JOINT FINANCE & PUBLIC WORKS COMMITTEE
Minutes - October 16, 2025

Call to Order: Chair Mawhinney called the hybrid Joint Finance and Public Works Committee meeting to order at 12:00 P.M. in the Public Works Conference Room.

Committee Members Present: Supervisors Mawhinney, Schwarz, Ringhand, Wilson, Towns (12:14 P.M.), Woodman, Homan.

Committee Members Absent: Supervisors Sutter, Pennycook.

Staff Members Present: Duane Jorgenson, Public Works Director; Nick Elmer, Assistant Public Works Director; Kristin Vander Kooi, Finance Director; John Light, County Administrator.

Others Present: Supervisors Gorman, Boehlke, Tillman, and Stone; Neil Johnson; Chuck Flynn

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

Citizen Participation, Communications and Announcements: None.

Review, Discussion and Possible Action:

Review, discussion, and possible action regarding the Highway Fund Balance: Kristin Vander Kooi walked the committee through the highway fund plan (attached).

(Supervisor Towns arrived at 12:14 P.M.)

Supervisor Schwarz requested a 5-year plan in addition to the 4-year plan that was provided.

Supervisor Homan requested staff to look into a tax or fee on corporations to pay for their vehicles for their use of County roads.

***Review, discussion, and possible action regarding applying for a Wisconsin Department of Administration Grant for Local Community Development Projects:** John Light informed the committee that staff would be bringing forward a resolution in light of information regarding Grants for Local Projects from the Wisconsin Department of Administration. There are multiple projects that staff believe may be able to be covered by this grant opportunity.

Next meeting date and time: Next regular Finance Committee will be at 5:00 P.M. on October 23.

There may be a special Finance Committee meeting on October 30.

Public Works Committee regular meeting is on October 28

Next Joint Committee meeting is October 23 at 4:00 P.M. in the Jury Deliberation Room

Adjournment: Supervisor Woodman moved adjournment at 1:27, second by Supervisor Ringhand. ADOPTED.

Respectfully submitted,

Haley Thompson
Executive Assistant

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.

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To: Joint Finance/Public Works Committee

CC: John Light, County Administrator; Duane Jorgenson, Director of Public Works

From: Kristin Vander Kooi, Finance Director

Re: Highway Fund Plan

Date: October 16, 2025

Background

During the 2024 audit process, it was recommended that the County book an advance from the General Fund to the Highway Fund due to the Highway Fund having a large, long-term deficit net position. There are two long-term policy decisions that require review. The first is future ongoing funding of Highway Fund and the second is the payback of the advance from the General Fund. Staff were directed to develop a three-to-five-year plan for payback of the advance and report back to the Joint Finance/Public Works Committee for discussion. The first year of the plan would be incorporated into the 2026 Administrator's Recommended Budget.

Discussion

Future Ongoing Funding of the Highway Fund

The Highway Fund is an enterprise fund of Rock County. Enterprise funds operate like a business. The Highway Fund provides public works services to the County, the State, and multiple Townships. While the State and Townships pay for their services, the County must fund its portion of mandated services through an ongoing revenue source. The property tax levy funding (or recommended) for Highway operations since 2020 is as follows:

Year	Tax Levy
2026	3,455,876
2025	4,387,610
2024	1,166,206
2023	287,878
2022	2,703,808
2021	2,643,918
2020	2,653,213

Policy decisions are needed regarding long-term funding of the Highway Fund. Possible solutions include:

- Borrowing for road projects
- Municipal Vehicle Registration Fee
- Continued/Increased Property Tax Levy
- Continued/Increased Sales Tax allocation
- Reduction in level of maintenance of county roads
- Reduction in level of highway services
- Reduction in replacement of equipment

State imposed levy limits tie the amount of property tax increase for operations to net new construction. Annual net new construction for Rock County does not keep up with inflation, which makes this ongoing revenue source not viable due to competing demands across all county departments. Reducing the level of public works services provided is not an ideal solution because roadways can be directly tied to commerce and economic development. The table below identifies Rock County's net new construction and rate of inflation (CPI-U) since 2020.

Budget Yr.	NNC	Inflation	Difference
2026	1.62	2.7	-1.1
2025	1.48	3.2	-1.7
2024	2.14	3.7	-1.6
2023	1.67	7.7	-6.0
2022	2.6	3.0	-0.4
2021	1.33	1.4	-0.1
2020	1.6	1.9	-0.3

Enacting a Municipal Vehicle Registration Fee would provide a revenue stream specific to public works operations and help bridge the gap in property tax needs. The potential revenue from a Municipal Vehicle Registration Fee is as follows:

138,558 vehicles registered in Rock County (as of 12/31/24)

i. $40 fee = $5,542,320
ii. $30 fee = $4,156,740
iii. $20 fee = $2,771,160

The Public Works Department has capital needs in addition to their operating needs. These capital expenditures include equipment, facilities, and roads. Many governments choose to fund capital expenditures through debt. Debt allows for large projects to be completed sooner, spreads the cost over the life of the asset, and is a way for future Rock County residents to pay for their share of the benefit of the asset. Staff recommend creating a debt policy to identify when debt should be used, what it should be used for, and implementing metrics to ensure the County's debt burden is manageable and fiscally responsible. Metrics could include percent of legal debt limit, percent of debt levy to total levy, and types of projects the County is willing to borrow for.

Rock County Supervisors have made a policy decision that sales tax revenues above and beyond $7.5 million annually should be used towards capital and one-time expenditures. Road infrastructure and facilities are the largest assets that the County owns and maintains. As with operations, many departments compete for the opportunity of sales tax revenue for capital needs. Identifying sales tax as the only other revenue source for large capital projects hinders the County's ability to keep up with repair and maintenance needs of long-term infrastructure assets such as roads and facilities.

Plan Recommendation (based upon 2026-2030 CIP)

Year 1 (2026):
$4 million in borrowing for capital road projects
$2.4 million in sales tax funding for equipment replacement
$3.2 million in sales tax to the Highway Fund for advance repayment
$3.5 million minimum in continued tax levy support for operations

Year 2 (2027):
$4.3 million in borrowing for capital road projects
$2.7 million in sales tax funding for equipment replacement
$2.7 million in sales tax to the Highway Fund for advance repayment
Enact Municipal Vehicle Registration Fee at $20/vehicle
Continued tax levy support for operations

Year 3 (2028):
$4.3 million in borrowing for capital road projects
$2.7 million in sales tax funding for equipment replacement
$4.5 million in sales tax to the Highway Fund for advance repayment
Continued tax levy support for operations

Year 4 (2029):
$6.8 million in borrowing for capital road projects
$2.7 million in sales tax funding for equipment replacement
$4.7 million in sales tax to the Highway Fund for advance repayment and development of a fund balance
Continued tax levy support for operations

The debt levels recommended in the 2026-2030 Capital Improvement Plan are structured to maintain a manageable and consistent debt levy in the future. The table below identifies existing debt service needs, future debt service needs based upon the 2026-2030 Capital Improvement Plan, the estimated debt levy tax rate (based upon a 2% equalized value increase annually), and percentage of legal debt limit.

Budget Year	Existing Debt Service	New Debt Service	Combined Debt Service	DS Offset	Net Combined DS	Tax Rate	Percent of Legal Limit
2025	15,709,938	-	15,709,938	(10,101,593)	5,608,345	0.00029	12.06%
2026	14,462,138	-	14,462,138	(4,742,029)	9,720,109	0.00047	10.95%
2027	13,648,145	235,000	13,883,145	(1,000,000)	12,883,145	0.00062	10.31%
2028	12,837,625	693,000	13,530,625	(1,000,000)	12,530,625	0.00059	10.41%
2029	12,024,200	1,549,313	13,573,513	(1,000,000)	12,573,513	0.00058	10.31%
2030	11,287,900	2,281,897	13,569,797	(1,000,000)	12,569,797	0.00057	9.95%
2031	10,346,100	3,211,938	13,558,038	(1,000,000)	12,558,038	0.00056	8.98%
2032	9,867,800	3,694,413	13,562,213	(1,000,000)	12,562,213	0.00054	8.05%
2033	9,727,000	3,821,913	13,548,913	(1,000,000)	12,548,913	0.00053	7.15%

* 12/31/24 percent of legal limit was 14%

Conclusion

The recommended plan above allows for a payback to the General Fund of $14.6 million over four years, continues to fund mandated public works operations at the service level our community expects, invests in the repair and replacement of the County’s largest asset, and develops a continuous new revenue source to complement property tax levy support of services. This allows property tax levy that was once devoted to the Public Works department to be routed to other departments within the County.