

Kenosha



County

BOARD OF SUPERVISORS

RESOLUTION NO. _____

| | | | |
|--|------------------------------------|--|--------------------------------------|
| Authorizing Resolution 2022 Kenosha County Budget – Advisory Levy Objective | | | |
| Original <input type="checkbox"/> | Corrected <input type="checkbox"/> | 2nd Correction <input type="checkbox"/> | Resubmitted <input type="checkbox"/> |
| Date Submitted July 15, 2021 | | Date Resubmitted: | |
| Submitted By: Finance & Administration Committee | | | |
| Fiscal Note Attached: Yes | | Legal Note Attached <input type="checkbox"/> | |
| Prepared By: Barna Bencs, Budget Director | | Signature: | |

Be it resolved, that the Kenosha County Board of Supervisors does hereby advise that the 2022 Kenosha County general purpose property tax levy may increase in an amount not to exceed 2.99% over the 2021 Kenosha County general purpose property tax levy. This levy objective shall apply to the operating and debt levy in accord with Kenosha County Financial Policy Management Statement – Annual County Budget Advisory Levy Objective as approved by the County Board.

Approved by:

Finance & Administration Committee

| | <u>Aye</u> | <u>Nay</u> | <u>Abstain</u> | <u>Excused</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| _____ (Supervisor Jeffrey Gentz, Chairman) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| _____ (Supervisor Ron Frederick, Vice-Chair) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| _____ (Supervisor Monica Yuhas) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| _____ (Supervisor Jeff Wamboldt) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| _____ (Supervisor David Celebre) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| _____ (Supervisor Edward Kubicki) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| _____ (Supervisor John Franco) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2022 ADVISORY LEVY FORECAST

Finance & Administration Committee Presentation

July 2021

Anticipated Increases in Levy- Fixed Costs/Cost to Continue

| | | |
|--|----|-----------|
| Personnel expense increases (Salaries/OT/Temp) | \$ | 1,200,000 |
| Increase in Debt Service | \$ | 800,000 |
| Health/Prescription Insurance cost increase | \$ | 550,000 |
| Human Services placement expense increase | \$ | 550,000 |
| Sheriff inmate medical expense increase | \$ | 400,000 |
| Sheriff personnel/non-personnel operating expense increase | \$ | 300,000 |
| Net new positions levy | \$ | 250,000 |
| Human Services non-personnel operating expense increase | \$ | 250,000 |
| Public Works operating expense increase | \$ | 250,000 |
| Joint Services levy increase | \$ | 150,000 |
| Liability Insurance increase | \$ | 150,000 |
| IT Data Processing Costs | \$ | 120,000 |
| Tax Delinquencies/Penalties increase | \$ | 100,000 |
| Property Insurance increase | \$ | 30,000 |

| | | |
|--|----|-----------|
| Projected Levy Increase- Costs to Continue | \$ | 5,100,000 |
|--|----|-----------|

Potential Decreases in Levy

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|-------------------------------------|----|---------|
| Sales Tax Revenue | \$ | 500,000 |
| Other Unknown Revenue Sources - TBD | \$ | 400,000 |
| Potential Levy Decreases Total | \$ | 900,000 |

| | | |
|--|----|-----------|
| Net Projected Potential Increase to Levy | \$ | 4,200,000 |
|--|----|-----------|

| | | |
|---|----|------------------|
| 2022 County General Purpose Levy @ 2.99% | \$ | 72,712,607 |
| 2021 County Levy | \$ | 70,601,619 |
| Increase in Dollars | \$ | 2,110,988 |
| Total Projected Levy Increase | \$ | 4,200,000 |
| Total Expenditures to Cut / Revenue Increase to achieve advisory levy | \$ | 2,089,012 |

| | |
|---|--------|
| Advisory Levy Percentage | 2.99% |
| New Construction Actual (2020) | 2.92% |
| Projected Levy Increase for County homeowner | 0.07% |
| Last 12 month CPI-U percentage (through May 2021) | 5.00% |
| Inflation Adjusted Increase/(Decrease) | -4.93% |

Estimated Taxes on \$100,000 Home in 2021 - Adjusted for Inflation

2021 - \$437.69 2022 Estimate - \$416.12

Fiscal Note

Levy Objective Benchmark

It is estimated that adopting a levy objective of 2.99% adjusted for inflation would result in a reduction in taxes to the County homeowner.

This estimate is arrived at as follows: Using 2.92% as an estimate of new construction increase, a levy of 2.99% would result in a 0.07% increase in levy for the County homeowner. The Consumer Price Index (CPI) for the last 12 months ending May 2021 was 5.0%. Applying a 5.0% CPI decrease to the rate results in an inflation-adjusted decrease of 4.93% or approximately \$21.57 for a \$100,000 home.

Fiscal Impact of Levy Objective

The Administration estimates that to achieve the example of a 2.99% levy increase, it would be necessary to increase revenue or reduce spending by a combined net total of \$2.09 million. This estimate does not include potentially material additional costs that could influence this amount negatively. These factors include but are not limited to, State budget changes causing added unfunded mandates, higher Human Services juvenile placement costs, changes to certain employee group compensation, and the lingering economic effects of the COVID-19 pandemic. It is not known at this time whether this advisory levy amount would impact programs or services. The Administration will identify this as part of the budget process as necessary. There are presently no new County Board adopted programs that would impact the 2022 levy.

Debt Service

Debt service shall be included as part of the levy objective. Debt service is currently projected to increase \$800,000 in 2022.