

Amendment Number:

Agenda Item Report



Winnebago County

The Wave of the Future

DATE: 1/10/2023

FROM: Mike Collard, Director of Administration

RE: Resolution Establishing Spirit Fund and Transferring Funds

General Description:

This resolution will create a new special revenue fund, to be known as the Spirit Fund, transfer surplus funds from the general fund and Park View Health Center Funds to the Spirit Fund, and rename the ARPA Strategy and Outcomes Commission as the Spirit Fund Commission

Action Requested:

Approval of the attached resolution.

Procedural Steps:

Committee of Jurisdiction: ARPA Strategy and Outcomes Commission

Action taken: Approved

Meeting date: 11/30/2022

Vote: 8-0

County Board

Action taken: _____

Meeting date: 1/17/2023

Vote: _____

Background:

By Resolution 196-082021, the Board accepted the first tranche of \$16,695,459 in State and Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA). The second tranche was accepted through Resolution 109-102022, bringing the total to \$33,390,918. By Resolution 277-022022 the Board created the ARPA Strategy and Outcomes Commission, with a directive that "all ARPA spending and appropriation requests are to be submitted to the ARPA Strategy and Outcomes Commission for its recommendation prior to action by the full County Board."

Regulations promulgated by the U.S. Department of the Treasury provide several categories of expenditures for which this ARPA funding may be used. One of these is to use the funds to replace public sector revenue lost as a result of the pandemic. The Treasury regulations further provide that a county or municipality may elect to treat a minimum of \$10,000,000 as replacement of lost revenue, or may use a formula, provided in the regulations, to determine a greater amount of lost revenue. For Winnebago County, this formula leads to the result that we may treat the entire allotment of \$33,390,918 as replacement of lost revenue.

Once ARPA funds have been identified as replacement of lost revenue, the regulations allow the funds to be spent on almost any general governmental service provided after March 3, 2021, with only a few exceptions.

By Resolution 110-102022, the Board recognized the allotment of \$33,390,318 as replacement of lost public sector revenue for Winnebago County, and also identified expenses in various departments as the general government services paid for through the use of ARPA funds.

This infusion of ARPA money identified as having paid for general governmental services has created increases in our fund balances as of the end of 2022.

Policy Discussion:

Treating the entire ARPA funding as replacement of lost revenue and identifying expenses incurred in providing general government services is sufficient to meet the requirements of the State and Local Fiscal Recovery Funds regulations, and will end our reporting obligation to the U.S. Treasury Department regarding use of ARPA funds. The \$33,390,318 is now essentially just the County's money, currently in our fund balances.

We could simply end here, and the Board could use the excess fund balances created by this money when and how it sees fit. However, the ARPA Strategy and Outcomes Commission believes that in order to provide transparency and accountability regarding the impact of these funds, we should move the \$33,390,918 back out of the fund balances and again into a separate fund, where we can track the eventual uses of these fund balances.

Since these funds are no longer subject to ARPA regulations, our auditors advise that we should avoid using the name "ARPA" to refer to these funds. The name suggested for the separate fund is the "Spirit Fund," which reflects the Commission's desire to use the funds in the spirit of ARPA.

Accordingly, the resolution provides that the \$33,390,918 will be spend for purposes that fall within one or more of these categories:

- (1) Responding to public health and negative economic impacts of the pandemic, including public health, assistance to households, assistance to small businesses, assistance to nonprofits, aid to impacted industries, and restoring or supporting public sector capacity;
- (2) Providing premium pay for essential workers; and
- (3) Making investments in broadband, water, or sewer infrastructure.

These are the categories for which ARPA state and local fiscal recovery funds may be spent, other than as replacement of lost revenue.

Attachments:

U.S. Department of the Treasury, Overview of Final Rule, Replacing Lost Public Sector Revenue.

(b) Town of Winneconne

2. 45 miles per hour from its intersection with County Trunk Highway "G" northerly for a distance of 1.85 miles to its intersection with Clark Point Road.

BE IT FURTHER ORDAINED by the Winnebago County Board of Supervisors that said amendments to the General Code of Winnebago County shall become effective on the date following the date of publication.

Submitted by:
HIGHWAY COMMITTEE

Consent Agenda pulled item Ordinance No. No. 200-032023: Amend Winnebago County General Code Chapter 7.02 "Speed Limit Regulations" to Include the Proposed Modifications. Motion by Supervisor Albrecht, seconded by Supervisor Floam, to adopt. CARRIED BY VOICE VOTE.

Resolution No. 201-032023: Approval of a Budget Transfer in the Amount of \$65,000 for Operational Expenses of the Medical Examiner's Budget

WHEREAS, Operational Expenses for Medical Examiner's office were over budget in 2022 by \$63,830; and
WHEREAS, the overages in the Operational Expenses are due to multiple factors including increased autopsy and toxicology cases and lack of storage capacity leading to increased transportation costs and storage fees; and
WHEREAS, there has been an increase in overdose deaths in 2022 and the trend is continuing; and
WHEREAS, changes in operational procedures for pathology labs have increased costs. It is now routine for pathology labs to receive decedents on the day of autopsy resulting in increased storage costs and transportation costs; and

WHEREAS, operating expenses are an estimate and can fluctuate based on the amount and type of death investigations the Medical Examiner's office handles.

NOW, THEREFORE, BE IT RESOLVED by the Winnebago County Board of Supervisors that it hereby approves a budget transfer in the amount of \$65,000 for Operational Expenses of the Medical Examiner's Budget.

Submitted by:
PERSONNEL & FINANCE COMMITTEE
JUDICIARY & PUBLIC SAFETY COMMITTEE

Consent Agenda pulled item Resolution No. 201-032023: Approval of a Budget Transfer in the Amount of \$65,000 for Operational Expenses of the Medical Examiner's Budget. Motion by Supervisor Cox, seconded by Supervisor Hanson, to adopt. Vote on Resolution: AYES: 32; NAYES: 0; ABSENT: 4 – Borchart, Ellenberger, Buck and Beem. CARRIED.

RESOLUTIONS AND ORDINANCES

AMENDED

RESOLUTION NO. 167-012023: Creating a Special Revenue Fund Titled the Spirit Fund, and Transferring Surplus Funds from the General Fund and Park View Fund to the Spirit Fund

WHEREAS, Winnebago County has received funds totaling \$33,390,918 in State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act of 2021 (ARPA); and

WHEREAS, by Resolution No. 277-022022 the county board created a Winnebago County ARPA Strategy and Outcomes Commission, with the directive that "[a]ll ARPA spending and appropriation requests are to be submitted to the ARPA Strategy and Outcomes Commission for its recommendation prior to action by the full County Board"; and

WHEREAS, upon recommendation of the ARPA Strategy and Outcomes Commission and through Resolution No. 110-102022, the Winnebago County Board recognized State and Local Fiscal Recovery Funds in the amount of \$33,390,918 as replacement of public sector revenue for the County, and further identified expenses incurred and paid in the form of wages between March 4, 2021 and September 30, 2022, in general fund departments and at Park View Health Center, as general government services which had been funded through the use of such replacement of public sector revenue; and

WHEREAS, at the January 17, 2023, county board meeting, the Winnebago County Board referred this resolution, which established a special revenue fund, back to the ARPA Strategy and Outcomes Commission to review the surpluses caused by previous board action and explore any effects of establishing a special revenue fund under the January proposal; and

WHEREAS, the ARPA Strategy and Outcomes Commission, in consultation with the Director of Finance, has reviewed ARPA rules and recommends a similar action as the previous proposals and requests creation of a special revenue account to set aside surplus funds caused by this amended resolution, to be used for purposes specified herein so that the spent dollars can be reported to the county board and public at large and to ensure the funds are spent in the

spirit of ARPA and to improve resiliency in our community as has been permitted by the ARPA law and regulations of the United States Department of the Treasury; and

WHEREAS, this approach has been reviewed by the county's Finance Director, auditor, and outside financial consultant as legal without negative effects to the county;

NOW, THEREFORE, BE IT RESOLVED by the Winnebago County Board of Supervisors that Resolution No. 110-102022 be superseded by this resolution to recognize all Winnebago County State and Local Recovery Funds as revenue replacement through the calculation under the United States Department of the Treasury Final Rule dated April 1, 2022, and the expenditure grant be allocated to wages in general fund departments in the amount of \$24,709,281 and Park View Health Center in the amount of \$8,681,638 as general government services from January 1, 2022, to March 31, 2023.

BE IT FURTHER RESOLVED that the surpluses resulting from this resolution shall be transferred to establish a separate special revenue fund titled the Spirit Fund, consisting of \$24,709,281 from the undesignated general fund and \$8,681,638 from the Park View Health Center fund, in total \$33,390,918, and that it is the intent of the Board that such funds be spent on projects which fall within authorized expenditures of the US Department of the Treasury's ARPA Final Rule, within any of the following categories, and within the framework document created by the ARPA Strategy and Outcomes Commission:

- (1) County Government Projects (25% 50% of funds)
- (2) Government Identified Community Projects (50% of funds)
- ~~(3) Non Governmental Community Projects (25% of fund)~~

BE IT FURTHER RESOLVED that all interest accrued on the ARPA SLFRF funds before the enactment of this resolution shall also be transferred to the Spirit Fund and spent in the same manner as the principal amount.

BE IT FURTHER RESOLVED that the ARPA Strategy and Outcomes Commission will directly recommend all requests for spending and appropriation for uses of the special revenue Spirit Fund to the full County Board for final appropriation and passage.

BE IT FURTHER RESOLVED that the county administration shall develop a dashboard or other reporting mechanism posted to the county website which tracks the spending and allocation of the newly-created fund.

Submitted by:
ARPA STRATEGY AND OUTCOMES COMMISSION

Motion by Supervisor Cox, seconded by Supervisor Hanson to adopt.

Motion by Supervisor Dowling, seconded by Supervisor Hanson, to amend resolution. Remove 25% and replace with 50% on line 46 and strike line 48.

Vote on amendment. AYES: 21; NAYES: 11 – Nichols, Eisen, Wise, Swan, Gordon, Norton, Zellmer, Schellenger, Youngquist, Farrey, and Harrison; ABSTAIN: 0; ABSENT: 4 – Borchart, Ellenberger, Buck and Beem. PASSED.

Vote on Resolution as amended. CARRIED BY VOICE VOTE.

AMENDED

RESOLUTION NO. 168-012023: Authorizing a transfer of \$175,000 from the Spirit Fund to the General Fund for the Purpose of Funding Budgeted Expenses in the County Executive's Office for Assistance with Strategic Planning and Priority-based Budgeting

WHEREAS, by Resolution 143-112022, adopted by the Winnebago County Board of Supervisors on November 15, 2022, the Board transferred \$175,000 from the Undesignated General Fund Balance to the Other Contracted Services account in the County Executive's Office for use in obtaining assistance with strategic planning and priority-based budgeting; and

WHEREAS, in that same resolution the Board recognized that "funds allocated for these purposes from the undesignated general fund may be later replaced by resources made available through designated uses of ARPA funds"; and

WHEREAS, the Board has now created a fund known as the Spirit Fund, using resources made available through use of ARPA funds designated as replacement of lost revenue and used for general government services through Resolution No. 167-012023; and

WHEREAS, the County Executive has signed a contract with Resource X, a sole source provider of the priority-based budgeting tool which has been utilized by several counties and municipalities across the country and state, and is expected to launch the project this spring; and

WHEREAS, the County Executive is pursuing a local facilitator for portions of the strategic plan; and

WHEREAS, the \$175,000 appropriation for strategic planning and priority-based budgeting is an appropriate use of dollars from the Spirit Fund, and the Undesignated General Fund Balance, which was the original source of funding for this appropriation, should be replaced with dollars from the Spirit Fund;

WHEREAS, this project falls within the County Government Projects category identified by the ARPA Strategy and Outcomes Commission in their framework document and would preserve undesignated general fund balance for other uses.

Winebago County Spirit Fund Allocations Planning Document

Prior to County Board approval, projects may be added or take-off by the ARPA Strategy and Outcomes Commission

Last updated: 10/31/2023

County Government Projects

Initial Allocation of 50%		\$ 16,695,000	Amount Approved		\$ 3,350,000.00	Amount Spent		\$ 2,566,986.70
Project Name	Project Description	Planned Allocation	Board Approved Allocation	Amount Spent	Remaining			
Digital Rooms	6006 Audio and visual upgrades to meetings rooms to allow for better virtual meeting	\$ 150,000	\$ 150,000.00	\$ -	\$ 150,000.00			
Facilities	6003 Review the conditions of the over 100 county owned facilities to outline our potential deferred maintenance.	\$ 300,000	\$ 300,000.00	\$ 255,000.50	\$ 44,999.50			
Condition Assessment	6000 Outline roads, goals, and responsibility of County Government. Purchase a priority based budgeting tool which will help us measure outcomes and distinguish	\$ 175,000	\$ 175,000	\$ 105,000	\$ 70,000.00			
Priority Based Budgeting	6001 Replacement of Motorola Radios for numerous county departments	\$ 2,725,000	\$ 2,725,000	\$ 2,206,986	\$ 518,013.80			
Radios	Improved board room technology for streaming and potentially a dedicated space	\$ 800,000	\$ -	\$ -	\$ -			
Board Room	Projects for the parks department to improve trails, parks, and Sunnyview. Two projects may include Boat Launch Pay Stations and improvements to the Waukau	\$ 1,500,000	\$ -	\$ -	\$ -			
Outdoor Recreation	Waukau Dam at \$750,000	\$ 750,000	\$ -	\$ -	\$ -			
Waukau Dam	Projects to improve the airport to avoid debt and property tax implications. Currently, this includes a Rapid Intervention Vehicle at \$600,000.	\$ 1,500,000	\$ -	\$ -	\$ -			
Airport Improvements	Projects identified by the FCA as deferred maintenance.	\$ 3,750,000	\$ -	\$ -	\$ -			
Deferred Maintenance	Installation of clear wall barriers in specific jail cells.	\$ 251,300	\$ -	\$ -	\$ -			
Jail Refit Project	Resources to review efficiencies, fund strategic outcomes, and receive other grant funding sources	\$ 500,000.00	\$ -	\$ -	\$ -			
Innovation Fund	Resources to determine and improve the long-term financial health of our nursing home.	\$ 2,000,000	\$ -	\$ -	\$ -			
Park View Support	Not allocated based on board action in March	\$ 2,293,700	\$ -	\$ -	\$ -			
Unallocated								

Government Identified Projects

Initial Allocation of 50%		\$ 16,695,000	Amount Approved		\$ 7,250,300.00	Amount Spent		\$ 1,328,564.00
Project Name	Project Number	Description	Planned Allocation	Amount Approved	Amount Spent	Amount Remaining		
Land & Water Conservation	6005	Efforts to improve soil and water health in the county	\$ 3,030,300	\$ 3,030,300.00	\$ -	\$ 3,030,300.00		
Expo Center Resiliency	6002	Projects to improve Sunnyview's ability to be used in an emergency response	\$ 925,000	\$ 925,000.00	\$ 23,564.00	\$ 901,436.00		
Veterans Housing		Transitional housing for Veterans	\$ 1,000,000	\$ -	\$ -	\$ -		
Health and Human Services		Projects to support the economic and basic needs of our citizens, especially through community partnerships	\$ 2,500,000	\$ -	\$ -	\$ -		
Economic Development & Housing Initiatives		Allocation to improve and increase housing stock in Winnebago County and to encourage economic development	\$ 5,870,654	\$ -	\$ -	\$ -		
Funding to Local Governments	6004	Funding to ensure a Spirit Fund project in every corner of the county	\$ 3,045,000	\$ 3,045,000.00	\$ 1,305,000.00	\$ 1,740,000.00		
Omro Community Center	TBD	Omro Community Center Shelter	\$ 250,000	\$ 250,000.00	\$ -	\$ 250,000.00		
Unallocated			\$ 74,046	\$ -	\$ -	\$ -		

AMERICAN RESCUE PLAN ACT

General Services - Government Funds	\$ 24,709,281
General Services - Park View Health Center -	\$ 8,681,638
Total ARPA funds SPENT	\$ 33,390,919
ARPA Funds Remaining	\$ -

SPIRIT FUND

Project	Project Description	Approved Amount	Amount Spent	Remaining Amount	Interest
	SPIRIT FUND Beginning Balance	\$ 33,390,919			
6000	Priority Based Budgeting	\$ 175,000	\$ 105,000	\$ 70,000	
6001	Motorola APX Series Radios	\$ 2,725,000	\$ 2,206,986	\$ 518,014	
6002	Expo Emergency Generator Project	\$ 925,000	\$ 23,564	\$ 901,436	
6003	Facilities Condition Assessment	\$ 300,000	\$ 255,000	\$ 45,000	
6004	Municipal Improvement Fund	\$ 3,045,000	\$ 1,305,000	\$ 1,740,000	
6005	LWCD Spirit Projects	\$ 3,030,300	\$ -	\$ 3,030,300	
	Total Approved	\$ 10,200,300	\$ 3,895,551	\$ 6,304,749	
SPIRIT FUND balance not Approved as of 10/31/2023		\$ 23,190,619			\$ 1,574,196