



MARATHON COUNTY HUMAN RESOURCES, FINANCE & PROPERTY COMMITTEE MEETING AGENDA

Date & Time of Meeting: **Monday, April 27, 2020 3:00 p.m.**

AMENDED AGENDA

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

Members: **Jon 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: 1-415-655-0002

Access Code: **265 727 537**

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 Portion of the Agenda has been temporarily suspended, pursuant to Marathon County Resolution #R29-20, dates April 21, 2020, because the technology necessary to afford the public the opportunity to address the County Board, its subgroups, during public comment is difficult to guarantee, if a large number of individuals have elected to call in
3. Approval of the Minutes of the April 9th, 2020 Human Resources, Finance and Property Committee Meeting
4. Educational Presentations/Outcome Monitoring Reports-Budget Update on 2020 Budget- 2021 Projections
5. Operational Functions required by Statute, Ordinance, or Resolution:
 - A. Discussion and Possible Action by Human Resources and Finance and Property Committee
 1. Tax Deed Properties
 - a. Tax Deed Property Bid Opening #2020-2 513 Vane Street, Mosinee, WI
 - b. Tax Deed Property Bid Opening #2020-3 307 N 9th Ave, Wausau, WI
 - c. **Approval of City of Wausau Purchase of Tax Deed Property-1407 N 2nd St, Wausau, WI**
 - d. Potential Bid Opening for Other Tax Deed Properties that are listed on the Marathon County Website with a Deadline and Opening Date of April 27, 2020
 - B. Discussion and Possible Action by Committee to Forward to the County Board for its consideration
 1. Resolution Authorizing a Taxation District to Waive Interest and Penalties on Property Tax Payments Installments due on or After April 1, 2020
6. Policy Issues Discussion-Human Resources, Finance and Property Committee Meeting Time and the 2020 Committee Calendar
7. Announcements:
Next Meeting Date-May 12, 2020, time TBD
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 4/24/2020 2:35 am
Posted to the County Website:

NOTICE POSTED AT THE COURTHOUSE
By/Date/Time: T Murphy 4/24/2020 2:35 am
www.co.marathon.wi.us



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2. Public Comment Portion of the Agenda Has Been Temporarily Suspended
3. Approval of the Minutes of the April 9th, 2020 Human Resources, Finance and Property Committee Meeting
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SIGNED J ROBINSON/s/K Palmer

Presiding Officer or Designee

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www.co.marathon.wi.us



MARATHON COUNTY HUMAN RESOURCES, FINANCE & PROPERTY COMMITTEE MEETING MINUTES

Date & Time of Meeting: **Monday, April 6, 2020 3:00 p.m.**

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

Members: EJ Stark, Chair; Bill Miller-excused, Vice-Chair; Tim Buttke, John Durham, Kurt Gibbs, Yee Leng Xiong, Jeff Zriny Others: Kristi Palmer, Lance Leonhard, Gerry Klein, Kim Trueblood, Frank Matel, Scott Corbett, Jean Kopplin
On line-Brian Grefe, Jessica Blahnik

1. Call to Order at 3 pm by Supervisor Stark
2. Public Comment Period-Deleted due to Emergency Order
3. Approval of the Minutes of the March 9th, 2020 Human Resources, Finance and Property Committee Meeting
Motion to approve Gibbs and seconded by Buttke to approve the minutes; vote unanimous
4. Educational Presentations/Outcome Monitoring Reports-Budget Update on 2020 Budget- 2021 Projections
Gibbs Questioning where we will need to cut in order to reduce the deficit. Lance-We are monitoring sales tax and County operations, reductions in costs, and grant reimbursement for COVID19 operations. We will look at new position requests and reclassification, hold off on seasonal help and reallocate current full time employees to complete the work as needed. Informational only
5. Operational Functions required by Statute, Ordinance, or Resolution:
 - A. Discussion and Possible Action by Human Resources and Finance and Property Committee
 - 1) Approval of March 2020 Claims and Questioned Costs
Motion by Zriny and seconded by Buttke to approve the March 2020 Claims; vote unanimous
 - 2) Tax Deed Property Bid #2020-1 - 1115 W Grand Ave Rothschild, WI
There are three bids \$22,000 is minimum bid price
Bid #1 \$25,100 from
Bid #2 \$26,100
Bid #3 \$26,706 each with a 10% cashier's check
Motion by Gibbs for bid #3 and seconded by Buttke; vote unanimous
 - B. Discussion and Possible Action by Committee to Forward to the County Board for its consideration
 - 1) Central Wisconsin Airport Administrative Restructuring
 - a) Abolish one full-time (1.0 FTE) Assistant Airport Director (Planning & Development) C44 and create one full-time (1.0 FTE) Assistant Airport Director, D61 (Grefe/Matel)
 - b) Abolish one full-time (1.0 FTE) Senior Operations Manager (Assistant Airport Director-Operations and Maintenance) C51 and create one full-time (1.0 FTE) Operations and Maintenance Supervisor C41(Grefe/Matel)

Grefe-Request to combine the two items together for approval this moves one person from Administration to Operations. This will add a boots on the ground role to operations. This change should be cost neutral and is non-tax levy for the restricting.
Motion to approve Zriny and seconded by Buttke to approve 5B1 a and b; vote unanimous
 - 2) Resolution-Acceptance of Grant Funds from the Healthcare Emergency Readiness Coalition (HERC) – Regional Morgue Task Force
Blahnik provided the grant award from the HERC and recommended by the Morgue Task Force.
Motion by Buttke and Seconded by Gibbs to accept the grant funds as outlined in the packet; vote unanimous
 - 3) Interdepartmental Budget Transfers
Motion by Zriny and seconded by Buttke to approve the transfers; vote unanimous
6. Policy Issues Discussion and Committee Determination-None
7. Announcements: Next Meeting Date-April 27, 2020 at 3:00 p.m.
8. Adjourn-Buttke and Xiong to adjourn at 4:00 pm

MARATHON COUNTY 4 YEAR FINANCIAL PROJECTION

4/24/2020

	2019	2020	2021	2022	2023	2024
Total Revenues	162,488,295	167,030,982	168,892,488	174,307,262	181,085,004	189,349,201
Total Expenditures	162,488,295	171,381,367	175,913,133	180,619,423	184,922,785	189,082,419
Deficit by year	0	(4,350,385)	(7,020,645)	(6,312,161)	(3,837,780)	266,782
Tax Levy	49,489,841	50,610,851	51,051,722	52,004,551	52,638,383	53,414,325
Tax rate	\$4.80	\$4.71	\$4.65	\$4.64	\$4.58	\$4.53



BUDGETED Revenue by Category	Budget	REVISED ACTUAL				
	2020	2020	2021	2022	2023	2024
Property Taxes	50,610,851	50,232,204	51,051,722	52,004,551	52,638,383	53,414,325
Sales Tax	13,479,000	11,861,520	11,920,828	12,040,036	12,220,636	12,465,049
Other Taxes/penalty on taxes	4,715,894	4,692,315	4,749,561	4,808,930	4,869,042	4,929,905
Shared Revenue	5,668,172	5,668,172	5,668,172	5,668,172	5,668,172	5,668,172
General Transportation Aids	3,218,369	3,218,369	3,250,553	3,283,058	3,315,889	3,349,048
Intergovernmental Grants/Aids	26,482,462	26,879,699	27,282,894	27,555,723	27,831,281	28,109,593
Intergovernmental Charges	21,975,990	21,975,990	22,195,750	22,528,686	22,866,616	23,209,616
Fines/Licenses	1,073,288	1,051,822	1,062,340	1,072,964	1,083,694	1,094,530
public charges	12,388,714	11,769,278	11,886,971	12,005,841	12,185,928	12,368,717
Interdepartmental/OFS	14,208,347	14,208,347	14,350,430	17,711,301	22,542,944	28,600,233
Misc Revenues	17,192,518	15,473,266	15,473,266	15,627,999	15,862,419	16,140,011
Total Revenues	171,013,605	167,030,982	168,892,488	174,307,262	181,085,004	189,349,201
Total Taxes	68,805,745	66,786,039	67,722,110	68,853,518	69,728,061	70,809,279
Total Intergovernmental Grants/Aids	35,369,003	35,766,240	36,201,619	36,506,954	36,815,341	37,126,813
Tax rate	\$ 4.71	\$ 4.67	\$ 4.65	\$ 4.64	\$ 4.58	\$ 4.53
Equalized value	10,753,132,800	10,753,132,800	10,968,195,456	11,214,979,854	11,495,354,350	11,782,738,209

MARATHON COUNTY 5 YEAR FINANCIAL PROJECTION
Revenue Assumptions

Revised						Revenue	Assumption
2019	2020	2021	2022	2023	2024		
0.72%	1.50%	0.87%	1.87%	1.22%	1.47%	Property Taxes	Maintain levy at or below levy limit
9.24%	-12.00%	0.50%	1.00%	1.50%	2.00%	Sales Tax	Revised estimates
1.5%	-0.5%	1.2%	1.3%	1.3%	1.3%	Other Taxes	Revised estimates
0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	Shared Revenue	Stable Shared Revenues
1.0%	0.0%	1.0%	1.0%	1.0%	1.0%	Transportation Aids	slight increase
2.0%	1.5%	1.5%	1.0%	1.0%	1.0%	Intergovernmental grants	slight increase -due to COVID Grants
1.5%	0.0%	1.0%	1.5%	1.5%	1.5%	Intergovernmental Charges	Cost of users charges
1.0%	-2.0%	1.0%	1.0%	1.0%	1.0%	Fines/Licenses	Revised estimates
1.3%	-5.0%	1.0%	1.0%	1.5%	1.5%	public charges	Revised estimates
2.0%	0.0%	1.0%	23.4%	27.3%	26.9%	Interdepartmental	Based on internal charges or carryover
2.0%	-10.0%	0.0%	1.0%	1.5%	1.8%	Misc Revenues	Revised estimates
3.87%	4.40%	2.00%	2.25%	2.50%	2.50%	Equalized Value	Used to calculate Tax Rate
1.59%	2.16%	0.80%	1.00%	1.25%	1.50%	Net New Construction	Used to calculate Operating levy limit

MARATHON COUNTY 5 YEAR FINANCIAL PROJECTIONS
Expenditure Assumptions

2019	2020	2021	2022	2023	2024	Appropriation Unit
2.0%	3.0%	2.0%	2.0%	2.0%	2.0%	Salaries /Wages
3.0%	5.0%	9.0%	7.0%	5.0%	3.0%	Health Insurance
0.2%	0.25%	0.30%	0.4%	0.2%	0.0%	WRS
1.0%	2.0%	3.0%	3.0%	3.0%	3.0%	Dental
2.0%	-44.0%	0.0%	1.0%	2.0%	2.0%	Workers Compensation
-10.0%	0.0%	5.0%	1.0%	0.0%	0.0%	Unemployment
0.0%	1.5%	2.0%	2.0%	2.5%	2.0%	Other insurance
1.1%	4.4%	3.4%	3.1%	2.8%	2.4%	Total Personnel
0.0%	38%	48%	94%	16%	-2%	Debt Service
0.0%	3.0%	2%	2%	2%	2%	Operating
1.0%	0.0%	2%	2%	5%	5%	Capital
0.0%	0.0%	0%	0%	0%	0%	Intergovernmental
0	0	0	0	0	0	Working Capital Return

WRS Contribution History		
Employer contributions		
	General	Protected
2020	6.75%	11.99%
2019	6.55%	11.22%
2018	6.7%	10.7%
2017	6.8%	10.6%
2016	6.6%	9.4%
2015	6.8%	9.5%
2014	7.0%	10.1%

Expenditure by Category	2020	2021	2022	2023	2024
Gross pay	46,410,953	47,339,172	48,285,956	49,251,675	50,236,709
insurance/benefits	19,259,830	20,570,300	21,754,792	22,759,084	23,536,621
PEHP	474,617	474,617	474,617	474,617	474,617
Total Personnel	66,145,400	68,384,089	70,515,365	72,485,376	74,247,947
Operating	98,283,521	100,249,191	102,254,175	104,299,259	106,385,244
Debt	1,709,431	1,931,977	2,395,050	2,410,575	2,435,275
Capital	5,243,015	5,347,875	5,454,833	5,727,574	6,013,953
Reserve Recapture-in budget	(1,625,438)	-	-	-	-
Total Expenditures	171,381,367	175,913,133	180,619,423	184,922,785	189,082,419
Reserve Recapture-TOTAL	(1,625,438)	(1,625,438)	(1,625,438)	(1,625,438)	(1,625,438)

Estimated annual % increase for benefits

-

2024	2.00%	7.65%	0.00%	0.00%	2.00%	3.00%	3.00%	2.00%	2.00%	0.00%
2023	2.00%	7.65%	0.20%	0.00%	2.00%	5.00%	3.00%	2.50%	2.50%	0.00%
2022	2.00%	7.65%	0.40%	0.00%	1.00%	7.00%	3.00%	2.00%	2.00%	1.00%
2021	2.00%	7.65%	0.30%	0.00%	0.00%	9.00%	3.00%	2.00%	2.00%	5.00%
2020	3.00%	7.65%	0.3%	0.0%	-44%	5.00%	2%	1.5%	1.5%	0.0%

	Year	Gross pay	FICA	WRS-ER	WRS-EE	WC	Health Ins	Dental Ins	Life Ins	Disb Ins	Unemplmt	WRS/Insurances	PEHP	Total	Increase	Fringe benefit	Total incr/(decr)
Estimate	2024	50,236,709	4,721,442	3,306,629	-	662,381	14,244,129	346,652	22,567	184,080	48,742	23,536,621	474,617	74,247,947	2.4%	32.3%	1,762,570
Estimate	2023	49,251,675	4,385,919	3,306,629	-	649,393	13,829,251	336,556	22,125	180,471	48,742	22,759,084	474,617	72,485,376	2.8%	32.1%	1,970,011
Estimate	2022	48,285,956	4,074,239	3,300,029	-	636,660	13,170,716	326,753	21,585	176,069	48,742	21,754,792	474,617	70,515,365	3.1%	31.5%	2,131,276
Estimate	2021	47,339,172	3,784,709	3,286,881	-	630,356	12,309,080	317,236	21,162	172,617	48,259	20,570,300	474,617	68,384,089	3.4%	30.8%	2,238,689
Revised	2020	46,410,953	3,515,754	3,277,050	-	630,356	11,292,734	307,996	20,747	169,232	45,961	19,259,830	474,617	66,145,400	4.4%	29.8%	2,789,144
Budget	2019	44,487,842	3,434,366	3,062,729	-	1,168,698	10,147,905	293,066	19,934	164,883	44,906	18,336,487	531,927	63,356,256	1.1%	29.8%	705,336

2020-2024 Marathon Co Estimated Tax Levy	8/15/2018	11/14/2019				
	2019	2020	2021	2022	2023	2024
Net New Construction (NNC)	1.592%	2.161%	1.250%	1.350%	1.300%	1.200%
Plus Terminated TID	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Net New Construction (NNC) and Terminated TID	1.592%	2.161%	0.800%	1.000%	1.250%	1.500%
Equalized Value for Apportionment	3.87%	4.40%	2.00%	2.25%	2.50%	2.50%
Terminated TID	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Adopted	Adopted	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED
	2019	2020	2021	2022	2023	2024
General Fund	32,004,617	32,752,227	33,014,245	33,344,387	33,761,192	34,267,610
Social Improvement	7,635,689	7,904,594	7,967,831	8,047,509	8,148,103	8,270,324
Capital Improvement	-	-	-	-	-	-
Highway	7,917,436	7,928,645	7,992,074	8,071,995	8,172,895	8,295,488
TOTAL OPERATING LEVY	47,557,742	48,585,466	48,974,150	49,463,891	50,082,190	50,833,423
Less: Special charges/personal property adjustment-2019						
Less: Bridge Aid*	-	-	-	-	-	-
Less Adjustment 2016 unused levy						
OPERATING LEVY	47,557,742	48,585,466	48,974,150	49,463,891	50,082,190	50,833,423
DEBT SERVICE	1,786,500	1,709,431	1,931,977	2,395,050	2,410,575	2,435,275
OPERATING LEVY PER OPERATING LIMIT	49,344,242	50,294,897	50,906,127	51,858,941	52,492,765	53,268,698
Add: Bridge Aid-Estimate 2018	145,599	315,954	145,599	145,599	145,599	145,599
Add: Adjustment to Op levy						
TOTAL LEVY	49,489,841	50,610,851	51,051,726	52,004,540	52,638,364	53,414,297
EQUALIZED VALUE	10,300,308,900	10,753,132,800	10,968,195,456	11,214,979,854	11,495,354,350	11,782,738,209
Operating levy rate	0.00462	0.00452	0.00447	0.00441	0.00436	0.00431
Debt	0.00017	0.00016	0.00018	0.00021	0.00021	0.00021
Special	0.00001	0.00003	0.00001	0.00001	0.00001	0.00001
total levy rate	0.00480	0.00471	0.00465	0.00464	0.00458	0.00453
Line 27-Tax Levy Rate	\$ 4.80	\$ 4.71	\$ 4.65	\$ 4.64	\$ 4.58	\$ 4.53

NOTE: THIS TEMPLATE IS NOT INTENDED AS LEGAL ADVICE AND ONLY PRESENTS A GENERAL GUIDE OF THE ELEMENTS RELATED TO ACT 185 IMPLEMENTATION AND OTHER RELATED MATTERS. PLEASE CONSULT WITH YOUR CORPORATION COUNSEL TO REVIEW AND APPROVE THE FORM.

RESOLUTION NO. _____

Authorizing a Taxation District to Waive Interest and Penalties on Property Tax Payment Installments Due on or After April 1, 2020

WHEREAS, in December, 2019, a novel strain of coronavirus known as COVID-19 was detected, and COVID-19 has continued to spread throughout the world, including to the United States and the State of Wisconsin (“COVID-19 Pandemic”); and

WHEREAS, the federal government, state governments, and local governments are working together to contain the further spread of the disease and treat existing cases; and

WHEREAS, on January 31, 2020, the United States Department of Health and Human Services declared a Public Health Emergency, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic, on March 12, 2020 the Governor of the State of Wisconsin declared a Health Emergency in the State, and on [DATE], [] County (the “County”) declared a state of emergency under authority granted by Wis. Stats. Chap. 323; and

WHEREAS, the federal government has enacted various laws and regulations in response to the COVID-19 Pandemic including, without limitation, the Families First Coronavirus Response Act and the Coronavirus Aid, Relief, and Economic Security Act; and

WHEREAS, because of the COVID-19 Pandemic, on March 24, 2020, Secretary-designee Andrea Palm of the Wisconsin Department of Health Services issued Emergency Order #12, Safer at Home Order (“Safer at Home Order”) requiring that everyone in Wisconsin stay at their home or place of residence except in limited circumstances until April 24, 2020; and

WHEREAS, on April 16, 2020, Secretary-designee Palm extended the Safer at Home Order, with certain modifications, to May 26, 2020, pursuant to Emergency Order #28; and

WHEREAS, the federal, state, local and individual responses to the COVID-19 Pandemic and the uncertainty as to the effectiveness of those responses in mitigating the duration of the COVID-19 Pandemic have created economic hardship and uncertainty in the County’s business community, households throughout the County and for every County property taxpayer; and

WHEREAS, prominent economists have predicted record level unemployment rates for the coming months and this prediction suggests that County residents will also experience record level unemployment rates in the coming months, and an unprecedented number of businesses and employers throughout the State and in the County have been required to suspend operations; and

WHEREAS, in response to the COVID-19 Pandemic, the various federal laws and regulations implemented as a result of the COVID-19 Pandemic, and the various emergency orders and regulations implemented by state and local governments, on April 15, 2020, the Wisconsin Legislature enacted 2019 Wisconsin Act 185 (“Act 185”), which Governor Evers signed on April 16, 2020; and

WHEREAS, Section 105(25) of Act 185 authorizes, among other things, the County to adopt a resolution enabling taxation districts in the County to waive interest and penalties on 2020 property tax installment payments due and payable after April 1, 2020, until October 1, 2020; and

WHEREAS, a resolution authorizing the above referenced waiver must also establish criteria for determining hardship that would qualify a property tax payer for the waiver; and

WHEREAS, the County’s authorization for a taxation district to implement the above referenced waiver is contingent upon a taxation district adopting a resolution in similar form and content as to the County’s resolution; and

WHEREAS, County Ordinance [Ordinance No.] imposes a penalty on delinquent [general property taxes, special assessments, special charges and special taxes] in the amount of 0.5% per month or fraction of the month; and

WHEREAS, this Resolution is intended to (1) serve as the County’s enabling resolution for purposes of Section 105(25) of Act 185; (2) authorize any taxation district located in the County to waive interest and penalties on installment payments of property taxes due and payable after April 1, 2020, in a manner consistent with Act 185 provided the taxation district adopts a similar resolution and otherwise satisfies all conditions precedent to waiver contained in Act 185 and this Resolution; and (3) declare that all property taxpayers in the County are experiencing hardship as a result of the economic conditions associated with the COVID-19 Pandemic, the various federal laws and regulations implemented as a result of the COVID-19 Pandemic, the various emergency orders and regulations implemented by state and local governments, and Act 185; and

WHEREAS, while the plain language of Section 105(25) of Act 185 allows for either a general or a “case-by-case” finding of hardship to qualify for the above referenced waiver of interest and penalties, the County intends by this Resolution to authorize a taxation district to waive interest and penalties for all property taxpayers in the County otherwise eligible for waiver under Section 105(25) of Act 185 on a finding of general hardship based upon the economic conditions described in this Resolution, which the Board determines has adversely affected all taxpayers in the County; and

WHEREAS, this Resolution is not intended to be construed as authorizing any sort of “case-by-case” finding of hardship by a taxation district; and

WHEREAS, this Resolution is intended to allow a taxation district to waive the penalty imposed by [Ordinance No.] for property taxpayers qualifying for the waiver of interest and penalties as provided in Section 105(25) of Act 185 and this Resolution.

NOW THEREFORE BE IT RESOLVED that pursuant to Section 105(25) of Act 185, the Board hereby finds and authorizes the following:

1. Because of the COVID-19 Pandemic, the various federal laws and regulations implemented as a result of the COVID-19 Pandemic, the various emergency orders and regulations implemented by state and local governments, and Act 185, the Board finds that all property taxpayers are experiencing hardship as that term is used in Section 105(25) of Act 185.
2. A taxation district is authorized to waive interest and penalties for property taxes payable in 2020 for an installment payment that is due and payable after April 1, 2020. This Resolution authorizes a taxation district to waive interest and penalties as provided in Section 105(25) of Act 185 for all property taxpayers in the taxation district such that if a taxation district authorizes the waiver under Section 105(25) of Act 185, it must offer the waiver to all property taxpayers in the taxation district. Notwithstanding the foregoing, nothing in this Resolution authorizes a taxation district to waive interest and penalties for property taxes payable in 2020 for an installment payment that was due and payable prior to April 1, 2020, except as otherwise permitted under applicable law.
3. The terms of [Ordinance No.] imposing a penalty on delinquent property tax payments are hereby modified for purposes of implementing the terms of this Resolution and Section 105(25) of Act 185.
4. As provided under Section 105(25) of Act 185, the County shall deviate from the settlement procedure set forth in Wis. Stat. § 74.29 and, instead the County shall settle property taxes, interest and penalties collected on or before July 31, 2020, on August 20, 2020, as provided under Wis. Stat. § 74.29(1), and settle the remaining unpaid taxes, interest, and penalties on September 20, 2020. The August 20, 2020, settlement shall be distributed proportionally to the underlying taxing jurisdictions according to payments collected on or before July 31, 2020.
5. Notwithstanding Wis. Stat. § 74.57, the County Treasurer is authorized, but not required, to omit from the tax certificate delivered to the County on September 1, 2020, all parcels of real property for which a taxation district has waived interest and penalties as provided in this Resolution.
6. The County Treasurer is directed to consult with the Wisconsin Department of Revenue, all taxation districts in the County, and corporation counsel regarding the implementation of this Resolution and the procedures associated with, or contemplated by, this Resolution.
7. Other County officers are authorized and directed to assist the Treasurer in the interpretation, application and implementation of this Resolution and Section 105(25) of Act 185.

BE IT FURTHER RESOLVED that all actions heretofore taken by the Board and other appropriate public officers and agents of the County with respect to the matters contemplated under this Resolution are hereby ratified, confirmed and approved.



ACT 185 UPDATE – SPECIFIC QUESTIONS ON PROPERTY TAX

April 23, 2020

On April 20, 2020, the Association published guidance in Q & A format regarding the changes to the property tax collection process brought about by 2019 Wisconsin Act 185 (“Act 185”). Since that time, the Association and its general counsel, von Briesen & Roper, s.c., have engaged in extensive discussions with our county treasurers to identify, review and discuss several outstanding issues associated with the new law that were not completely addressed in the previous guidance. We offer the guidance below based upon the analysis conducted by the Wisconsin County Treasurers’ Association and reviewed by our general counsel.

As indicated in previous guidance, the issues associated with Act 185 implementation are complex and different counties may choose to proceed down different paths. It is imperative that counties work closely with their treasurer, corporation counsel, administration and their municipal partners in implementing Act 185.

Q: What is the step-by-step process to implement a waiver of interest and penalties on tax installment payments due after April 1, 2020?

A: Step One: County adopts resolution to allow installment payments to be deferred interest/penalty free until October 1, 2020. This automatically alters the August settlement from full settlement to a settlement of only those taxes paid on or before July 31, 2020, unless the county chooses to fully settle on August 20 as set forth in Wis. Stat. § 74.29.

Step Two: Municipality adopts a similar (mirrored) resolution. This provides that all remaining installment payments are now interest free until October 1, 2020.

- A county may have one, none or some municipalities that adopt such a resolution.

Step Three: If Step One and Step Two occur then:

- Interest and penalty calculation begins as of October 1, 2020, at a rate of 1% per month by statute (penalty) and potentially up to 0.5% (penalty) if the county has previously adopted the appropriate penalty ordinance.

Step Four: Any parcel for which taxes remain unpaid at the close of business on August 31 is included in the tax certificate issued under Wis. Stat. § 74.57. Act 185 did not alter the tax certificate process or qualifications. Counties are encouraged to consider providing notice to property owners of the tax certificate process, and to otherwise review the timelines associated with the tax certificate process, to avoid confusion when the certificate issues and notice is provided to the property owners. The Association and Treasurers’ Association are working on the content of the notice and plan to distribute further information in this regard shortly.

Q: What about delinquent installments that were due before April 1 or are otherwise due before a county and municipality adopt the required resolutions?

A: If the property is already delinquent in installments due prior to April 1, Act 185 has no impact. Act 185's authorization to waive interest and penalties only applies to installments due after April 1 for both real and personal property installment payments. Act 185 does not provide retroactive relief related to an installment due date and both the county and municipal resolutions must be in place before the installment due date for the property taxpayer to qualify for the waiver.

By way of example, several municipalities have an installment due date of May 31, 2020, which is fast approaching. If the county adopts the authorizing resolution on May 28, but the municipality does not adopt the corresponding resolution until June 5, any payments not made by May 31 are considered delinquent and the property taxpayer will be charged interest and penalty (as applicable) retroactive to February 1, 2020.

To avoid these timing issues, we strongly encourage counties and municipalities to coordinate their resolution adoption timetables such that the resolutions are both adopted long before the due date for the next installment payment.

Q: What happens if a municipality or group of municipalities in a county all adopt a resolution authorizing the Act 185 waiver, but the county fails to adopt a resolution?

A: Nothing – the statutory process for assessment of interest and penalties, collection and settlement will be the same in 2020 as it was in 2019. A county authorizing resolution is required and serves as an absolute prerequisite to the waiver being granted. Neither a county treasurer nor any other county officer is able to authorize the waiver – it must be authorized through county board resolution.

Q: If a property taxpayer receives a waiver to October 1, to make payment but fails to make the October 1 payment when due, are interest and penalties calculated from February 1?

A: No. Assuming both county and municipality have authorized the waiver and the waiver is granted, property taxpayers in that municipality have until October 1 to pay any installment due after the date of the resolutions. Act 185 specifically provides: "Interest and penalties shall accrue from October 1, 2020, for any property taxes payable in 2020 that are delinquent after October 1, 2020." The interest and penalties calculation will never reach back to February 1 for qualifying installment payments that become delinquent after October 1.

By way of example, suppose Calumet County adopts the appropriate authorizing resolution on May 11 and the Village of Harrison (January and July installment (standard) municipality) adopts the similar resolution on May 12. Property taxpayer Crash Davis has paid the January 31 installment of \$500 by January 31, but chooses not to pay the \$500 installment due on July 31. Crash can pay Calumet County \$500 as payment in full as long as the County receives the money by October 1. If Crash does not pay in full by October 1, the amount Crash owes as of October 2 is \$507.50 (1% statutory interest of \$5

plus the 0.5% County penalty of \$2.50). The amounts owed by Crash do not include interest and penalties retroactive to February 1.

If, however, Crash did not make the required January installment payment and thereafter makes no further payments until October 1, Crash owes interest and penalties on the full amount retroactive to February 1 (nine months). In other words, the current process of calculating interest and penalties is unchanged because Crash missed a required installment before April 1 or the effective date of the authorizing resolutions.

It should also be noted that Act 185 did not alter the statutory grace period associated with the receipt of tax payments – the grace period remains in effect for payments now due on October 1.

Q: What is the process for municipalities that have adopted a multiple (three or more) installment system?

A: *As indicated above, the county in which the municipality is located must first enact a resolution authorizing a municipality to adopt a similar waiver resolution. If both resolutions are effective before the due date of an installment, any payments received by the municipality from April 1 to July 31 are interest and penalty free. Likewise, delinquent installment payments received by the county on August 1 and after will be interest and penalty free until October 1, at which point interest and penalties assessed.*

It is important to note that the collection process in multiple installment municipalities is not changed under Act 185. Until July 31, the municipality collects installment payments. Consistent with current practice, installments remaining delinquent after August 1 (including grace period), are turned over to the county for collection without regard to the original due date for the installments.

By way of example, suppose Calumet County adopts the appropriate authorizing resolution on May 11 and the City of Appleton (4 installment payments) adopts the similar resolution on May 12. Property taxpayer Crash Davis chooses not to pay the \$500 tax bill on his property due on May 31 and the \$500 tax bill due on his property on July 31. Crash can pay Calumet County \$1,000 as payment in full as long as the County receives the money by October 1. If Crash does not pay in full by October 1, the amount Crash owes as of October 2 is \$1,015 (1% statutory interest of \$10 plus the 0.5% County penalty of \$5). The amounts owed by Crash do not include interest and penalties retroactive to February 1.

It is clear that the software programs supporting these calculations will need to be modified. It is the Association's understanding that the providers are aware of the need for changes and have indicated a desire and willingness to support the changes. If your county encounters software issues that cannot be resolved by your provider, please contact the Association or the Treasurers' Association.

Q: What happens with installment payments that are already delinquent prior to April 1 or the effective date of the county and municipal resolutions?

A: *The delinquencies remain. Act 185 did not erase existing delinquencies. Several counties have inquired about the ability to apply the Act 185 enabling resolutions retroactively to installments that were due after April 1 but before the effective date of the resolutions. Counties are encouraged to consult with corporation counsel and their municipal counterparts before giving a resolution retroactive effect as there are legal and practical consequences.*

Q: If the settlement process changes because a county adopts the Act 185 authorizing resolution, doesn't this create a cash flow issue for the county and potentially other taxing jurisdictions?

A: *Yes. With the adoption of the authorizing resolution, a county is not required to settle in full on August 20. Instead, the county settles with the underlying taxing jurisdiction only with those tax proceeds that have been collected on or before July 31. The full settlement is not required to occur until September 20.*

Even though a county receives a one-month reprieve from the full settlement obligation, there is still an 11-day gap between the date of full settlement and the tax due date. This is likely to create a short-term cash flow issue for the county. Likewise, several of the underlying taxing jurisdictions (primarily school districts) count on the August 20 full settlement for their own budgetary and cash flow purposes. Given these challenges, counties are strongly encouraged to work with their taxing jurisdictions to understand the respective cash flow challenges and determine how to conduct the settlement process. There is nothing in Act 185 prohibiting full settlement on August 20 even if a county adopts the authorizing resolution, but as noted above, this may simply exacerbate the existing cash flow issue for the county.

The Association is actively discussing these challenges with finance professionals and the state. Further information surrounding potential solutions to the problems will be coming.

Q: Where can I find additional information regarding Act 185 and the changes in the property tax collection process?

A: *The Treasurers' Association has compiled information previously discussed and distributed to its members. To access the information, please contact the Treasurers' Association's President, Val Etzel, at (262) 741-4321 or Legislative Chair, Mike Schlaak at (920) 849-1457.*

The Association has previously published guidance on Act 185 that can be accessed on the Association's COVID-19 website at [covid19.wicounties.org](https://www.covid19.wicounties.org). Please also feel free to call Kyle Christianson or Chelsea Fibert at the Association for further assistance at (608) 663-7188. Finally, you may also contact Attorney Andy Phillips, the Association's general counsel, by email at aphillips@vonbriesen.com.