,000 home

Sales Tax Collections

- Rock County implemented ½ percent sales tax in 2007
- 2023 budget
  - $18.9 million total collections budgeted
  - $8.6 million for operational costs (increase of $1.1 million for Rock Haven)
- Excess Sales Tax Balance = $237,087
- 2024 budget = ?
  - Collections March 2023 through May 2023 = $4.4 million
  - Trending $265,313 more than same period in 2022
  - $4 million dedicated to Sheriff’s Office construction project

Sales Tax Collection and Appropriation, 2007-2023



FY 2023-25 State Biennial Budget

- Current Shared Revenue Reform Proposal
  - $1,054,235 increase (29.1%)
  - Dedicated to law enforcement, fire protection, emergency medical services, emergency response communications, public works, and transportation.
  - Would be effective July 1, 2024
- WCA has also been working on increased funding for:
  - Victim-Witness program reimbursement (District Attorney's Office)
  - Mental health—Community Support Program (CSP) and Crisis services
  - General Transportation Aids (GTA)/Local Road Improvement Program (LRIP)

Other Revenue

- Nursing home reimbursement rate increases
  - Medicaid average daily rate increased from $193/day to $339/day (+$146)
  - Medicare average daily rate increased from $479/day to $579/day (+$100)
  - $4.5 million unbudgeted increase in 2023
  - Expected to continue for 2024
- Additional opioid settlement funds
- Ho-Chunk Beloit Casino Project
  - Construction timeline uncertain
  - No revenue will be included in 2024 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: $28.6 million
- Amount unobligated: $3.1 million
- Amount unspent: $19.3 million

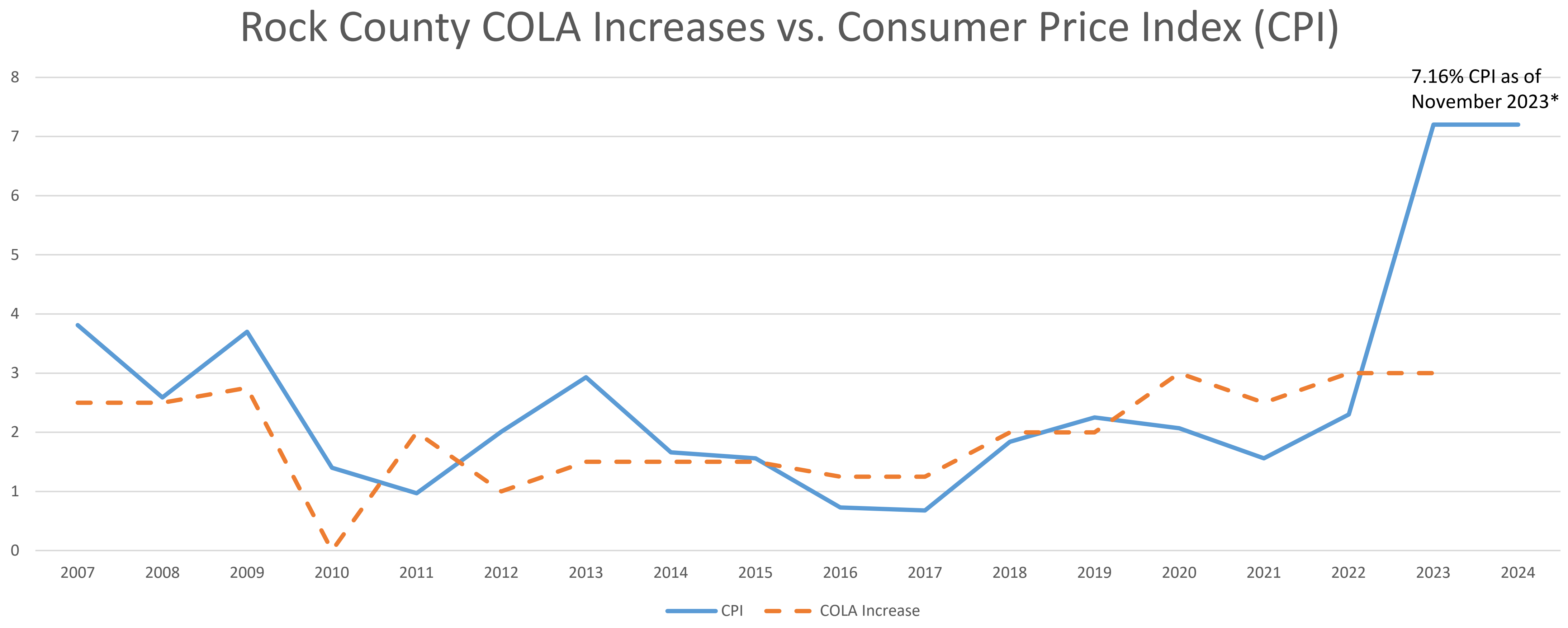
- Federal debt ceiling agreement does not claw back local funds
- 2024 budget
  - Will include ongoing costs of ARPA-funded projects
  - Will likely include recommendations for unobligated/unspent ARPA funds

Operational Expenditures

Wages and Personnel Costs

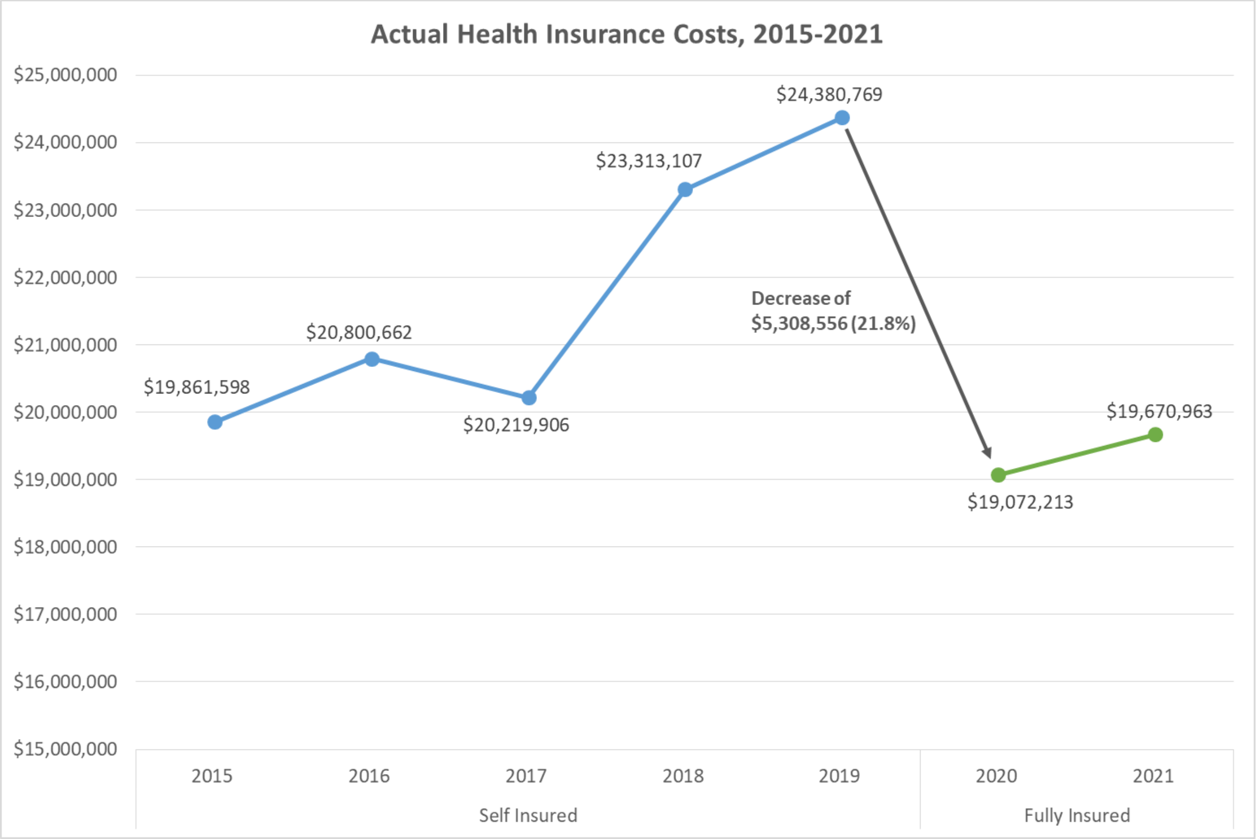
- Direct personnel costs comprised 58% of the budget in 2023
- Wage estimates
    - Wage grid implementation = $1.79 million wage increase
    - 2.0% COLA = $1.58 million wage increase
    - Total wage increase = $3.37 million
- FICA ($258,000 increase)
- Retirement ($227,000 increase)

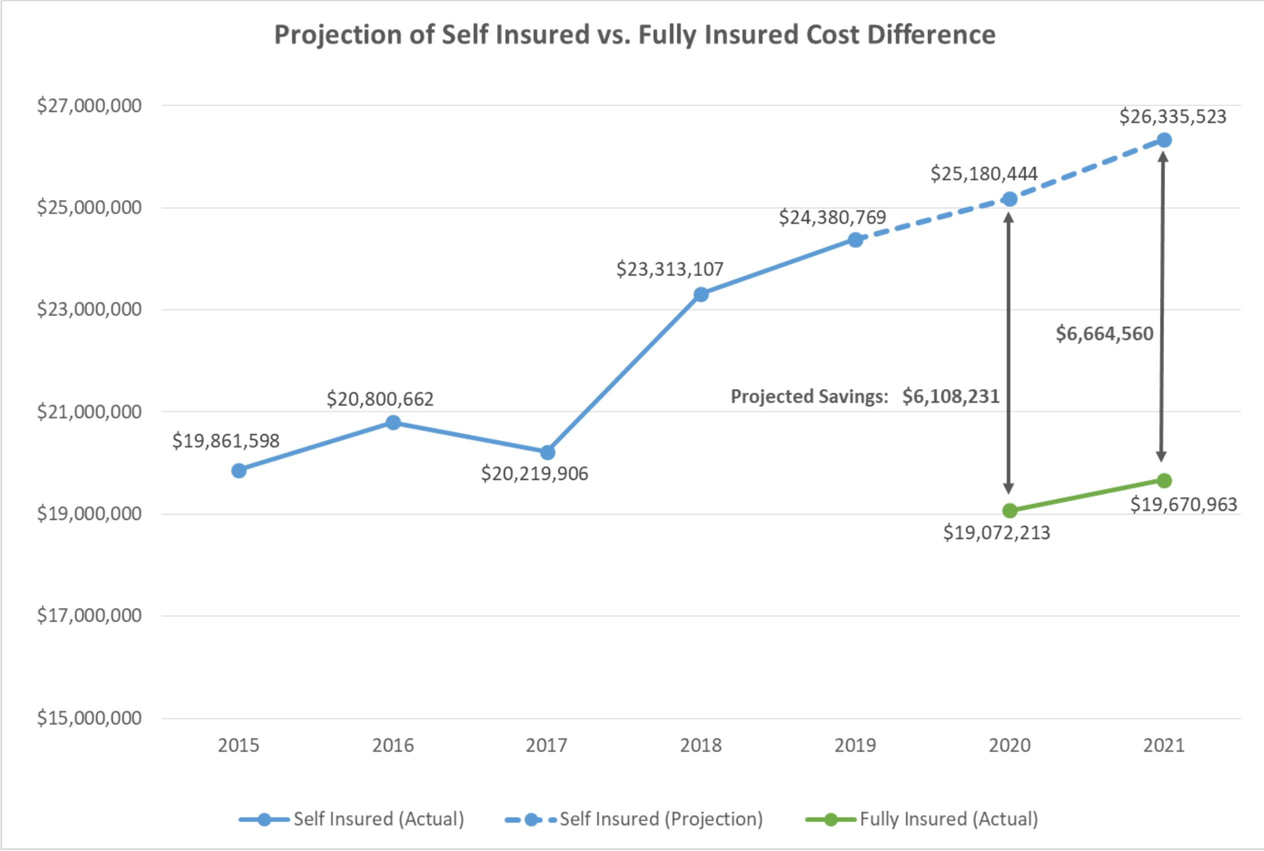
Wages vs. Consumer Price Index (CPI)



*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.

Health Insurance Savings





Health Insurance Costs

- Multi-year plan to smooth impact on the budget
- 2023 budgeted amount = $23.2 million
- 2023 actual costs = $24.1 million
- Health insurance trust fund balance = $9.5 million
- 2024 begins new contract term with SSM Health and Mercyhealth
- 2024 budget will include increased budget for health insurance
- We are reviewing the health insurance plan and expect to make some changes to the plan design

Other Operational Issues and Priorities

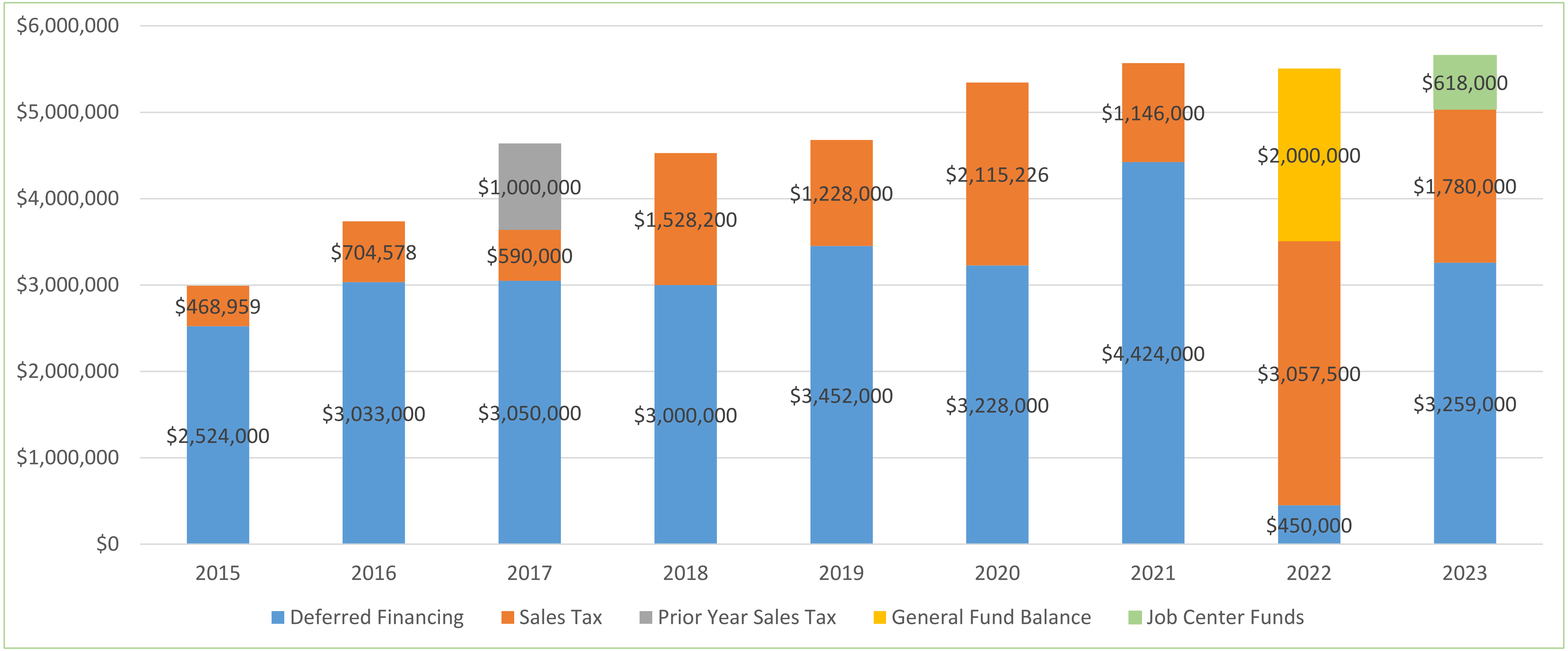
- Inflation increase = 4.9% from April 2022 to April 2023
- Continued vigilance on Rock Haven future planning
- Opioid settlement programs and expenditures
- Pre-trial supervision expansion, AODA assessments (EBDM)
- Internal support functions (HR, Corp. Counsel, Facilities, Finance, IT)
- Emergency Management transition from Sheriff’s Office to Administration

Capital Expenditures

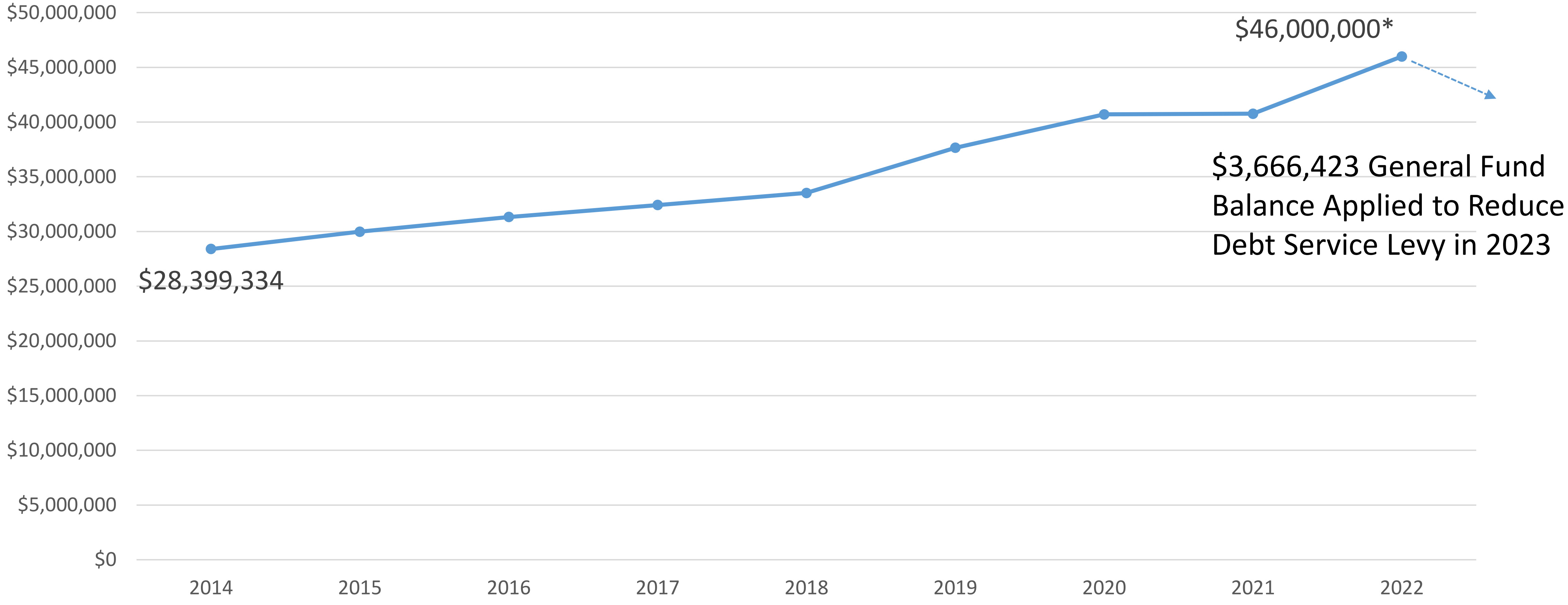
2024 Capital Improvement Plan (CIP) Projects

- Facilities Management
  - $42.4 million for Sheriff’s Office project
  - $6.4 million at other facilities
- Highway Projects
  - Highway construction projects = $6.1 million
  - Public Works equipment = $4.8 million
- Airport= $5.2 million
- Information Technology = $1.0 million
- Sheriff’s Office = $653,000
- Parks Division Projects = $680,000
- Human Services = $260,000

Highway Construction Funding Sources, 2015-2023

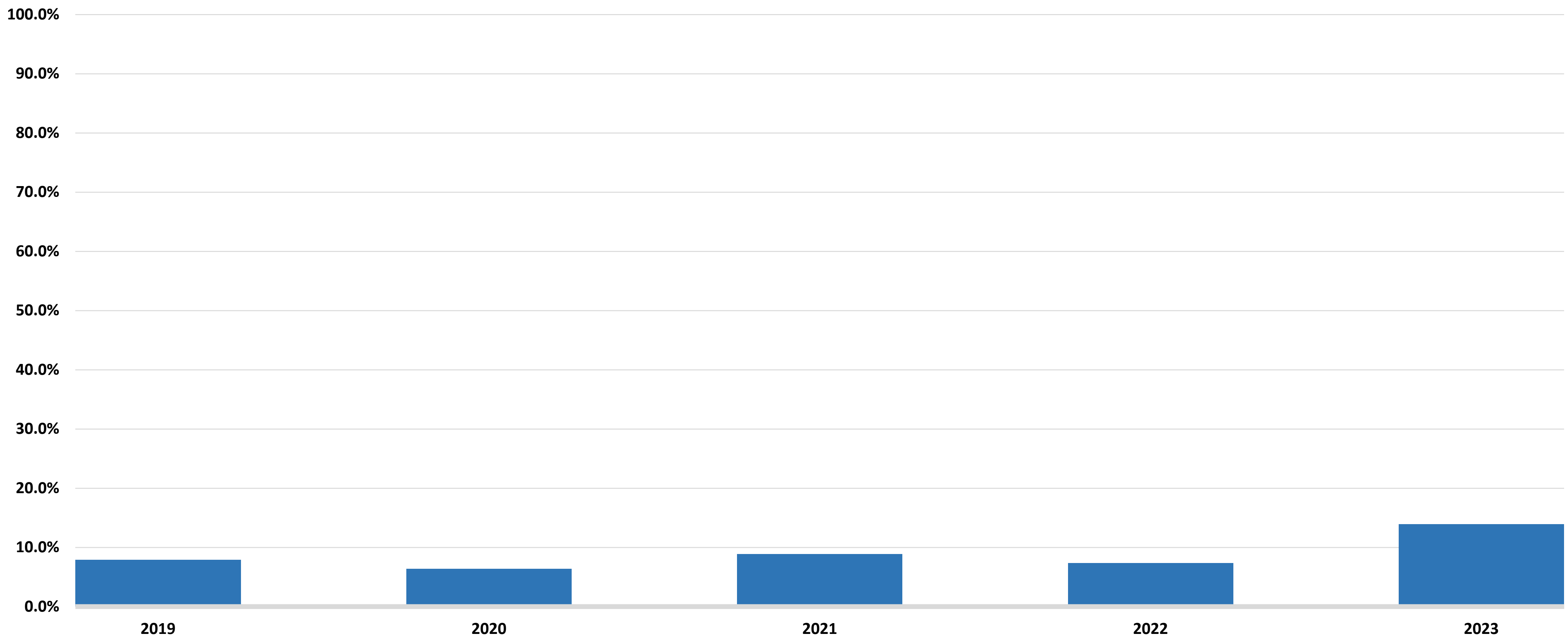


Unassigned General Fund Balance, 2014-2022



*Unaudited

Percentage of Debt Capacity Used



Summary

- Rock County remains in a strong financial position
- Employee wages will be a priority for the foreseeable future, potentially limiting other uses of funds
- Largest capital projects in Facilities Master Plan coming to a close
- Debt levy increase will create higher than average tax levy increase
- Sales tax flexibility used carefully to limit future borrowing costs, address capital needs in operating budget
- Maximize benefit from irregular revenue sources (ARPA, opioids)

Questions?