

AGENDA

Task Force on County Operations & Organization

Jefferson County Courthouse
311 S. Center Avenue, Room 202
Jefferson, WI 53549

Friday, July 24, 2015 – 9:30 a.m.

Members

Kathi Cauley, Jennifer Hanneman-Chair, Sue Happ, George Jaeckel, Ron Krueger,
Russell Kutz-Vice Chair, Steve Nass, Joe Nehmer, Timothy Smith-Secretary

1. Call to Order
2. Roll Call
3. Certification of Compliance with Open Meeting Law Requirements
4. Review of Agenda
5. Public Comment (Members of the public who wish to address the committee on specific agenda items must register at this time)
6. Communications
7. Approval of July 10, 2015 Task Force meeting minutes
8. Discussion and possible action on Highway Overtime Report
9. Discussion and possible action on Employee comments
10. Identify what further analysis the Task Force needs to consider when making their recommendations
11. Discussion and follow-up on Action Plan way ahead
12. Discussion and possible action on how to organize and prepare the final report from the Task Force
13. Discuss scheduling topics for future agendas
14. Tentative Future Meeting and Agenda Items
15. Adjourn

A quorum of any Jefferson County Committee, Board, Commission or other body, including the Jefferson County Board of Supervisors, may be present at this meeting.

Individuals requiring special accommodations for attendance at the meeting should contact the County Administrator 24 hours prior to the meeting at 920-674-7101 so appropriate arrangements can be made.

**JEFFERSON COUNTY BOARD
COMMITTEE MINUTES**

July 10, 2015

Task Force on County Operations & Organization

1. **Call to Order**
Meeting was called to order by Kutz at 8:30 a.m.
2. **Roll Call**
Task Force Members
Members present: Jennifer Hanneman, Ron Krueger, Russell Kutz, Joe Nehmer, Timothy Smith, George Jaeckel, Susan Happ, Kathi Cauley and Steve Nass.

Others Present: Tammie Jaeger, Administration; Benjamin Wehmeier, County Administrator; Steve Grabow, Community Development Director; Stacey Jensen, Child Support Director; Barb Frank, County Clerk; Staci Hoffman, Register of Deeds; Mark Watkins, Land & Water Conservation Director; Genevieve Borich, Economic Development Director; Rob Klotz, Planning & Zoning Director; Terri Palm, HR Director, Supervisor Greg David; Blair Ward, Corporation Counsel; Tammy Worzalla, Deputy Finance Director; Supervisor Walt Christensen, Andy Erdman, Land Information Director and Jim Schroeder, County Board Chairman.
3. **Certification of compliance with Open Meeting Law Requirements**
Wehmeier certified compliance with the open meeting law.
4. **Review of Agenda**
No changes
5. **Public Comment**
David will address the group regarding Item #9
6. **Communications**
 - Highway Overtime Spreadsheet
 - Wehmeier read notes from Department Heads
 - Information from Supervisor David
7. **Approval of June 17, 2015 Task Force meeting minutes**
Motion by Jaeckel; Second by Hanneman to approve the June 17, 2015 Task Force meeting minutes as printed. (Ayes-All) Motion carried.
8. **Presentation "Historical Growth Patterns in the County"**
Borich, Erdman Klotz and Wehmeier gave a presentation. The Power Point slides will be included in the minutes. No action taken.
9. **Identify what further analysis the Task Force needs to consider when making their recommendations**
David provided information for the members to review. David's recommendations include changing to biomass, using a principle based development model, localization and social problems. If anyone thinks of any other information they should let Tammie know. This will be discussed at the next meeting. No action taken.
10. **Discussion and follow-up on Action Plan way ahead**
Wehmeier explained that they need to know how to move forward with items for the County Board. This will be discussed at the next meeting No action taken.
11. **Discussion and possible action on how to organize and prepare the final report from the Task Force**
This will be discussed at the next meeting. No action taken.
12. **Discuss scheduling topics for future agendas**
See below.

13. Tentative Future Meeting Dates & Agenda Items (July 24, 2015, 9:30 a.m. Courthouse, Room 202)

- Approval of July 10, 2015 Task Force meeting minutes
- Discussion and possible action on Highway Overtime Report
- Discussion and possible action on Department Head comments
- Identify what further analysis the Task Force needs to consider when making their recommendations
- Discussion and follow-up on Action Plan way ahead
- Discussion and possible action on how to organize and prepare the final report from the Task Force

14. Adjourn

Motion made by Jaeckel; Second by Smith to adjourn at 11:07 a.m. (Ayes-All) Motion Carried.



Growth Analysis:

Historical Context within Jefferson County



Economic Engine for Jefferson County

Growing Strategically

- Need strong **economic engine** to grow economy – strategic policies, programs, assets, partnerships
- Many **moving parts** in ED engine
- **Engine needs to run smoothly** – align goals to resources
- Successful engine **attracts right kind of strategic growth**



Land Use

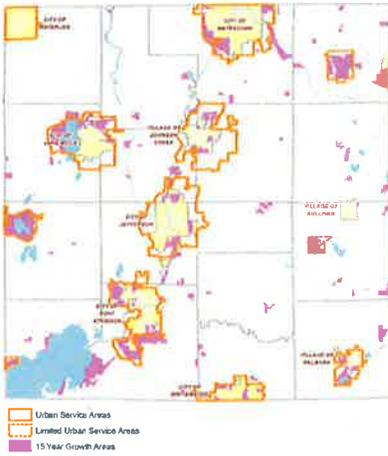


Land Use Characteristics

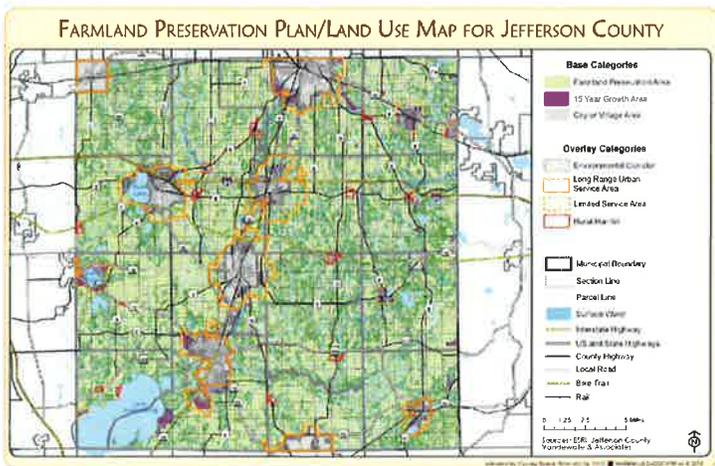
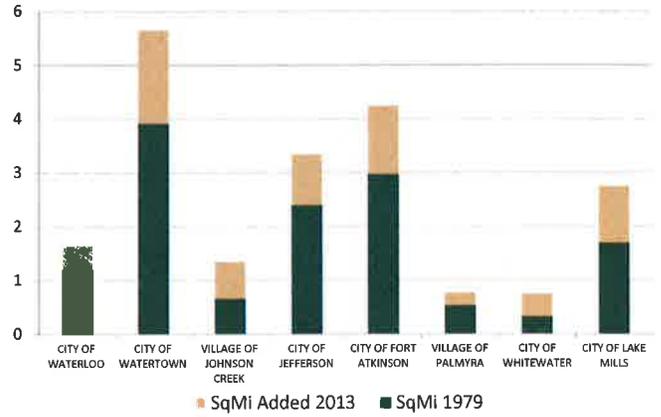
- Gross Household Density: 0.09 HH/Acre
- Average Block Perimeter: 3,623 Meters
- Average Block Size : 84 Acres
- Intersection Density: 8 /mi²



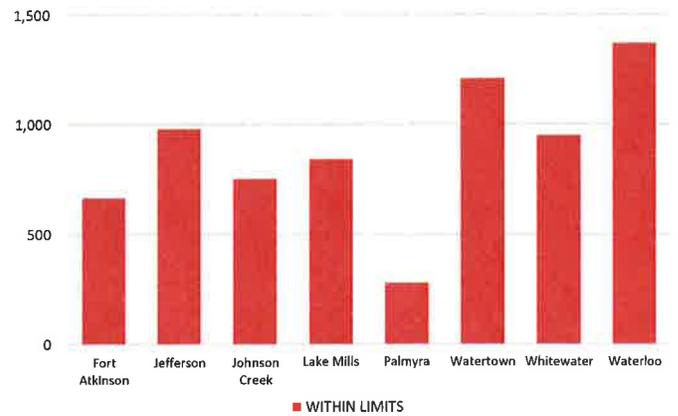
URBAN SERVICE AND 15 YEAR GROWTH AREAS



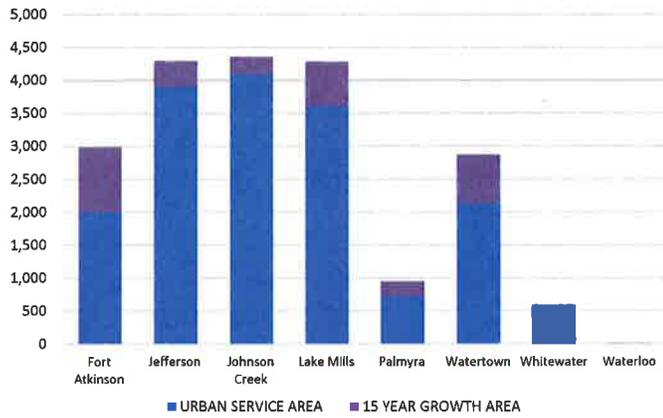
Square Miles Added



Estimated Undeveloped Acres of Land within Municipal Limits



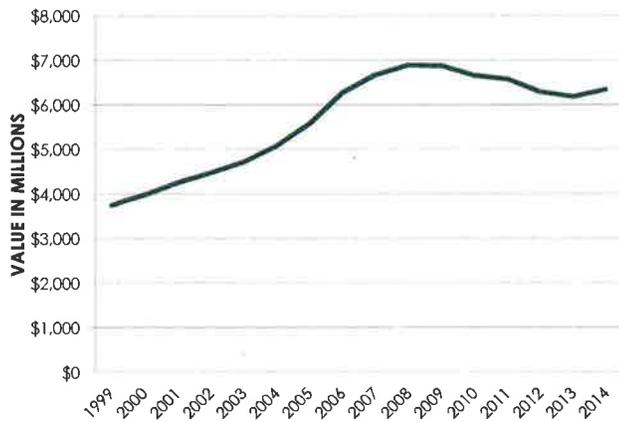
Estimated Undeveloped Acres of Land in Urban Service Area



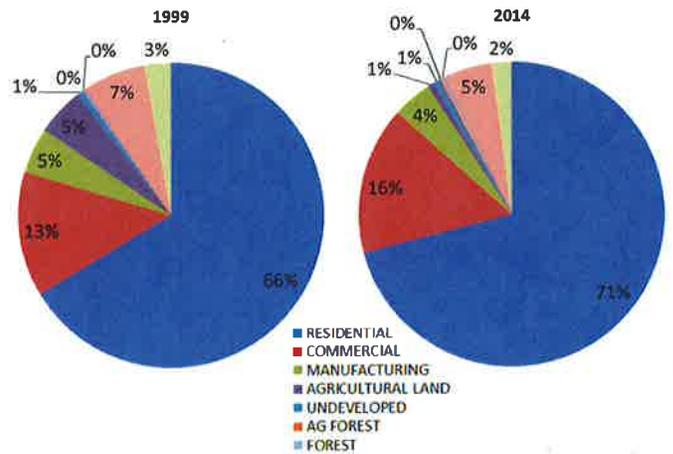
Property Values



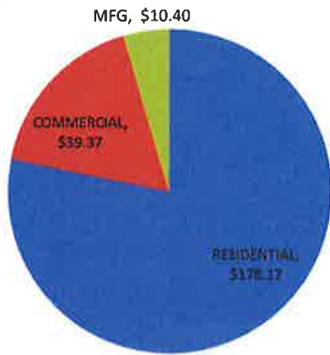
Equalized Value for all Property Classes



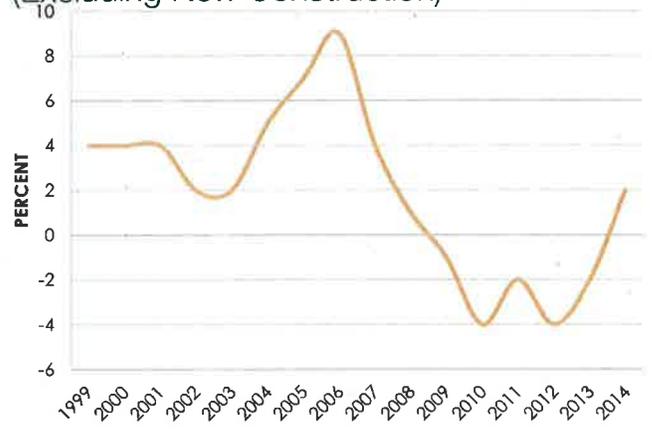
Property Values by Class



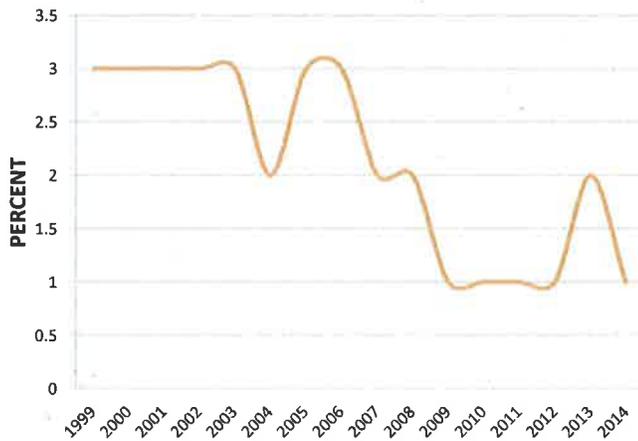
\$228M in Development to Generate \$1M in Additional County Property Tax Revenue



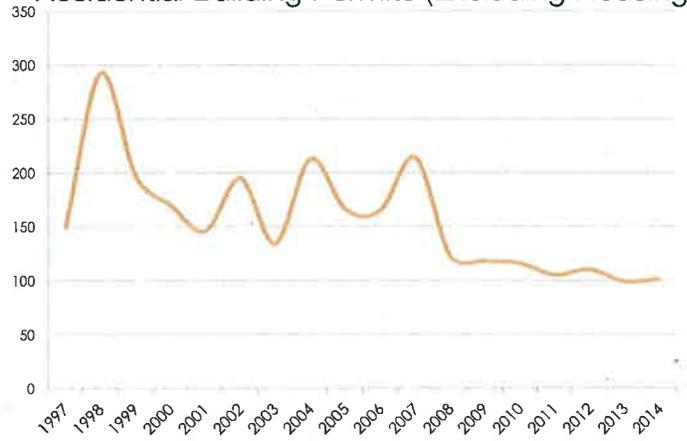
% of Economic Change in Property Values (Excluding New Construction)



% Property Values in New Construction



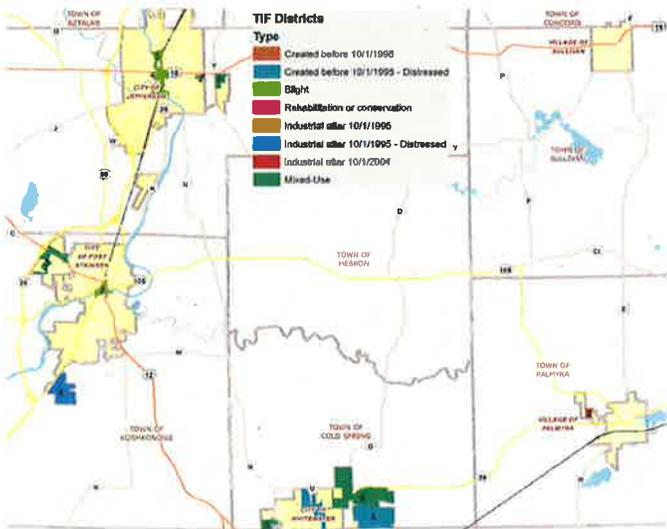
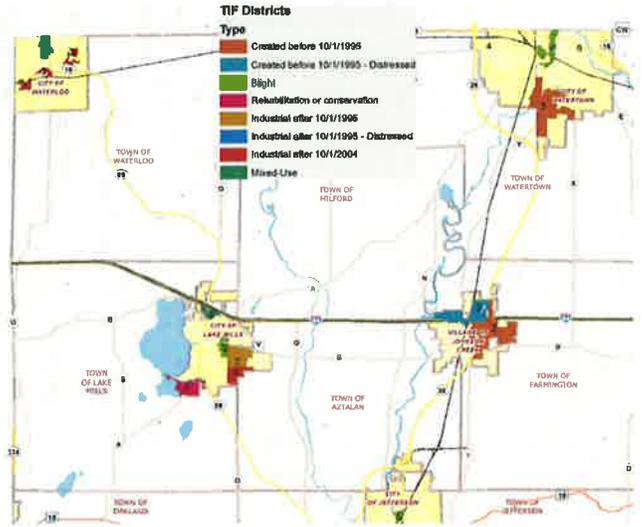
Unincorporated Areas - New Non-Other Residential Building Permits (Excluding Housing)



TIF Program Considerations

Cost vs. Benefits

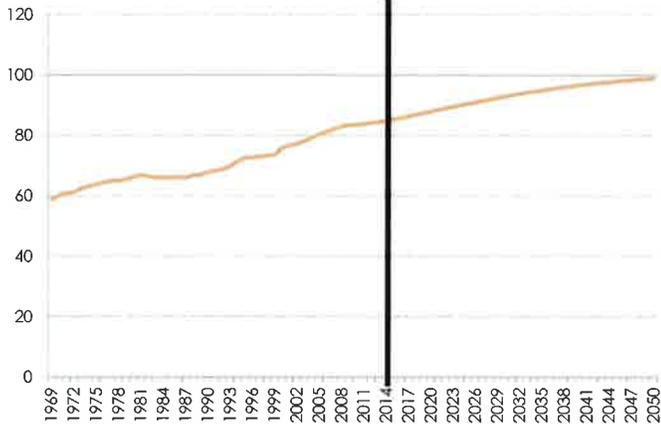
- Primary economic development tool for municipalities in Wisconsin (other than revolving loan funds) with levy capped
- Fiscal health varies by district, community
- Expenditures can be utilized in various ways to re-capture tax increment (follow TIF plan docs)
- Affects school districts, technical colleges, and property tax revenue
- Short-term incentive for possible long-term financial benefit
- "But-for" _____



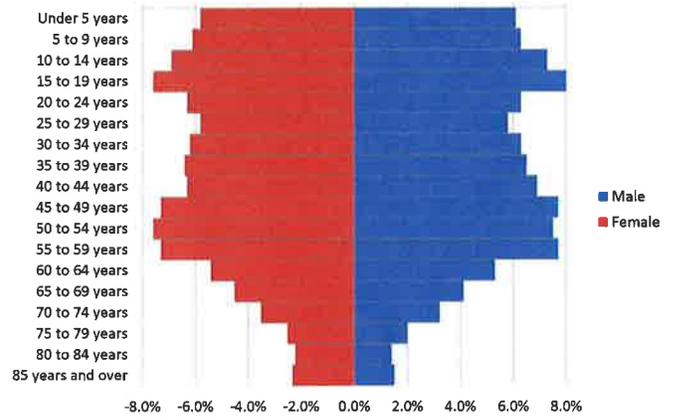
Demographics



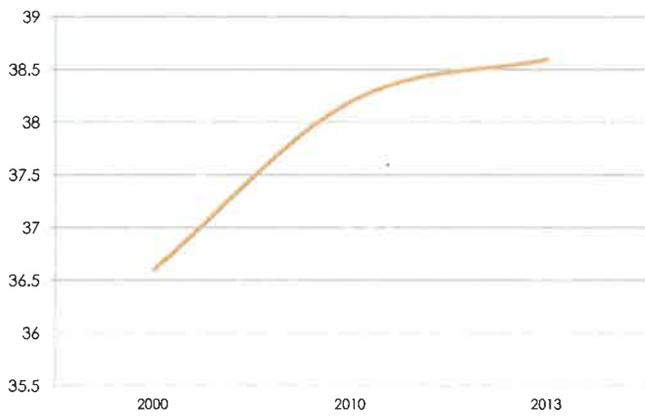
Total Population in Thousands



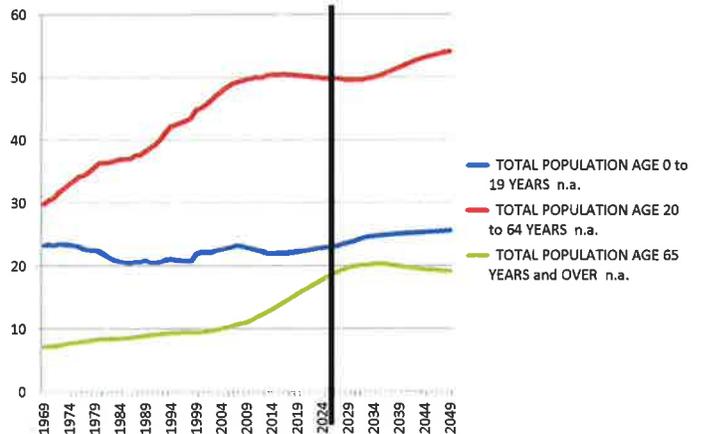
Total Population by Cohort, 2013



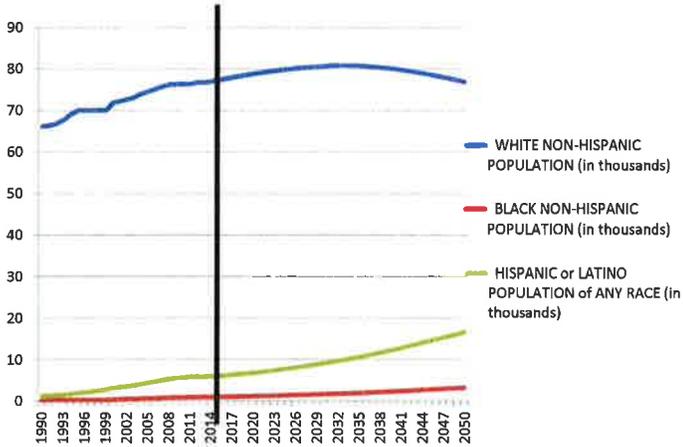
Median Age



Total Population in Thousands by Cohort



Total Population in Thousands by Cohort



County Health Rankings

Health and Well-being of Workforce

- 10th in Wisconsin – 2015
 - 12th in Health Behaviors
 - 24th in QoL
 - 9th in Length of Life &
 - 34th in Clinical Care
 - 22nd in Social & Economic Factors
 - 65th in Physical Environment
- 29th in Wisconsin - 2010



County Health Rankings

Health and Well-being of Workforce

- Food Insecurity Rate | 11.3% (9,470 People)
- Average Cost of Meal | \$2.60
- Additional Money Required to Meet Food Needs | \$4.35M
- Food Stamps | 14.2%



Economy



Economic Characteristics (2013)

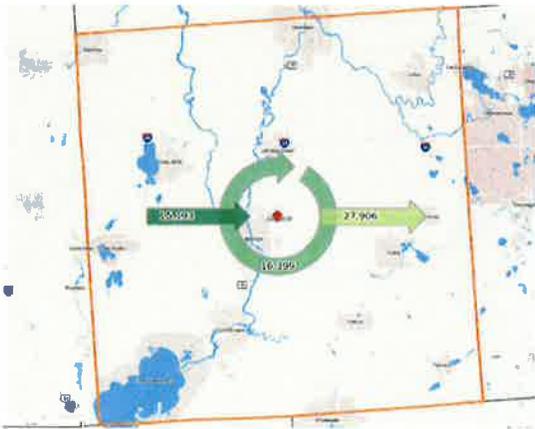
- Unemployment | 6.1% - July, 2014
- Mean Household Income | \$68,318
- Per Capita Income | \$26,907
- Poverty Rate | 11.2%
- Employment Access Index | 5,282 Jobs/mi²
- Employment Mix Index (0-100) | 64



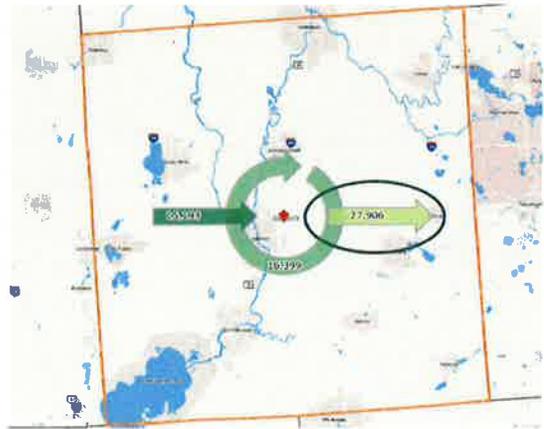
2002 Commuting Patterns



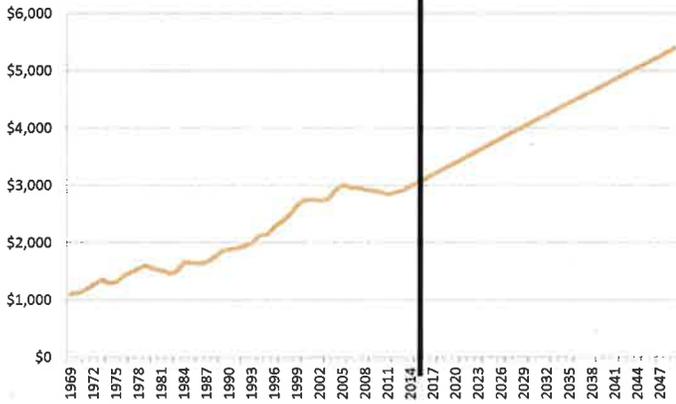
2012 Commuting Patterns



2012 Commuting Patterns

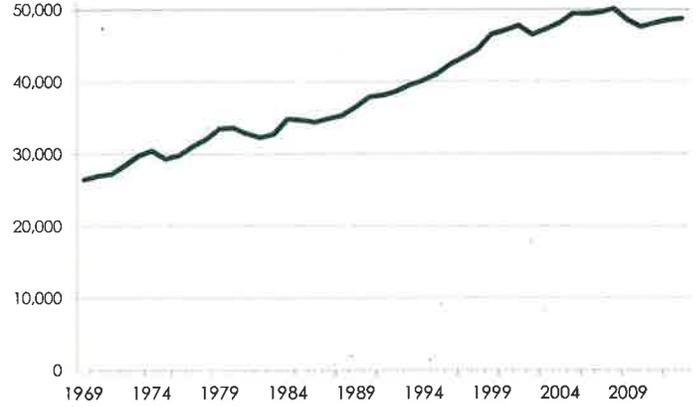


Gross Regional Product (in Millions of 2009 Dollars)

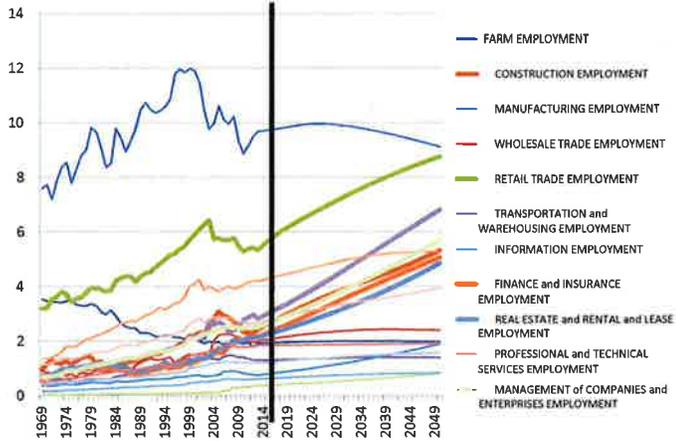


Employment in Jefferson County

Source: Bureau of Economic Analysis



Employment by Industry Cluster in Thousands of Jobs



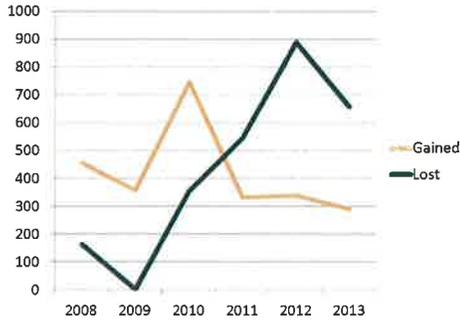
Examining Growth

	1996	2013
Total Establishments	3,400	4,400
In-State Ownership	90.7%	90.2%
Out-of-State Ownership	3.1%	3%
Noncommercial	6.2%	6.8%
Market Served - External	23.6%	16.8%
Market Served - Local	76.4%	83.2%
Total Establishments Gained	338	291
New Startups	81.7%	75.9%
Expansion Startups	10.9%	12.4%
Expansions	7.4%	11.7%
Total Establishments Lost	194	658
Closings	89.7%	95.9%
Move Out	10.3%	4.1%
Total Jobs	40,700	45,200
Total Sales	\$4.3B	\$5.1B

Total Gains and Losses

Total Establishment Churn since 2008

- **New firms** | 2,520
- **Closed** | 2,613



Examining Growth Employment Stages

SECS	1996	% of TOTAL	2012	% of TOTAL
Total	4,291,631,493	100	3,892,442,791	100
Self Employment	869,428,891	2.0	87,985,546	1.0
Stage 1 (10-99)	612,154,959	14.4	622,716,493	16.2
Stage 2 (100-499)	1,226,986,612	28.8	1,184,722,523	30.7
Stage 3 (500-999)	1,062,497,638	24.7	1,016,306,168	26.2
Stage 4 (1000+)	526,839,300	12.3	498,306,767	12.9

Source: BLS, US DOLLARS (\$)
 * % of TOTAL is a share percentage of the U.S. industry
 ** % of TOTAL for the EMPLOYMENT STAGES assume 100% of the total industry

% COMPARISON BY STAGES



The Reality of Economic Development

Volume of Business Retention, Expansion, & Attraction * Projects Shifting

- **New firms** (small businesses) are responsible for nearly all U.S. net job growth every year
(total job gains minus total job losses)
- **Churn:** fewer than 1/2 positions created by start-ups still exist after 5 years
- **Net employment growth** falls off quickly as companies grow older
- **Only 1/4 small businesses** are interested in **expanding** – then hope to simply hold steady



The Reality of Economic Development

Volume of BRE & Attraction Projects Shifting

- Less than 1% of businesses move annually in WI
- About 60% of the private-sector net **new jobs** are from existing establishments
- 40% of the private-sector net new jobs are from the **churn of startups minus closures** in the last two decades
- Most job growth is found in “wins” for **business expansion and startups**



Examining Growth Opportunities

1% Increase Local Job Growth over Long-Run

- .8% increase local population (in-migration)
- .2% increase local employment rate
- .2% increase average real wages (more job experience = better jobs)
- .4% increase property values



Local Business Incentives: Evaluating ROI

New Jobs are Filled by:

1. Drawing from ranks of unemployed (best)
2. Drawing people into area's labor force who weren't seeking work (better)
3. Drawing workers from existing jobs (good or bad)
4. Inducing people to migrate to labor market (added need for public services)



Local Business Incentives: Evaluating ROI

For every 100 new jobs it is estimated...

- Existing residents
 - 7 filled by unemployed
 - 16 drawing existing residents into labor force
 - Pay more taxes, consume same
- New residents
 - 77 in-migration
 - More public services, housing



Local Business Assistance: Evaluating ROI

Business Location Decision-Making

- Preliminary: Region
 - Transportation/communication costs much lower
 - Key markets and suppliers
 - Labor costs
 - Access to customers
 - Whims corporate executives
- Secondary: Local Incentives
 - Wages, taxes
 - Physical characteristics of potential sites
 - **Unique assets**



Revolving Loan Program Considerations

Cost vs. Benefits

- Main incentive program available to Jefferson County
- Offers low-interest loans for job creation
- State and federal reporting regulations making RLF increasingly difficult to apply for and report on for business owners



Local Business Assistance: Evaluating ROI

Benefits of Incentives

- Wage growth & multiplier effect
- Employ under or unemployed
- Property values increased
- Sales tax increased
- Best when decisive



Local Business Assistance: Evaluating ROI

Costs of Incentives

- Forego revenue for other growth (other businesses, infrastructure, education, etc)
- Increase in public services (schools, infrastructure)
- If gap not closed between benefits re-cooped and expense of incentive, increased taxes (usually to residents) or inability to balance budget may be result



Local Business Assistance: Evaluating ROI

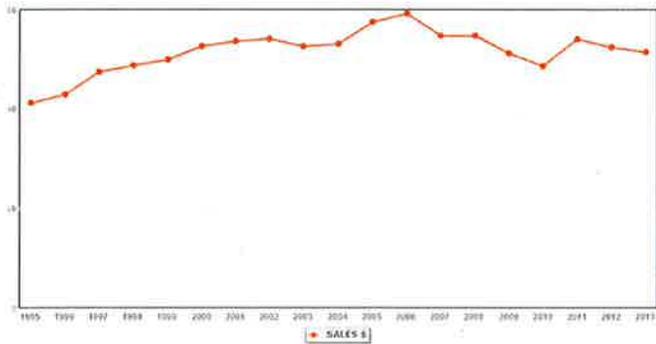
Recommendations

- Increase private sector incentive partnerships, programs
- Develop unique local assets that yield economic rents (i.e. industry cluster, talented workforce, or local amenities)
- Up-front and/or in-kind incentives
- Making discretionary incentives truly selective
- Better benefit-cost analyses
 - Employment benefits
 - New jobs to local residents
 - Wage effects vs. existing wages
 - Fiscal effects incl. taxes and public services
 - Capacity of infrastructure to accommodate extra job growth

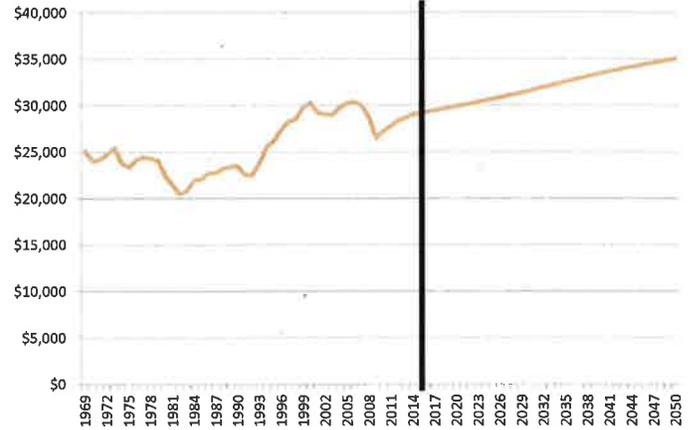


Examining Growth

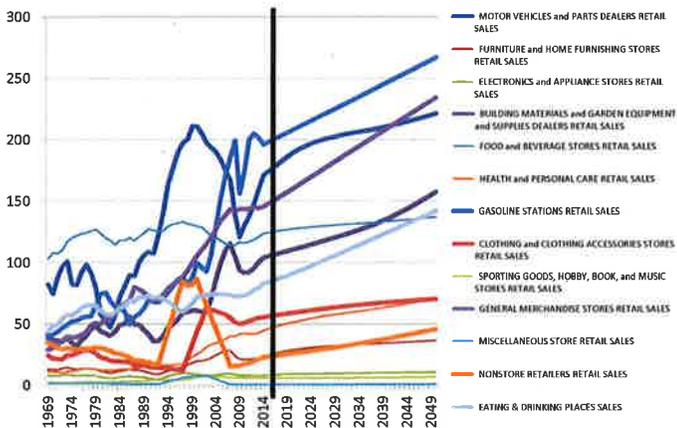
All Sales – 17th in Wisconsin



Total Retail Sales per Household (2009 dollars)



Retail Sales Projections

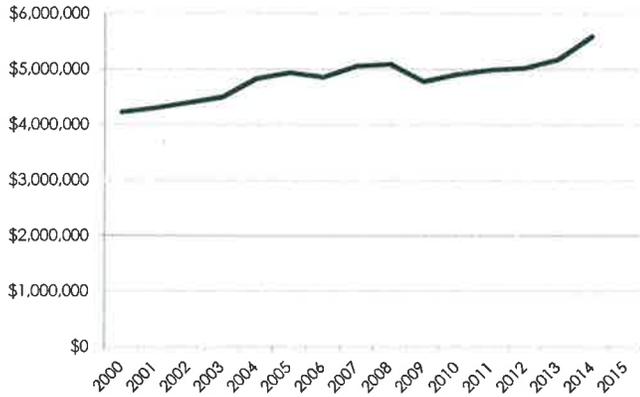


Retail Opportunity Gap – Largest Sectors

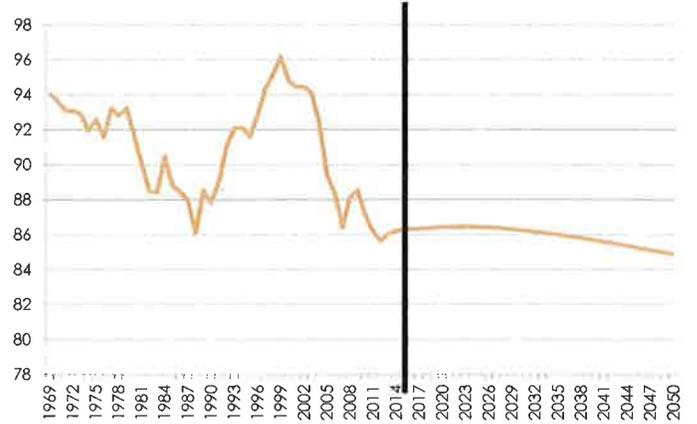
- Motor vehicle & Parts Dealers | \$200M
- Furniture & Home Furnishings | \$20.5M
- Electronics & Appliance Stores | \$24.4M
- Pharmacies & Drug Stores | \$61.3M
- Building Material, Garden Equipment Stores | \$92M
- Full-Service Restaurants | \$36.5M
- Limited Service Restaurants | \$31.4M
- Grocery Stores | \$57M
- Department Stores | \$40M



Sales Tax Revenue



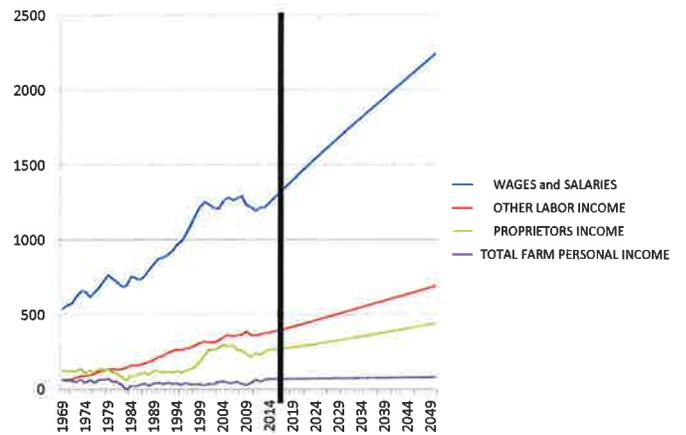
Woods & Poole Economics Wealth Index (U.S. = 100)



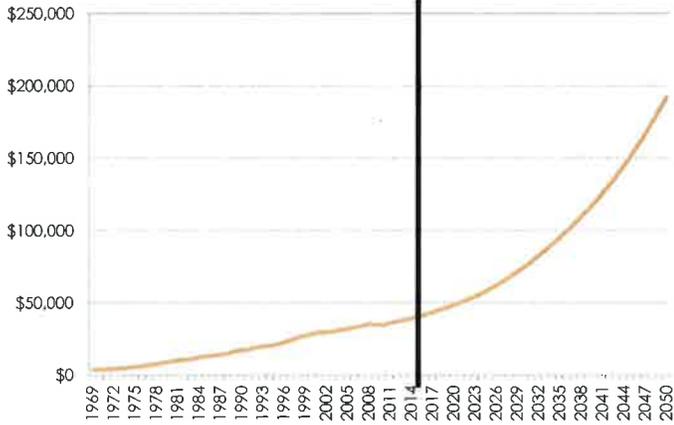
Income



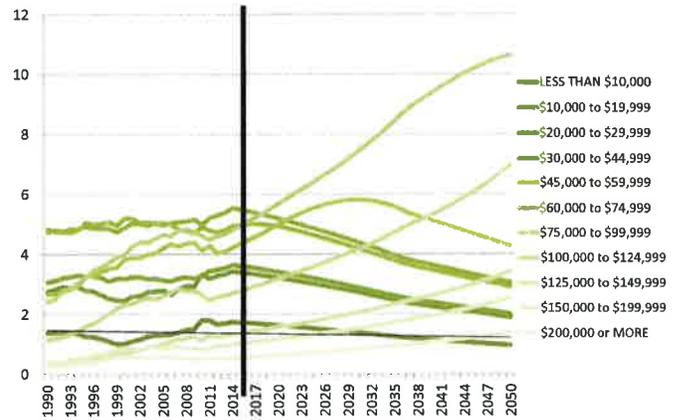
Select Earnings in Millions of 2009 Dollars



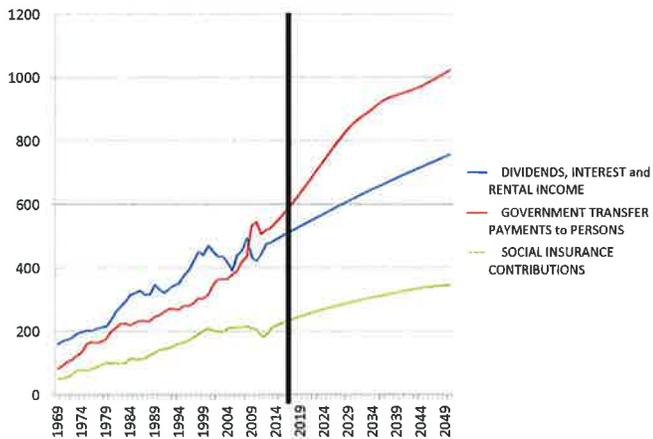
Total Personal Income Per Capital
(in current dollars)



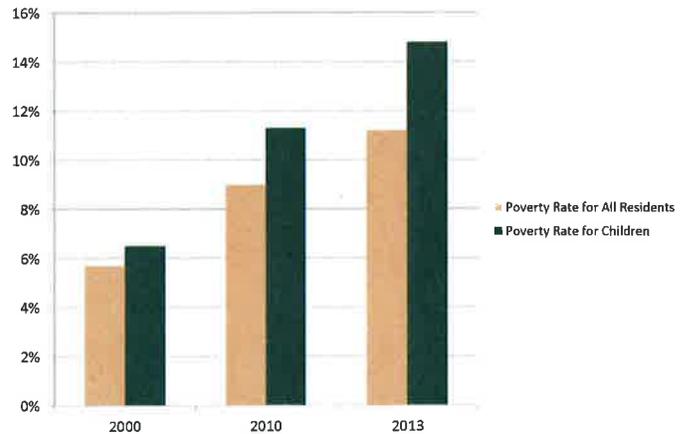
Number of households with Income
(in thousands of households, income bracket in 2009 dollars)



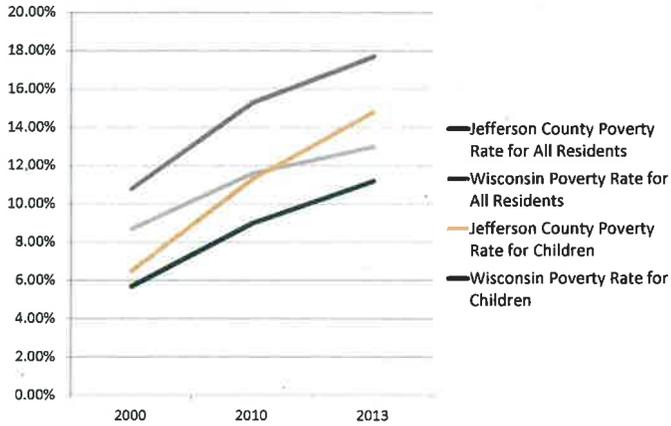
Select Earnings in Millions of 2009 Dollars



Poverty Rates



Poverty Rates



Examining Living Wages

Hourly Wages	1 Adult	1 Adult 1 Child	1 Adult 2 Children	1 Adult 3 Children	2 Adults (One Working)	2 Adults (One Working) 1 Child	2 Adults (One Working) 2 Children	2 Adults (One Working) 3 Children	2 Adults	2 Adults 1 Child	2 Adults 2 Children	2 Adults 3 Children
Living Wage	\$9.97	\$22.63	\$29.13	\$36.12	\$16.63	\$20.16	\$22.76	\$25.26	\$8.32	\$12.42	\$15.92	\$19.38
Poverty Wage	\$5.00	\$7.00	\$9.00	\$11.00	\$7.00	\$9.00	\$11.00	\$13.00	\$3.00	\$4.00	\$5.00	\$8.00
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Examining Living Wages

Annual Expenses	1 Adult	1 Adult 1 Child	1 Adult 2 Children	1 Adult 3 Children	2 Adults (One Working)	2 Adults (One Working) 1 Child	2 Adults (One Working) 2 Children	2 Adults (One Working) 3 Children	2 Adults	2 Adults 1 Child	2 Adults 2 Children	2 Adults 3 Children
Food	\$3,087	\$4,553	\$6,049	\$9,078	\$5,659	\$7,047	\$9,095	\$11,068	\$5,659	\$7,047	\$9,095	\$11,068
Child Care	\$0	\$0,264	\$16,108	\$23,932	\$0	\$0	\$0	\$0	\$8,284	\$16,108	\$23,932	\$23,932
Medical	\$2,231	\$0,727	\$5,516	\$5,500	\$4,542	\$5,516	\$5,580	\$5,547	\$4,542	\$5,516	\$5,580	\$5,547
Housing	\$5,664	\$9,528	\$9,528	\$12,852	\$7,260	\$9,528	\$9,528	\$12,852	\$7,260	\$9,528	\$9,528	\$12,852
Transportation	\$4,569	\$9,320	\$9,589	\$11,236	\$8,320	\$9,589	\$11,236	\$10,735	\$8,320	\$9,589	\$11,236	\$10,735
Other	\$2,127	\$3,899	\$4,048	\$4,891	\$3,699	\$4,048	\$4,891	\$4,589	\$3,699	\$4,048	\$4,891	\$4,589
Required Annual Income After Taxes	\$17,678	\$40,111	\$51,635	\$67,569	\$29,480	\$35,726	\$40,330	\$44,771	\$29,480	\$44,010	\$56,438	\$66,703
Annual Taxes	\$3,059	\$6,953	\$8,064	\$11,720	\$5,116	\$6,202	\$7,001	\$7,772	\$5,116	\$7,640	\$9,798	\$11,927
Required Annual Income Before Taxes	\$20,747	\$47,074	\$60,000	\$79,289	\$34,596	\$41,928	\$47,331	\$52,544	\$34,596	\$51,650	\$66,236	\$78,630

Examining Living Wages

Occupational Area	Typical Annual Salary
Management	\$87,450
Business & Financial Operations	\$56,640
Computer & Mathematical	\$67,320
Architecture & Engineering	\$64,660
Life, Physical, & Social Science	\$53,170
Community & Social Service	\$41,100
Legal	\$58,550
Education, Training, & Library	\$44,540
Arts, Design, Entertainment, Sports, & Media	\$39,990
Healthcare Practitioners & Technical	\$60,280
Healthcare Support	\$28,030
Protective Service	\$36,440
Food Preparation & Serving Related	\$18,590
Building & Grounds Cleaning & Maintenance	\$22,970
Personal Care & Service	\$21,560
Sales & Related	\$24,620
Office & Administrative Support	\$32,220
Farming, Fishing, & Forestry	\$28,490
Construction & Extraction	\$46,820
Installation, Maintenance, & Repair	\$42,000
Production	\$33,440
Transportation & Material Moving	\$30,130



Housing



Housing Characteristics (2013)

- Residential Density 2010 | 0.56 HHs/Res. Acre
- Regional Household Intensity | 3,778 HH/mile²
- Percent Single Family Detached Households | 68%
- Built Before 1980 (lead paint) | 62.8%
- Occupied Housing Units | 92.8%
- Homeowner Vacancy Rate | 2.9%
- Median Selected Home Ownership Costs | \$1,502
- Median Housing Value | \$162,200
- Rental Vacancy Rate | 1.6%
- Median Rent | \$790

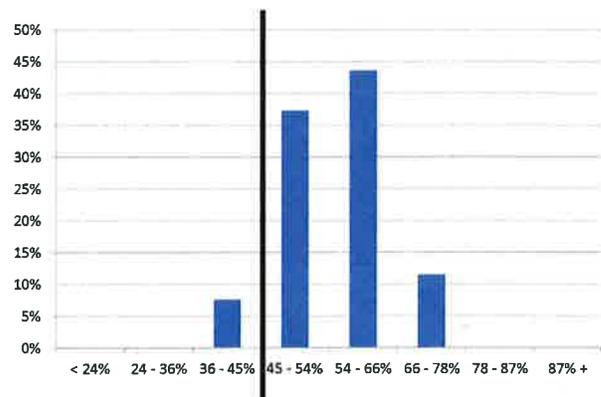


Transportation Characteristics (2013)

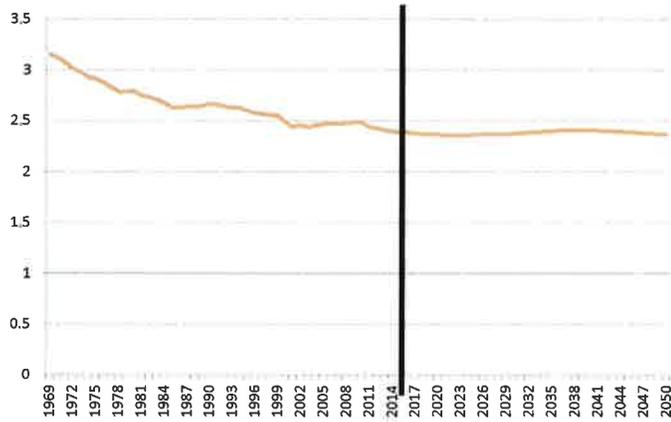
- Mean Travel Time to Work | 22.5 minutes
- 25,814 Average per Household Vehicle Miles Traveled
- 1.96 Autos per Household
- Population with No Vehicles Available | 2.6%
- Transportation Costs % Income: 26%
- Housing Costs % Income: 29%
- H&T Costs % Income: 56%



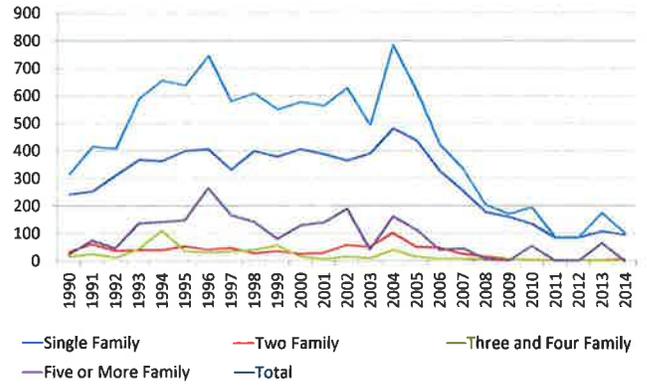
Housing and Transportation Index (2013)



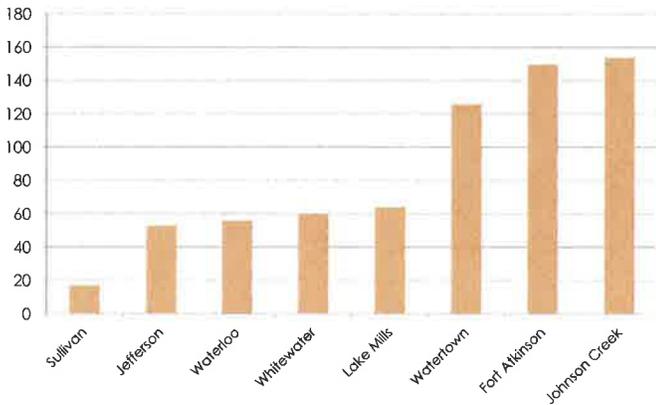
Persons per Household



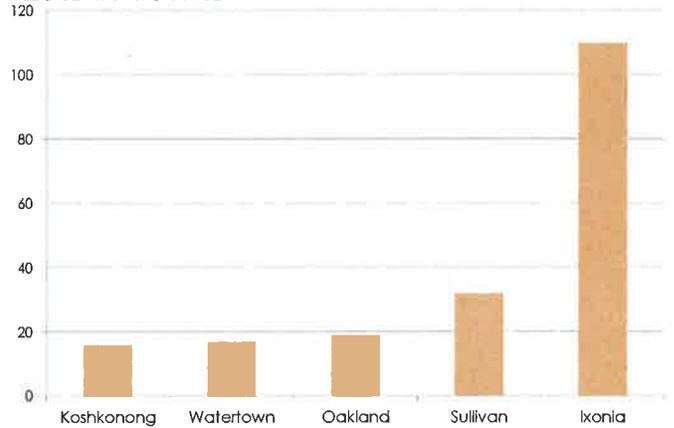
New Privately-Owned Residential Building Permits



Estimated Vacant Residential Lots in Cities and Villages



Estimated Vacant Platted Residential Lots in Towns





Growth Concepts



Economic Stressors

- Quality housing shortage
- Shortage of housing on the rental, and home-owner market
- Aging housing
- Nearing relatively low unemployment rate
- Housing & transportation as portion of income up
- Competition for younger workforce (amenities, turn over)
- Poverty increasing, living wage gap, transfer payments increasing
- Educational attainment decreasing



Economic Stressors

- No differentiation in economic assets
- Changing profile economy
- Shortage of updated commercial and industrial properties
- Property values down (and with it revenue)
- Decline in business starts
- Small businesses struggling
- Incentives limited, TIFs struggling



Common Growth Assumptions

- County policies (or at least branding) directed in support of ag preservation at the expense of industrial and commercial businesses
- County can build itself out of revenue constraints
- Growth is at expense of small-town living and quality of life
- Limiting growth will sustain economy



Common Growth Assumptions

- Short-term growth = long-term economic well-being
- All incentives offered to companies are decisive
- All growth is good
- All new jobs are good for the economy
- Must offer incentives: "but for" clause from companies requesting incentives
- Physical growth – initial costs, ongoing maintenance



Examining Growth Opportunities

Trends Show all Growth not Equal...

- Public incentives given to manufacturing facilities, distribution centers, small office buildings, R&D facilities do not or barely offset costs of residential growth
- Large, white collar office facilities demonstrably offset residential growth
 - Higher wages
 - More expendable income
 - Higher property values
 - More sales tax raised



Examining Growth Opportunities

Trends Show all Growth not Equal...

- Retail for QoL, not economic growth for wages (but helps with sales tax)
- Low-wage jobs subsidized by public services, aid
- Locally-owned companies produce income, jobs, tax receipts and charitable donations over several generations (rarely move)



Study	\$ Circulated Locally: Local vs. Nonlocal Ownership
Austin (2002)	3.5
Maine (2003)	5.0
Chicago (2004)	1.6
Toledo (2004)	4.0
Iowa (2006)	1.6 (Jobs)
San Francisco (2007)	1.4-1.7
Phoenix (2007)	2.9
Grand Rapids (2008)	1.6
New Orleans (2009)	2.0
AVERAGE	2.6

- Every dollar going into a locally-owned business = 2-4x jobs, monies re-spent locally, etc.
- Example: 2/3 McDonald's revenue leaks outside of community

Examining Growth Opportunities

Economic Growth Over Long-Run

- Increase in public services positively correlated with economic growth
 - Transportation services, infrastructure (reduce private-sector costs)
 - Public safety, and education (increase productivity of inputs)



Jefferson County Growth Goals from Ag Preservation Plan

- Coordinate growth and development planning between towns and incorporated municipalities.
- Minimize non-agricultural development on prime agricultural soils.
- Discourage development in areas that possess valuable natural resource characteristics and wildlife habitats.
- Encourage higher-density residential development in areas where public utilities will be available.



Economic Opportunities

- Utilize area partnerships more (incl. higher ed)
- Land available for new housing starts
- Further examine and develop policies, incentives for targeted growth
- Capitalize on location (Madwakee, near CHI, etc)
- Senior housing development, other housing as well
- Capitalizing further on unique assets



Economic Opportunities

- Increase tourism and exports
- Focused industry growth
- Grow ecosystem for small business growth & entrepreneurship
- Targeted branding and marketing
- Land available for in-fill development
- Capture retail markets and sales tax



Moving Parts to Growing the Economy

- **Economy**
 - Decrease Transportation, Housing, Food Costs
 - Decrease Business Expenses
 - Increase Wealth (produce more, spend monies local)
 - Increase Exports
 - Capture more Sales Tax from Retail Sales
- **People**
 - Increase Working-Age Population Employed
 - Increase Jobs, Wages
 - Increase Tourism
- **Land/Property**
 - Continue to Infill Growth
 - Additional Housing
 - Increase Property, Land Values

