

September 6, 2018

EXECUTIVE COMMITTEE
Douglas County Board of Supervisors
Wednesday, September 12, 2018, 3:00 p.m., Courthouse, Room 207C
1313 Belknap Street, Superior, Wisconsin

Please call the Chair or County Clerk's Office (715-395-1483) if you are unable to attend.

MEMBERS: Mark Liebaert, Chair	Keith Allen	Nick Baker
Mary Lou Bergman	Susan Hendrickson	Alan Jaques
Samuel Pomush	Larry Quam	

A G E N D A

(Committee to maintain a two-hour meeting limit or take action to continue meeting beyond that time.)

1. Roll call.
2. Approval of the November 13, 2017, meeting minutes (attached).
3. Options to balance 2019 budget (attached):
 - a. Status of 2019 budget – Doucette memo (attached);
 - b. Options (attached);
 - c. County Board's priority list (attached);
 - d. FOCUS article on "wheel taxes" – Wisconsin Policy Forum (attached);
 - e. Municipal or county vehicle registration fee (wheel tax) – current Wisconsin wheel tax jurisdictions (attached); and
 - f. Journal Sentinel article on wheel taxes in Wisconsin (attached).
4. Future agenda items.
5. Adjournment.

NOTE: All County Board members are encouraged to attend.

ec: County Board Supervisors Department Managers K. Lundgren (web)
S. Nelson (Telegram) thecommunitychannel@yahoo.com

NOTE: Attachments to agenda available in County Clerk's Office for viewing or copying, or on county's website www.douglascountywi.org. Action may be taken on items on the agenda. The County of Douglas complies with the Americans with Disabilities Act of 1990. If you are in need of an accommodation to participate in the public meeting process, please contact the Douglas County Clerk's Office at (715) 395-1341 by 4:00 p.m. on the day prior to the scheduled meeting. Douglas County will attempt to accommodate any request depending on the amount of notice we receive. TDD (715)395-7521.

Posted: Courthouse, Government Center, www.douglascountywi.org



Pamela A. Tafelski September 6, 2018

EXECUTIVE COMMITTEE MEETING
Douglas County Board of Supervisors
Monday, November 13, 2017, 3:00 p.m., Courthouse, Room 207C
1313 Belknap Street, Superior, Wisconsin

Meeting called to order by Chair Mark Liebaert.

ROLL CALL: Present – Keith Allen, Nick Baker, Mary Lou Bergman, Susan Hendrickson, Alan Jaques, Samuel Pomush, Larry Quam, Mark Liebaert. Others present – Linda Corbin, Carolyn Pierce, Dan Corbin, Shelley Nelson (Telegram), Ann Doucette, Candy Holm Anderson, Sue Sandvick, Douglas Finn, Mark Finendale, Patricia Ryan, Pam Tafelski (Committee Clerk).

APPROVAL OF MINUTES: Motion by Pomush, second Quam, to approve October 17, 2017, meeting minutes. Motion carried.

ACTION ITEMS/REFERRALS:

From County Board Meeting – Resolution #55-17, County Board Chair Health Insurance Option: Chair Liebaert removed himself as Chair for this item and indicated he would abstain from discussion/voting. Quam assumed Chair. Resolution reviewed.

ACTION (RESOLUTION): Motion by Hendrickson, second Jaques, to approve the resolution, adding “family” insurance option to B.2, effective January 1, 2018, and forward to County Board. Motion carried unanimously. Liebaert abstained.

Legislative Affairs Consultant Agreement – Capitol Consultants: McCoshen has recommended discontinuing the contract. Committee would still like a report from McCoshen.

ACTION: Motion by Baker, second Pomush, to discontinue Legislative Affairs Consultant Agreement with Capital Consultants. Motion carried..

ACTION: Motion by Allen, second Pomush, to arrange a video-teleconference with McCoshen for December County Board meeting. Motion carried.

INFORMATIONAL: Superior Days issue – state prison. Secretary of Bureau of Corrections has indicated the state may be building two prisons; no specific timeframe or location.

ACTION: Motion by Allen, second Jaques, to submit state prison location as Superior Days issue. Motion carried.

FUTURE AGENDA ITEMS: Reasons for variance in gasoline pricing in area. Refer to Extension Education and Recycling Committee.

ADJOURNMENT: Motion by Pomush, second Bergman, to adjourn. Motion carried. Adjourned 3:24 p.m.

Submitted by,

Pamela A. Tafelski
Committee Clerk



DOUGLAS COUNTY

OFFICE OF ADMINISTRATOR

**DOUGLAS COUNTY
MISSION STATEMENT**
The mission of Douglas County is to provide cost-effective services, with equal access to all citizens; to continue and enhance partnerships; to responsibly manage our resources and plan for the future.

Ann W. Doucette
1316 N. 14th Street • Suite 301
Superior, WI 54880
(715) 395-1335 Fax (715) 395-1312

DATE: September 5, 2018
TO: Executive Committee Members
FROM: Ann Doucette
RE: Status of 2019 Budget

After numerous department and standing committee meetings, we were able to fund all the personnel adjustments resulting from the Wage & Market Study, health insurance increases and moving the Pay Plan one percent.

The pressing issue that remains is a large request from Health & Human Services to increase their budget one million dollars to fund placements of individuals and children into institutional care. In 2018, the Human Services Budget is projected to go over budget at least one million dollars due to this issue. The trend is expected to continue according Human Services staff.

The Board of Supervisors is now faced with some tough decisions. Attached are some “options” for your review, along with the County Board’s Priority List and some additional information on raising the registration fee “wheel tax,” for automobiles and light trucks.

Please keep in mind that across-the-board cuts would put many of the priority services in jeopardy. The same crisis that created the budget overage in Human Services is also affecting Law Enforcement (patrol and the Jail,) the entire Court System, including the District Attorney’s Office and Corporation Counsel in a negative way. Resources are already stretched thin in all these state-mandated areas.

Since it appears that there will not be relief from the State of Wisconsin and the epidemic, largely due to drugs and all the related ramifications will continue, new sources of revenue will have to be seriously considered in order to just maintain our already stretched resources.

OPTIONS

1) Referendum to increase levy \$1 million. The impact would be an approximate increase to a \$150,000 house of \$37.50/ year.

- Timing considerations – would not be able to ask the question until 2019 – for 2020 budget.
- One time money needed to fill the gap for 2019, hoping referendum would pass.
- Recent Ashland County referendum to increase levy for Human Services failed.

2) Vehicle registration fee increase (wheel tax.)

- Revenue must be used for transportation. **(Priority 1)**
- \$30 increase = \$1,140,000
- \$20 increase = \$760,000
- \$15 increase = \$570,000
- \$10 increase = \$380,000
- Passed as an ordinance, can be implemented in 90 days.
- Open to Counties, Cities, Towns & Villages.

3) Increase Forestry contribution.

- Some markets are stagnant.
- Takes funds away from capital projects.

4) Cut non-mandated services.

- Extension - \$195,000 **(Priority 5)**

- 5) Remove 1% wage increase. **(Priority 4)**
 - Affect moral. Many positions did not receive an increase from the Wage/Market Study.
 - The cost of the increase is approximately \$160,000; however, only about \$100,000 affects the levy.
- 6) Lay-off positions. **(Priority 4)**
 - Human Service is the only Department adding a position \$67,500. First position to be cut. (Half Child Welfare/Half Juvenile Justice)
 - Each support position cut, depending on the Department, may equal approximately \$75,000 per position.
- 7) Across the board cuts.
 - Law enforcement **(Priority 2)**, Communications Center **(Priority 2)**, , Health & Human Services & Highway **(Priority 1)** represent about 78% of the operating levy (excluding debt service.)
 - The cuts would come from administration, support and court services.
- 8) Increase sales tax another \$100,000.
 - As of the end of August, \$168,000 over budget.
 - Already increased the line item \$50,000.
- 9) The \$1 million increase in HHS is a projection.
 - Projected to go over \$1 million plus in 2018.

Douglas County, Wisconsin

Priorities

As redefined on August 16, 2018

1. Sustainable Infrastructure Investment

A county that plans for, funds and invests in transportation, infrastructure and equipment improvements while exploring energy efficient options.

2. Public Safety

A County that invests in public safety to respond to emergency situations and ensure the safety and security of citizens and their property.

3. Responsible Development

As an economically vibrant county we will pursue economic development and revitalization opportunities that assist in cultivating a quality of life that is appealing to business and residents while honoring and preserving the past.

4. Professionalism, Service and Efficiency

A county that has well trained professional staff that provide customers with quality programs and services in an efficient and innovative manner with a low tax impact.

5. Compassion (tied for 5)

A county that is compassionate and provides efficient and effective services to members of our community who are in need.

Natural Resources (tied for 5)

A county that protects, sustains and enhances its natural resources and promotes recreation and educational opportunities.

Local governments turn to “wheel taxes” as other revenues lag

In recent years, Wisconsin has seen a sudden increase in local governments establishing new vehicle registration fees. A local vehicle registration fee—otherwise known as a “wheel tax”—is an annual charge in addition to the state \$75 registration fee for most vehicles. State law requires local governments to use the funding for local transportation costs.

For more than a half-century, Wisconsin law has given municipalities and counties the option to impose a vehicle registration fee, also known as a “wheel tax.”

Until 2011, only four communities had such a tax in place. By the end of 2017, however, the list of communities that had adopted the tax had grown to 27; from 2011 to 2017, wheel tax revenues nearly tripled from \$7.1 million to \$20.7 million.

Although wheel taxes remain comparatively rare—only a small fraction of the state’s 72 counties and 600 cities and villages have one—their sudden growth raises a question: Why have so many local governments in Wisconsin turned to this previously little-used device? While individual reasons may vary, a look at state and local transportation funding as well as a survey of local road conditions offers some clues.

State road aids grow slowly

Local governments are responsible for maintaining local roads in Wisconsin, funded by a mix of state aids and local revenues. The two major state funding sources are General Transportation Aids (GTAs) and the Local Road Improvement Program (LRIP). GTAs are paid on a calendar year basis, while LRIP payments are made by fiscal year (July to June), so some variations in funding levels shown in our calculations may occur.

As shown in the graph below, total state funding for the two aids programs rose 15.5% from 2007-17, from \$412.0

million to \$475.7 million (blue line). When adjusted for inflation using the Consumer Price Index (CPI), however, spending for the two programs declined 2.3%, or \$11.3 million in real dollars (gray line). (A recent legislative audit noted that, in general, state highway costs have tended to rise more rapidly than the CPI.)

Limited revenues, bumpier rides

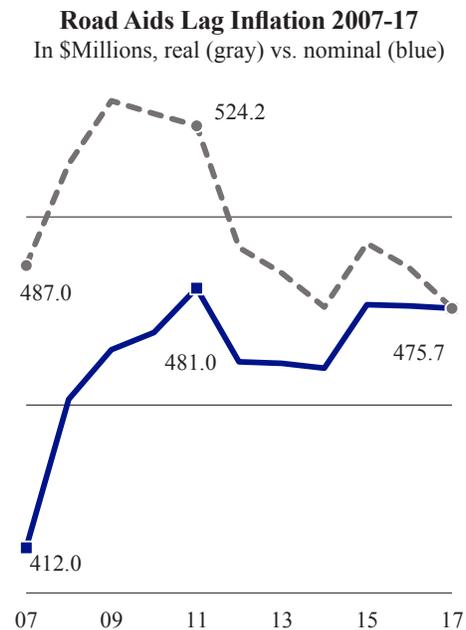
The vast majority of GTA and LRIP funding comes from the state’s fuel tax and vehicle registration fees. Revenues from both sources have generally been flat in recent years. The gas tax has not been raised since 2006, and overall fuel consumption has declined. At the same time, the state hasn’t raised vehicle registration fees since 2008, except for electric and hybrid vehicles this year.

Legislative efforts to raise transportation revenues significantly—either through an increase in the gas tax, state vehicle registration fees, or other sources—all failed last year. State Transportation Secretary Dave Ross recently told our annual meeting “there is no interest whatsoever” in raising the gas tax, vehicle registration fees, or other state or local revenue sources.

Meanwhile, local governments in Wisconsin have few local revenue options other than the property tax, which has been tightly restricted since 2011. Though local governments are allowed to raise property tax levies only for new construction, there are exemptions for debt service and a few other circumstances.

One of the consequences of the tighter revenues appears to be less spending on local streets and roads. When we surveyed officials from nearly 500 cities and villages for our League of Wisconsin Municipalities report, *The State of Wisconsin Cities and Villages 2017*, many said they had shifted their spending priorities away from street maintenance to police and fire services since the start of the 2007-09 recession.

As we noted in the report, road conditions declined statewide from 2011 to 2016, although they improved slightly from 2015 to 2016. Using state Department of Transportation ratings, the share of streets statewide ranked either “excellent” or “very



good” dropped from 38.1% in 2011 to 32.3% in 2016, the last year for which the ratings are available. At the opposite end of the spectrum, the share ranked “fair” or “poor” rose from 28.1% to 31.2%. Similarly, in 2015, using slightly different criteria, we found that 29.2% of Milwaukee County’s highways were rated “excellent” or “very good,” compared to 42.2% that rated “good” and 28.6% “fair” or worse.

Wheel taxes accelerate

Against this backdrop, the appeal of the wheel tax becomes clearer. There appears no clear pattern among the local governments that have adopted the tax, which include the state’s two largest counties (Milwaukee and

Dane) as well as some of its smallest (Green, Lincoln, and Iowa); some of the largest cities (Milwaukee, Appleton), as well as some of the smallest municipalities (City of Lodi, Town of Arena).

Like other local revenues, the state still imposes some restrictions on the wheel tax, requiring that it be spent only on transportation. Although this might appear to limit its usefulness, the new tax can be used to offset other revenues, such as property taxes or state aids.

As wheel taxes become more common, policymakers may want to consider whether they are the ideal tax source to support local roads. It may be argued that

by taxing vehicle owners, the wheel tax links the costs of local roads to users. Conversely, some might argue that road users also include commuters and visitors and a consumption tax (such as a sales tax) might be more appropriate. Such a debate cannot occur because state law does not permit municipalities to levy sales taxes, and most counties already have implemented the optional 0.5% sales tax.

As more local governments consider the wheel tax, some state officials have already suggested additional limits on it may be needed. In the meantime, however, its use may grow as long as local revenues are limited and demand for local road maintenance and improvements expands. □

Wisconsin Policy Forum

401 North Lawn Avenue • Madison, WI 53704-5033
608.241.9789 • wistax.org
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Policy notes

■ Gov. Walker (R) has told most state agencies to prepare their 2019-21 budget requests with no increases in state funding. The budget directions are the first step in developing the biennial state budget.

In a letter to agencies, the governor said he was exempting K-12 school aids from the caps and allowing cost-to-continue increases for state prisons and other institutions, Medicaid, child

protective services in Milwaukee and statewide, and the Division of Vocational Rehabilitation. Walker also told agencies funded with segregated revenues, such as the Department of Transportation and the state lottery, to comply with the no-increase requirements.

■ An executive order signed by Gov. Walker requires the Department of Administration (DOA) to implement

several “lean government” measures to reduce costs and streamline state operations. They include requiring DOA to review, stabilize, and reduce so-called “chargebacks” for DOA services to state agencies; consolidating agency printing and mailing operations; reducing the use of outside contractors for state services; increasing state vehicle mileage and age requirements before replacement; and better calculating travel costs.

Municipal or county vehicle registration fee (wheel tax)

- [Online services](#)
- [Vehicles](#)
- [Titles](#)
- [Plate guide](#)
- [Special plates](#)
- [Motor carriers](#)
- [DMV customer service centers](#)
- [Forms](#)
- [Drivers](#)

Wisconsin law allows a town, village, city or county to collect an annual municipal or county vehicle registration fee (wheel tax) in addition to the regular annual registration fee paid for a vehicle. The fee applies to vehicles kept in the municipality or county with:

- Automobile registration
- Truck registration at 8,000 lbs. or less (except dual purpose farm)

This includes most special license plates with automobile or truck registration.* State law does not specify the amount of the wheel tax. However, the municipality or county must use all revenue from the wheel tax for transportation related purposes.

For information about the number of vehicles that may be subject to a wheel tax in a specific municipality or county, refer to [lists of vehicle information](#).

*These [special plates](#) are exempt from wheel tax: [Antique](#), [Collector](#) ("Collector Special" plates are not exempt), [Ex-Prisoner of War](#) (if issued without registration fee), [Historic Military](#), [Hobbyist](#) and [Medal of Honor](#). All special plates issued to a farm truck, dual purpose farm truck or motor home are also exempt from wheel tax.

Wheel tax collection

The Wisconsin Department of Transportation (WisDOT) collects wheel tax fees for the municipality or county, keeps an administrative fee of 17 cents per vehicle application and sends the rest to the municipality or county. WisDOT collects the wheel tax at the time of first registration and at each registration renewal. Your certificate of registration will indicate that a municipal and/or county fee was paid.

- Plates issued – If your auto or light truck is customarily kept in a jurisdiction that has a wheel tax, you must include the fee with the regular registration fee for the vehicle when you first apply for registration. See [applying for title and registration](#).
- Plates renewed – WisDOT sends customers a renewal notice at least 30 days before their license plate registration expires. The renewal notice shows the total fee due including any wheel tax, based on the vehicle location listed on your vehicle registration record.

Customer records

Verify the correct county and city, village or township where your vehicle is customarily kept when you apply for registration and on your license plate renewal notice ([see example](#)). If you recently changed your address, WisDOT records for the vehicle location will update automatically in most cases. Any person who gives a false or fictitious location where a vehicle is customarily kept may be fined not more than \$200 or imprisoned not more than six months or both ([section 341.60, WI stats.](#))

To correct this information:

- If you mail your renewal notice or apply in person, indicate the correct information on the notice and submit the appropriate fee, or
- Visit [Vehicle kept in information](#) (individuals only; not available for businesses) to change the location, or
- Contact WisDOT at the email address or telephone information below.

Current wheel tax jurisdictions

WisDOT currently collects a wheel tax for the following:

- Municipalities
 - Appleton (city; \$20)
 - Arena (township; \$20)
 - Beloit (city; \$20)
 - Eden (village; \$20)
 - Evansville (city; \$20)
 - Fort Atkinson (city; \$20)
 - Gillett (city; \$20)
 - Iron Ridge (village; \$10)
 - Janesville (city; \$20)
 - Kaukauna (city; \$10)
 - Lodi (city; \$20)
 - Milton (city; \$30)
 - Milwaukee (city; \$20)
 - New London (city; \$20)
 - Platteville (city; \$20)
 - Portage (city; \$20)
 - Prairie du Sac (village; \$20)
 - Sheboygan (city; \$20)
 - Tigerton (village; \$10)
- Counties
 - Chippewa County (\$10)
 - Dane County (\$28 beginning for October 2018 registrations)
 - Green County (\$20 beginning for August 2018 registrations)
 - Iowa County (\$20)
 - Lincoln County (\$20)
 - Marathon County (\$25)
 - Milwaukee County (\$30)
 - St. Croix County (\$10)
 - Eau Claire County (\$30 Passed in July 2018 for January 2019 registrations)

<https://www.jsonline.com/>

MADISON - More than 20 communities around Wisconsin have adopted wheel taxes in recent years, resulting in a seven-fold increase since 2011, [a new report says](#).

Twenty-seven communities impose or soon will impose wheel taxes on their residents, up from four in 2011, according to the nonpartisan Wisconsin Policy Forum. Over that time the amount of money brought in from local wheel taxes nearly tripled from \$7.1 million to \$20.7 million.

While the number of communities with wheel taxes has been growing, they still make up just a small portion of the state's 72 counties and 600 cities and villages, the report notes.

One possible reason for the increase is because local governments have few options for raising new money, the report says. Property taxes have been tightly limited since Gov. Scott Walker took office in 2011, leaving local officials with tough decisions when their expenses increase.

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Wheel taxes are to be used only for transportation projects, but local governments can use revenue from their wheel taxes to offset property tax money that they had been using for such projects.

Walker said he is not seeking to make changes to the law governing wheel taxes.

"We're not talking about taking it away nor adding to it," he told reporters Tuesday. "I think that's one that jurisdictions have to debate on at the local level in the same way that school districts debate on whether they put referendum questions on the ballot. To me, that's up to the local officials."

He said he thought local governments would be less likely to adopt wheel taxes in the future because they received increases in state aid for transportation in last year's budget. The report noted such aid increased by 15.5% from 2007 to 2017, which was not enough to keep up with inflation.

Walker's opponents have contended the local increases aren't sufficient, particularly in the face of the limits on property taxes for local governments and a broader political fight over state funding for highways.

The wheel taxes range from \$10 to \$30 a year, [according to the state Department of Transportation](#). The wheel taxes are tacked onto the state's annual vehicle registration fee, which is \$75 for most passenger vehicles.

The highest local fees are charged by Milwaukee County and Milton in Rock County. Drivers in Milwaukee pay the most because they are charged wheel taxes by both the city and the county.

Wheel taxes have prompted political fights at the local level across the state. Milwaukee County [put in place its wheel tax in 2017](#) and County Executive Chris Abele has [sought to double it](#) to \$60 — an idea the County Board [has rejected](#).