

Public Input to the County Board, 12/19/2017, by Chip (Maura) Yost

County Executive Bob Ziegelbauer recently [called on the media](#), radio and print, "to ask all of the county board members and their opponents where they stand" on the possible 0.5% sales tax.

Bob is attempting to undermine the legislative function of the county board. The Finance Committee is still gathering information and has not brought a proposal to the full board.

How can supervisors express a legislative opinion, or voters make an informed decision, on nothing?

Bob is right: there is no plan. In May, he rebuffed an invitation from 3 other elected officials to discuss possible plans, using the accusation they were trying to put a "[plan in place](#)" without public input. The most common question at recent public hearings was: "Why are you doing this when there's no plan?"

Bob's request to media is particularly ironic because in the pre-budgetary season, supervisors, facing re-election, were assured that no action would be taken on the possible 0.5% sales tax that would impact the 2018 budget (or, their re-election prospects).

The Finance Committee is carefully evaluating the need, and the options. Currently, 47% of roads for which the county is responsible are rated as "fair or below." The longer repairs are delayed, the more costly are the repairs. Six hundred Farm Bureau members twice voted a resolution to pay higher taxes for better roads. Heavier allowable weight limits have contributed to washboarding and other road deterioration impacting them regularly.

At the last Finance Committee meeting, the decision was to keep the matter on the agenda and to do some "data mining" as to how other counties resolved and implemented their 0.5% sales tax.

Bob [claims](#) "We have the capacity to address all our problems within the current operating budget." When the county has to borrow money to do road maintenance, it's not in the operating budget.

Bob says that county debt is "quite low by any standard," which assumes we must live in debt. The state regulates the maximum amount of debt that a county can assume, but that's not the only standard.

We fiscal conservatives limit our debt load, and live within our means. We assume as little debt for the shortest time possible, and pay debt off as fast as possible.

Existing county debt now is near when Ziegelbauer took office in 2006, after taxpayers paid \$11 Million in interest.

Bob jumped the gun to make his case. He should let the county supervisors do their job.

## Public Input to County Board by Chip (Maura) Yost 01/16/2018

Questions for the Chair:

- 1) Purpose of the rotating dot timer?
- 2) Video posting of CB meetings lapsed on CB webpage?

This spring, I will have lived in Manitowoc County 30 years. During that time, I contributed to our county by assisting unemployed folks to find gainful employment, as well as serving on the Human Services Board, and advocating for a single Human Services Director. Along the way, I learned about County Board Supervisors and our county's staff. As time went on, I learned more about county finances, in which I have an on-going interest.

But today I am sad because of what I am witnessing, the demise of a significant part of local history: Manitowoc Company's HQ is leaving town. Aside from the loss of people and families, their talents and their economic input into our community, as consumers and taxpayers, the company's long local history here as the county's namesake is ending. With the end of this era, we have an opportunity to redefine ourselves and our county.

Each year, County Board Supervisors review and vote on an annual budget, but like all plans, priorities change and funding shifts occur to meet circumstances. Sometime around spring of the following year, the books are closed and the Comprehensive Annual Financial Report (CAFR) is issued. It makes for some interesting reading, and reveals trends.

For example, in 2005, the county's average yield on its investments was 3.09%, but in 2016, it was only 0.39%.

And, in 2005, \$7 Million was available for spending at the County's discretion. In 2016, the unassigned fund balance plummeted to a mere \$225,000. That's a razor edge error margin.

So the work of the Finance Committee is especially important as we face difficult decisions. At the request of the Finance Committee, the Comptroller and his staff have the skills to evaluate the most cost-effective way to meet the county's estimated repair costs for its road and bridges, totaling approximately \$23 Million dollars. Our existing borrowed debt, including principal and interest, is now \$32 Million. That amount is after county taxpayers will have paid \$13 Million in interest from 2006 through this year, 2018.

Manitowoc County is facing real challenges, and we can meet them. I am reminded of our state's motto: "Forward!" And, I also am reminded of President Reagan's second inaugural address, when he [described](#) the "American sound" as "hopeful, big-hearted, idealistic, daring, decent, and fair." Let's sound off!

Substantiations: All pages noted are document, not PDF, pages.

"The average yield on investments in 2005 was 3.09%."

Source: 2005 CAFR, pg. 5

"The average yield on investments in 2016 was 0.39%, up 0.24% from the previous year." Source: 2016 CAFR, pg. 4

"As of December 31, 2005, the unreserved/undesignated amount of \$7,010,540 also represents 8.70% of the County's 2006 original adopted gross expenditure budget." Source: 2005 CAFR, pg. 12

"As of December 31, 2016, unassigned fund balance in the general fund was \$225,284 or approximately 0.78% of total general fund expenditures."

Source: 2016 CAFR, pg. 14

"...estimated repair costs for its road and bridges, totaling approximately \$23 Million dollars." Highway Commissioner's PowerPoint, slide 18

"...existing borrowed debt, including principal and interest, is now \$32 Million."

Source: County Executive's 2018 Proposed Budget: Debt Service Outstanding, pg. 38

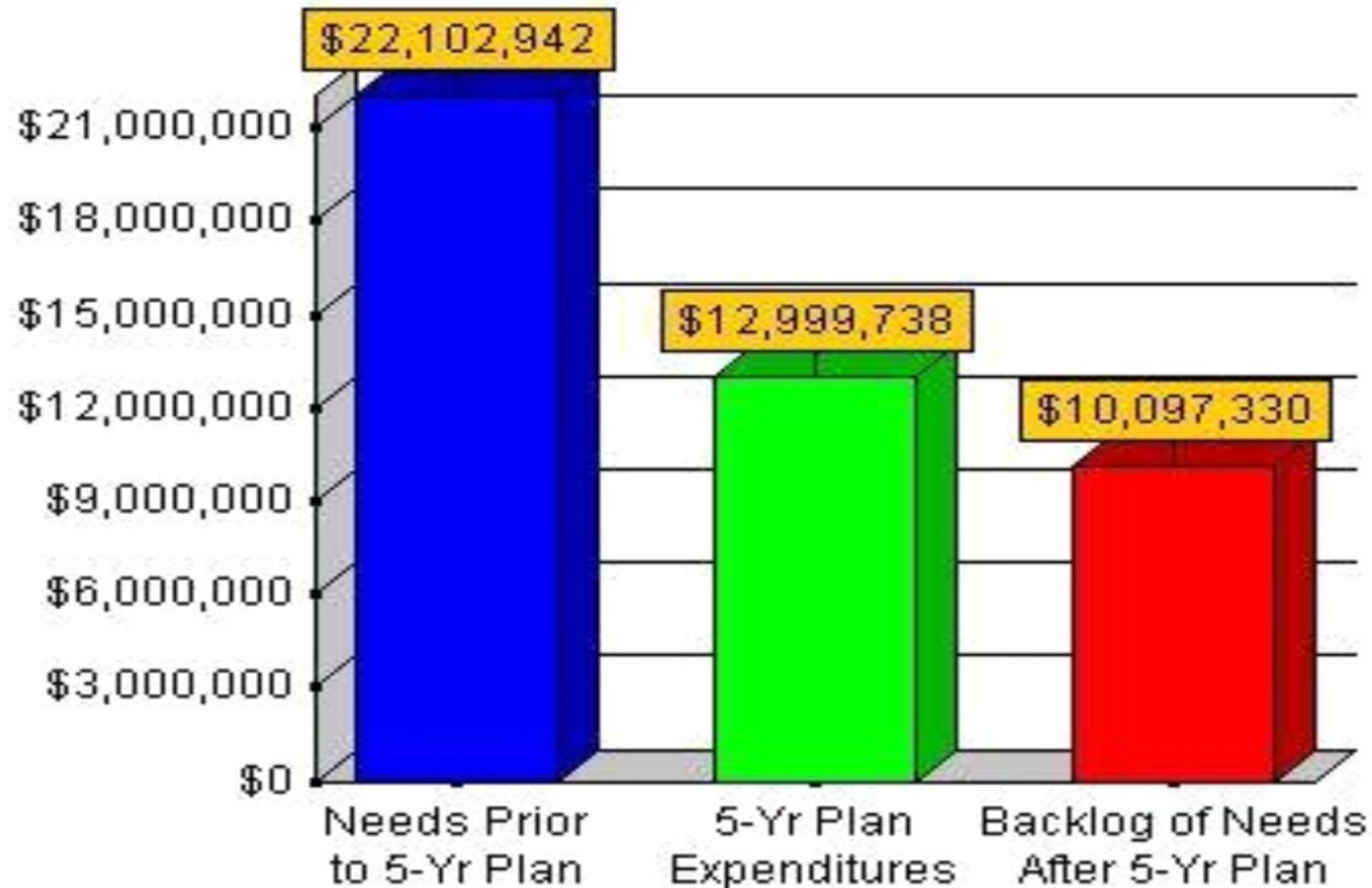
"That amount is after county taxpayers will have paid \$13 Million in interest from 2006 through this year, 2018."

Source: Compiled from CAFRs from the respective years listed, Table titled

"Manitowoc County's Statement of Activities." attached, again.

# Pavement Need & Expenditure Graphic

## After 5-Plan



## AFTER 5-YEAR PLAN

- TOTAL MILES REHABILITATED IN 5-YEAR PROJECTED PLAN: 78 MILES  
\*\*\*Includes CTH W not listed as Federal funding is pending but likely.
- MILES REMAINING UNDER THE RATING OF “5” UPON COMPLETION OF THE 5-YEAR CONSTRUCTION PLAN: 76 MILES
- AVERAGE of 72 MILES EVERY 5 YEARS = 288 MILES IN 20 YEAR CYCLE



**Manitowoc County**  
**Debt Service Outstanding**  
**1/31/17 - 1/31/18 - 1/31/18**

**TOTAL COMBINED DEBT SERVICE**

CALENDAR YEAR		PRINCIPAL	INTEREST	TOTAL	BAB's SUBSIDY Old	NET TOTAL	REQUIRED TAX LEVY (*)
2017		\$2,090,000.00	\$781,558.50	\$2,871,558.50	(\$184,031.31)	\$2,687,527.19	\$2,681,091.88
2018		\$1,920,000.00	\$1,056,276.27	\$2,976,276.27	(\$176,359.74)	\$2,799,916.53	\$2,792,244.96
2019		\$2,025,000.00	\$918,079.50	\$2,943,079.50	(\$167,740.55)	\$2,775,338.95	\$2,766,719.76
2020		\$2,075,000.00	\$821,614.50	\$2,896,614.50	(\$158,341.74)	\$2,738,272.76	\$2,728,873.95
2021		\$2,120,000.00	\$740,717.00	\$2,860,717.00	(\$147,967.74)	\$2,712,749.26	\$2,702,375.26
2022		\$2,025,000.00	\$648,939.50	\$2,673,939.50	(\$136,588.37)	\$2,537,351.13	\$2,525,971.76
2023		\$1,675,000.00	\$586,204.50	\$2,261,204.50	(\$124,384.31)	\$2,136,820.19	\$2,124,616.13
2024		\$1,315,000.00	\$531,587.50	\$1,846,587.50	(\$111,400.62)	\$1,735,186.88	\$1,722,203.19
2025		\$1,355,000.00	\$478,512.50	\$1,833,512.50	(\$97,496.87)	\$1,736,015.63	\$1,722,111.88
2026		\$1,400,000.00	\$421,002.50	\$1,821,002.50	(\$82,198.37)	\$1,738,804.13	\$1,723,505.63
2027		\$1,445,000.00	\$359,752.50	\$1,804,752.50	(\$65,748.37)	\$1,739,004.13	\$1,722,554.13
2028		\$1,485,000.00	\$294,828.75	\$1,779,828.75	(\$48,170.06)	\$1,731,658.69	\$1,714,080.38
2029		\$1,540,000.00	\$226,195.00	\$1,766,195.00	(\$29,398.25)	\$1,736,796.75	\$1,718,024.94
2030		\$1,595,000.00	\$154,955.00	\$1,749,955.00	(\$9,924.25)	\$1,740,030.75	\$1,720,556.75
2031		\$550,000.00	\$110,550.00	\$660,550.00	\$0.00	\$660,550.00	\$650,625.75
2032		\$565,000.00	\$94,050.00	\$659,050.00	\$0.00	\$659,050.00	\$659,050.00
2033		\$580,000.00	\$77,100.00	\$657,100.00	\$0.00	\$657,100.00	\$657,100.00
2034		\$600,000.00	\$59,700.00	\$659,700.00	\$0.00	\$659,700.00	\$659,700.00
2035		\$620,000.00	\$40,950.00	\$660,950.00	\$0.00	\$660,950.00	\$660,950.00
2036		\$640,000.00	\$20,800.00	\$660,800.00	\$0.00	\$660,800.00	\$660,800.00
TOTAL	January 1, 2017 Balances	\$27,620,000.00	\$8,423,373.52	\$36,043,373.52	(\$1,539,750.55)	\$34,503,622.97	\$34,313,156.35
	January 1, 2018 Balances	\$25,530,000.00	\$7,641,815.02	\$33,171,815.02	(\$1,355,719.24)	\$31,816,095.78	\$31,632,064.47
	January 1, 2019 Balances	\$23,610,000.00	\$6,585,538.75	\$30,195,538.75	(\$1,179,359.50)	\$29,016,179.25	\$28,839,819.51

(\*) = Required Debt Service Tax Levy before any Transfers From other Funds, use of any Fund Balance, administration fees, and increase due to Federal BAB subsidy reduction.

Manitowoc County Interest Taxpayers Have Paid or Will Pay on Long-Term Debt

<u>Year</u>	<u>Amount</u>
2006	\$ 858,333
2007	\$ 933,085
2008	\$ 931,126
2009	\$ 889,579
2010	\$ 1,012,620
2011	\$ 1,502,135
2012	\$ 1,302,680
2013	\$ 945,682
2014	\$ 916,485
2015	\$ 856,234
2016	\$ 811,526
2017	\$ 781,559
2018	<u>\$ 1,056,276</u>
	\$12,797,320

Sources:

CAFRs from the respective years listed, Table titled "Manitowoc County's Statement of Activities."

2017 & 2018 Interest Amount from Comptroller's Debt Service Outstanding, 2018 Budget, pg. 38

Public Input to the County Board 2/13/2018 by Chip (Maura) Yost

I recently wrote to County Board Supervisors and others that I would like to hear the County Executive's plan for funding the \$23 million dollars in road and bridge repairs projected as necessary by the Highway Commissioner.

Last night, during my minimal public input, I reminded the Finance Committee that interest rates are rising. Obviously, rising interest rates mean greater shared county taxpayer debt on borrowed money.

This year, for the first time in a very long time, the county borrowed \$1.4 Million dollars to provide the basic government service of road construction projects.

That is a clear indicator that the status quo is insufficient to meet our growing transportation needs.

The longer road repairs are delayed, the higher the cost due to material and labor increases. There also is the danger that repairs funded by borrowing may deteriorate before long-term borrowing is paid off.

Proposing to follow a shared revenue formula from another county without identifying the road and bridge repair costs of Manitowoc county's towns, villages and municipalities is a copycat shortcut method that may save time but have dubious local results.

The county board can restrict the use of the county's portion of a sales tax to road and bridge costs in a special revenue fund, but not specify how towns, villages and municipalities use their shared revenue.

This is important because the period of time necessary for a sales tax to be in force to meet the county's projected road and bridge repair costs may not align with the time necessary to meet projected repair costs of the county's towns, villages and cities.

As the Finance Committee continues to consider a possible sales tax, I suggest a survey of all the county's towns, villages and municipalities to identify their projected repair costs so their needs can be factored into any prospective shared revenue formula.



## Public Input to County Board, 3/20/2018 by Chip (Maura) Yost

The Finance Committee continues its cautious and thorough fact finding on a possible 0.5% sales tax. They have covered a lot of territory along the way, so I'll go over some facts.

"[State law limits](#) how much counties may increase their property taxes....Currently, the levy limit allows counties to increase total property tax collection by 0% or the percentage increase in the local property tax base attributable to net new construction." (pg. 12) That underscores the importance of local economic development.

To begin, what are some causes for our current lack of revenue?

According to the WCA, annual [base payment](#) state aid to counties has decreased by 30% over the past almost 2 decades, from \$175.3 Million to \$122.6 Million.

### County & Municipal Aid Payments Shared Revenue & Public Utility Aid Payments County Payments (in millions)

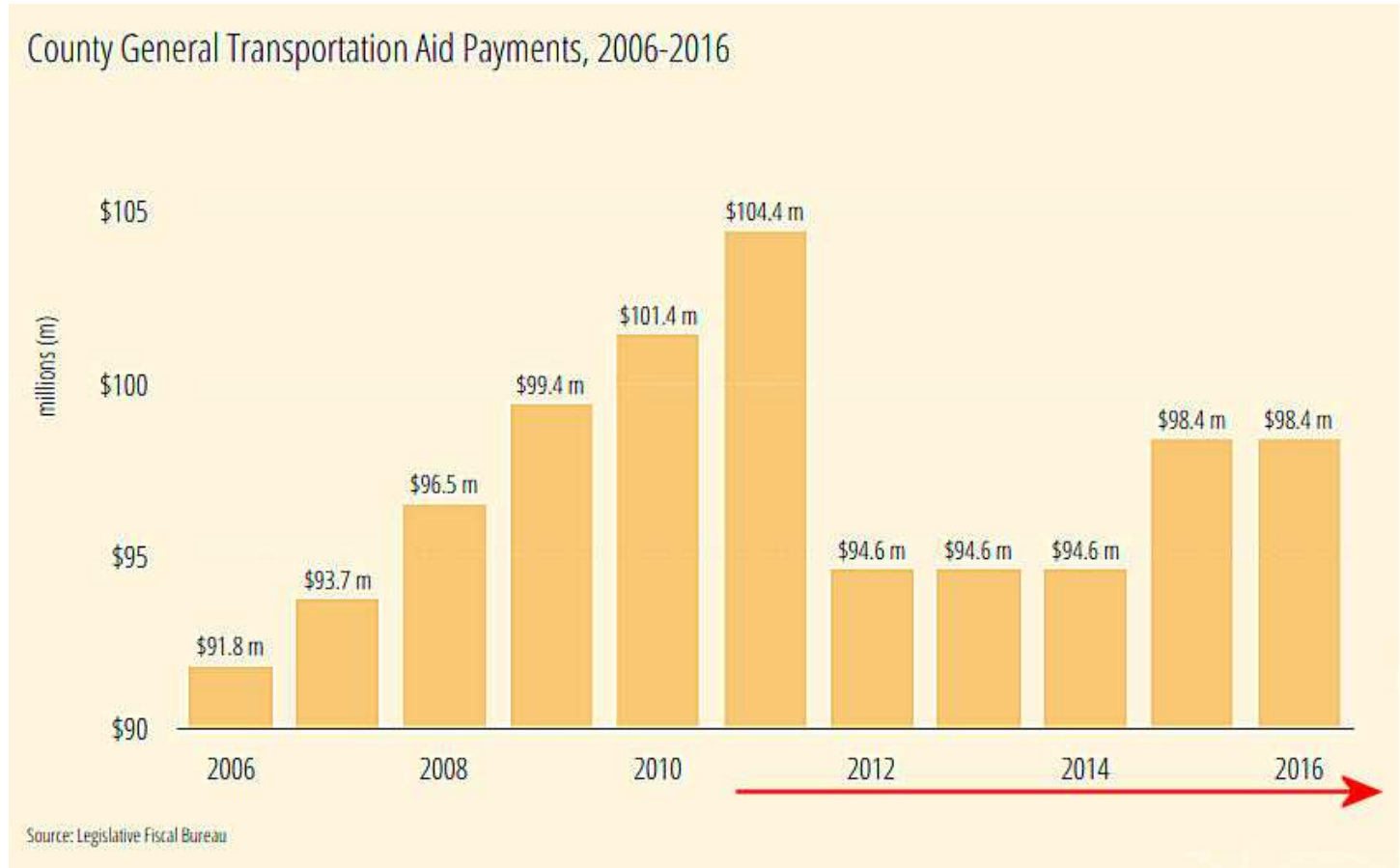
Year	Base Payment	Percent Change	Utility Aid Payment	Percent Change
2001	\$175.3		\$14.4	
2002	\$176.5	0.7%	\$15.1	4.7%
2003	\$177.2	0.4%	\$16.3	8.0%
2004	\$157.2	-11.3%	\$17.0	4.7%
2005	\$157.2	0.0%	\$17.2	0.5%
2006	\$157.2	0.0%	\$19.7	14.5%
2007	\$157.2	0.0%	\$20.1	2.1%
2008	\$157.2	0.0%	\$20.3	1.3%
2009	\$157.2	0.0%	\$28.4	39.8%
2010	\$151.7	-3.5%	\$29.3	3.0%
2011	\$151.7	0.0%	\$30.9	5.6%
2012	\$122.6	-19.2%	\$32.0	3.3%
2013	\$122.6	0.0%	\$32.7	2.2%
2014	\$122.6	0.0%	\$32.7	0.0%
2015	\$122.6	0.0%	\$33.9	3.7%
2016*	\$122.6	0.0%	\$33.9	0.0%
Total Percent Change		-30.1%		135.4%

For purposes of this chart, the Base Payment column also includes County Mandate Relief for 2001, 2002 and 2003. The County Mandate Relief program was eliminated in 2004. Beginning in 2004, the shared revenue program was replaced with two separate programs: County and Municipal Aid and Public Utility Aid.

\* 2016 payments are estimated.

Source: Legislative Fiscal Bureau

In addition, from 2006, when Ziegelbauer took office, annual transportation aid payments increased through 2011. But, then statewide through 2016, county general transportation aid payments declined a total of \$41.4M. (WCA, pg. 13)



Now, some facts about Manitowoc County's financial situation.

I've shared many of these facts with you in the past, and now am drawing them together in summary, as it's possible to get lost in the forest for the trees.

In 2006, when BZ took office, county principal debt was \$28 Million, now it's \$25.3 Million. With interest, the county owes \$31.6 Million.

Since 2006, the consumer price index has increased 26%.

<https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=1&year1=200601&year2=201802>

**CPI Inflation Calculator**

\$

in

has the same buying power as

in

County taxpayers have paid \$11 Million in interest since Ziegelbauer took office.

Our Highway Commissioner reports \$33 Million in necessary road/bridge repairs needed over his 5 year plan, which still leaves a \$10 Million backlog.

The longer repairs are delayed, the higher are the costs due to inflation, material and labor costs.

The combined average interest rates on existing county loans is 2.71%, and the county owes loan payments for the next 2 decades, through 2038.

The current interest rate to borrow money is 3.9% and interest rates are rising.

**It is possible to end a sales tax on a certain date, or under specified conditions; those terms simply must be written into the resolution.**

Money paid in interest leaves our community, whereas money collected in sales tax continues to circulate in our community as municipalities purchase goods and services.

So the question is: Is it more fiscally conservative to pay 0.5% as we spend, or to pay much higher interest rates for years into the future?

Public Input to County Board 05/15/2018 by Chip (Maura) Yost

As I mentioned last meeting, the [County Board Rule #19](#) deprives department directors of their speech rights as defined in our WI Constitution, [reading](#): "Every person may freely speak, write and publish his sentiments on all subjects, being responsible for the abuse of that right, and no laws shall be passed to restrain or abridge the liberty of speech or of the press."

This rule also deprives you county supervisors, the county's legislative body, of operational information necessary for your informed decision making. Chairman Brey said that the Executive Committee would review county board rules.

Today I'll note some financial realities on the Federal, State and County level for your consideration in your decision making about a half cent sales tax. Basically the decision you face is whether to raise necessary revenue now through the half cent sales tax, or borrow money at much higher rates of interest over two decades.

In mid-March, for the first time in history, the national debt [surpassed](#) \$21 trillion, according to the U.S. Treasury.

The US Treasury [expects](#) to borrow \$955 billion this year and forecasts borrowing over a trillion in 2019 and \$1.1 trillion in 2020.

At the [state level](#), we are in debt for \$1.6 billion dollars, when we take into account our debts.

At the county level, in 2006 the principal amount we owed was \$28 million, down to \$25.3 million as of 2018. This shows an on-going dependence by our county on borrowing. The \$11 million dollars in interest we paid over that period left our local economy.

Our financial situation is worsened by the [recent acknowledgment](#) from the Legislative Fiscal Bureau that \$134 million dollars allocated for statewide transportation rehab projects will be diverted to local road projects surrounding Foxconn.

That diversion could worsen the \$600K-\$700K [previously estimated](#) by the County Executive for the necessary repair of County R bridge.

As I have said in the past, debt is a choice, and steals from our county's future.

### Borrowing History for Projects since 2005 - Principal Amounts

Year	Projects	Bonding	Payments	Outstanding Principal Balance
	Outstanding Principal Balance 1/1/2006			<b>\$27,943,270</b>
2006	During 2006 we paid off		\$2,373,270	\$25,570,000
2007	During 2007 we paid off		\$2,035,000	\$23,535,000
2008	During 2008 we paid off		\$2,435,000	\$21,100,000
<b>2009/2010</b>	Issued Build America Bonds as permanent financing for our Communications Project, which included all new Joint Dispatch Radio and Communications Equipment, Towers/antennas, and included construction of the new C&T Building.	<b>\$15,740,000</b>	\$5,205,000	\$31,635,000
2011	During 2011 we paid off		\$2,760,000	\$28,875,000
2012	During 2012 we paid off		\$1,645,000	\$27,230,000
<b>2013</b>	Issued a General Obligation Note for the purchase and remodeling of our New Health Department Building.	<b>\$1,900,000</b>	\$1,935,000	\$27,195,000
2014	During 2014 we paid off		\$1,995,000	\$25,200,000
2015	During 2015 we paid off		\$2,790,000	\$22,410,000
2016	During 2016 we paid off		\$2,045,000	\$20,365,000
<b>2017</b>	Note Anticipation Note - For MAC Building Remodel, U.W. Manitowoc Remodel, Sheriff body Scanner, Enterprise Software Financial, Recycling Center Equipment. Will be converting this temporary financing to permanent financing approximately July of this year.	<b>\$7,110,000</b>	\$1,945,000	<b>\$25,530,000</b>
<b>2018</b>	Bond/Note for the following: CCTV System Servers & Storage Units Jail \$350,000 Road Construction Projects HWY SRF \$1,380,00	<b>\$1,700,000</b>	\$1,920,000	<b>\$25,310,000</b>



Public Input to County Board on 6/19/2018 by Chip (Maura) Yost

NOTE: After my allowed public input, Chairman Brey pointed out incorrect statements. I am publishing them in this color to alert you to them.

Question for the Chair: Am I correct in that the initial resolution under consideration this evening requires a 3/4 vote for passage, while the resolution authorizing sale requires a majority vote?

Industry, frugality and self-sufficiency are three values common to many Manitowoc County residents. We work hard. We want to keep as much income as we can for our own needs and desires. And, we pride ourselves on our self-sufficiency; we take care of ourselves. One way to insure that is the prudent use of our resources, including our financial resources. We don't skimp, but we do view good economic value as a virtue.

We fiscal conservatives recognize that acquiring debt is a choice. We limit our debt load, and live within our means. We assume as little debt for the shortest time possible, and pay off debt as fast as possible.

When we evaluate our county's debt history, we see that when Bob took office in 2006, the county's principal debt, without interest, was \$28 million. Since then, including tonight's proposed bonding, the county has borrowed \$28 million (Comptroller borrowing history shows the current outstanding balance to be \$25,110,000). Even Steven, you might say.

And, during that time, county taxpayers have paid \$13 million dollars in interest. That is money that has left our county. So we see that regular borrowing has been part of the county's budget during Bob's tenure. As you remember, the 2018 budget was passed last November with \$1.4 million borrowing for road construction. Tonight you county board legislators are being asked to approve borrowing \$1.5 million more for road work. That's 3 million dollars borrowed in 7 months!

With that, our county's current debt is \$33.3 million dollars, including the interest, showing our county's on-going dependence on borrowing.

It is unfortunate that you county supervisors are being asked to approve more borrowing without having had time to review the 2017 Comprehensive Annual Financial Report which only became available moments ago.

Starting at various times according to contract, \$28 million dollars of our existing debt can be paid off early. That retains more of our tax money in our county, reduces property taxes, shares the cost of road and bridge maintenance to all users by a half-cent sales tax, and eliminates the [uncertainty of rising interest rates](#). By getting out of debt, we have more money to circulate and re-circulate within our county.

County Board Chairman Jim Brey advised me that my allotted 3 minute public input time expired, so here is the remainder of my prepared public input text.

We know from the Highway Commissioner's 5-year plan that the projected county cost is \$13 million dollars, and at the end of the 5-year plan there will be an estimated \$10 million dollars

of work backlogged.

We know that our [federal](#) and [state](#) governments are deeply in debt, and see on a frequent basis the [downfalls of the stock market](#). As business people, many of us know the [onerous burden debt](#) has on our productivity and growth.

I have a vision for Manitowoc County. A county that lives its hard working, financially conservative values by making the choice to borrow money only as absolutely necessary, instead of regular borrowing as a part of its annual budget plans. Manitowoc County as a place where our people prosper because we don't unnecessarily burden ourselves with over \$13 million of interest that has left our county since 2006. A county where our roads and bridges are well-maintained, just as our forefolks made the initial investment to build them. A county that values its self-sufficiency, and meets its needs, by investing in itself because we are all in this together. We may have little influence on federal or state debt, but we do have influence over our county debt.

Public Input to County Board, 7/17/2018, by Chip (Maura) Yost

County Executive Bob Ziegelbauer is attempting to undermine the legislative function of the county board. While he certainly has the prerogative to express his opinion of legislation under consideration by the county board, he crosses the line between executive and legislative government functions when he demands that committee members "end the discussion" of a possible half-penny sales tax as he wrote in a recent HTR article.

The bonding was just finalized earlier today to complete the borrowing of \$1.5 million dollars more authorized at the last county board meeting for the "construction and improvement of highways."

Over-reliance on borrowing for highways isn't only a county issue. The Legislative Fiscal Bureau, a nonpartisan state agency, [warned in analyzing](#) Governor Walker's 2017-'19 state budget that "continued reliance on bonds over a sustained period can result in debt service costs that consume an increasing share of transportation revenue." (PDF pg. 15).

Manitowoc County's Finance Committee continues its study of a possible half-penny sales tax. At issue is whether it's more fiscally responsible to pay a half-cent more in current dollars as the county goes forward or to continue to borrow money and pay interest.

State law specifies that revenue raised be used for property tax relief, including items that would be paid for with property taxes, like maintenance and repair of road and bridges, or paying off accumulated county debt.

A half-penny sales tax would spread the cost of maintaining the county's roads and bridges across all users, including renters and tourists. It retains more of our tax money in our county, reduces property taxes, and eliminates borrowing money at [uncertain rising interest rates](#). By reducing our debt level, we have more money to circulate and re-circulate within our county.

In 2011 the bond rating service, Moody's, wrote about Manitowoc County debt, saying: "The negative outlook reflects the county's ongoing structural imbalances that have lead to deterioration in financial flexibility and limited ability to absorb negative budget variances." That negative rating continues to this day so taxpayers pay more interest to borrow money.

So, which financial strategy is most beneficial to Manitowoc County taxpayers? Is it less expensive to pay a half-penny more in sales tax in today's dollars as we move forward? Or is it better to borrow money at future unpredictable interest rates and continue to grow the county's mounting debt?

## Ziegelbauer rails against sales tax in letter

County Exec says plan will hurt poor, boost property owners

**Alisa M. Schafer**

Manitowoc Herald Times Reporter USA TODAY NETWORK - WISCONSIN

MANITOWOC - Manitowoc County Executive Bob Ziegelbauer sent a letter Friday to members of the Finance Committee urging them not to pass a resolution for an advisory referendum regarding a proposed 0.5 percent sales tax.

In the letter, Ziegelbauer states the resolution

ignores the legal opinion of Corporation Counsel Peter Conrad, who has said in the past it may not be legal to use revenue from the 0.5 percent sales tax for projects that are not funded by property taxes.


"To receive a studied, legal opinion from your Corporation Counsel, which he has unambiguously provided, and then completely ignore it because it doesn't match your own 'political agenda' smacks not only of undeserved micro-management, but in my opinion, borders on unintended mismanagement of your highly skilled resource," Ziegelbauer said in the letter.

He said independent auditors have said the county is in a strong financial position and he believes imposing a sales tax would be harmful to local government. In the letter, Ziegelbauer calls the proposed tax "regressive" and said it will hit "the poorest

See TAX, Page 7A



Tragic girl's life could have been saved by this new safety device.

 [safepersonalalarm.com](http://safepersonalalarm.com)

[VISIT SITE](#)



Ziegelbauer

## Tax

Continued from Page 1A

members of society the hardest." He also said property owners will benefit the most because state law dictates that the sales tax revenue be applied to projects funded by property taxes.

Ziegelbauer ends the letter by urging committee members "to not pass the resolution and end the discussion of this unwisely oppressive tax on our citizens."

Ziegelbauer has said in the past he will veto any resolution approved by the county board that

implements a sales tax.

The county Finance Committee started discussing a possible 0.5 percent sales tax in 2017 and held public input meetings throughout the county. Some said they felt the sales tax would create hardship for county residents. Others said they supported the idea, but only if the revenues were used to bolster road maintenance or shared with the county's municipalities.

During committee meetings, Conrad has said that state statutes limit the use of sales tax revenue and, while the county could share it with municipalities, those municipalities would have

complete control over what they spend it on.

"Sales and use tax revenues may not be budgeted as a revenue item used to offset the cost of any specific item, which cannot be funded through a county-wide property tax," Conrad said during a Finance Committee meeting in December.

The Finance Committee will meet at 4:30 p.m. Monday in the Administration Office Building at 1110 S. Ninth St., Manitowoc. The agenda includes time for public comment on matters on the agenda, including the possible sales tax and advisory referendum.

## Manitowoc County

### Issue Summary

<b>Description:</b>	General Obligation Promissory Notes
<b>Amount:</b>	\$1,500,000
<b>Dated &amp; Settlement Date:</b>	August 7, 2018
<b>Maturities:</b>	November 1, 2019 - 2021
<b>First Interest Payment:</b>	November 1, 2018
<b>First Call Date:</b>	Non-callable
<b>True Interest Cost:</b>	2.72%



# Manitowoc County

## FINAL ILLUSTRATION

BAIRD

BANK QUALIFIED									
GENERAL OBLIGATION PROMISSORY NOTES									
\$1,500,000									
Dated August 7, 2018									
(First interest 11/1/18)									
LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (Net of Subsidy)	PRINCIPAL (11/1)	INTEREST (5/1 & 11/1)	BID PREMIUM	TOTAL	EXISTING + NEW DEBT		
							COMBINED DEBT SERVICE	COMBINED MILL RATE (A)	YEAR DUE
2017	2018	\$2,701,956		\$14,000	(\$14,000)	\$0	\$2,701,956	\$0.53	2018
2018	2019	\$2,699,539	\$485,000	\$60,000	(\$2,695)	\$542,305	\$3,241,844	\$0.64	2019
2019	2020	\$2,704,890	\$500,000	\$40,600		\$540,600	\$3,245,490	\$0.64	2020
2020	2021	\$2,700,523	\$515,000	\$20,600		\$535,600	\$3,236,123	\$0.63	2021
2021	2022	\$2,545,820					\$2,545,820	\$0.50	2022
2022	2023	\$2,144,532					\$2,144,532	\$0.42	2023
2023	2024	\$1,742,094					\$1,742,094	\$0.34	2024
2024	2025	\$1,742,060					\$1,742,060	\$0.34	2025
2025	2026	\$1,738,804					\$1,738,804	\$0.34	2026
2026	2027	\$1,739,004					\$1,739,004	\$0.34	2027
2027	2028	\$1,731,659					\$1,731,659	\$0.34	2028
2028	2029	\$1,736,797					\$1,736,797	\$0.34	2029
2029	2030	\$1,740,031					\$1,740,031	\$0.34	2030
2030	2031	\$660,550					\$660,550	\$0.13	2031
2031	2032	\$659,050					\$659,050	\$0.13	2032
2032	2033	\$657,100					\$657,100	\$0.13	2033
2033	2034	\$659,700					\$659,700	\$0.13	2034
2034	2035	\$660,950					\$660,950	\$0.13	2035
2035	2036	\$660,800					\$660,800	\$0.13	2036
		<u>\$31,625,859</u>	<u>\$1,500,000</u>	<u>\$135,200</u>	<u>(\$16,695)</u>	<u>\$1,618,505</u>	<u>\$33,244,364</u>		

(A) Mill rate based on 2017 Equalized Valuation (TID-OUT) of \$5,100,495,200 with annual growth of 0.00%.

Moody's Research Reports give you an in-depth perspective into the credit quality of an issuer. Each report is a comprehensive credit analysis examining the financial strength and risk factors particular to each issuer.

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## Manitowoc (County of) WI - Moody's Research Report

### MOODY'S DOWNGRADES MANITOWOC COUNTY'S (WI) UNDERLYING RATING TO Aa3 FROM Aa2, AFFECTING \$28.9 MILLION POST-SALE GO DEBT; OUTLOOK REMAINS NEGATIVE

Posted on: September 13, 2011, 4:55 pm

NEW YORK, Sep 13, 2011 -- Moody's Investors Service has assigned a Aa3 rating and negative outlook to Manitowoc County's (WI) \$2.8 million General Obligation Limited Tax Bonds, Series 2011. Concurrently, Moody's has downgraded the rating on the county's outstanding general obligation debt to Aa3 from Aa2. The Aa3 rating applies to a total of \$28.9 million of GO debt, post-sale. The negative outlook reflects the county's ongoing structural imbalances that have led to deterioration in financial flexibility and limited ability to absorb negative budget variances...



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11 Jul 2017	New Issue	Manitowoc (County of), WI: New Issue - Moody's Assigns A1 to Manitowoc County, WI's GO Bonds; Outlook Negative	Moody's Investors Service
11 Jul 2017	Rating Action	Moody's Assigns A1 to Manitowoc County, WI's GO Bonds; Outlook Negative	Moody's Investors Service
10 Jan 2017	New Issue	Manitowoc (County of), WI: New Issue - Moody's Assigns MIG 1 to Manitowoc County, WI's NANS	Moody's Investors Service
10 Jan 2017	Rating Action	Moody's Assigns MIG 1 to Manitowoc County, WI's NANS	Moody's Investors Service
27 Feb 2014	Rating Update	Moody's downgrades Manitowoc County's (WI) GO to A1; negative outlook removed	Moody's Investors Service
27 Feb 2014	Rating Action	Moody's downgrades Manitowoc County's (WI) GO to A1; negative outlook removed	Moody's Investors Service
05 Apr 2012	New Issue	MOODY'S ASSIGNS Aa3 RATING AND NEGATIVE OUTLOOK TO MANITOWOC COUNTY'S (WI) \$3.8 TAXABLE GENERAL OBLIGATION REFUNDING BONDS	Moody's Investors Service
05 Apr 2012	Rating Action	MOODY'S ASSIGNS Aa3 RATING AND NEGATIVE OUTLOOK TO MANITOWOC COUNTY'S (WI) \$3.8 TAXABLE GENERAL OBLIGATION REFUNDING BONDS	Moody's Investors Service
13 Sep 2011	New Issue	MOODY'S DOWNGRADES MANITOWOC COUNTY'S (WI) UNDERLYING RATING TO Aa3 FROM Aa2, AFFECTING \$28.9 MILLION POST-SALE GO DEBT; OUTLOOK REMAINS NEGATIVE	Moody's Investors Service
09 Aug 2010	New Issue	MOODY'S ASSIGNS Aa2 RATING TO MANITOWOC COUNTY'S (WI) \$15.8 MILLION TAXABLE GENERAL OBLIGATION REFUNDING BONDS; OUTLOOK REMAINS NEGATIVE	Moody's Investors Service
30 Apr 2010	New Issue	MOODY'S ASSIGNS MIG 1 RATING TO MANITOWOC COUNTY'S (WI) \$10.1 MILLION NOTE ANTICIPATION NOTES; NEGATIVE OUTLOOK ASSIGNED TO LONG-TERM Aa2 RATING	Moody's Investors Service
08 Oct 2009	New Issue	MOODY'S DOWNGRADES TO A1 FROM Aa3 MANITOWOC COUNTY'S (WI) GENERAL OBLIGATION BOND RATING, AFFECTING \$21.1 MILLION IN OUTSTANDING GO DEBT	Moody's Investors Service
16 Mar 2007	New Issue	MOODY'S ASSIGNS Aa3 RATING TO MANITOWOC COUNTY'S (WI) \$7.3 MILLION REFUNDING BONDS	Moody's Investors Service
08 Sep 2003	New Issue	MOODY'S ASSIGNS Aa3 RATING TO MANITOWOC COUNTY'S (WI) \$4.12 MILLION G.O. REFUNDING BONDS	Moody's Investors Service

## Percentage Difference Calculator

Result: 7.6001160812633

Difference of 1500000 and 1618505 are **7.6001160812633%**

Steps of Solving:

Difference of 1500000 and 1618505 =  $|1500000 - 1618505| / ((1500000 + 1618505) / 2) = 118505 / 1559252.5 = 0.076001160812633 = 7.6001160812633\%$

1618505 is a **7.9003333333333%** increase of 1500000.

Steps of Solving:

Percentage of increase =  $|1500000 - 1618505| / 1500000 = 118505 / 1500000 = 0.079003333333333 = 7.9003333333333\%$

Value 1

Value 2

Calculate



Public Input to the County Board on 8/21/2018 by Chip (Maura) Yost

I listened to County Executive Bob Ziegelbauer say on WOMT Friday that there is no need, plan or justification for a half-cent sales tax. Tonight I will respond.

I advocate today for a half-cent sales tax because it is the least expensive way to meet our county's growing financial needs; it reduces the amount of borrowing necessary, and it spreads the cost of some services, like roads and bridges, among all users instead of laying all the financial burden on property tax payers.

Tonight I ask you to resolve and proceed with passage of the half-cent sales tax. I also note that state law exempts some items from sales tax, like food, medicine, and medical equipment.

I again say to you that going into debt is a choice, a choice you legislators are making on behalf of our county's taxpayers. I remember President Truman's [words](#): "Progress occurs when courageous, skillful leaders seize the opportunity to change things for the better."

Last month, the bond rating agency, Moody's, downgraded Manitowoc County's rating, citing "the county's historically narrow financial position which is expected to further contract in fiscal 2018....The negative outlook reflects the county's narrow financial reserves..." We could improve our rating by increasing our operating reserves, but more borrowing could lead to another downgrade.

Interest rates are rising, and rising interest rates will increase the cost of the county borrowing money. As we all know, a dollar today is worth more than a dollar tomorrow due to inflation and rising interest rates.

The state specifies that one use of the half-cent sales tax is property tax relief. Over 90% of Wisconsin counties provide tax relief to their county's property tax payers.

There are more than 50,000 taxable property parcels in Manitowoc County; District 13 has the largest number of parcels, and District 2 has the fewest.

Systemic factors affecting county finances include the property tax levy limitation (which can grow with economic development), and state reductions to counties in base payments and transportation aid.

Our county owes about as much principal now as it did in 2006, after paying almost \$13 million dollars in interest, money drained out of our local economy. With interest, the county taxpayers now owe almost \$34 Million dollars.

In 2006, our county had almost \$11 million dollars in "rainy day" (unreserved/unassigned fund balances). Today, it's not even \$650,000. That is a very small savings cushion, not much more than \$8 per resident. ( $\$650,000 / 80,000 \text{ residents} = \$8.13$ )

Given the uncertainty of state and federal debt loads in the coming years, I suggest that adding the certainty of property tax relief is beneficial to taxpayers and county finances by providing more fiscal certainty.



**MANITOWOC COUNTY AS OF 8/2018**

Supervisory District	No. of Tax Parcels	Supervisor	No. Registered Voters
1	1339	T. Holschbach	1507
2	958	D. Nickels	1625
3	1526	R. Metzger	1509
4	1276	J. Brey	1001
5	1436	J. Brunner	1594
6	1536	P. Hansen	1893
7	1032	N. Vogt	1395
8	1562	M. Williams	2092
9	1247	D. Gauger	1511
10	1390	D. Zimmer	2232
11	2683	R. Vogel	2120
12	2696	K. Behnke	1824
13	3005	J. Neils	2062
14	1511	J. Baumann	1961
15	3332	C. Wagner	1842
16	2745	B. Cavanaugh	1727
17	2491	S. Maresh	1803
18	2532	N. Muench	1872
19	3080	J. Falkowski	1878
20	2781	C. Hoffman	1800
21	2776	R. Gerroll	2042
22	2079	D. Dyzak	1713
23	1380	R. Henrickson	1838
24	1288	T. Geimer	1255
25	1386	K. Swade	1210

Compiled by Chip (Maura) Yost from county records.

**\$27,943,270 in 2006 → \$34,929,919.14 in 2018**

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\$43.00  [Shop now](#)

## Inflation Calculator

Amount

\$

27943270

Start year

2006

End year

2018

[Calculate](#)

### U.S. Inflation Rate, \$27,943,270 in 2006 to 2018

According to the Bureau of Labor Statistics consumer price index, prices in 2018 are **25.00% higher** than prices in 2006. The dollar experienced an average inflation rate of **2.95% per year** during this period.

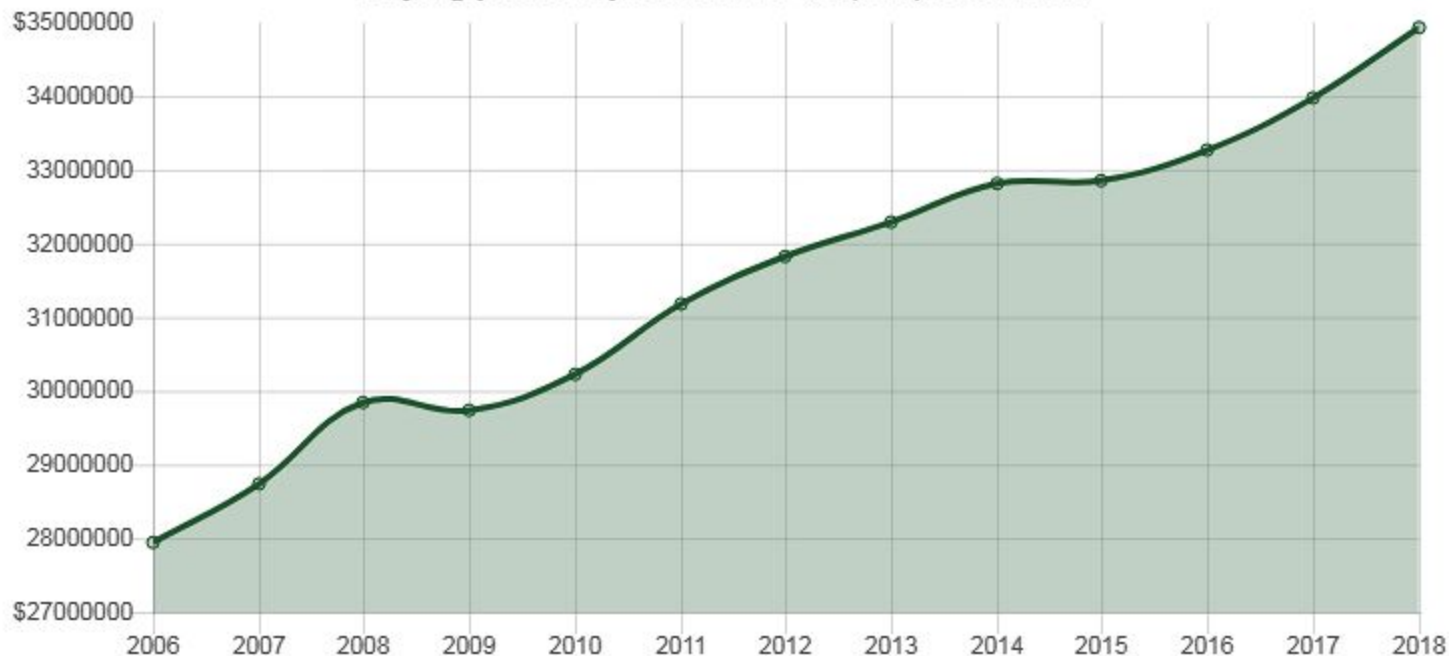
In other words, \$27,943,270 in 2006 is equivalent in purchasing power to **\$34,929,919.14** in 2018, a difference of \$6,986,649.14 over 12 years.

The 2006 inflation rate was **3.23%**. The current inflation rate (2017 to 2018) is now **2.95%<sup>1</sup>**. If this number holds, \$27,943,270 today will be equivalent to \$28,767,460.96 next year. The [current inflation rate](#) page gives more detail on the latest official inflation rates.

# Buying power of \$27,943,270 since 2006

This chart shows calculations of buying power equivalence over time for \$27,943,270 in 2006 (price index tracking began in 1635).

Buying power equivalent for \$27,943,270 in 2006



Public Input to the County Board on 9/18/2018 by Chip (Maura) Yost

I commend the county board as legislators on the passage of dark store referendum question - giving citizens the opportunity to vote on a matter affecting their tax bill. An analysis by the Wisconsin League of Municipalities estimated that residential taxpayers would pay 8% or more in property taxes if commercial and manufacturing property values use these dark store tax loopholes. Currently, residential property owners pay 68% of the total property tax levy.

In response to Finance Committee members' concerns about Moody's recent reduction in our county's bond rating which will result in higher interest rates to borrow money, I read in the [Herald](#) County Executive Ziegelbauer's plans for the upcoming budget. He said: "We'll manage our funds and our budget conservatively as we always have..." "We're borrowing at unbelievably low rates and we'll go on our current course."

<https://www.htrnews.com/story/news/2018/09/11/manitowoc-meijer-tif-proposal-opposed-county-committee-moodys-bond-rating-discussed/1259027002/>

Going into debt is a choice, one you'll have to make as county board legislators entrusted by voters to make decisions in the county's best financial interests.

Debt is a dangerous draw against the prospects for our county's financial future.

At the most recent Finance Committee meeting, it was mentioned that tentative borrowing for the 2019 budget is approximately another \$5M for roads & bridges.

Even without that, Manitowoc County is currently on track to pay \$4.3 Million dollars in interest through 2021.

The county needs a new revenue source because of systemic factors like state-mandated levy limits, as well as reductions to our county in both state aids, and transportation aids.

I advocate for a half-penny sales tax because it is more economical than paying much higher interest rates, money that leaves our county. A half-penny sales tax has the advantage of paying in current dollars, avoiding the risks of inflation and rising interest rates.

Property tax relief from a half-penny sales tax is a good thing, enjoyed by slightly more than 90% of WI counties.

The most recent state estimate of our county's anticipated revenue from the half-penny sales tax is \$5.3 million dollars per year. That would provide an estimated property tax relief of \$1 dollar per thousand dollars of a property's equalized value.

There are 49,067 taxable property parcels in Manitowoc County. Those property owners would benefit from lower property taxes, and may be among our county's 43,306 registered voters.

And, a half-penny sales tax used for property tax relief is consistent with state law and our corporation counsel's opinion. A case he cited said it must be used for capital projects and not operational expenses.

So, I advocate for the half-penny sales tax as the least expensive way to meet our county's growing revenue needs, a way that best protects ourselves from uncertain inflation and interest rates, as well state and federal debt loads, for ourselves and future generations.