



MARATHON COUNTY HUMAN RESOURCES, FINANCE & PROPERTY COMMITTEE MEETING AGENDA

Date & Time of Meeting: **Tuesday, February 23, 2021 4:00 pm**

Meeting Location: **Marathon County Courthouse, County Board Assembly Room 500 Forest Street, Wausau WI 54403**

Members: **John Robinson, Chair, Alyson Leahy, Vice-Chair, Jonathan Fischer, EJ Stark, Kurt Gibbs, Yee Leng Xiong,**

Craig McEwen

Marathon County Mission Statement: Marathon County Government serves people by leading, coordinating, and providing county, regional, and statewide initiatives. It directly, or in cooperation with other public and private partners, provides services and creates opportunities that make Marathon County and the surrounding area a preferred place to live, work, visit, and do business. (Last updated: 12/20/05)

Human Resources, Finance & Property Committee Mission/Purpose: Provide leadership for the implementation of the County Strategic Plan, monitoring outcomes, reviewing and recommending to the County Board policies related to the human resources initiatives, finance and property of the County.

The meeting location identified above will be open to the public. However, due to the COVID-19 pandemic and associated public health directives, Marathon County encourages Human Resources, Finance and Property Committee members and the public to attend this meeting remotely. To this end, instead of attendance in person, Committee members and the public may attend this meeting by telephone conference. If Committee members or members of the public cannot attend remotely, Marathon County requests that appropriate safety measures, including adequate social distancing, be utilized by all in-person attendees.

Persons wishing to attend the meeting by phone may call into the telephone conference beginning five (5) minutes prior to the start time indicated above using the following number: **1-408-418-9388 Access Code: **146 078 0067** Password: none**

If you are prompted to provide an "Attendee Identification Number," enter the "#" sign. No other number is required to participate in the telephone conference. When you enter the telephone conference, **PLEASE PUT YOUR PHONE ON MUTE!**

1. Call to Order-Please silence your cellphones
2. Public Comment
3. Approval of the Minutes of the February 9, 2021 Human Resources, Finance and Property Committee Meeting
4. Educational Presentations/Outcome Monitoring Reports
 1. Marathon County 4th Quarter Investment Presentation-Kathleen Walters Public Financial Management (PFM)
 2. Capital Improvement Program Process
 - a. Overview of current process
 - b. What is covered by the current process?
 - c. How do we handle rolling stock and IT projects?
 - d. How do we rank projects?
 - e. What process should we use going forward?
 - f. Who should develop those recommendations?
 3. New Position Request Process & Ranking
 - a. Overview of current process
 - b. What is covered by the current process?
 - c. How do we rank requests?
 - d. What process should we use in the future?
 - e. Who should develop those recommendations?
 4. Strategic Plan Progress
 5. Potential Impact of Governor's Proposed Budget and Federal COVID Relief Bill on Marathon County
5. Operational Functions required by Statute, Ordinance, or Resolution:
 - A. Discussion and Possible Action by Committee to Forward to the County Board for its consideration-None
 - B. Discussion and Possible Action by Human Resources and Finance and Property Committee-None
6. Policy Issues Discussion and Possible Action by Committee to Forward to the County Board
HR and Finance Committee Work Plan Prioritization Schedule and Topics
7. Announcements (Next Meeting Date and Topics) Next Meeting Date –March 9, 2021, 3:30pm
8. Adjourn

Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the County Clerk's Office at 715 261-1500 or e-mail infomarathon@mail.co.marathon.wi.us one business day before the meeting.

SIGNED J ROBINSON/s/K Palmer

Presiding Officer or Designee

Faxed to: Wausau Daily Herald
Faxed to: City Pages
Faxed to: Record Review
Faxed by/time: T Murphy 2/19/2021 3 pm

Posted to the County Website:

NOTICE POSTED AT THE COURTHOUSE

By/Date/Time T Murphy 2/19/2021 3pm

www.co.marathon.wi.us



MARATHON COUNTY HUMAN RESOURCES, FINANCE & PROPERTY COMMITTEE MEETING MINUTES

Date & Time of Meeting: Tuesday, February 9, 2021 3:30 p.m. **UNAPPROVED DRAFT**

Meeting Location: Marathon County Courthouse, County Board Assembly Room 500 Forest Street, Wausau WI 54403

Members: John Robinson, Chair; Alyson Leahy, Vice-Chair; Craig McEwen, Kurt Gibbs, Yee Leng Xiong, Jonathan Fisher, EJ Stark

Others: Mary Jo Maly, Lance Leonhard, Kristi Palmer, Scott Corbett, Jason Hake, Connie Beyersdorff, Steve Cherek, Dejan Adzic, Frank Matel, Jean Maszk, Joan Theurer, Mike Puerner, Kim Trueblood

1. Call to Order by Chair Robinson at 3:30 pm
2. Public Comment Period -None
3. Approval of the Minutes of the January 26, 2021 Human Resources, Finance and Property Committee Meeting
Motion by Gibbs and seconded by Fisher to approve the January 26 minutes; vote unanimous
4. Educational Presentations/Outcome Monitoring Reports-None
5. Operational Functions required by Statute, Ordinance, or Resolution:

A. Discussion and Possible Action by Human Resources and Finance and Property Committee

1. Discussion on Insuring Tax Deed Properties

Risk Manager Maly discussed the types of insurance that needs to be considered when reviewing tax deed properties. At this time, tax deed properties have liability insurance only. The properties can be insured for specific limit coverage which would be for actual cash value of the building only. If the buildings are vacant, we can insure them for a vacancy permit. Robinson-Do you want a policy in regards to insuring tax deed property? Gibbs-Should we have language that states if the property is destroyed, we are not responsible for providing a home for the tenant. It makes sense to look at the value of the property at the time of the taking and if the value is under than \$10,000 than it does not make sense to cover them as the deductible is \$10,000. It makes sense to insure those properties that are occupied and any property which the value is over \$10,000. The request of the committee is to ask Administration to develop a policy for insuring tax deed properties that includes items such as: if the assessed value of the improvements exceeded \$10,000 and the County will try to recover the cost of the insurance at the time of sale of the tax deed property. Gibbs-We may want to also add those properties that are owner occupied even if they are under \$10,000. Corporation Counsel will bring back a policy based on this criteria at a future meeting. No formal action taken.

2. Approval of the January 2021 Claims and Questioned Costs

Motion by Gibbs and seconded by Stark to approve the claims and questioned costs for January 2021; vote unanimous

B. Discussion and Possible Action by Committee to Forward to the County Board for its consideration

1. Interdepartmental Budget Transfers

Motion by Gibbs and seconded by fisher to approve the transfers; vote unanimous

2. Marathon County Serving as a Regional Vaccination Site-Leonhard/Theurer

Joan Theurer the Health Officer discussed the County serving as a regional vaccination site. This site would to scale up to 1,000 vaccines a day. We will partner and provide outreach in the region and possible other duties as determined. Our recommendation for the site would be NTC –Wausau. It has the space and capacity to manage the vaccination center. The Board of Health has approved this as the County's role in the pandemic. Motion by Gibbs and seconded by Fisher to authorize administration and health department to be a regional vaccination site and execute a contract and provide information back to the committee when the contract is executed (if needed); vote unanimous

3. Denial of Claim-CMR Claims Department-Maly

Risk Manager Maly provided information on a claim by CMR on behalf of Frontier Communication. It is recommended by the County's insurance company to disallow the claim.

Motion by Stark and seconded by McEwen to disallow the claim; vote unanimous



4. Outcome Measurers for Strategic Plan Objective 3.8-Endure Marathon County is an Open, Inclusive and Diverse Place to Live and Work –*referred from the Executive Committee*

Supervisor Xiong reviewed Objective 3.8 as discussed at the Diversity Affairs Committee to have the most qualified individuals to work at Marathon County. The timeline has been extended to December 31, 2021 for County Administration to carry out the work. County Administrator Leonhard stated that the timeline for July 2021 should be extended to December 2021 and will be more easily met.

Robinson has language changes to outcome measurement 1 and extending the deadline. Therefore the Committee would recommend the above changes to reflect the measures recommended by the Diversity Committee and change in deadline for consideration at the Executive Committee.

Motion by Xiong and seconded by Leahy to modify Strategic Plan 3.8 Objective 1 to, “By December 31, 2021, County administration shall develop and present a policy aimed at building the most qualified workforce possible by recruiting, retaining and developing a diverse workforce (relative to race, gender, physical ability, personal experience, socio-economic status, etc.) to the Human Resource, Finance and Property Committee and the Diversity Affairs Commission”; vote unanimous

5. Potential Role for Marathon County In Community Partners Campus Project

Robinson received a memo from Community Partners for a funding request for a capital project for the Community Partners facility for a multi-purpose building for multiple non-profits. Corbett-Counties are created by the state and given their authority by the State and can complete only those activities as provided in the statutes. This is not one of the programs that the County can fund in regards to Community Partners. We do and can provide financial support to some of the non-profits that will reside in the building.

In light of Corporation counsel’s opinion we can relay to Community Partners that the County lacks of statutory authority to funding this capital project.

6. Resolution for the Reauthorization of Self-Insurance for Worker’s Compensation

Employee Resources Director Matel provided information on the need for a resolution for self-insurance for Worker’s Compensation to be approved every 3 years.

Motion by Gibbs and seconded by McEwen the reauthorize the; vote unanimous

7. Resolution Awarding the Sale of \$5,830,000 General Obligation Promissory Notes, Series 2021A

Motion by Gibbs and seconded by Fisher to move forward to County Board the Resolution Awarding the Sale of \$5,830,000 General Obligation Promissory Notes, Series 2021A contingency upon the committee meeting on February 25 to approve the bid award from February 25; vote unanimous

8. Resolution Awarding the Sale of Not to Exceed \$19,000,000 General Obligation Health Care Project Building Bonds, Series 2021B-Palmer

Motion by Gibbs and seconded by McEwen to move forward to County Board the Resolution Awarding the Sale of Not to Exceed \$19,000,000 General Obligation Health Care Project Building Bonds, Series 2021B contingency upon the committee meeting on February 25 to approve the bid award from February 25; vote unanimous

6. Policy Issues Discussion and Committee Determination

A. HR and Finance Committee Work Plan Prioritization Tool and Schedule

The packet has a schedule of the projects and reporting departments for each activity. These items would be a focus for the monthly educational meeting. Committee members will work with County Administration to assemble workgroups. The CIP policy would be a workgroup of people that would develop criteria and provide recommendations to the committee. Each workgroup meeting might need to be posted depending on the function of the workgroup. Corporation Counsel will bring back recommendations for the committee in regards to the workgroups. No formal action taken

1 Update on Work Plan Priority List with Programs, Outcomes and Activities

a. Evaluation of Marathon County’s Health Insurance Alternatives



MARATHON COUNTY HUMAN RESOURCES, FINANCE & PROPERTY COMMITTEE MEETING MINUTES

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Leonhard-The majority of this work will be completed by staff. Deputy Administrator Hake went through the team that will work through the Health Insurance RFP process. The County will post the RFP for a consultant to evaluate the health insurance options and all aspects of the plan and post an RFP for Health Insurance carriers and assist in the evaluation of these options.

i. Process to Evaluate Health Insurance Alternatives

ii. Role of the Human Resources, Finance and Property Committee

The role that we see the committee playing is through budget development and decision-making for the 2022 budget and beyond for the County benefit plan. Fisher commented that we will be looking at all options available for the County to maximize benefits and control costs for the health insurance benefit plan. Gibbs- There can be problems with Counties that receive a bid for service with low cost in year 1 and 2 but a sharp increase in future years and therefore, sustainability needs to be considered for long term success.

Informational item only; no formal action taken

7. Announcements:

Next Meeting Date- February 23, 2021 at 4:00 p.m.-Investment performance for 4th quarter will be presented
2020 Sales Taxes revenues exceeded 2019 by 5.5%

Clerk Trueblood's staff reviewed the 65 tax properties that were in a County Clerk's file. Her staff was able to clear up all but 15 properties. She wanted to thank her staff for all of their hard work on this project.

8. Adjourn-Stark and Gibbs to adjourn at 5:35 pm

Fiscal and Monetary Policy Considerations Under the Biden Administration

Perspectives | February 2021



Joe Biden won what may arguably have been the most contentious presidential race in modern history. Though victorious, President Biden will need support from both sides of the political aisle to advance his agenda and pass legislation. At present, Democrats hold a very narrow majority in the House of Representatives. In the Senate, the split is 50/50, with Vice President Kamala Harris poised to break any tie votes.

This new political reality may significantly impact future stimulus efforts as well as fiscal and monetary policy.

Fiscal/Monetary Policy and Stimulus Considerations

In early 2020, as COVID-19 spread, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided approximately \$2 trillion of support to the U.S. economy. Moreover, in December, \$900 billion in fiscal stimulus support was passed by Congress. In terms of monetary policy efforts, the Federal Reserve (Fed) did its part, working to mitigate economic damage by:

- Cutting short-term interest rates near zero and stating that rates are likely to remain at low levels for an extended period
- Purchasing trillions of dollars of treasury and mortgage-backed securities
- Introducing new facilities to help support financial markets

We observe a growing consensus among Fed officials, economists and politicians that more stimulus is needed as the nation continues to grapple with the coronavirus pandemic and its lingering impact on the economy.

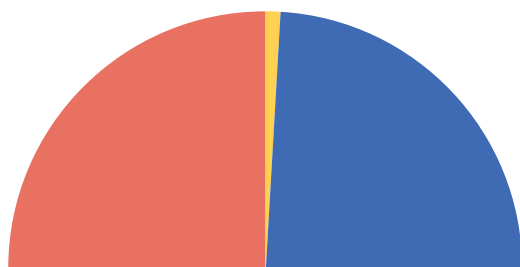
Economists are presently expecting additional stimulus measures to be passed by Congress and signed by the President, who has proposed \$1.9 trillion of new fiscal spending. His proposal includes direct payments to taxpayers of \$1,400, as well as funds dedicated to the distribution of vaccines, an extension of unemployment benefits and direct support for state/local governments.

There is considerable debate regarding using political capital to pass such a large package and the ability of such a plan to pass. And while there may not be a broad appetite to pass some of the more progressive policies that were debated during the party primaries or the general election, increased infrastructure spending (with perhaps a tilt toward green building) is expected. Other possibilities include legislation or executive action on clean energy and immigration. Some of these efforts may prove stimulative when it comes to job creation. Though the question remains, "When will these efforts make it onto the House and Senate floors for a vote?" Infrastructure has been a topic of interest for the past four years, but there has been minimal progress.



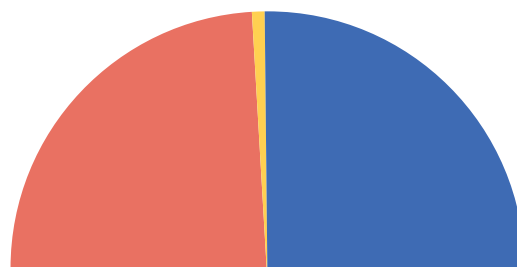


SENATE



50 Republicans 2 Independents
(Caucus with Democrats) 48 Democrats

HOUSE



211 Republicans 3 Vacant 221 Democrats

With all of this in mind, we remain hopeful, as there are a handful of moderate Democrats in the Senate, such as Joe Manchin of West Virginia, who may be able to both advance the administration's agenda and work with Republicans to pass legislation. Manchin is also a counterbalance to a more progressive agenda and has pushed back against (or has been noncommittal on) \$2,000 stimulus checks for all, preferring a more targeted approach. That said, he has supported trillions in spending on infrastructure.

Personnel Changes Worth a Mention

One cabinet position of particular interest to the capital markets is that of the Treasury Secretary. Former Federal Reserve Chair Janet Yellen has been confirmed for that position and is the first woman to hold that title. At the Fed, she was known as a fiscal "dove," and the expectation is that she would support policies that would lead to increased employment.

It is also worth noting that Jerome Powell's term as Fed Chair expires in February 2022. If President Biden chooses to replace Powell, the current expectation is that any candidate he selects would not initiate major/meaningful changes to monetary policy. In our view, a steady hand is indeed what we need during these trying times.

Possible Impact on the Economy, Federal Reserve Policy and Capital Markets

Given the Democrat Party election wins and assuming additional stimulus of ~\$800 billion (which some expect on the low end) to the \$1.9 trillion proposed by President Biden, consensus gross domestic product (GDP) estimates have begun to increase. Currently, the consensus GDP forecast stands at 4.1% (per Bloomberg), which is highly uncertain due to the continued coronavirus cases and the final amount of fiscal package that is actually passed. However, some economists at prominent firms have begun to increase their 2021 GDP estimates to over 6%, an increase of 1.25% from their previous forecasts. (For reference: The U.S. economy is believed to have contracted by approximately 3.5% in 2020).

While unemployment came down from its peak of nearly 15% to 6.7%, there is slack in the labor market because the coronavirus pandemic upended the workforce. Market-based measures of inflation expectations have picked up considerably over the last several months, but inflation is still below the Fed's target of 2%. The Fed has also moved to a framework of Flexible Average Inflation Targeting (FAIT) that some believe might reduce the need to adjust the Federal Funds Target Rate further. That said, the Treasury market's front end is expected to be anchored to the current near historic low yield levels.



As a result of expected increased fiscal stimulus, we have seen longer maturing Treasury yields. For example, we saw the 10-year Treasury note increase by nearly 25 basis points (bps) between January 4 and January 11 (2021). While the Fed is currently buying ~\$80 billion of Treasury securities each month, there is potential for the monetary body to ratchet up purchases. It could also ultimately shift the maturity parameters of future purchases and begin to focus more on longer maturing securities, though, to be clear, we do not perceive that as being imminent and it is becoming increasingly unlikely. As long as financial conditions are not being materially negatively impacted, we believe that the Fed may allow rates to move higher gradually. Based on comments by several Fed officials, some market participants are factoring in the possibility of tapering of purchases in the second half of 2021. With these bond purchases, the equity market continues to be the recipient of flows based on an expected recovery in profits, which should translate into better returns for stocks. The broadening of the recovery rally during the fourth quarter of 2020 would only cement views on equity expectations for this year.

The path of interest rates in longer maturities is highly uncertain. A number of interest rate strategists and economists have revised their yield forecasts higher based on the outcome of the Georgia election. Some changes were minor in the 10-15 bps range, while others substantially increased their expectations by approximately 50 bps.

While we expect some upward pressure throughout 2021, the magnitude will depend on several factors:

- Of the proposed \$1.9 trillion, what dollar amount is actually passed? How much treasury issuance will be needed to fund the deficit?
- Is there an additional appetite for infrastructure spending?
- How do economic activity, employment and inflation/inflation expectations evolve throughout the year?
- What is the possibility of financial market conditions tightening (increased volatility, wider spreads on debt instruments and lower equity prices)?
- What is the feedback loop between financial conditions and the Fed's reaction function?
- Is there an ability for our economy to get back to normal operations?

So, while we expect interest rates to remain low and stable in shorter maturities, and longer maturities to move higher (the yield curve to steepen), the magnitude is uncertain. Spreads (the additional income earned over treasury securities) in high-quality sectors remain on the historically tight side. A strengthening economy could provide continued support to the tight valuations (low spreads). Still, a large move in interest rates could tighten financial conditions and become a catalyst for spreads to move higher. Looking out further on the risk spectrum, high yield should continue to do well as names tied to the energy sector, which have suffered due to slackening in demand and low oil prices, should start to rebound.

Looking at equities more broadly, we believe that 2021 will see positive returns. Domestic equities have bounced back from their pandemic lows, and our expectation is that we could continue to see a widening of returns if the new administration can achieve its vaccination goals. Internationally, improved government relations could mend frayed partnerships, but it doesn't seem as if trade agreements are on the front burner of the Biden agenda. Emerging markets could continue to do well if we see currency depreciation as the result of an increase in demand for foreign goods.

It is also worth mentioning that lower interest rates have led some investors to consider adding alternatives to their portfolios. Our view is that Private Equity and Debt could continue to see increased interest and that Real Estate may be overall mixed depending upon the region/area of focus. Private Equity remains a hot topic as



both IPOs and Special Purpose Acquisition Companies (SPACs) continue to receive a lot of attention within the marketplace. But the popularity of these along with the significant amount of unused funds on the sidelines could drive up deal multiples, hence providing lower return opportunities in the future. Private Debt should continue to outperform as continuing difficulties in the broader economy increase the need for non-traditional funding, and banks could become more reluctant to lend at lower rates.

Meanwhile, Real Estate has been mixed, but lower interest rates bode well for areas such as residential-single family homes. However, the current demographic trend is a headwind for multi-family units. Finally, we believe that Commercial Real Estate (e.g., office buildings) could struggle with more headwinds and uncertainty within this space exist.

Final Thoughts

Despite significant progress toward a comprehensive economic recovery, headwinds persist, and the virus continues to spread. These challenges are likely to linger throughout the first half of 2021. Again, further fiscal and monetary stimulus should help mitigate conditions caused by the ongoing public health crisis. PFM will continue to closely monitor any policy changes and we stand ready, as always, to serve our clients' best interests during these trying and turbulent times.

For more information, please contact your PFM representative.

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Information regarding Governor Ever's Budget

([Budget in Brief](#), [Full Budget](#), [WCA summary](#))

Update on potential Federal COVID package – [NACo overview](#)

MARATHON COUNTY COMPREHENSIVE RATING FORM FOR SERVICE, EQUIPMENT AND FACILITY IMPROVEMENT REQUESTS

Should this project be funded by Marathon County Capital Improvement Program?

1. REGULATORY COMPLIANCE **10**

This includes Current and known future regulatory mandates. These mandates could come from federal, state or local agencies. If this project is required by federal, state or local legal mandate then it is funded.

Scoring Scale		
ZERO	ONE	TWO
Project is not mandated or otherwise required by court order, judgment, or interlocal agreements.	Project would address anticipated mandates, other legal requirements, or interlocal agreements.	Project required by federal, state or local mandates, grants, court orders and judgments required as part of interlocal agreements.

		Scale SCORE	Score x Points =TOTAL
A	Is the project being considered due to federal, state or local legal mandate?	2	20

2. PUBLIC SAFETY/HEALTH IMPACT **10**

Safety and health typically involve such things as fire protection, law enforcement, emergency response/communications, safe roads, public health and flood control. Improvements to department infrastructure or services that directly impact the safety and health of citizens would score high in this category. Similarly, safety improvements in public buildings might score points in this category while adding financial software to these departments probably would not.

Scoring Scale		
ZERO	ONE	TWO
Project has no or minimal direct impact on safety/health.	Project has some direct impact on safety/health.	Project has a significant direct impact on safety/health.

		Scale SCORE	Score x Points =TOTAL
A	Does the project directly reduce risk to employees or users of Marathon County facilities?	1	10
B	Is this project in response to an identified safety/health issue? Does the project directly improve the public safety/health of the citizens of Marathon	2	20

MARATHON COUNTY COMPREHENSIVE RATING FORM FOR SERVICE, EQUIPMENT AND FACILITY IMPROVEMENT REQUESTS

3. EXISTING INFRASTRUCTURE END OF LIFE **9**

This element relates to basic or core infrastructure needs. EXAMPLES: Will the project save or repair structural integrity of existing buildings, extend the life of or reduce the operating costs of existing public infrastructure and facilities? Do resources spent on maintenance of existing assets justify upgrade or replacement? Does the project provide additional capacity, functionality or upgrade existing/outdated assets or operating system?

Scoring Scale		
ZERO	ONE	TWO
The urgency level is low.	The urgency level is moderate.	The urgency level is high. Existing assets are no longer functional.

		Scale SCORE	Score x Points =TOTAL
A	Has the existing asset exceeded its useful life based on industry standards?	1	9
B	If the item isn't replaced will the repair costs have a negative impact on existing structure and ultimately cost more than deferring the replacement?	2	18

4. UNIQUE CIRCUMSTANCES **7**

This area of emphasis relates to projects that may have unique circumstances (ie: a planned continuation of a project in process or a multi phase project previously funded (but do to unforeseen circumstances discovered after the previously approved project was started).

Scoring Scale		
ZERO	ONE	TWO
This project represents no significant need or benefit.	This project represents some significant need or benefit.	This project represents a significant need or benefit.

		Scale SCORE	Score x Points =TOTAL
A	Is this request part of a planned continuation, a necessity or a need due to unique circumstances?	2	14
B	If not funded are there potential direct negative consequences?	1	7

MARATHON COUNTY COMPREHENSIVE RATING FORM FOR SERVICE, EQUIPMENT AND FACILITY IMPROVEMENT REQUESTS

5.a FISCAL CRITERIA **5**

Some projects may affect the operating budget for the next few years or for the life of the facility. A jail will need to be staffed and supplied, therefore having an impact on the operational budget for the life of the facility. Replacing a roof will not require any additional resources from the operational budget. Operational efficiencies such as FTE reduction, energy efficiencies or budget reductions due to better operating systems.

Scoring Scale		
ZERO	ONE	TWO
Project will have an additional cost on future budgets.	Project will have a neutral cost on future budgets.	Project will have a reduced cost on future budgets.

		Scale SCORE	Score x Points =TOTAL
A	Will the project lead to a reduction in personnel or operating costs? Is there an additional revenue generating opportunity?	0	0
B	Is the ROI less than 10 years for depreciation or energy savings in less than 7 years?	0	0

5.b FISCAL CRITERIA **2**

Capital Improvement Projects can be funded through other sources. Developer funding, grants through various agencies and donations can all be sources of external funding for a project. The percentage of total cost funded by an outside source will determine the score in this category.

Scoring Scale		
ZERO	ONE	TWO
0 to 10% External Funding	11 to 50% External Funding	51 to 100% External Funding

		Scale SCORE	Score x Points =TOTAL
A	Is there any outside funding?	0	0

6. GROWTH/ECONOMIC DEVELOPMENT **4**

Economic development considerations relate to projects that foster the development, redevelopment or expansion of a diversified business/industrial base or designated growth area. Projects that will help create jobs and generate a positive financial contribution would be included in this category.

Scoring Scale		
ZERO	ONE	TWO
Project will have a neutral impact on economic development.	Project will have an minimal impact on economic development.	Project will have a significant impact on economic development.

		Scale SCORE	Score x Points =TOTAL
A	Does the project have the potential to promote economic development?	0	0

MARATHON COUNTY COMPREHENSIVE RATING FORM FOR SERVICE, EQUIPMENT AND FACILITY IMPROVEMENT REQUESTS

7. CONSISTENCY WITH COUNTY OBJECTIVES **3**

This measures the degree to which the project supports stated County objectives. This can include recommendations stated in a County sponsored service plan, master plan or study, citizen survey, a Board of Supervisors policy, or goals set forth in the County's Strategic Plan.

Scoring Scale		
ZERO	ONE	TWO
The project is not consistent with recommendations of an adopted plan or study.	The project is partially consistent with recommendations of an adopted plan or study.	The project is consistent with recommendations of an adopted plan or study.

		Scale SCORE	Score x Points =TOTAL
A	Will the project comply with recommendations or objectives addressed in an adopted plan or study? Does the project relate to the results of an advisory referendum? Is the project in conformance with the goals, strategies and actions set forth in the County's Strategic Plan?	0	0

8. PUBLIC BENEFIT **2**

Public Benefit is a characteristic that makes the County a favorable place to live. Quality parks and roads satisfy all citizens and would greatly impact the quality of life. A County maintenance building is an example of a project that does not directly affect the citizen's quality of life.

Scoring Scale		
ZERO	ONE	TWO
Project would benefit only a small percentage (0-33%) of citizens.	Project would benefit a significant percentage (34-66%) of citizens.	Project would benefit most or all of the citizens (67-100%) in Marathon County.

		Scale SCORE	Score x Points =TOTAL
A	Does the project increase or enhance healthy lifestyle or recreational opportunities and/or green space?	0	0
B	Does the project increase or enhance cultural or educational opportunities to citizens of Marathon County?	0	0

CAPITAL IMPROVEMENT PROGRAM



POLICY & PROCEDURE

June 2020

CIP REVIEW COMMITTEE MEMBERS:

County Board Supervisors:

EJ Stark (Chair), Sandi Cihlar, Kelley Gabor, David Overbeck

Citizen Members:

Chuck Kornack, Barkley Anderson, Eric Budleski

Technical Staff:

Terry Kaiser (Director – Facilities & Capital Management Department),

Lance Leonhard (County Administrator),

Troy Torgerson and Craig Christians (Facility Planners),

Barbara Parker (Accounting Specialist), Cindy DeBroux (Secretary)

POLICY FOR FUNDING

MARATHON COUNTY'S CAPITAL IMPROVEMENT PROGRAM

INTRODUCTION

Marathon County recognizes the need to create and maintain the County's capital assets and infrastructure and fund both the operating and capital sides of the budget. Through Resolution R#124-89 the County set up the five years Capital Improvement Program with the following goals:

- Protect the County's investment in its buildings, equipment, improvements, and infrastructure.
- Recognize the need to preserve and maintain existing assets over acquiring new assets.
- Develop the most cost effective way to manage the County's assets through a comprehensive process that cuts across departments, boards, and committees.
- Acknowledge that certain services cannot be compromised. The services provided and capital investments made must undergo a rigorous scrutiny to ensure that investments in these areas meet the needs of the County in the most cost effective manner possible.
- Provide equipment that is essential to do the work of the County.
- Where possible, the County needs to examine the long term operating and capital costs prior to instituting any new program.

In order to accomplish these goals, the CIP must have the funding to complete projects as ranked by the CIP Committee. This policy will establish the funding mechanism that is associated with the CIP budget.

CIP Funding Sources

The following funding sources are available for CIP projects:

Undesignated Fund Balance

Undesignated fund balance of several County funds is transferred to the Capital Improvement Fund to fund CIP projects that are approved and ranked by the CIP Committee. The procedure for determining the timing and amount of those funds is as follows:

At the end of the year, the Finance Department closes out all of the funds of the County in accordance with generally accepted accounting principles. Those funds that use tax levy to support programs are part of a calculation to establish a Working Capital Reserve as per Resolution R#104-89. What is "left over" is considered undesignated fund balance. This amount is recorded, audited and reported in Marathon County's Comprehensive Annual Financial Report (CAFR). The amount is then available and used to fund the next year's CIP (i.e., the 2002 books are closed, 2002 working capital is calculated, the 2002 undesignated fund balance is recorded, audited and reported and is available to fund 2004 CIP projects).

Repayment of Debt from Agencies Outside of the Primary Government

In certain cases, Marathon County may receive annual debt service payments. These are repayments of Marathon County debt that was issued for joint or for Discretely Presented Component Unit projects and may be used to fund the County's CIP projects. This is particularly true in the case where Marathon County has

deceased a portion of the outstanding debt. Historically, the County has transferred debt services payments from Central Wisconsin Regional Airport and North Central Health Care to the CIP budget to fund projects.

Use of Sales Tax Revenues to Fund CIP

The County may apply a portion of the budgeted sales tax revenue directly to the CIP fund to assist in funding County projects.

Tax Levy

Property Tax levy is used to fund specific parts of the CIP. The following projects are tax levy funded on an annual basis and recorded in the department budget: rolling stock for the Highway and Sheriff's Department, County highway, bridge, and bituminous projects.

Debt Proceeds to Capital Projects

The County's debt policy states that the County may use long term financing for the acquisition, replacement or expansion of capital assets or infrastructure.

Grant Funding

Marathon County receives public and private grants to assist us in the acquisition, replacement or expansion of capital assets or infrastructure. The grants are used to finance the designated project(s) and are reported as required by the grantor agency.

Operating Revenues

The proprietary funds of Marathon County, and its Discretely Presented Component Units, charge a fee that is set to cover the costs of operations and even the cost to acquire, replace or expand current capital needs. In these cases, revenues will be available to pay for the cost of the CIP projects.

Other Revenue Sources

In some cases, the County will receive funding for capital projects from outside parties. These funds are to be used in accordance with the guidelines as stated by the funding agency.

2008 CIP Team Restructure Guidelines (Adopted by Marathon County Board)

Added from: Chapter 2: The Governing Body Sec. 2.05 (2)

2. Capital Improvement Program (CIP) Committee.

I. Committee Name

Capital Improvement Program Committee (CIP)

II. Committee Type and Reporting Relationship

The CIP is a Marathon County subcommittee which reports to the Human Resources, Finance, and Property Standing Committee.

III. Purpose

The Committee is to review and prioritize capital project requests submitted by committees of the County Board. The CIP Committee will assemble these requests into short and long term capital asset project plans for the review and consideration

by the Human Resources, Finance, and Property Committee. These plans, as prepared or as modified by the County Administrator, will be included as part of the County Administrator's initial budget submission to the Human Resources, Finance and Property Committee (Adopted 2008 by County Board).

IV. Statutory Responsibility

None

V. Membership

Total of seven members consisting of, four County Board Supervisors and three citizen members. The Committee will be chaired by a County Board Supervisor who serves on the Human Resources, Finance, and Property Committee. Technical support staff will consist of the County Administrator and administrative staff they assign.

VI. Member Term.

All members are appointed for a two-year term to coincide with biennial organization of the County Board, appointed by the County Board Chair and confirmed by the County Board. Committee vacancies will be filled according to County Board Rule 13.

VII. Duties/Responsibilities

1. Develop and Recommend allocation/prioritization guidelines to the Human Resources, Finance, and Property Committee for incorporation into the budgetary guidelines to be approved by the Marathon County Board.
2. Review and rank capital project requests submitted by Marathon County Standing Committees consistent with approved guidelines. (All non-county committee/board/commission requests will be submitted through the appropriate standing committee.)
3. Develop and provide the County Human Resources, Finance, and Property Committee with a capital plan that includes the annual priorities and a rolling five year projection, (updated annually) for considered inclusion in the annual budget.
4. Monitor the progress of and provide regular status updates, for all major capital projects under construction or installation, to the Human Resources, Finance, and Property Committee of the Marathon County Board.

VIII. Other Organization Relationships

None

POLICIES

Policy on Reporting all Capital Projects

The intent of the CIP is to identify in one document all capital projects that the County and its many related agencies are undertaking in the next several years **regardless of funding mechanism**. Capital projects included in the CIP are defined as:

A capital project will be defined as a project which:

- (1) Require a minimum expenditure by the County of \$30,000,
- (2) Has a useful life span of seven years or more, and
- (3) Meets at least one of the following criteria:
 - Generally non-recurring.
 - Provides for the acquisition or construction of any physical facility for the County, to include consultant or professional services related to acquisition or construction, or the study of options for acquisition or construction of physical facilities.
 - Provides for the acquisition of equipment for any physical facility when first constructed or acquired.
 - Provides for the ongoing acquisition of major capital equipment or systems, i.e., computer technology, radio systems.
 - Provides for the acquisition of land or an interest in land.
 - Fund expenditures, including additions to existing facilities, which increase the square footage, value, or extends the life of a facility.
 - Fund expenditures for major maintenance or replacement projects on existing facilities or equipment.
 - Rolling stock and equipment replacement that is of critical importance to the functioning of the department involved.

A capital maintenance or replacement project will be defined as a project to:

Repair, maintain or replace existing capital facilities for the purpose of protecting the County's investment and minimizing future maintenance and replacement costs. To be classified as a non-recurring maintenance project, a project must have an interval between expenditures of at least five years. If a project is deemed recurring the CIP Committee will establish an annual allocation for that account. Each year thereafter the CIP Committee may replenish the account to the established threshold only replacing funds spent the previous year. Departments will provide an itemized report documenting transactions within that account. Departments will have the opportunity to request a change to the allocation during the annual CIP ranking process. Changes to the allocation can only be made by the CIP Committee.

Funding allocated for a project in the CIP budget is specific for that project. After the completion of the project any remaining project funds cannot be used to fund other projects unless approved by the CIP Committee and the Human Resources, Finance, and Property Committee in accordance with the interdepartmental transfer procedures established for Marathon County.

- Examples of recurring projects include:
 - Technology Replacement
 - Parking Lot Maintenance

All projects that meet this definition must be reviewed by the CIP Committee regardless of funding source. For example, 100% grant funded projects will still need to be reviewed by the CIP Committee. The CIP Committee shall establish factors for review such as long term operational costs, project history, past spending practices of department or agency, exploring alternatives that provide the most cost effective use of resources and consistency with the County's mission statement. The CIP Committee may direct the County Administrator to assign appropriate staff to explore additional cost effective alternatives.

After conducting its evaluation of factors, the CIP Committee shall forward a recommendation to the Human Resources, Finance, and Property Committee for further action. **Failure to comply with this policy by a requesting department may result in a negative recommendation to the Human Resources, Finance, and Property Committee and potential loss or reduction in capital funding or support of operations.**

CIP Committee reserves the right to:

- Enforce the time schedule set forth herein, which may result in project delay;
- Reject any project proposal that does not contain enough information to enable the Committee to effectively rank it pursuant to the scale established by Committee;
- Exempt certain projects from ranking if the committee determines that the project does not meet any of the definitions set forth above, or in the best interests of Marathon County;
- Consider past non-compliance with CIP Policies as a factor when evaluating project requests;

Prior Standing Committee Approval Minutes Must be Submitted with CIP Request(s).

Requests should indicate entire anticipated project cost (including consulting & design fees and project contingency) even if the project is expected to extend into following year(s).

EXPEDITED / OTHER THAN CIP FUNDED CAPITAL PROJECT REQUEST

An expedited capital project request will be defined as any project request made outside of the normal ranking process that requires an amendment to the CIP budget or a possible change to the proposed budget. Although this is highly irregular and is not the preferred method (see the procedure is outlined below).

Any Capital project that is 100% self-funded may be brought to the CIP Committee at any time during the year for approval (see the procedure outlined below). The CIP Committee will have the discretion to determine how to proceed with the project. If it is believed the project has merit, the Committee may choose to by-pass ranking the project and pass it on to the Human Resources, Finance, & Property Committee for their consideration.

Procedure:

- Acquire Standing Committee or Board approval and documentation.
- Complete and submit to Facilities and Capital Management a Capital Project Request Form.
- Request to be included on the agenda of the next CIP Committee meeting.

RECURRING PROJECT

The Marathon County CIP Committee wishes to propose the annual dollar amount designated to Capital Projects be divided with an amount determined annually by the Human Resources, Finance, & Property Committee going to City County Information Technology (CCIT) to be used for technology projects. CCIT would no longer need to submit their requests for ranking, but would prioritize their projects and create a list that would be included in the annual CIP book for approval by the County Board. CCIT would be required to continue to follow all CIP/procurement rules and would return all unused capital dollars annually. Any projects larger than the annual allotment would either need to be borrowed for or find alternate funding sources. CCIT would have the ability to ask departments to fund, or help fund program related or recurring projects. All recurring CCIT accounts currently funded by CIP will be funded from the annually determined share.

Procedure for Failure to Begin Project in Fund Year

The intent of the CIP is to identify in one document all capital projects that the County and its many related agencies are undertaking in the next several years. Each year CIP Committee ranks projects on the basis that all projects will be commenced in the following year. In keeping with that idea, projects approved for a specific calendar year shall be initiated in that year. If there has been no definitive action to begin a project by December 31st of the year following availability of funding for approved project, that project will be removed from the CIP budget and will need to be re-submitted to be ranked against the projects of the new submission year. For the purposes this section, "definitive action to begin a project" means any of the following:

- Request for Bid or Proposal has been published;
- Purchase Order has been sent to vendor;

- Contract has been signed or;
- Money has been disbursed from the funded account specific to that project.

Projects will need to be updated to include any cost escalation due to inflation, material expense, or operating expense.

1. The Facilities and Capital Management Department will run a report November 1st to determine if funds have been obligated for all CIP projects. The Facilities and Capital Management Department will contact any departments who have not obligated funds for their CIP projects and determine if the department has started or will be able to start their project in that calendar year.

2. If by June 1st, a department realizes they will not be able to start a project within the calendar year it was funded they can request that the project be defunded for that year and re-ranked for funding the following year. Projects will need to be updated to include any cost escalation due to inflation, material expense, operating expense or department priority.

Approval of the Capital Improvement Plan

CIP projects are submitted annually by the Departments. The Department must state the total cost per year, the proposed method of financing and estimated future recurring costs. If the original application is not complete and submitted on time (along with Standing Committee approval); the application may not be considered by the CIP Committee. The CIP Committee then ranks each project. After the CIP Committee has ranked all of the projects for the upcoming year, the five year capital improvement program is referred to the Human Resources, Finance, and Property Committee for incorporation into the proposed annual budget to be reviewed by the Marathon County Board at their September meeting. This approval is to accept the projects and ranking of the CIP not for the funding of the individual projects.

After the County Boards review in September the Finance Director, based on Resolution #R-18-04, develops a funding plan consistent with the proposed CIP recommendation to be incorporated in the County's annual budget at the November County Board meeting.

Funding goes through this sequential process for approved projects:

1. All designated revenue, other revenue or grant based funding is added to the CIP budget.
2. Tax levy funding is applied as stated above. The County Administrator's recommended budget, through the departmental budget process, dictates the level of tax levy dollars allocated to each CIP project.
3. Based on the dollars available from fund balance, the Finance Director then applies the fund balance dollars to projects based on ranking in the CIP.
4. Lastly, those projects that qualify for borrowing are then funded by borrowing.

The funding sources, by type, are then incorporated into the annual CIP budget. The County Board votes on the CIP as part of the November budget resolution. Any County Board member may offer a budget amendment to change the funding for any project.

Closure of Projects

Funding allocated for a project in the CIP budget is specific for that project. After the completion of the project any remaining project funds cannot be used to fund other projects unless approved by the CIP Committee and Human Resources, Finance, and Property Committee in accordance with the interdepartmental transfer procedures established for Marathon County or as otherwise provided by law.

Amendments to the CIP

During the year, changes may occur and amendments to the CIP will need to be made. The CIP Committee will review new projects that come up during the year (please see Expedited / Other Than CIP Funded Capital Project Request above). If a project is approved by the CIP Committee, a resolution will go to the Human Resources, Finance, and Property and the Executive Committees to approve amending the annual CIP budget. If approved by the Human Resources, Finance, and Property Committee the resolution would go to the full County Board for adoption.

Conclusion

Marathon County has maintained its commitment to protect the County's investment in its capital assets and infrastructure. The process started in 1989, has allowed the County the needed flexibility to maintain its capital assets while allowing County services to continue to serve the needs of the citizens.



Capital Project Request Form

Project		CIP Funds Requested	\$0.00
Project Number	<i>(Do NOT fill in – for use by F&CM Department)</i>		Request for Year 2021

General Instructions for completing this form:

- Enter requested information after placing the cursor (point and click) in the corresponding gray-shaded blank.
- For all but the most obvious items, more detailed instructions are available by typing the F1 key while the cursor placed on the corresponding blank.
- Each box will expand as necessary to include your text. Limits on text length are noted in the F1 instructions.
- Use the tab key to advance the cursor to the next blank; use shift/tab to move the cursor to the previous blank.
- *If this Charter form is not completed in its entirety, your request may not be ranked.*

1. REQUEST INFORMATION			
Project Title			
Location			
Description			
Date of Request		Project Type	<i>(select project type)</i>
Submitted By		Phone	715-261-6211
Department	<i>(select department)</i>	Email	@co.marathon.wi.us
Has this request been approved by the appropriate standing committee or board.	Y <input type="checkbox"/>	N <input type="checkbox"/>	<i>Minutes of the meeting in which the funding request was approved must be submitted to F&CM Dept. prior to July 1st.</i>
Has funding for this project been requested previously but not ranked high enough to be funded?	Y <input type="checkbox"/>	N <input type="checkbox"/>	If so, how many times has the request been submitted previously?
Is this request a continuation of a previously funded CIP project?	Y <input type="checkbox"/>	N <input type="checkbox"/>	If so, in which year was that project funded?
Will this project be closed out within three years of the fiscal year in which it was funded? If not, please explain why below.	Yes <input type="checkbox"/> No <input type="checkbox"/>		
Is this project necessary due to a federal, state, or local legal mandate? If yes, please identify the specific mandate below.	Yes <input type="checkbox"/> No <input type="checkbox"/>		
Will this project comply with recommendations or objectives addressed in an adopted plan (e.g. strategic plan), referendum, or study? If yes, please identify the specific plan, referendum, or study below.	Yes <input type="checkbox"/> No <input type="checkbox"/>		



Capital Project Request Form

2. PROJECT DEFINITION AND SCOPE

Project Objective(s)			
Alignment to Departmental Mission Statement			
Departmental Priority (check a different priority for each project)	(High)	1 2 3 4 5 6 7 8 9 10	(Low)
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Related Other Projects			
Alternatives Considered	1. 2. 3.		
Why Alternatives Listed Above Were Rejected	1. 2. 3.		
Target Start Date		Anticipated Completion Date	
Project Scope Statement <i>List the major components of the project's scope of work below. Refer to documentation such as RFP's, proposals, functional specifications, etc. to set and limit the project scope.</i>			
<p>"In Scope" = everything the project will include to meet the requirements of the project objectives.</p> <p>"Not in Scope" = any responsibilities, activities, deliverables, or other areas that are NOT to be funded as part of this project, even though they may have some relation to it.</p>	<p>In Scope:</p> <ul style="list-style-type: none"> • • • • • • • • • • 	<p>Not in Scope:</p> <ul style="list-style-type: none"> • • • • • • • • • • 	

3. PROJECT RISK FACTORS

Assumptions	
Dependencies	
Constraints	



Capital Project Request Form

4. PROJECT COST				
Estimated Cost Components		Cost Allocation Per Fiscal Year		
Preliminary Design or Study	\$0.00	If project funds can be allocated over more than 1 year, please indicate the amount to be allocated for each year below:		
Final Design and Engineering	\$0.00			
Land Acquisition	\$0.00	Fiscal Year	Amount	\$0.00
Construction	\$0.00	Fiscal Year	Amount	\$0.00
Equipment/Furnishings	\$0.00	Fiscal Year	Amount	\$0.00
Other: Contingency	\$0.00	Fiscal Year	Amount	\$0.00
Miscellaneous Costs	\$0.00	Fiscal Year	Amount	\$0.00
Project Budget (total of estimated cost components)	\$	←----- (sum of above should equal) -----!'		
Is this project to be funded entirely with CIP funds?			Yes <input type="checkbox"/>	No <input type="checkbox"/>
If not, list below any other (non-CIP) funding sources for this project			Funding Amount	
•			\$	
•			\$	
•			\$	
Total CIP Funding Requested			\$	

5. ASSET LIFE, RECURRING COSTS, AND RETURN ON INVESTMENT		
If an existing asset (facility or equipment) is being renovated or replaced, what is the age of the existing asset in years?		
Expected service life (in years) of the existing asset, based on applicable industry standards?		
Estimated Service Life of Improvement (in years)		
Future Estimated Recurring Costs	Annual Operating Costs	\$0.00
	Annual Maintenance Costs	\$0.00
	Other Non-Capital Costs	\$0.00
	Total Recurring Costs	\$0.00
Estimated Return on Investment (in years)		



Capital Project Request Form

6. OPERATING COST IMPACT	
Will this project lead to a reduction in personnel or maintenance costs? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Will this project lead to increased efficiency or productivity? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Will this project provide an additional revenue generating opportunity? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>

7. ECONOMIC AND PUBLIC BENEFIT	
Does this project have the potential to promote economic development county-wide? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does this project have the potential to promote economic development within a specific area of the county? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Will this project result in an increase of long-term jobs within the county? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does this project enhance or increase recreational opportunities and/or green space? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does this project contribute toward improved transportation efficiency? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does this project impact the quality of life of the general county population? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does this project impact the quality of life of a specific demographic within the county? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does this project enhance or increase cultural or educational opportunities? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does this project contribute toward improving the wellness of Marathon County Citizens? If yes, please explain below.	Yes <input type="checkbox"/> No <input type="checkbox"/>



Capital Project Request Form

8. RELATED DOCUMENTS

List below any attached documentation including estimates, studies or plans, photographs, standing committee or board minutes, etc. that supports this project request.

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-
-

CAPITAL IMPROVEMENT PROGRAM ROLLING STOCK POLICY

March 2018

ROLLING STOCK POLICY

In an effort to make the rolling stock process more manageable - Highway, Sheriff, and Parks, Recreation, and Forestry Departments rolling stock funding will be considered a recurring fund. The amount will be based on an average of the last five years of requests (see below) allowing for more flexibility. These departments will be able to address actual need, rather than what is projected to be a need, nine months prior to funding. All other departments will continue to use the existing process.

Rolling Stock will be defined as: Any vehicle licensed for road use or any contractor equipment (all vehicles or equipment not licensed for road use) with a value of no less than \$5,000.00.

Rolling Stock will be required to adhere to the following guidelines:

- An itemized list of all rolling stock (including make, model, year and mileage/hours) will be required to establish a baseline for eligibility in future years.
- Fleet size will not increase unless approved by the County Administrator. If a department gets a new vehicle, they will dispose of an old vehicle.
- With improvements in automotive reliability, many vehicles are still in good working condition after 120,000 miles. The replacement schedule is 120,000 miles or 12 years. However, an exception will be made for the Sheriff's Department on "Police Vehicles" due to reliability, safety issues, and driving conditions. The Sheriff's Department replacement schedule for "Police Vehicles" will be 100,000 miles or 10 years. A "Police Vehicle" will be defined as a vehicle equipped with a siren in addition to red and blue emergency lights. All guidelines are minimums. It is the expectation of the CIP Committee that rolling stock will be utilized beyond the minimum guidelines (unless mechanically or structurally unsound).
- Departments with recurring rolling stock will provide an annual report showing the previous year's acquisitions, along with a description (make, model, year, and expenditure) of each vehicle to be replaced and a description (make, model, and year) of the vehicle replacement.
- When it has been determined that a vehicle is to be replaced, the department will give due consideration to need and cost effectiveness in terms of both initial cost and fuel economy.
- If a vehicle accumulates less than 10,000 miles per year, alternatives to owning that vehicle will be reviewed to determine the most cost effective solution for the County.
- Contractor's equipment will be on a replacement schedule (where equipment can be eligible for replacement) only after it exceeds 10,000 hours of operation.
- If a piece of contractor's equipment accumulates less than 250 hours of use per year, alternatives to owning that equipment will be reviewed to determine the most cost effective solution for the County.
- Large dollar purchases should be planned for using the annual recurring amount or can be brought as a CIP project but will be ranked against all other projects requested that year.
- Revenue earned from the sale or trade of a piece of rolling stock can be used to purchase a replacement piece of rolling stock. If the rolling stock is not replaced than any revenue from the sale will be returned to the CIP fund. If CIP funds are used to fund the entire cost of a vehicle, when the replacement vehicle is sold all funds from the sale will be returned to the CIP fund.

Excerpt from the Risk Management Procedures – Automobile Losses

THIRD PARTY RECOVERIES

Risk Management will pursue subrogation from a responsible third party. Recover will include: Expense for incurred damages, external or internal repair labor, towing, disassembly and assembly of customized equipment, and other associated expenses.

Departments will be reimbursed for direct expenses incurred by that department. Expenses paid for by the Risk Management budget shall be reimbursed to the Risk Management budget.

In the event of losses where automobiles are determined to be total losses, meaning the repair costs exceed the actual cash value of the automobile, the salvage value of the vehicle will be reimbursed in accordance to the following guidelines:

Vehicles purchased through Capital Improvement Program Funds:

- Departments will report the acquisition date, year, make, model, and purchase value of vehicle including customization expense to the Facilities and Capital Management department and the Risk Management department within 30 days of purchase.
- Risk Management will reimburse the Capital Improvement Program fund the actual cash value of the vehicle and/or customization equipment expenses if settlement is received from a third party.
- Any vehicle purchased with CIP funds is required to be equipped with a back-up sensor and/or a back-up camera.
- Any dollars left in the rolling stock fund at the end of the fund year will be returned to the CIP fund to be reused.
- The County's contingency fund (for catastrophic, major or emergency repairs) will be subject to the recommendation of the CIP Committee.

This policy will serve as a guide to the CIP Committee to address rolling stock recurring requests.

The five year averages are as follows:

Highway Department.....	\$957,600.00
Sheriff's Department.....	\$333,696.00
Parks Department.....	\$173,460.00

The five year average was established using rolling stock requests from each department from 2009-2013. The established amounts will not be a rolling average, the amount will remain constant and can only be changed with approval from the CIP Committee and the Human Resources, Finance, and Property Committee.

Rating Action: Moody's assigns Aa1 to Marathon County, WI's GO bonds

18 Feb 2021

New York, February 18, 2021 -- Moody's Investors Service assigns Aa1 ratings to Marathon County, WI's \$5.8 million General Obligation Promissory Notes, Series 2021A and \$19 million General Obligation Health Care Project Building Bonds, Series 2021B. We maintain the Aa1 ratings assigned to the county's outstanding general obligation unlimited tax (GOULT) bonds and notes. With the current offering, the county will have a total of \$65.5 million in GOULT debt outstanding.

RATINGS RATIONALE

The Aa1 rating reflects the county's robust fund balance and liquidity supported by management's sustained history of stable operations and conservative budgeting practices. The tax base is broad and resident incomes are in line with national medians. While the county's exposure to unfunded pension and other post-employment benefit (OPEB) liabilities is relatively low, its debt burden will increase with future GO debt issuances for the county-owned North Central Health Care (NCHC) campuses.

The coronavirus outbreak is a social risk under our ESG framework, given the substantial implications for public health and safety. The coronavirus crisis is not a key driver for this rating action. We do not see any material immediate credit risks for Marathon County as the county's finances have mostly been unharmed by the pandemic, and sales tax collections have continued to increase. Additionally, federal CARES Act funding has provided resources for COVID-related expenses and the operations and financial performance of the NCHC has not been materially impacted to date. If our view of the credit quality of the county changes, we will update the rating and/or outlook at that time.

RATING OUTLOOK

Outlooks are typically not assigned to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

-Significant tax base expansion coupled with stronger wealth and income levels

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

-Significant increase in the debt or pension burden, absent growth in the tax or revenue base

-Sustained narrowing of operating fund balance and liquidity

-Weakness in enterprise fund performance that requires governmental support

LEGAL SECURITY

Debt service on the Series 2021A notes and Series 2021B bonds, along with the county's outstanding GOULT debt, is secured by its full faith and credit and pledge to levy unlimited ad valorem property taxes.

USE OF PROCEEDS

The Series 2021A notes will finance the county's 2021 capital improvement plan projects which includes highway projects, improvements to county buildings, park and recreation projects and others.

The Series 2021B bonds will finance North Central Health Care Master Facility Plan projects,

including the design and construction of building additions, renovations and landscaping to the North Central Health Care Center and Mount View Care Center Campus.

PROFILE

Marathon County is located in north central Wisconsin (Aa1 stable), approximately 140 miles north of Madison

(Aaa stable) and 90 miles northwest of Green Bay (Aa3). The county seat is Wausau (Aa3). It is governed by a 38-member Board of Supervisors and provides municipal services for an estimated 135,293 residents.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1243406.

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