

# Chippewa County 2017 Budget

Frank R. Pascarella, County Administrator



November 8, 2016

## County Board of Supervisors

- |                                     |                      |                 |
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**Amended and Adopted by the County Board 11-03-16**

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# Department of Administration

Frank Pascarella, County Administrator

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October 4, 2016

TO: County Board Supervisors  
County Department Heads

FR: Frank Pascarella, County Administrator

RE: 2017 Recommended Budget

Over the past several years it has been my objective to present the County Board with a responsible and sustainable budget that follows both the County Strategic Plan and the culture of the community. I believe the FY17 budget meets that objective. FY17 will also be a year in which the County Board, Department Heads, managers and employees will need to address how we can maintain the service expectations of the citizens in the future. Clearly the state legislature and our citizens do not want to provide additional funding, yet still expect to receive, or have available to them, the same level of services county government provides.

In order to meet this government and citizen mandate the County should consider the following in FY17:

1. Review the Strategic Plan that was adopted in 2011 to see if any revisions are needed.
2. Review and determine the service priorities of the County similar to the 2009 priority review process. Although this evaluation process takes time, it is an essential report that assists with developing and implementing the County budget.
3. Look to either partner with other counties or local governments on service delivery, or outsource services when they are economically and operationally efficient, sustainable, and cost effective.
4. Reduce costs and generate revenue through regional initiatives, similar to what we have done in Human Services with Economic Support and Mental Health Redesign. Utilize the CJCC to reduce costs within the legal and law enforcement community.
5. Continue to communicate and listen to the public regarding service expectations and balancing those with the associated costs. There must be a shared understanding that to meet any new service demands, a sustainable funding source must be identified.
6. Maintain the County's commitment to the Pay for Performance policy.

## **CHALLENGES FOR FY17**

Some of the operational challenges for FY17 include:

1. Although we had no increase in Health insurance for FY17, we will need to review the Health Insurance Benefit program for sustainability in 2018 and beyond.
2. Continuing to address the cost and operational impact of the ACA on the County.
3. Determining what service level County Highway Winter Maintenance will be provided on county highways.
4. Implementing the County Security Program from a policy and capital project perspective.
5. Completing the FY17 Capital Improvement Program (CIP) Program.

6. Managing staff time to continue providing the services and completing the required county projects and state mandated programs.
7. Establishing metrics to evaluate and determine if, or how, to fund increased service demands under the current levy limit environment and how to best redefine or prioritize these current and established services over the next 1-3 years.
8. Collaborate with CJCC to establish a sustainable revenue stream for Drug Court for FY18 and beyond.
9. Continue to promote development in the Lake Wissota Business Park and collaborate with the City to implement a developers agreement between Chippewa County and the City of Chippewa Falls.
10. Addressing substance abuse issues within the County and managing the impact on all County departments.

## **NEW POSITION**

In the FY17 budget I am recommending adding a Full-time Social Worker position in the Department of Human Services Children with Differing Abilities Unit of the Children Youth and Families Division. This position will help reduce the waiting list by providing early intervention services for children with disabilities. The position is funded with state and federal funds.

## **RECOMMENDED BUDGET HIGHLIGHTS**

1. **County Clerk:**
  - Increased library reimbursements by \$26,710. This 2% increase will occur over the next two years.
2. **Corporation Counsel:**
  - Considering changing deductibles on comp/collision for automobile insurance.
3. **Criminal Justice Collaborating Council (CJCC):**
  - Chippewa County was successful in receiving the Treatment and Diversion (TAD) Grant for FY17. We are also eligible for acquiring funding for the CJCC program through a non-competitive review process for FY18-FY21. This will allow Chippewa County time to strategically develop and implement a sustainable funding stream for the long-term success of the CJCC.
  - Increased the levy to maintain a sustainable Drug Court program. Also provided levy dollars to sustain Drug Court Program in Chippewa County.
4. **District Attorney / Crime Victim Witness:**
  - Mandatory electronic e-filing.
5. **Economic Development:**
  - Per Resolution 15-15 the County will appropriate \$225,000 to the CCEDC to manage and oversee, in concert with the Boys Scouts of America, a skills gap initiative for Chippewa County. In FY15 and FY16 we appropriated \$75,000 and recommend appropriating the same amount for FY17.
6. **Facilities & Parks:**
  - ~~Increased operation costs \$17,800 for a solar panel initiative with Excel Energy.~~  
**11/3/16 – Motion by CB to remove \$17,800 for solar panel initiative with Excel Energy.**
  - A Lean Review will be conducted in FY17 to evaluate the tasks within the department to attain operational efficiencies.
7. **Highway:**
  - The Vehicle Registration Fee for Winter Maintenance is on target. Continue with the ongoing review of the Highway Department operations to gain additional efficiencies. A report will be presented to the County Board by June 2017 with a sustainable funding plan.
  - FY17 is year four of a ten year transportation plan to allocate an additional \$50,000 of levy for road improvements.
  - **11/3/16 – Motion by CB to raise the tax levy and allocate \$300,000 for Highway road construction.**

8. **Human Resources:**
  - In accordance with Resolution 136-79 transferred \$500,000 from FY15 year-end close as presented at the May 12, 2016 County Board meeting. Increased Workers Comp premiums from 3% to 3.5% across all departments.
  
9. **Human Services / ADRC (Including Juvenile Intake):**
  - Added a Full-Time Social Worker position in the CWDA Unit of the Children and Families Division.
  - Eau Claire County is no longer able to contract with Chippewa County for an Options Counselor for 25% of the time (522 hours). Due to this change, I provided ADRC with a 975 hour LTE Options Counselor position.
  - Due to Chippewa County not participating in the ADRC Regionalization an additional 975 hour LTE Options Counselor position was added to address the service delivery needs in the ADRC.
  - CPS Screening Regionalization is delayed due to review by the legislature.
  
10. **Information Technology:**
  - The IT Department will lead the implementation of the new Electronic Records Management System for the Sheriff's Department. A significant amount of staff time will be allocated to this project.
  - The IT Department is also implementing a new document imaging system to assist all departments with records management.
  - Consistent with the Security Plan, the IT Division will manage and implement a camera replacement program throughout the government center and jail.
  
11. **LCFM:**
  - The Trout Creek Snowmobile grant project was just awarded for \$53,800. The project is 100% grant funded. This project was not included as part of the FY17 CIP Plan but was included in the budget presented to the LCFM Committee for review.
  
12. **Planning & Zoning:**
  - Fees will be reviewed in FY17 for a potential increase in FY18.
  
13. **Public Health:**
  - The Public Health Director continues to implement the Home Care Study recommendations from the Wipfli study conducted in FY15.
  
14. **Register of Deeds:**
  - Increased revenue for FY17 based on a three-year revenue trend analysis.
  - The Redaction fund used to pay for the Fidar contract will be exhausted at the end of FY17. Partial funding will come from LIO funds managed by the Planning & Zoning Department.
  
15. **Sheriff:**
  - Per Resolution 30-16 purchased Spillman Technologies, Inc. Public Safety Software to replace the current TAC10 records management system.
  - The Telecommunicators will be transitioning to a new modified 12-hour work schedule in order to maintain employee retention and enhance recruitment. We anticipate the 12-hour work schedule being evaluated as a department-wide initiative for FY17 and FY18.
  
16. **UW Extension:**
  - Restructuring taking place in FY17 at the state level.
  
17. **Veterans:**
  - Increased levy for a new (780 hour) LTE Administrative Assistant position.
  
18. **Funding Future Positions:**
  - There is a need for additional staff within a few County departments. Additional review is being conducted. After a thorough analysis, if the determination is made later to recommend a new position it will require approval by the County Board via a resolution.

## TAX LEVY

The tax levy will increase \$306,483 (1.75%) **\$588,683 (3.36%)**. The tax (mill) rate will decrease by ~~1.69%~~ **0.27%** as equalized valuation for the County went up 3.58%. **\*Amended by the CB 11/3/16.**

## SUMMARY

The FY17 budget before the Chippewa County Board:

1. Is consistent with the Chippewa County Strategic Plan,
2. Is sustainable from FY17 to FY18,
3. Provides a levy increase that is consistent with my recommended budgets of the past; and
4. Allows the current Chippewa County Board to address operational needs vs. ignoring them or passing those challenges onto future County Boards.

The FY17 Budget that I am recommending to the County Board for approval was developed with the assistance and cooperation of the County Department Heads and their staff. They deserve a special thank you for understanding the need to provide the necessary services to our citizens while prioritizing and minimizing the cost to the taxpayers. Secondly, I would publicly like to thank the budget team of Finance Director Melissa Roach, Senior Account Manager Lori Zwiefelhofer, and Human Resources Director Toni Hohlfelder, for their time and effort in the development of the FY17 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 2017 Budget Instructions/Guidelines

1. FY17 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 2016 budget parameters. The only tax levy increases will be the net increase in salary/wages and fringe benefits for tax levy positions. Some departments may be required to maintain current levy limits.
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. Current County user fees will be reviewed. Fees will be reviewed to determine if the full cost recovery for services occurs.
7. New positions may be considered for the 2017 budget only if initiated by the County Administrator.
8. New programs or services will not be considered for the 2017 budget without prior approval of the County Administrator. New program requests need to show a full and total funding stream.
9. Pay Grade Evaluations of current positions will not be considered at this time. All positions were placed in the proper classification during the compensation plan. A new market analysis will be underway in 2017 for implementation 1/1/18.

## C. General 2017 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 Pay for Performance 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 Program Priority Report in the development of the FY17 Budget.

## D. 2017 Recommended Budget Highlights

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

* Child Support	* Emergency Management
* Circuit Court	* Finance
* Coroner	* Register in Probate
* County Administrator	* Treasurer
* County Board	*

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

* County Clerk	<p>Refer to pages 2 – 5 of the County Administrator’s budget letter to review the specific changes for these budgets.</p> 
* Corporation Counsel	
* Criminal Justice Collaborating Council (CJCC)	
* District Attorney / Crime Victim Witness	
* Economic Development	
* Facilities & Parks	
* Highway	
* Human Resources	
* Human Services / ADRC (Including Juvenile Intake)	
* Information Technology	
* Land Conservation & Forest Management	
* Planning & Zoning (including Land Records)	
* Public Health	
* Register of Deeds	
* Sheriff	
* UW Extension	
* Veterans Service	

### III. Sales Tax Projects Approved

<b>Available Sales Tax Dollars 2016</b>	<b>\$5,536,772</b>
Committed Sales Tax Dollars	
1. Property Tax Credit	1,410,191
2. Debt Service Fund	1,657,600
3. Airport Debt Contribution	<u>128,981</u>
<b>Total Committed Sales Tax Dollars</b>	<b>3,196,772</b>
<b>Non-Committed Sales Tax Dollars Available 2016</b>	<b><u>\$2,340,000</u></b>
<b>Total Sales Tax Dollars Available 2016</b>	<b>\$5,536,772</b>

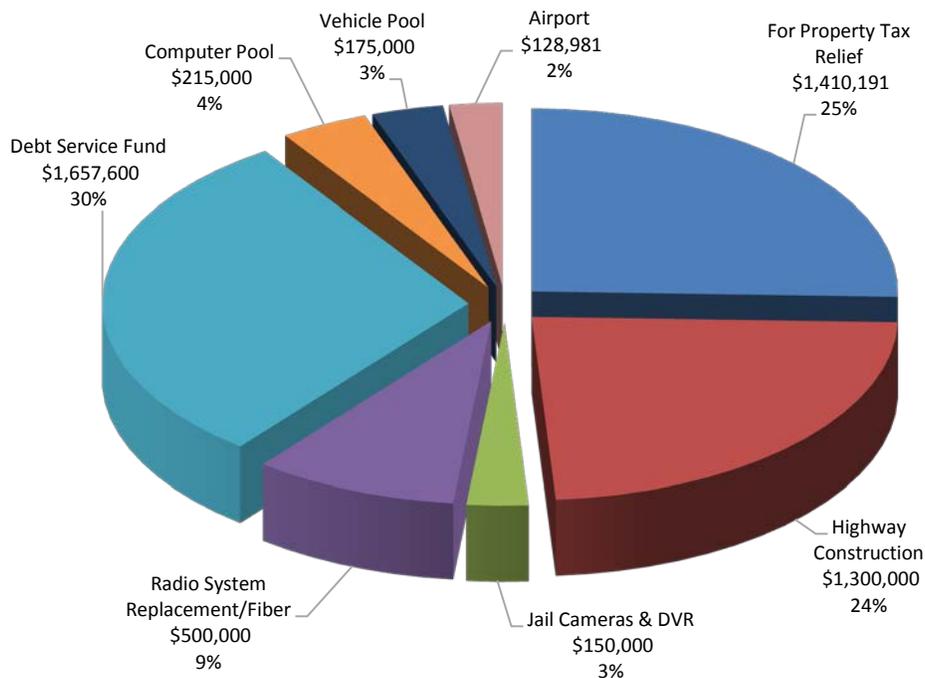
#### Requested Sales Tax Uses – Approved (CIP)

Jail Cameras & DVR (Year 1 of 4) – Resolution 15-16	150,000
IT Equipment Replacement & Data Center – Resolution 16-16	215,000
Non-Highway Vehicle Fleet Pool – Resolution 17-16	175,000
Highways & Bridges – Resolution 18-16	1,300,000
Radio System Replacement/Fiber Installation – Resolution 22-16	<u>500,000</u>
<b>TOTAL</b>	<b><u>\$2,340,000</u></b>

Note: The 2016 projects listed below will be funded as presented in the May 12, 2015 and May 10, 2016 Financial Report to the County Board per CA authority outlined in Res. 45-13 and Res. 58-10. No additional County Board approval is needed at this time.

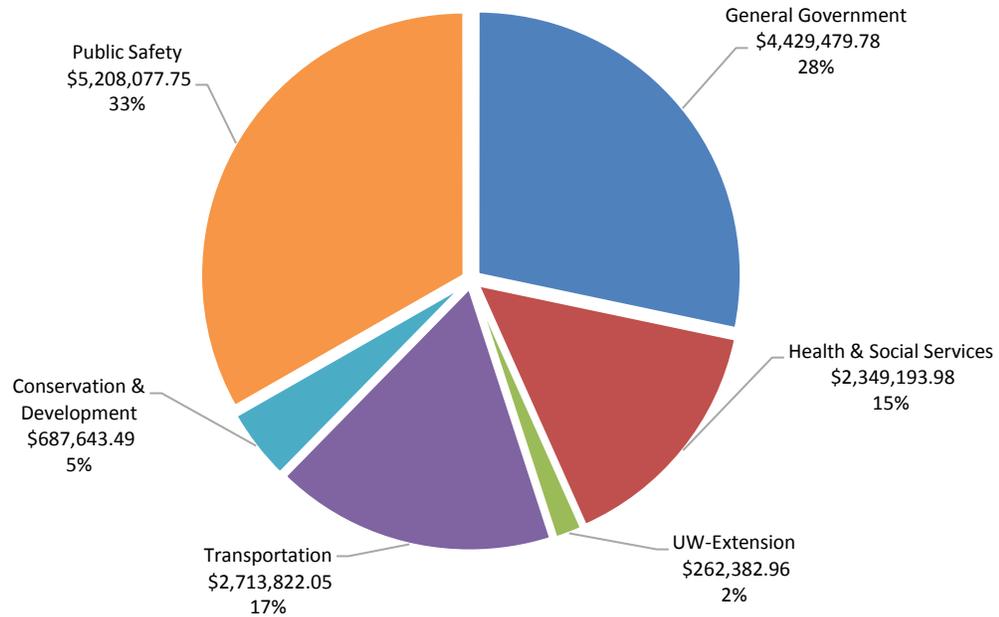
<b>\$1,500,000</b>	<b>Radio System Replacement / Fiber Installation (Year 1 of 3)</b> (\$1,000,000 from FY14 closing & \$500,000 from FY15 closing)
<b>\$300,000</b>	<b>Courthouse Security Plan</b> (from FY14 closing)
<b>\$175,000</b>	<b>Park Master Plan</b> (\$150,000 from FY14 closing & \$25,000 from FY15 closing)
<b>\$350,000</b>	<b>Records Management System/CAD for Sheriff's Dept</b> (from FY15 closing)

### Total for 2017 Sales Tax Distribution

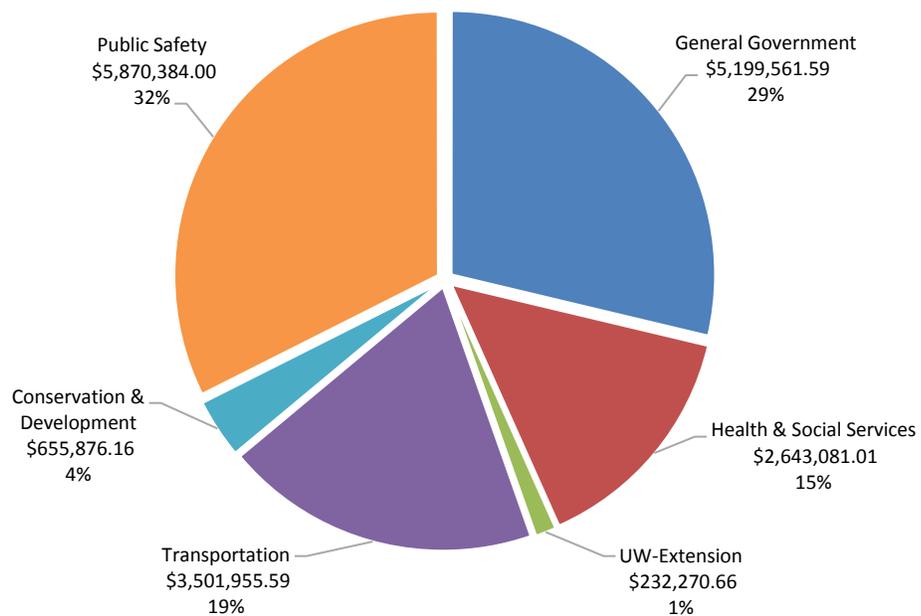


## E. Tax Levy Comparison – 2012 Budget vs. 2017 Budget

### 2012 Budget Tax Levy



### 2017 Budget Tax Levy



## F. 2017 Budget – General Information

### I. Equalized Valuation

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%
2014 for 2015	\$4,567,918,100	Increase of \$119,669,400 or 2.7%
2015 for 2016	\$4,742,695,200	Increase of \$174,777,100 or 3.8%
2016 for 2017	\$4,912,661,000	Increase of \$169,965,800 or 3.58%

### II. Tax Rate

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%
2014 for 2015	\$3.77 / \$1,000	Decrease of .2%
2015 for 2016	\$3.69 / \$1,000	Decrease of 2.02%
2016 for 2017	<del>\$3.63 / \$1,000</del> <b>\$3.68 / \$1,000</b>	<del>Decrease of 1.69%</del> <b>Decrease of .27% * Amended by CB 11/3/16</b>

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

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%
2014 for 2015	\$17,213,225.53	Increase of 2.4%
2015 for 2016	\$17,514,446	Increase of 1.75%
2016 for 2017	<del>\$17,820,929</del> <b>\$18,103,129</b>	<del>Increase of 1.75%</del> <b>Increase of 3.36% * Amended by CB 11/3/16</b>

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

Allowed by State Levy Dollar Limit Worksheet	\$18,831,395 or \$3.83 per \$1,000
Proposed for 2017 *Amended by CB 11/3/16	<del>\$17,820,929 or \$3.63 per \$1,000</del> <b>\$18,103,129 or \$3.68 per \$1,000</b>

### V. General Fund Balance Applied

2017 Budget	\$0
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## 6 Year Average Percentage Change

	2012	2013	2014	2015	2016	2017	Average
Equalized Valuation	-1.00	-0.70	1.60	2.70	3.80	3.58	1.66
Tax Rate	2.90	5.60	0.80	-0.20	-2.02	<del>-1.69</del> <b>-0.27%</b>	<del>.90</del> <b>1.14</b>
Property Tax Levy	2.10	4.90	2.40	2.40	1.75	<del>1.75</del> <b>3.36%</b>	<del>2.55</del> <b>2.82</b>

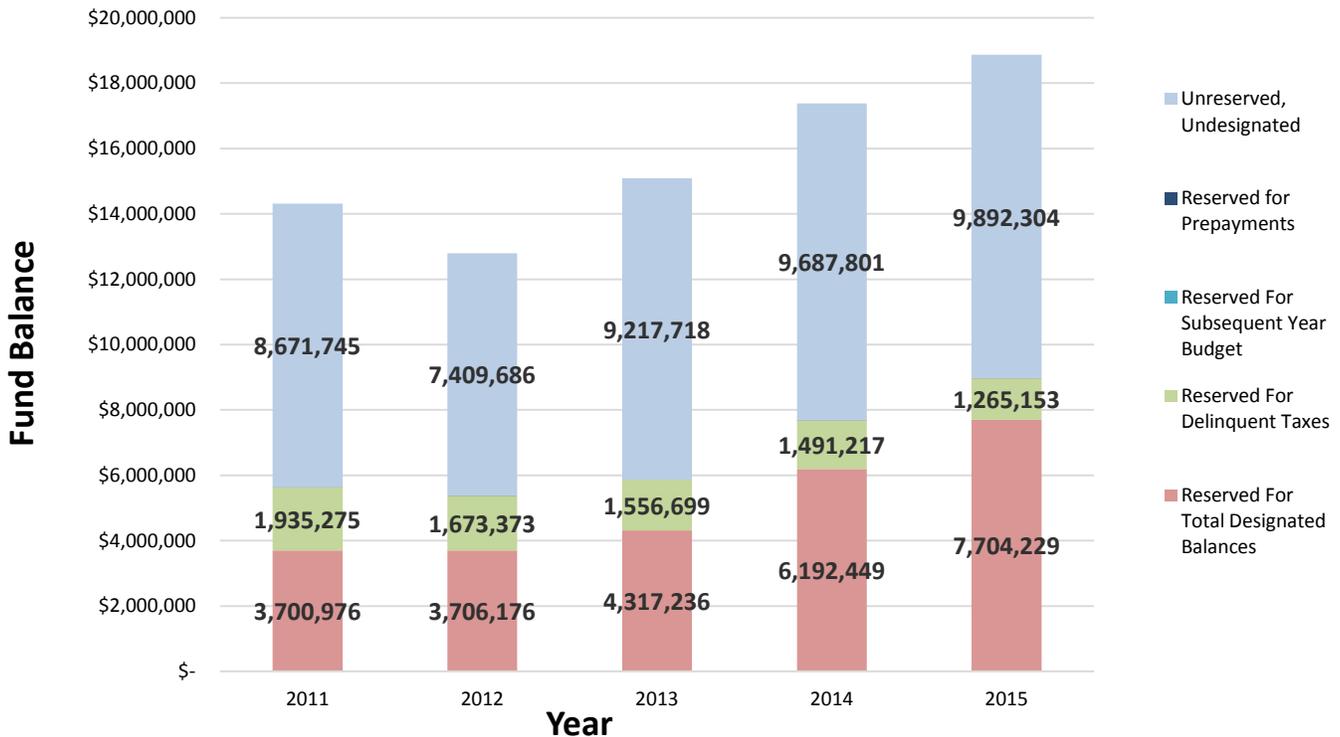
# G. Analysis of Audited General Fund Balances 2011 - 2015



A 5-Year General Fund Analysis occurs for bonding events by the bond rating agency. Chippewa County strives to maintain fund balances over 35% to allow for a better (lower) interest rate.

	2011	2012	2013	2014	2015	Per 2015 Audited Numbers Recommended Undesignated	
						Minimum	Maximum
Reserved for Total Designated Balances	3,700,976	3,706,176	4,317,236	6,192,449	7,704,229		
Reserved for Delinquent Taxes	1,935,275	1,673,373	1,556,699	1,491,217	1,265,153		
Reserved for Subsequent Year Budget	0	0	0	0	0		
Reserved for Prepayments	1,084	5,275	1,977	4,639	6,278		
<b>Unreserved, Undesignated</b>	<b>8,671,745</b>	<b>7,409,686</b>	<b>9,217,718</b>	<b>9,687,801</b>	<b>9,892,304</b>	<b>7,116,435</b>	<b>9,393,694</b>
Total General Fund Balance	14,309,080	12,794,510	15,093,630	17,376,106	18,867,964		
% of Undesignated Fund Balance to General Fund Expenditures per Executive Summary	30.5%	26.0%	31.9%	34.0%	34.8%	25%	33%

**General Fund Balances  
2011 - 2015**

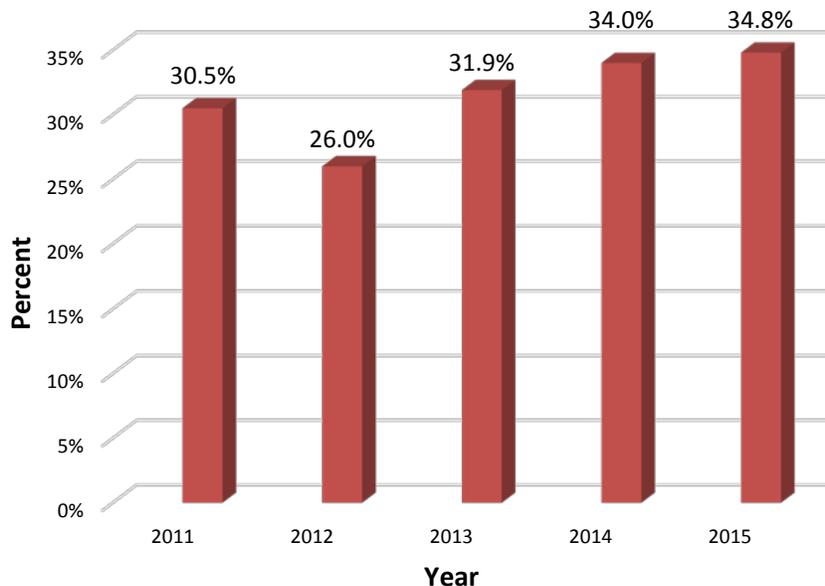


## H. Chippewa County General Fund Balance Unreserved / Undesignated

### Recommended Action

I. Auditor Recommended Min/Max		
	\$7,116,435	25%
	\$9,393,694	33%
II. 2015		
12/31/2015 – Current Audited Balance	\$9,892,304	34.8%
III. 2016 Allocation		
General Fund Balance Applied During 2016	\$0	
IV. Projected 2016 Ending Balance		
General Fund Balance Unreserved/Undesignated	\$9,892,304	34.8%
V. 2017 Budget		
Recommended Use of General Fund Balance Unreserved/Undesignated	\$0	
VI. Projected 2017 Ending Balance		
General Fund Balance Unreserved/Undesignated	\$9,892,304	34.8%

### Percent of Undesignated Fund Balance to General Fund Expenditures (Auditor Recommended 25-33%)



# I. 2017 Budget Summary

## 1. 2017 Budget

Recommended Total 2017 Budget	\$61,633,926	<b>\$61,916,126</b>	* Amended by CB 11/3/16
Recommended Tax Levy	\$17,820,929	<b>\$18,103,129</b>	Increase of <del>1.75%</del> <b>3.36%</b>
Recommended Tax Rate	<del>\$3.63</del>	<b>\$3.68</b> / \$1,000	Decrease of <del>1.69%</del> <b>0.27%</b>

## 2. Past, Current & Future Bond Rating

- Continuation of current financial position with fund balance over 35% will allow for a better (lower) interest rate should Chippewa County undertake a borrowing effort in 2017.
  - Current Bond Rating      Aa<sup>2</sup>

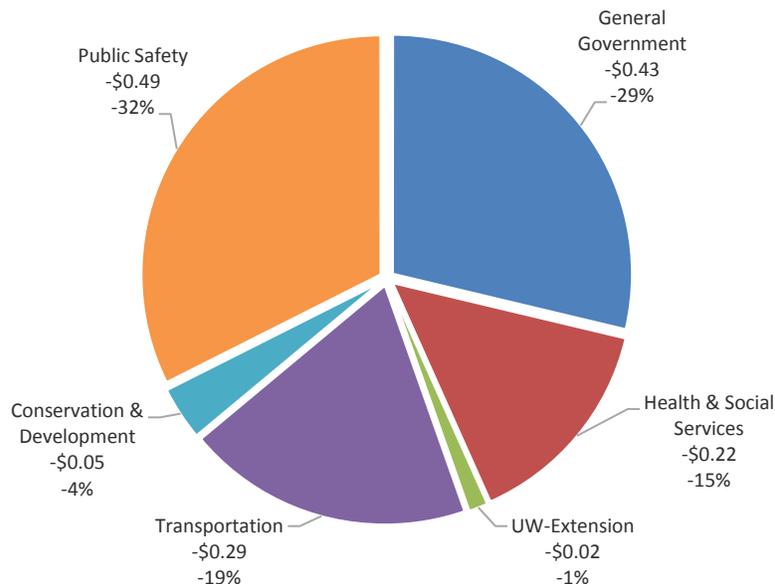
## 3. The County's Recommended Tax Rate of ~~\$3.63~~ **\$3.68** / 1,000 is low in comparison to other similar Counties.

- Yet the County road infrastructure is the 4<sup>th</sup> largest in the State and demand for all other service(s) is virtually the same in other Counties. The levy rate has maintained minimal changes for the last several years.

## 4. Comparison - County Tax Impact on Homeowners

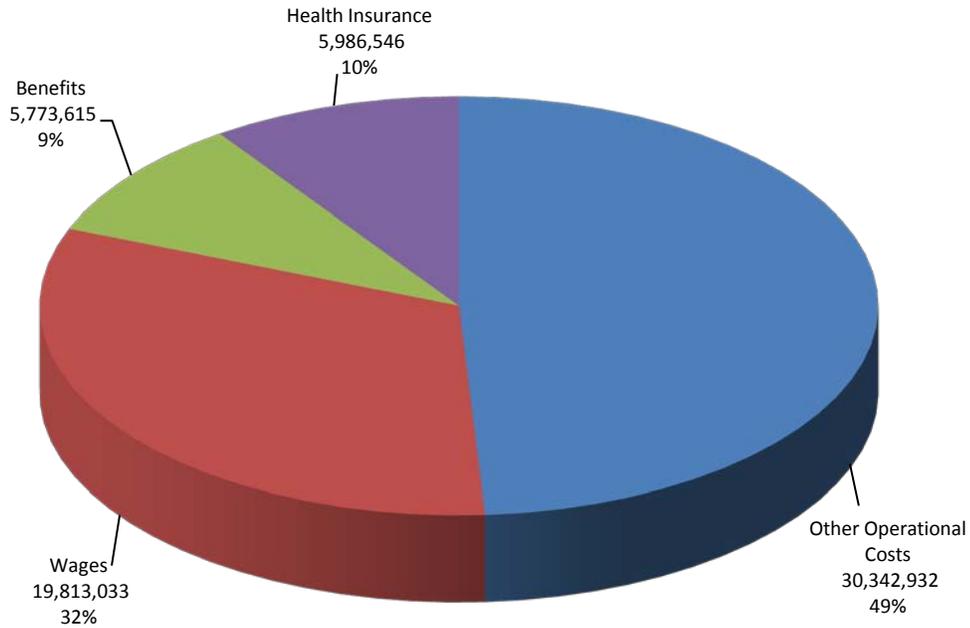
Home Value	2016 Tax Per \$1,000	Proposed 2017 Tax Per \$1,000	Proposed Change Amount
	\$3.69	<del>\$3.63</del> <b>\$3.68</b>	
\$100,000 Residence	\$369.00	<del>\$363.00</del> <b>\$368.00</b>	<del>(\$6.00)</del> <b>(\$1.00)</b>
\$150,000 Residence	\$553.50	<del>\$544.50</del> <b>\$552.00</b>	<del>(\$9.00)</del> <b>(\$1.50)</b>
\$200,000 Residence	\$738.00	<del>\$726.00</del> <b>\$736.00</b>	<del>(\$12.00)</del> <b>(\$2.00)</b>

### Distribution of Proposed Tax Decrease of \$1.50 Based on Levy Allocation for \$150,000 Residence



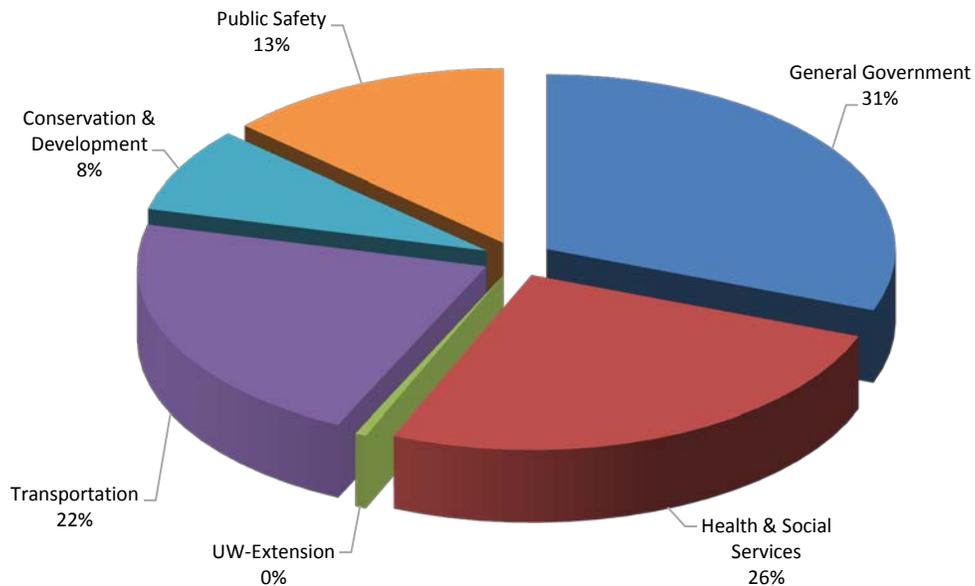
## J. Conclusion

### Total 2017 Budgeted Expenses



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

### Total 2017 Budget By Function \$61,916,126



## K. Chippewa County Strategic Plan

The Strategic Plan was adopted by the County Board on 06-14-11 per Resolution 21-11

**GOAL** Coordinate and collaborate with government entities at all levels to ensure effective and efficient government services.

- Encourage coordination/sharing of services with other government & private sector entities.
- Educate County Board members and other local elected officials about how different units of government operate/function.
- Develop open communication with government at all levels.

**GOAL** Strive to enhance our internal operations to better address future needs.

- Review all departments for efficiencies and opportunities to work together more effectively.
- Enhance citizen involvement in County government-encourage competition for elections and volunteerism.
- Clarify the role and structure of the County Board.

**GOAL** Address the fiscal challenges of Chippewa County Government while providing the right mix and level of public service.

- Promote economic development that contributes to a stable or growing tax base (better utilization of business parks).
- Analyze and prioritize County's spending including additional ways to fund services and privatization of some services.
- Negotiate labor costs and union contracts.

**GOAL** Provide a safe, healthy, and prosperous environment for Chippewa County employees, clientele, and citizens.

- Promote a strong economy (jobs and incomes for Chippewa County residents).
- Maintain and improve public safety/law enforcement.
- Manage and protect the County's natural resources for the future including water, forests, etc.

