

**COUNTY BOARD STAFF/FINANCE COMMITTEES**  
**Minutes - June 29, 2012**

**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 on the fifth floor of the Rock County Courthouse-East.

**Committee Members Present** County Board Staff Committee – Supervisors Podzilni, Kraft, Arnold, Bussie, Mawhinney, Jensen (8:05 P.M.), Peer, Yankee. Finance Committee – Supervisors Mawhinney, Kraft, Beaver, Fox, Podzilni.

**Committee Members Absent:** Supervisor Brill (CBS).

**Staff Members Present:** Craig Knutson, County Administrator; Sherry Oja, Finance Director; Jeff Kuglitsch, Corporation Counsel; Randy Terronez and Nick Osborne, Assistants to the County Administrator; Karen Cain, Public Health Officer; Vicki Brown, Treasurer; Jenna Lovaas, Health Educator; Chief Deputy Barbara Tillman.

**Others Present:** Supervisors Terry Thomas, Steve Howland, Dave Brown and Larry Wiedenfeld.

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

**Citizen Participation, Communications and Announcements.** None.

**General Review of County's Financial Position as it Relates to the 2013 Budget.** Ms. Oja went over the following reports:

**Interest Earned on Investments.** Ms. Oja said the interest earned on investments has dropped each year since 2007, due primarily to the interest rates. The average LGIP interest rates have dropped each year from 5.14% in 2007 to .14% as of May 2012. The annualized return on investments in our Cutwater portfolio has gone from 4.53% in 2008 to 1.10% as of May 2012.

**Delinquent Tax Balances.** Ms. Oja said the total amount of delinquent real estate taxes increased by \$2,107,650 from 2007 to 2011. State Statutes requires the County to buy out delinquent real estate taxes, making the school districts, cities, towns and villages whole. This leaves the County responsible for the collection of all delinquent real estate taxes.

Ms. Oja said the number of foreclosed properties have increased each year since 2008. Ms. Brown said of the 164 properties being foreclosed on this year, over 100 of them are lots. Mr. Knutson said a goodly amount of these lots are from developers.

**Analysis of Tax Levy and Rate.** Ms. Oja said the 2011 tax levy to fund the 2012 budget increased by 2.11% while the tax rate increased by 4.91%. The increase in the tax rate is due to the

2.73% decrease in equalized value combined with the tax levy increase. Mr. Knutson said the State has cut staff and they also have some new staff which is causing them to have trouble making their deadlines to get information to us.

County Sales Tax Budgets. Ms. Oja said she hopes the trend from the first half of the year continues as we are ahead of budget. The excess in sales tax is used for capital projects and these excess funds are shown in the financial statements as part of Assigned Funds.

Outstanding Debts. Ms. Oja said the County's outstanding principal as of 12/31/11 is \$39,475,000 and is only 8% of our allowable debt limit. This is a factor used by the rating agencies in their determination of credit ratings and look very favorably on it. We will be going out for debt again this year for the remaining \$7.3 million to finish the Rock Haven project, which Standard and Poors felt would not affect their "AA" rating.

Mr. Knutson distributed copies of the County's Undesignated General Fund balance. He said our undesignated fiscal reserves were in good shape through 2006, in 2007 – 2008 they decreased by \$6.5 million, and have steadily increased since 2009. We should be should be between 10% - 17% of annualized expenditures. Our goal was to stabilize and rebuild our reserves. Even though we never fell out of our range, we needed to get closer to the 17% and we did. This is important for our bond rating and gives us some room for fiscal hits, such as State cuts to Youth Aids, Victim Witness and Land Conservation programs.

Mr. Knutson said for 2013, State law has made permanent a 0% increase to levy limits or net new construction for operational costs. As we look forward to 2013 we don't know what net new construction will be, .9% of 1% is \$580,000 (similar to 2012) and .5% is \$325,000. With a \$175 million budget this does not give us very much money to fund operations and we can't raise the tax levy. The State suspended Tax Rate Caps for 2012 and 2013 hoping property values would go back up. Our hope is the State will abolish the Tax Rate Cap. If not, we may have problems with the Tax Rate Cap in 2014.

Mr. Knutson said in 2012 we lost \$2.8 million in State Aid, which was offset by employee contributions to WRS. However, going into 2013 these savings will be built into the budget. We don't know what State Aid will be in 2013, or if there will be further cuts. Costs we do know are: Salaries and Wages had a 1% increase, which amounts to \$670,000; Health Insurance is \$19-\$20 million per year, which means every 1% increase in the County contribution for this is \$190,000 - \$200,000. Other costs, such as utilities, fuel, supplies, out of home placement charges, State charges for Mendota are unknown at this time as we do not have these numbers yet.

Mr. Knutson said we have tried to become more efficient with things such as the Jail diversion programs, improvements to mental health, such as mobile crisis unit, which allows maintaining people in the community.

**Review and Discussion of Preliminary 2013 Budget Projections and Program Information - Rock County Health Department.** Ms. Cain said the Rock County Health Department is located in two offices – one at 3328 Highway 51 North, Janesville, and the other at 61 Eclipse Center, Beloit, employing a total of 36.2 FTE positions.

The Rock County Health Department is a Level III Health Department which is the highest level in the State of Wisconsin. All Health Departments must have the following five services: Communicable Disease Surveillance, Generalized PH Nursing Program, Health Promotion, Disease Prevention and Human Health Hazard Prevention and Control. To be considered a Level III Health Department requires the following: a Full Time Health Officer, a Board of Health, be an agent for the state Hotel & Restaurant Program and the Tattoo & Body Piercing Program, provide 14 programs of services that address at least 7 health priorities in the current state health plan.

Public Health Nursing Services. This Division includes Communicable Disease Control, Maternal and Child Health, Immunization Services, Clinic Services and School Nursing/Head Start services.

Environmental Services. This Division is responsible for Food Protection and Public Lodging, Human Health Hazards (General Sanitation), Ground Water Protection, Private Sewage Disposal and Laboratory Services.

Health Education. This Division is responsible for community education, newspaper articles, monthly news column, community partnerships/coalitions, and writing grants.

Ms. Cain said some of the reasons we need public health in Rock County are: we rank 58<sup>th</sup> in the state for overall health; rank 67<sup>th</sup> in the state for health factors (i.e. smoking, obesity, binge drinking, STIs and teen birth rate); rank 63<sup>rd</sup> in social and economic factors; there are many environmental issues affecting our health (lead, radon, unsafe wells, contaminated surface water, fast food restaurants, and 20% of pregnant women smoke); our African American Infant Mortality (AAIM) is the 2<sup>nd</sup> highest in the state (Janesville has a higher rate than Beloit; 27% of our children at 2 years of age are not adequately immunized; greater than 50% of our citizens are overweight; and we had a 12% increase in STIs in 2011.

Ms. Cain said some of the things the Health Department does on a daily basis are: finding contaminated wells; keep the public safe by making sure restaurants serve food safely; save health care costs and lives of people bitten by animals; sample beaches and educate people about recreational safety; monitor private sewage systems to keep sewage out of our groundwater and the neighbors' well; keep children from getting lead poisoning; help get old drugs out of homes; educate pregnant women on how to have a healthy pregnancy; immunize children so they don't get diseases; help children learn about good nutrition to prevent childhood obesity; and follow up on disease outbreaks (this year it is Pertussis).

Ms. Cain said some of the unexpected things that come up are the Pertussis outbreak – there were 108 confirmed probable cases, 166 came back negative, and 309 additional contacts; directly observed therapy (DOT) for Tuberculosis, at this time they have 2 children and 1 adult they have to observe every day for 9 months; the new lead poisoning level of 5mcg/dl increased the number of children by 150 per year; animal control; 208 water quality revisions; Brownfield grant, which City of Janesville requested we provide health information for; lead assessment in County facilities; and food-borne illness follow up, which is a priority service.

Ms. Cain said the outcome of having public health in Rock County are indirect savings to families who have a nurse visit have: 56% fewer doctor and hospital visits due to childhood injuries through age 2; 25% reduction in cigarette smoking by mothers during pregnancy; 48% less incidence of child abuse and neglect through age 15; 69% fewer convictions of nurse-visited children at age 15; 83% increase in workforce participation by low-income, unmarried mothers by the time their child is 4 years of age.

**2012 Budget.** Ms. Cain said the current year revenues are:

- 1) Federal Aid is up \$1,250
- 2) Medical Assistance is up \$20,000
- 3) Seasonal flu clinics is projected to be down \$20,000
- 4) Immunization services is up \$14,000
- 5) Facility permits, sanitary permits and other environmental health fees are on target at about \$15,000

Ms. Cain said the current year expenses are:

- 1) Salaries are down \$42,217, due to open nurse positions since March, 2 out on maternity leave, and a .6 Public Health Support Specialist position eliminated
- 2) WIC rent is down \$4,100
- 3) Medical Expenses are up \$20,000
- 4) Capital expense is up \$5,833 for time clocks

Ms. Cain said the projections for 2012 are: revenue will have an anticipated increase of \$15,250; expenses will have an anticipated decrease of \$20,484, which has an overall affect on the fund balance of \$35,734.

**2013 Budget.** Ms. Cain said her 2013 budget will be a cost to continue budget with the following assumptions: 2% increase in personnel costs; 4.5% increase in other operating expenses; no loss in grant revenue; increase in Environmental Health fees; the ending of the WIC contract, which would mean the loss of a .6 FTE, savings in rent, and the loss of PNCC (WIC) revenue. The 2013 projections for budgeted expenses would increase by \$50,566, budgeted revenue would increase \$11,449, and the tax levy would increase by \$39,117 or 1.6%.

Ms. Cain said she had three options to reduce the tax levy increase.

- 1) Look for grant money to close the shortfall.
- 2) Reduce a Public Health Nurse to .6 FTE for \$28,111, which would mean the reduction in services to non-grant programs (i.e. Head Start, clinic services, birth certificate lead program, longer waiting times for new moms and babies), and reduce 1 support staff position to a .8 FTE for \$10,960, which means a reduction in data entry for program reimbursement and documentation, longer wait times in clinics, longer times to answer phones, longer times to get staff work request completed, and professional staff doing data entry and some back up functions.
- 3) Reduce 1 support staff to .6 FTE for \$21,920, and reduce 1 .4 Environmental Health Technician for \$14,537 (which would take time away from activities only a registered sanitarian can

do, professional staff picking up dead birds and bats, professional staff doing pool/restaurant rechecks, water sampling, vending inspections, longer response time to nuisances, and less ability to collaborate with other departments.

Ms. Cain thanked the Committee members and County Board for supporting the Health Department and helping keeping Rock County citizens safe.

Supervisor Mawhinney left at 9:37 A.M.

**Set Future Meeting Dates.** The next meeting of the Joint Committees will be Friday, July 13<sup>th</sup>, 8:00 A.M. in N-1/N-2 for the Human Services Department. The date for meeting at the Sheriff's Office was set for August 17<sup>th</sup> at 8 A.M.

Supervisor Bussie invited the Supervisors to tour the new Rock Haven facility on July 11<sup>th</sup> during the Health Services meeting at 8 A.M.

**Adjournment:** Supervisor Fox moved adjournment at 9:45 A.M., second by Supervisor Arnold. ADOPTED.

Respectfully submitted,

Marilyn Bondehagen  
Confidential Administrative Assistant

**NOT OFFICIAL UNTIL APPROVED BY COMMITTEES.**