

# Richland County

## Referendum Ad Hoc Committee

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January 3rd, 2023

The Richland County Referendum Ad Hoc Committee convened on Tuesday, January 3rd, 2023, in person and by WebEx.

Committee members present included County Board Supervisors Steve Carrow, Shaun Murphy-Lopez, Bob Frank with Dave Turk and Erin Unbehaun by WebEx.

Also in attendance was Assistant to the Administrator Cheryl Dull taking minutes, Administrator Clinton Langreck and several department heads by WebEx, county employees, general public, County Board Members and WRCO.

Not present: Kerry Severson and Mayor Todd Coppernoll

1. **Call to Order:** Chair Murphy-Lopez called the meeting to order at 9:33 a.m.
2. **Proof of Notification:** Chair Murphy-Lopez verified that the meeting had been properly noticed. Copies of the agenda were sent by email to all Committee members, County Board members, WRCO, County department heads, Richland Observer, Valley Sentinel and a copy was posted on the Courthouse Bulletin Board.
3. **Agenda Approval:** Chair Murphy-Lopez asked for approval of the agenda. Moved by Supervisor Frank to approve the agenda as presented, second by Supervisor Carrow. All voting aye, motion carried.
4. **Public Comments:** Alan Lins asked to speak. Mr. Lins introduced himself. He spoke on Economic Development and his disappointment as to the County proposing to back out of the Economic Development funding. He feels the City of Richland Center has not looked into their future plans far enough to insure that keeping the Economic Development Director will be long term without reengaging with the County.
5. **Approval of Minutes:** Chair Murphy-Lopez asked for approval of the minutes from the December 22<sup>nd</sup> meeting. Moved by Supervisor Frank to accept the minutes as presented, 2<sup>nd</sup> by Supervisor Carrow. Motion carried
6. **Guest speaker: Washington County Executive Josh Schoemann:** Chair Murphy-Lopez introduced Josh Schoemann. Mr. Schoemann reviewed Washington and Green Lake Counties and City of Princeton referendums. In Washington County, he felt the reason the referendum didn't pass was because of the increase in county government. In Princeton the referendum passed. He recommended if Richland County is going to ask for an operational levy, they need to start education sooner than later and Senator Marklein should be advised on what the levy limits have done to County's. He felt education is key, not so much with the municipal board but more with the voters, therefore the Board Members getting out in the public is key. In reference to timeline discussion, he felt a 2024 referendum with a 12 to 24-month runway was wiser to get more education out to voters prior.
7. **Draft referendum report:** Chair Murphy-Lopez reviewed 07A, the findings from research that has been completed, the results compiled from that research and the changes to correspond with the recommendation. His conclusion is that most of these short falls through 2026 can be handled with short term borrowing in reviewing the 5-year financial plan. Supervisor Frank and Turk have concerns concerning #2 on page 3. By committing to this are we limiting ourselves to our future capabilities as any access funds could be used somewhere. Administrator Langreck stated his concerns with getting a ¾ vote to enable short term borrowing each year through 2027.

Moved by Supervisor Carrow to refer the Referendum Report to the Finance & Personnel Committee for consideration at their 1/3/23 meeting, 2<sup>nd</sup> by Supervisor Frank.

Moved by Supervisor Frank to amend the report to eliminating #2 on page 3 in document 07A Executive Summary, change Richland Economic Development funding to ½ of the current reduction in document 07E, eliminate line 226.02, change line 226.03 to be \$400,000.00 on the 5-year plan and update bar chart, 2<sup>nd</sup> by Supervisor Carrow.

Roll call vote requested on motion to amend, all voting aye, motion carried.

Roll call vote requested to refer to Finance & Personnel Committee with the 4 amended changes, all voting aye, motion carried.

Floyd Bartow asked to speak. He had concerns if the voters would understand what is being proposed to be on the referendum. Chair Murphy-Lopez agreed but explained that State Statute dictates how the question is

2022 Budget Adjustments

2023-2027 Financial Planning Decision Worksheet - DRAFT: (22 December 2022)

**Purpose:** This document is intended to track projected revenue and expenditure changes to allow for planned adjustments to services, staffing and operations. This document is intended to focus on the Administrator's and Finance and Personnel Committee's conversations in efforts to prioritize services and expenditures, and to help illustrate and depict the many options and variables encountered through the planning process. This document may capture some capital projects proposed for operational levy. **This document's assumptions are built off a balanced 2022 budget** (accounting for use of fund balance and onetime revenues). Impacts that create an additional burden on the tax levy are indicated with a positive number; impacts that reduce burden on the levy are indicated with a negative number. Section #1 is built on the premise of COLA increases.

**SECTION #1: Forecasted Expenditure Assumptions and Commitments (Organizational Expenditures):**

#	Department	Description of proposed action:	Impacts on services:	Financial Impact of Action (+/-) to levy/					Notes
				2023	2024	2025	2026	2027	
A.1	Pine Valley - Projecting Wage Increases	Proposing: 2023 = Step Increase (2%) + 5% CPI; 2024 = Step Increase (2%) + 5% CPI; 2025 = 4% CPI; 2026 = 3% CPI; 2027 = 3% CPI	The Counties Strategic Plan includes the goal of reaching our Carlson Market Value by 2025. Guidance from Finance and Personnel included consideration for CPI increases. These together are intended to help keep us competitive in recruitment and retention.	\$ 365,234.15	\$ 390,800.54	\$ 238,946.61	\$ 186,378.36	\$ 191,969.71	Adjustments made to the August 12th document to incorporate F+P action to return to initial 7% increase in 2023.
A.2	Pine Valley - Projecting FICA Increases	Increases based on the assumption of a 7.65% Employer Contribution		\$ 27,940.41	\$ 29,896.24	\$ 18,279.42	\$ 14,257.94	\$ 14,685.68	
A.3	Pine Valley - Projecting WRS Increases	Increases based on the assumption of a 6.5% Employer Contribution		\$ 23,740.22	\$ 25,402.03	\$ 15,531.53	\$ 12,114.59	\$ 12,478.03	
A.4	Pine Valley - Projecting Health Increases	Estimates in Changing to ETF Plan on 5% trend on base:	\$ 1,161,418.06	\$ 43,672.54	\$ 45,856.17	\$ 48,148.98	\$ 50,556.42	\$ 53,084.25	Adjustet projections to project a 5% increase with ETF
A.5	Pine Valley - Projecting Worker's Compensation Premium Increases	Worker's Compensation Projects on the assumption of a 4.5% increase annually		\$ 6,089.44	\$ 6,808.91	\$ 7,490.64	\$ 8,062.55	\$ 8,678.12	
A.6			Totals:	\$ 466,676.76	\$ 498,763.89	\$ 328,397.18	\$ 271,369.87	\$ 280,895.79	
A.7	Revenue and Reimbursement Absorption	Costs can be covered by revenues without impact on operational tax levy	Impacts ability of transfer of operational surplus to general fund use. Accounting for this in Section #2 "Revenues" line "ee".	\$ 466,676.76	\$ 498,763.89	\$ 328,397.18	\$ 271,369.87	\$ 280,895.79	
A.8	<b>Total Levy Impact</b>			\$ -	\$ -	\$ -	\$ -	\$ -	
B.1	Highway - Projecting Wage Increases	Proposing 2023 = 5%; 2024 = 5%; 2025 = 4%; 2026 = 3%; 2027 = 1.5%	Reverting to CPI estimates (minus steps) from initial proposal based on F+P action to increase back to 5% in 2023.	\$ 85,016.33	\$ 83,409.36	\$ 71,398.41	\$ 56,761.74	\$ 58,464.59	Adjustments made to the August 12th document to incorporate F+P action to move up to 5% increase in 2023.
B.2	Highway - Projecting FICA Increases	Increases based on the assumption of a 7.65% Employer Contribution		\$ 6,503.75	\$ 6,380.82	\$ 5,461.98	\$ 4,342.27	\$ 4,472.54	
B.3	Highway - Projecting WRS Increases	Increases based on the assumption of a 6.5% Employer Contribution		\$ 5,526.06	\$ 5,421.61	\$ 4,640.90	\$ 3,689.51	\$ 3,800.20	
B.4	Highway - Projecting Health Increases	Estimates in Changing to ETF Plan on 5% trend on base:	\$ 447,559.50	\$ 16,829.48	\$ 17,670.95	\$ 18,554.50	\$ 19,482.23	\$ 20,456.34	Adjustet projections to project a 5% increase with ETF
B.5	Highway - Projecting Worker's Comp			\$ 1,860.66	\$ 2,080.50	\$ 2,288.81	\$ 2,463.56	\$ 2,651.65	
B.6			Totals:	\$ 115,736.28	\$ 114,963.23	\$ 102,344.60	\$ 86,739.31	\$ 89,845.31	
B.7	Revenue and Reimbursement Absorption		Can be accounted for by revenues and reimbursements, but then results in reduction in maintenance or offset with borrowing. This equates to about 3 miles of resurface. This extends our life cycle plan of 50 year of full replacement, without maintaining short-term borrowing of at least \$500,000 earmarked for roads.	\$ 115,736.28	\$ 114,963.23	\$ 102,344.60	\$ 86,739.31	\$ 89,845.31	
B.8	<b>Total Levy Impact</b>			\$ -	\$ -	\$ -	\$ -	\$ -	
C.1	General - Projecting Wage Increases	Proposing 2023 = 5%; 2024 = 5%; 2025 = 4%; 2026 = 3%; 2027 = 1.5%	Reverting to CPI estimates (minus steps) from initial proposal based on F+P action to increase back to 5% in 2023.	\$ 415,267.43	\$ 407,418.09	\$ 348,749.89	\$ 277,256.16	\$ 285,573.84	Adjustments made to the August 12th document to incorporate F+P action to move up to 5% increase in 2023.
C.2	General - Projecting FICA Increases	Increases based on the assumption of a 7.65% Employer Contribution		\$ 31,767.96	\$ 31,167.48	\$ 26,679.37	\$ 21,210.10	\$ 21,846.40	
C.3	General - Projecting WRS Increases	Increases based on the assumption of a 6.5% Employer Contribution		\$ 26,992.38	\$ 26,482.18	\$ 22,668.74	\$ 18,021.65	\$ 18,562.30	
C.4	General - Projecting Health Increases	Estimates in Changing to ETF Plan on 5% trend on base:	\$ 1,802,347.65	\$ 67,773.27	\$ 71,161.93	\$ 74,720.03	\$ 78,456.03	\$ 82,378.83	Adjustet projections to project a 5% increase with ETF
C.5	General - Projecting Worker's Comp			\$ 8,965.01	\$ 10,024.23	\$ 11,027.88	\$ 11,869.86	\$ 12,776.13	
C.6			Totals:	\$ 550,766.05	\$ 546,253.92	\$ 483,845.91	\$ 406,813.80	\$ 421,137.50	
C.7	Revenue and Reimbursement Absorption through HHS		Not anticipating any ability to absorb additional expenses.						
C.8	<b>Total Levy Impact</b>	These are the individual year additional amounts, they are not the accumulated amounts to show impacts in relation to 2022 as the baseline budget.		\$ 550,766.05	\$ 546,253.92	\$ 483,845.91	\$ 406,813.80	\$ 421,137.50	
C.9	<b>Total Cumulative Levy Impact</b>	This line is intended to show the cumulative impact of the increases in comparison to the 2022 budget to identify needs in filling compounded gap		\$ 550,766.05	\$ 1,097,019.97	\$ 1,580,865.88	\$ 1,987,679.67	\$ 2,408,817.18	

Consider % wage overestimation on steps, not account for attrition to help buffer underage on health insurance

2022 Budget Adjustments

32.02	UW Food Services	Increase sales prices to cover expenses		\$ (52,974.00)	\$ (55,622.00)	\$ (58,403.00)	\$ (61,323.00)	\$ (64,389.00)
<b>Total projected impact on UW Food dept/program:</b>				\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

33.90	Economic Development	Response to Resolution 22-94	City is willing and eager to take on economic development entirely, this reduction accounts for some minor contribution towards some existing services	\$ -	\$ (64,840.43)	\$ (64,840.43)	\$ (64,840.43)	\$ (64,840.43)	City Council as moving to take action
<b>Total projected impact on Economic Dev:</b>				\$ -	\$ (64,840.43)	\$ (64,840.43)	\$ (64,840.43)	\$ (64,840.43)	

34.01	Southwest Regional Planning Commission	Consideration for ending partnership with Southwest Regional Planning	Anticipated (\$17,500) in reduction from discontinuing membership.					
34.02	Library	Increase of \$217,605.50 in 2022 to \$217,954.22 in 2023. Equates to a \$348.72 increase.	Library Levy falls as an exemption to the levy limit statute. It impacts overall tax burden but no operational levy limit. Wis Statute 66.0602(3)K4	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total projected impact on Southwest Regional Planning Commission:</b>								

<b>Total Impacts from Department Services (Adjustments and Options)</b>				\$ (45,870.98)	\$ (372,825.31)	\$ (238,205.50)	\$ (392,792.55)	\$ (37,716.65)
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SECTION #5: Health Insurance Planning and Adjustments									
#	Department	Description of proposed action:	Impacts on services:	Financial Impact of Action (+/-) to levy/					
				2023	2024	2025	2026	2027	
101.01	Health Insurance	County commitment to annual dollar amount regardless of increase	Need to be mindful of ACA poverty limits on lowest paying positions + penalty						
101.04	Health Insurance	Premium share adjustment	Need to be mindful of ACA poverty limits on lowest paying positions + penalty						
101.05	Health Insurance	HRA adjustment	HRA contribution provided by the county is reduced from \$1000/\$3000F to \$500/\$1500F. The estimated liability in 2023 is \$300,000. Impact to levy expense is estimated at \$150,000 reduced levy risk. Actual impact depends on claims.	\$ (81,893.07)	\$ (81,893.07)	\$ (81,893.07)	\$ (81,893.07)	\$ (81,893.07)	
	Health Insurance	Plan Design Adjustment	Change to plan by entering ETF system.	Factured into section 1					
<b>Total Impacts from Health Insurance Planning (Adjustments and Options)</b>				\$ (81,893.07)	\$ (81,893.07)	\$ (81,893.07)	\$ (81,893.07)	\$ (81,893.07)	

SECTION#6: Options and Resources for Additional Financial Adjustments:									
#	Department	Add-in / Take-out/Amendment:	Impacts:	Financial Impact of Action (+/-) to levy/					
				2023	2024	2025	2026	2027	
201.01	Tax Deed Sales	Incorporate tax deeds sales	Projection: Could incorporate if we also incorporate making whole, liens, and fees associated. The risk on some is seen as balancing possible revenues. By statute we can only recognize a net gain after 5 years of no claim.	\$ -	\$ -	\$ -	\$ -	\$ -	
202.01	Sales Tax	Anticipated projections in sales tax compared to 2022	Not recommended at this time	\$ (35,000.00)	\$ (25,000.00)	\$ (25,000.00)	\$ (25,000.00)	\$ (25,000.00)	Amended from an estimated \$5,000 to less conservative projection. Each year remains individual and not compounded.
204.01	Interest Income	Anticipated projections in interest income from LGIP Investment Funds	Not recommended at this time	\$ -	\$ -	\$ -	\$ -	\$ -	
204.02	Interest Income	Anticipated projections in interest income from PMA Investment Funds	This would lock some of our funds into short-term investments with return at a couple of percent: from 68K up to 75K	\$ (75,000.00)	\$ (75,000.00)	\$ (75,000.00)	\$ (75,000.00)	\$ (75,000.00)	
205.01	Property Tax	Projected property tax revenue increases from value	Reference Section number two as anticipated increased revenues from Net New Construction	\$ -	\$ -	\$ -	\$ -	\$ -	
206.01	Wheel Tax	Amendments in projected wheel tax	Currently applying all revenues to highway road resurfacing (chip seal) for road preservation	\$ -	\$ -	\$ -	\$ -	\$ -	
207.01	Undesignated Fund Spending	General Fund Balance Applied	Estimated \$268,692 in potential cash (non-asset) in staying over the 25% ratio of budgeted expenditures						
208.01	Accounting for additional fund balance return	Recognition of 2021 unaccounted revenues.	Example: HHS Revenue return, Highway Fund, Pine Valley Fund						
209.01	American Rescue Plan	Applied American Rescue Plan to 2022 operations (designated \$1,673,845.55)	Discretionary Funds that may be used for any function other than direct retirement or reduction to existing tax levy. Appropriation of funds from Public Health? -understanding that Public Health remains underfunded.	\$ (524,088.07)	\$ (574,878.74)	\$ (574,878.74)			
		Additional 25,500 from Ambulance	Unless used for some other purpose						
210.01	Opioid Settlement	Utilization of Opioid Settlement Funds	Must be used towards opioid abatement projects.						