

Chippewa County 2014 Recommended Budget



November 7, 2013

As Presented to the
Chippewa County Executive Committee

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Department of Administration

Frank Pascarella, County Administrator

September 25, 2013

TO: County Board Supervisors
County Department Heads

FR: Frank Pascarella, County Administrator

RE: 2014 Recommended Budget

The development of a budget entails having the discipline and leadership to follow the County's strategic plan, and using the County budget as an opportunity for change and enhancing service delivery to the citizens we serve. It also involves understanding that we must meet these challenges and objectives within the cultural and social character of the County.

Every County Board Supervisor, Department Head, manager and employee knows that we live in an era of dwindling financial resources and FY14 is no different. However, I believe that FY14 is a pivotal year for Chippewa County. The reasons are as follows:

1. There will be an emphasis on developing an organizational culture focused on planning.
2. We will establish core values that are consistent with the implementation of the County's Strategic Plan.
3. We will implement an organizational structure and a service delivery model that is consistent with LEAN management principles.
4. We will focus on county-wide economic development as a means of improving the tax base and quality of life for the citizens of Chippewa County.

During the FY13 budget hearing the County Board directed that we keep the FY14 levy increase to a minimum. Since this is well below our historical average and still maintains our status as the lowest tax levy in this region of the state, I believe my proposal meets that objective as well.

The recommended levy adjustment for FY14 positions the County to address the challenges of FY15 which include:

1. Administration of the Affordable Care Act (ACA).
2. Evaluating and vendor selection in FY15 for the County Health Insurance Plan.
3. Initial Implementation of the County Performance Pay Plan.

This allows for us to plan for future tax levy adjustments that are modest in nature.

NEW POSITIONS

In the FY14 budget I am recommending funding two new positions.

1. **Sheriff's Department Administrative Assistant: \$61,008.59**
The LEAN study was completed as a means to define the amount of time needed and duties required by the clerical staff within the Sheriff's Department. This report shows that the department requires a total of 8,226 hours. Currently we have 4,160 hours available to address these tasks. That being the case, we are currently 4,066 hours short of staff time. That shortfall is now being performed by patrol officers, supervisors or not at all. This is more time consuming, costly, and takes away from the primary responsibility of law enforcement personnel. With our patrol staff at minimum staffing levels, it is imperative that we maximize their time on law enforcement rather than clerical activities. The new position will be available to assist with transcription and customer service. These two operations alone total 4,285 hours. Other clerical responsibilities include the following:

- a. NIBRS (National Crime Information-Based Reporting System) – 408 hours. This is currently being done by one of our investigators.
- b. Digital Pictures – 260 hours. This is currently being done by an investigator.
- c. Tac10/RMS Maintenance – 96 hours. Currently nobody is responsible for this task.
- d. Scanning Documents/Attaching into RMS – 312 hours. This should be a clerical responsibility.
- e. Civil Process – 732 hours. This is currently being done by the financial manager.
- f. Required Monthly Validations – 480 hours. Telecommunications addresses this matter.
- g. Warrants – 873 hours. This is being done by telecommunication and financial manager.

One additional clerical person will not address all of the above issues. However, it will allow for a more organized, efficient, and accountable manner in addressing the administrative services within the Sheriff's Department.

2. **CJCC Coordinator/YSSD Manager: \$115,395**

The CJCC Coordinator position is a priority of the Criminal Justice Collaborating Council (CJCC) as noted in their strategic plan. Due to additional funds from state shared revenue it is not necessary to increase the levy above my recommended 2.4% in order to fund this position.

COST		
CJCC Coordinator (.75)	\$89,861	CJCC Coordinator budget including wages and benefits
DHS-YSSD Manager (.25)	\$25,534	Amount of DHS levy currently used for CJCC Coordinator time
TOTAL	\$115,395	Estimated

The proposal will increase the CJCC Coordinator's hours from 15 to 30 hours per week. The balance of the time (10 hours per week) will be in DHS working as the Youth Support Service Division Manager.

Organizational & Strategic Benefits

- a. Meets the County strategic plan to enhance our internal operations to better address future needs.
- b. Since the formation of the Chippewa County CJCC (June 12, 2012) members have been analyzing the current operations of the system and developed a strategic action plan. One strategic goal is to secure funding for a CJCC Coordinator.
- c. The CJCC position and budget as a whole will be under the supervision of the County Administrator. A breakdown of supervisory responsibility is as follows: The CJCC Coordinator .75 FTE position will report directly to the County Administrator with the remaining portion .25 FTE YSS Division Manager reporting to the Director of Human Services.
- d. Allows the County to begin addressing the deficit and ongoing costs regarding the management of the jail.
- e. Brings workload relief to Michelle Brown, Manager of the Children, Youth, and Families Division for DHS.
- f. One on-call system for children, youth, and families allows us to re-invest the JI on-call funding into increasing the hours of the CJCC Coordinator position.
- g. One on-call system will maintain checks and balances.
- h. One on-call system has no direct impact on the Courts, District Attorney's Office, Juvenile Intake, Register of Probate, Clerk of Courts, or Judicial Assistants.
- i. DHS will begin to receive reimbursement for on-call duties from Medicaid which will lower the need for future levy funding.
- j. Provides equity of pay for Department Heads and Managers.

CJCC Coordinator Primary Responsibilities Will Be:

- a. Develops and coordinates the planning and implementation of Criminal Justice Collaborating Council (CJCC) initiatives and activities under the direction of the CJCC Steering Committee.
- b. Provides leadership and management to assigned social work staff in the Youth Support & Service Division (YSSD) who provide risk assessment and ongoing service support to youth & families referred from juvenile court and juvenile court intake.

TAX LEVY

The tax levy will increase \$397,177 (2.4%). The tax (mill) rate will only increase by .8% as equalized valuation for the County went up 1.6%. The tax levy increase is necessary for the following reasons:

1. **Funding of 1.5 Full-Time Equivalent Clerical Personnel for the Sheriff Department: \$105,000**

The County Board approved adding 1 FTE Administrative Assistant position. The LEAN study justified the position. Funding was also added to increase a current .5 position to full time on 07/22/13. This was also done to assist the Sheriff with addressing the clerical needs of the department and consistent with the LEAN study.

2. **Health Insurance Premium Increase of 2%: \$80,000**

Although the total premium increase is 4.7% the actual impact to the general operation of the County is 2%. This reason is that some of the departments fund the health insurance cost with state and federal dollars and employees also pick up a share of the increase in cost. It was determined that there would be no change in the health insurance plan for FY14. The reasons for keeping the current plan in place are based on:

- a. FY14 Implementation of the ACA.
- b. Our contract with Security Health Plan is for two years.
- c. Employees have been through significant changes over the past two years and maintaining the current health insurance benefit schedule is a value to them, as well as to the administration of the plan.
- d. Allows us time to properly review, evaluate, implement and involve the employees regarding the FY15 health insurance benefit plan.

3. **Facilities Improvements Account: \$67,240**

We want to begin rebuilding the Facilities Improvements Account. This fund transfer will bring the balance to \$235,000. We do not want to allow the fund to be depleted because that would require us in the future to substantially reduce our fund balance in order to maintain funding this account.

Through better planning and organizational communication we should be able to minimize the use of this emergency account. The use of these funds are not specifically defined, therefore our current policy prohibits the use of sales tax funds to replenish this account. Secondly, we have developed, prioritized, and implemented a road improvement plan that relies on sales tax as one of the primary funding sources.

4. **First Year Baseline Increase to Fund Transportation Plan: \$50,000**

This is also consistent with the Transportation Plan that was presented to the County Board. Our objective is to increase this account by \$50,000 each year. The reason is that in the future (5-10 yrs) the County will be able to fund a portion of their road improvements through the annual operating budget vs. through borrowing.

5. **Wage and Salary Expenses: \$7,000**

With the implementation of the Compensation Plan the \$7,000 covers the FY14 funds needed to cover the employee salary adjustments. Again, because the compensation plan was structured in a pragmatic and planned manner we provided the County Board and the citizens of Chippewa County with a compensation plan that is fiscally responsible while maintaining market competitiveness.

6. **Reduced Interest on Investments: \$50,000**

While interest rates have started to increase in 2013, the anticipated revenue the County will generate from its portfolio is again projected to decrease, as the average interest rate on the bond portfolio continues to decline. The County budgeted for \$150,000 in 2013 (\$100,000 less than 2012), but the actual revenue may be under \$100,000. Since this revenue decreases the amount of tax levy needed, the \$50,000 drop in estimate revenue for 2014 will require a tax levy increase to make up the difference.

With the addition of an investment manager, our investment team hopes to improve our interest earnings by restructuring our investment portfolio and implementing a sound cash flow management program. The investment team consists of the County Treasurer, Finance Director and County Administrator. We believe that we can make substantial progress in cash management and interest earnings for FY14. Again, this is another way for Chippewa County to position ourselves for the future.

7. **Contracting the Jail Medical/Nursing Services: \$36,405**
Due to ACA we would have needed to reduce our ¾ inmate nurse to ½ time. This would have posed a significant issue for the jail. To meet this challenge, we contracted with Advanced Correctional Health (ACH). We were able to transition our nursing to this company, maintain the same amount of hours for inmate medical services, and integrate nursing and doctor services with one company and one set of protocols. This now provides the County with a seamless jail medical program.
8. **Worker's Compensation: \$41,000**
There was a requirement to refurbish the account and establish a Worker's Compensation rate consistent with the medical environment of the Chippewa Valley.
9. **Land Records Modernization: \$25,000**
Provided an additional \$25,000 to help offset the cost of aerial photography and the implementation of the geodatabase. Under our current County policy this was not eligible as a capital improvement project.
10. **Position Conversions for Compliance with ACA: \$18,000**
In order to comply with the ACA we had thirteen (13) ¾ time employees that we had to either transition to full time or reduce them to below 30 hours per week. This was necessary to minimize the County's health insurance funding responsibilities. This cost is for transitioning four (4) of the thirteen (13) positions from ¾ status to full time status. The other eleven (11) positions either had their hours reduced to below 30 hours per week or their positions were eliminated.

I am able to present a modest levy increase from \$3.75 in FY13 to \$3.78 for FY14 because of the hard work, professionalism, and planning efforts of the Chippewa County Department Heads. This is of particular value to the County when you consider that in FY13 we addressed health insurance benefits, converted to a PTO plan, implemented a Compensation and Classification Plan, established and funded a Highway Improvement Program, and we will transition to Performance Base Pay in 2015. Most importantly, we are focusing our efforts on being able to adapt to future service delivery models. All of this progress is being implemented consistent with the County's Strategic Plan and LEAN management principles. These philosophies are consistent with the private sector and the citizens we serve can understand and support.

CHALLENGES FOR FY14

1. **Human Resources Division**
It will be extremely difficult to manage and prioritize the demands of both the Human Resources Division and the Risk Management/Centralized Purchasing Division in FY14. We currently have 4,900 hours available in Human Resources to address about 6,000+ hours of operational responsibility. This does not include any special projects that we need to implement (ex. Human Resources software implementation, scanning reports, etc.) When adding these projects to the equation the department is in need of a total of 9,500 hours.

In order to better evaluate how, and what, internal services should be prioritized in HR we will be implementing a LEAN study for both Human Resources and Risk Management. It is my objective to have all benefit administration under the Human Resources Division. However, before this can be implemented there is a need to evaluate our current process and determine internal priorities, as well as alternative service delivery options. However, during the interim I will need to implement an operational policy to better manage a benefit plan that impacts 320+ employees with a fiscal impact to the County of \$6,700,000.
2. **Developing a Performance Pay Plan**
In FY14 we want to implement a Pay for Performance Plan (PFP). This will allow the County to align itself with how the private sector determines employee salary adjustments. This is a new concept for the public sector and will require involvement and support from department managers, employees, and the County Board. I anticipate the PFP policy coming to the County Board no later than the 2nd quarter of FY14 with a projected implementation date of 01-01-15.

3. **Health Insurance and ACA Administration**

FY14 is the implementation of the Affordable Care Act (ACA). This means additional administrative mandated requirements for the County. Some of the requirements have already been implemented and others are sure to follow. All of which will require additional staff time from a number of County departments including DOA, Public Health, and Human Services.

Secondly, our contract with Security Health Plan will expire 12/31/14. Therefore, we will need to evaluate the options associated to health insurance benefits for our employees for FY15 and beyond. The County spends approximately \$6.7 million dollars on the health insurance program so we need to be very focused on how we want to position ourselves from personnel benefit and cost perspectives.

4. **Implementing the CJCC Coordinator Position**

This is an important first step in coordinating, evaluating, and implementing programs that can assist in minimizing costs to the court, law enforcement, and Human Service departments within the County. It will also be a program that will require work with community groups throughout the County in addressing criminal justice matters.

5. **Cost Reduction Efforts within the Sheriff's Department**

There is a need to focus on efficiencies within the Sheriff's Department. The primary area will be within the Chippewa County Jail. It is no longer feasible to depend on boarder rental as a means of controlling the operational costs within the jail. Our focus may require us to be more dependent on technology, adjust our policies, and the use of alternative incarceration methods as a means of cost containment. I anticipate assistance from the CJCC Coordinator, CJCC Council and outside consultants in this matter. The goal will be to have a formal plan in place no later than September of FY14.

6. **Security Plan Implementation**

This program is commencing FY13. However, we do plan on completing our policy and procedure manual, funding security improvements to the Courthouse, appointing an architect to review the security needs of the 2nd floor, and provide the PIT Crew with a recommended plan of action in advance of the FY15 budget schedule.

SUMMARY

The FY14 levy adjustment of 2.4% meets the County Board objective of balancing cost and services. The tax rate increase from \$3.75 to \$3.78 accomplishes the following:

1. Builds the proper clerical administrative infrastructure for the Sheriff's Department.
2. Begins to look at cost effective measures to manage incarceration costs.
3. Implements the Compensation and Classification Plan with minimal impact to the operating budget.
4. Moves the County towards a private sector performance pay and salary adjustment plan.
5. Minimized health insurance costs.
6. Focuses on a new cash flow management and investment policy to maximize interest earnings.
7. Prioritizes planning, evidence based programming, and the LEAN management philosophy as a means of determining what the essential services are and how we provide them to the citizens we serve.
8. Improves the economic development climate and philosophy within Chippewa County.
9. Improves our County transportation system with the proposed three (3) year financing plan.

The budget I am recommending to the County Board for approval was developed with the assistance and cooperation of the County Department Heads and their staff. I would also like to publicly thank Finance Director Dennis Hunt, Senior Accounting Manager Lori Zwiefelhofer, and Human Resources Director Malayna Halvorson Maes, for their time and effort in the assisting me with the FY14 budget.

I will be available to answer any questions you may have on this matter in advance of the November budget hearing.

Sincerely,



Frank R. Pascarella
County Administrator

B. Initial 2014 Budget Instructions/Guidelines

1. FY14 challenges before us:
 - a. Levy Limits; We will need to determine what if any levy increase I can justify to the County Board and the citizens of Chippewa County.
 - b. Annual increases associated with Health Care costs. This includes the costs associated to the implementation and administration of the Affordable Care Act.
 - c. Inability to anticipate and control increases in energy costs.
2. Ensure that budget proposals are in line with those of the Chippewa County Board as identified in the strategic goals and objectives and the priority report.
3. Departments will generally operate within the 2013 budget parameters. The only tax levy increases will be the next increase in salary/wages and fringe benefits for tax levy positions.
4. Cuts affecting individual departments will not be spread across the pool of all departments. Non-mandated programs, as analyzed by the priority review process, should receive a high degree of scrutiny when determining interdepartmental budget reductions.
5. All revenues must be justified. Provide analysis including source of the revenue (fees, fines, service agreements, grants, fund balance applied, etc.) and why the revenue has been increased or decreased. All funds received should be reflected as revenues. All revenue sources will be reviewed.
6. County user fees will be reviewed. Fees will be reviewed to determine if the full cost recovery for services occurs.
7. New positions will be considered for the 2014 budget at the discretion of the County Administrator. The County Administrator will meet with all Department Heads to review the need for additional personnel and evaluate according to identified criteria.
8. New programs or services will not be considered for the 2014 budget without prior approval of the County Administrator. New program requests need to show a full and total funding stream.
9. Reclassification of current positions will not be considered at this time. All positions will be placed in proper classification during the compensation plan.

C. General 2014 Budget Philosophy

1. Evaluate and restructure expenditures to maximize the funding of service operations of the County;
2. Prioritize the treatment of our employees in a fair and responsible manner when considering implementation of the compensation plan;
3. Consider centralizing or consolidating services both within and outside the organization, where applicable;
4. Improve county revenue streams, where applicable;
5. Focus on innovation and fiscal planning from a strategic and long-term perspective;
6. Evaluate the updated 2012 Program Priority Report in the development of the FY14 Budget.

D. 2014 Recommended Budget Highlights

I. Department Budgets with No or Minor Changes – Minor Technical Corrections

✱ Circuit Court	✱ Juvenile Intake
✱ Coroner	✱ Public Health
✱ County Clerk	✱ Register of Deeds
✱ Corporation Counsel	✱ Register in Probate
✱ District Attorney / Crime Victim Witness	✱ UW Extension
✱ Emergency Management	✱ Veterans Service
✱ Finance	✱ Worker's Compensation

II. Department Budgets with Points to be Expounded Upon – Changes Made of Merit/Significance

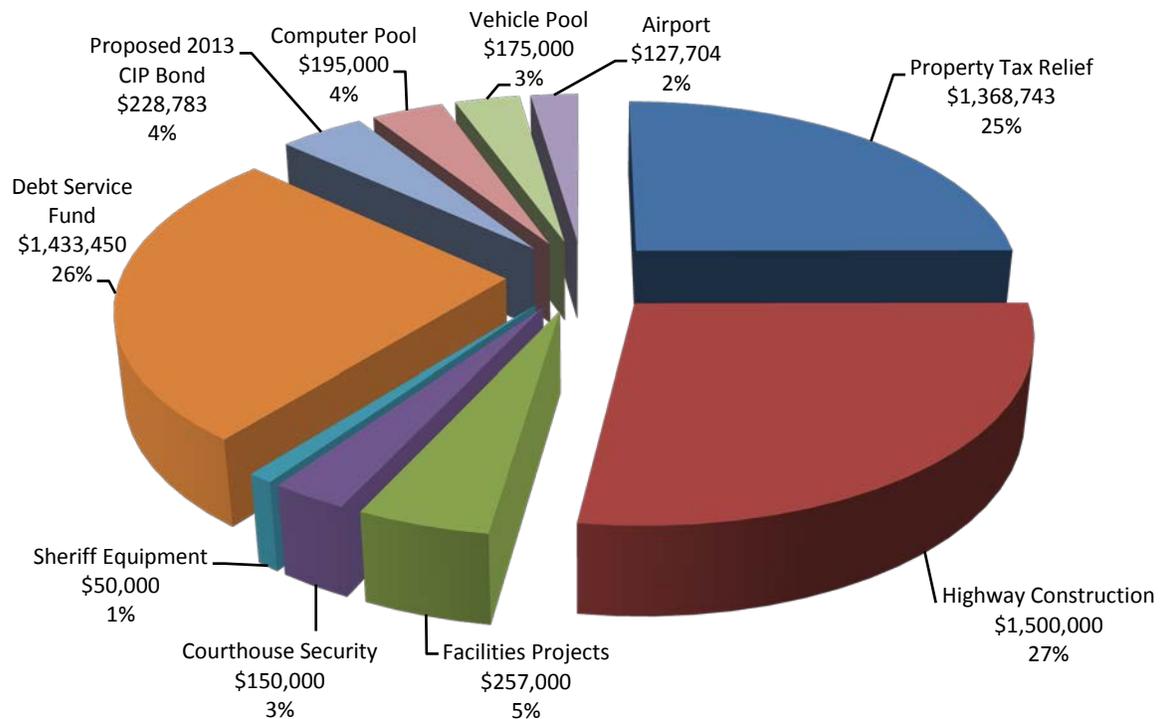
✱ Child Support	State incentive is unavailable so levy increased by \$23,000.
✱ County Administrator	Oversee \$150,000 sales tax investment in Courthouse security implementation and additional LEAN studies to identify areas of potential future efficiencies. Newly created CJCC Coordinator (.75)/Youth Support Service Division Manager (.25).
✱ Highway	First year of increasing road construction funding by \$2,500,000 – includes \$1.5 million in sales tax, \$950,000 in bond funding and \$50,000 in levy.
✱ Human Resources	Implement full HR Springbrook module functionality using \$25,000 residual Springbrook implementation funds.
✱ Facilities & Parks	Added over \$67,000 of levy to Facilities Improvements Account and \$257,000 in sales tax funding for limestone repair project.
✱ Land Conservation & Forest Management	Decreased levy for recycling \$43,000 as program costs decreased and substantial fund balance will cover any difference between fees and expenses. Department is also using \$125,000 from forest fund balance to finance forest road and flowage projects.
✱ Planning & Zoning (including Land Records)	Added \$25,000 for Land Records Modernization to help offset the cost of aerial photography and the implementation of the geodatabase.
✱ Risk Management & Centralized Purchasing	Increased health insurance account \$80,000 to fund 2014 Security Health Plan premiums. Increased Worker's Compensation \$41,000 to stop losses after successive years of shortfalls.
✱ Sheriff	Based on LEAN study, converted half-time FTE to full-time and added 1 FTE clerical position. Purchase \$50,000 mobile command center with sales tax funds. Invested \$60,000 of jail assessment fund balance to repair jail showers.
✱ Treasurer	Decreased anticipated interest revenue by \$50,000 based on historically low rate environment.

III. Sales Tax Projects Approved

Available Sales Tax Dollars 2013	\$5,485,680
Committed Sales Tax Dollars	
1. Property Tax Credit	1,368,743
2. Debt Service Fund	1,662,233
3. Airport Debt Contribution	<u>127,704</u>
Total Committed Sales Tax Dollars	3,158,680
Non-Committed Sales Tax Dollars Available 2013	<u>\$2,327,000</u>
Total Sales Tax Dollars Available 2013	\$5,485,680

Requested Sales Tax Uses – Approved (CIP)	
Courthouse Security Plan Implementation	150,000
Highways & Bridges	1,500,000
1992 Courthouse Limestone Repair	257,000
IT Equipment Replacement & Data Center	195,000
Mobile Command Trailer	50,000
Non-Highway Vehicle Fleet Pool	<u>175,000</u>
TOTAL	\$2,327,000

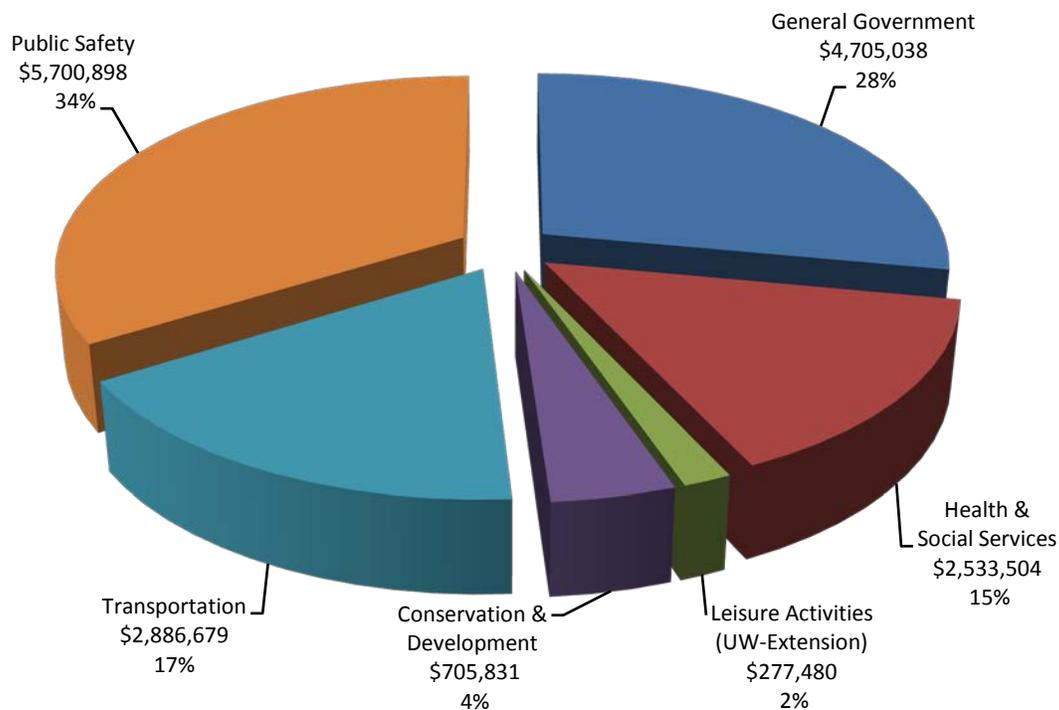
Total 2014 Sales Tax Distribution



E. Chippewa County County Levy Limit Worksheet 2014 Budget

2012 Payable 2013 County Levy	16,412,252
Adjust Out:	
Libraries	(619,831)
Bridge Aid	(147,528)
G O Debt Issued After 7/1/2005	(267,064)
2012 Payable in 2013 Adjusted County Levy	15,377,829
0% Growth Plus Terminated TID <u>0</u> % Applied to 2013 Levy	15,377,829
Net New Construction % of .975% Plus Terminated TID <u>0</u> % Applied to 2011 Levy	<u>15,527,763</u>
Larger of Growth or Net New Construction	15,527,763
Adjust In:	
Libraries	613,867
Bridge Aid	76,450
G O Debt Issued After 7/1/2005	<u>1,662,233</u>
2013 Payable in 2014 Allowable Levy	\$17,880,313
2014 Recommended Levy – County Administrator	\$16,809,429

2013 Levy for 2014 Distribution by Functions



F. 2014 Budget – General Information

I. Equalized Valuation

2008 for 2009	\$4,436,150,700	Increase of \$233,755,500 or 5.6%
2009 for 2010	\$4,431,512,900	Decrease of \$ 4,637,800 or 0.1%
2010 for 2011	\$4,450,774,700	Increase of \$ 19,261,800 or 0.4%
2011 for 2012	\$4,406,283,400	Decrease of \$ 44,491,300 or 1.0%
2012 for 2013	\$4,376,600,400	Decrease of \$ 29,683,000 or 0.7%
2013 for 2014	\$4,448,218,700	Increase of \$ 71,618,300 or 1.6%

II. Tax Rate

2008 for 2009	\$3.26 / \$1,000	Decrease of 2.1%
2009 for 2010	\$3.36 / \$1,000	Increase of 3.1%
2010 for 2011	\$3.45 / \$1,000	Increase of 2.7%
2011 for 2012	\$3.55 / \$1,000	Increase of 2.9%
2012 for 2013		
Before Levy Transfer	\$3.67 / \$1,000	Increase of 3.4%
After Levy Transfer	\$3.75 / \$1,000	Increase of 5.6% Dispatch consolidation
2013 for 2014	\$3.78 / \$1,000	Increase of .8%

NOTE: There is an inverse relationship between equalized value and tax rate. As equalized valuation increases, tax rate decreases by the same proportion and vice versa.

III. Property Tax Levy

2008 for 2009	\$14,449,058	Increase of 3.2%
2009 for 2010	\$14,887,389	Increase of 3.0%
2010 for 2011	\$15,334,010	Increase of 3.5%
2011 for 2012	\$15,650,600	Increase of 2.1%
2012 for 2013		
Before Levy Transfer	\$16,073,184	Increase of 2.7%
After Levy Transfer	\$16,412,252	Increase of 4.9% Dispatch consolidation
2013 for 2014	\$16,809,429	Increase of 2.4%

IV. Allowable and Proposed Property Tax Levy Dollars and Levy Rates

Allowed by State Levy Dollar Limit Worksheet	\$17,880,313 or \$4.02 per \$1,000
Proposed for 2014	\$16,809,429 or \$3.78 per \$1,000

V. General Fund Balance Applied

2014 Budget	\$0
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G. 2014 Budget – Other Outside Agency Funding

Chippewa County Tourism Council	27,270
ITBEC	3,000
Northern WI State Fair	54,000
Chippewa County Economic Development Corporation	175,500
West Central WI Regional Planning	<u>34,053</u>
TOTAL 2014 BUDGETED	\$293,823

NOTE: If Chippewa County decided to NOT FUND the \$34,053 contribution to West Central WI Regional Planning in 2015, we would need to adopt two complimentary resolutions by July 1, 2014.

H.

**Chippewa County
Analysis of Audited General Fund Balances
2002 thru 2012**

	Per 2012 Audited Numbers												
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Recommended Undesignated Minimum	Recommended Undesignated Maximum
Reserved For Total Designated Balances	2,332,566	2,868,848	2,639,145	2,228,987	2,249,314	2,500,645	3,124,749	3,217,606	3,368,262	3,700,976	3,706,176		
Reserved For Delinquent Taxes	1,260,646	1,346,795	1,179,439	1,276,493	1,255,642	1,329,434	1,906,380	2,161,482	2,018,989	1,935,275	1,673,373		
Reserved For Subsequent Year Budget						1,177,000	150,000	0	0				
Reserved for Prepayments	2,603	5,761	10,148	5,165	4,638	9,721	8,532	8,967	2,361	1,084	5,275		
Unreserved, Undesignated	4,058,487	4,081,945	4,253,307	4,844,154	5,195,150	5,007,899	4,728,867	6,734,715	8,648,318	8,671,745	7,409,686	7,129,127	9,410,448
Total General Fund Balance	7,654,302	8,303,349	8,082,039	8,354,799	8,704,744	10,024,699	9,918,528	12,122,770	14,037,930	14,309,080	12,794,510		
% of Undesignated Fund Balance to General Fund Expenditures	19.3%	17.3%	17.0%	19.7%	20.7%	20.0%	17.6%	25.3%	33.3%	30.5%	26.0%	25.0%	33.0%

I. Chippewa County General Fund Balance Unreserved / Undesignated

Recommended Action

I. Recommended Min/Max		
	\$7,129,127	25%
	\$9,410,448	33%
II. 2012		
12/31/2012 – Current Audited Balance	\$7,409,686	26.0%
III. 2013 Allocation		
General Fund Balance Applied During 2013		
Highway Winter Maintenance	- \$500,000	
Health Insurance Fund Residual Balance (Estimated)	\$1,004,000	
IV. Projected 2013 Ending Balance		
General Fund Balance Unreserved/Undesignated	\$7,913,686	27.8%
V. 2014 Budget		
Recommended Use of General Fund Balance Unreserved/Undesignated	\$0 ^{*1}	
VI. Projected 2014 Ending Balance		
General Fund Balance Unreserved/Undesignated	\$7,913,686	27.8%

*1 Any changes from Act 10 litigation could impact the financial stability of the budget.

J. 2014 Budget Summary

1. 2014 Budget

Recommended Total 2014 Budget	\$63,747,166	
Recommended Tax Levy	\$16,809,429	Increase of 2.4%
Recommended Tax Rate	\$3.78 / \$1,000	Increase of .8%

2. Status Quo Budget – Operational Efforts

- No new programs.
- Continuation of existing programs/service levels.

3. Past, Current & Future Bond Rating

- Continuation of this current financial status will allow for a better (lower) interest rate should Chippewa County undertake a borrowing effort in 2015.
 - Current Bond Rating Aa²

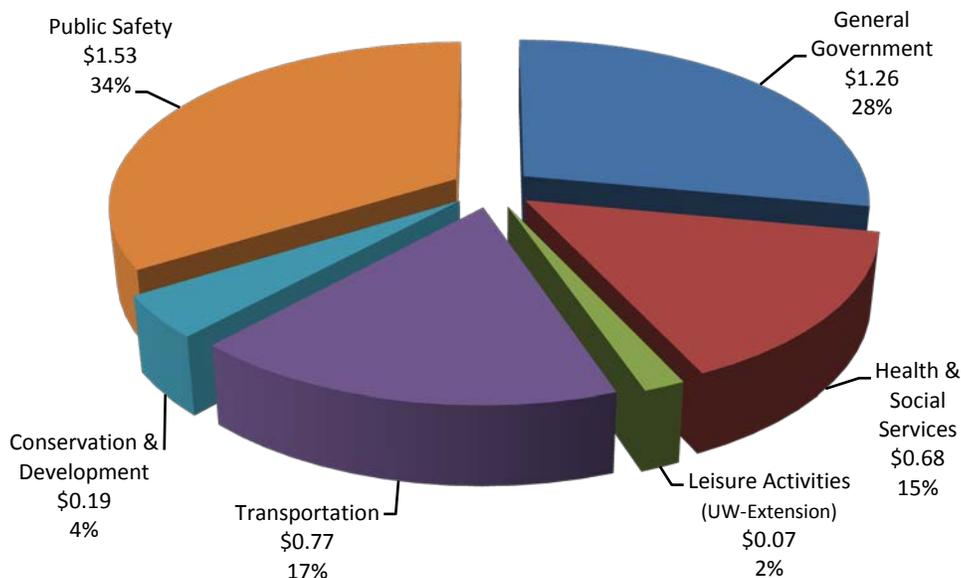
4. The County's Recommended Tax Rate of \$3.78/ 1,000 is low in comparison to other similar Counties.

- Yet the County road infrastructure is the 4th largest in the State and demand for all other service(s) is virtually the same in other Counties. The levy rate increase is lower than 2009-2011.

5. Comparison – County Tax Impact on Homeowners

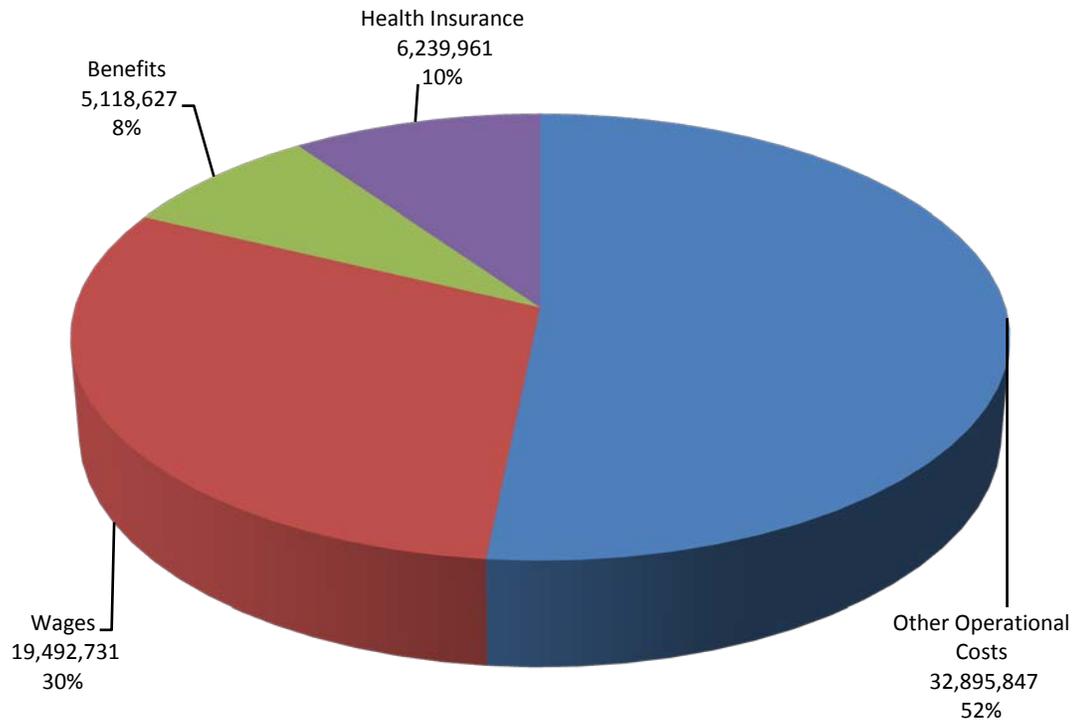
Home Value	2013 Tax Per \$1,000	Proposed 2014 Tax Per \$1,000	Proposed Change Amount
	\$3.75	\$3.78	
\$100,000 Residence	\$375.00	\$378.00	\$3.00
\$150,000 Residence	\$562.50	\$567.00	\$4.50
\$200,000 Residence	\$750.00	\$756.00	\$6.00

**Distribution of Proposed Tax Increase of \$4.50
Based on Levy Allocation for \$150,000 Residence**



K. Conclusion

Total 2014 Budgeted Expenses



Benefits Include: Employer Share of: FICA Taxes, Workers Compensation, Wisconsin Retirement, Life Insurance Benefit and Disability Benefit