

# Chippewa County 2020 Recommended Budget

Randy B. Scholz, County Administrator



November 7, 2019

## County Board of Supervisors

- |                              |                      |                   |
|------------------------------|----------------------|-------------------|
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Adopted by the County Board 11/07/19

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## A. Initial 2020 Budget Instructions/Guidelines

Budget information was distributed to Department Heads/Elected Officials in May with instructions to develop their budgets based on the following criteria:

1. FY20 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.
  - c. Inability to anticipate and control increases in utility and fuel costs.
  - d. Recruitment and retention of employees.
  - e. The continuing Meth epidemic facing Chippewa County.
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 2019 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 at least every three years. Fees will be reviewed to determine if the full cost recovery for services occurs.
7. New positions may be considered for the 2020 budget after review and approval by the County Administrator.
8. New programs or services may be considered for the 2020 budget after review and approval of the County Administrator. New program requests need to show a full representation of funding streams and expenses that include a 3-5 year timeframe.
9. Pay Grade Evaluations of current positions will not be considered at this time. A market analysis review of all positions was conducted in 2019 and implementation on 1/1/20.

## B. General 2020 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 FY20 Budget.



# Department of Administration

Randy Scholz, County Administrator

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October 1, 2019

TO: County Board Supervisors  
County Department Heads

FR: Randy Scholz, County Administrator

RE: 2020 Recommended Budget

This budget 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. I want to thank everyone for working so hard on this budget. The budget process can be very stressful and complicated. Everyone involved in the process has been professional and willing to look at all areas of the budget.

Each budget has its own set of challenges and opportunities. Challenges include sustaining services to the citizens we serve; opportunities include providing those services in a cost effective way to the citizens of Chippewa County. The number one challenge facing Chippewa County is still the current meth epidemic. The meth epidemic is also the number one opportunity for us to provide a high level of service to the community and to encourage all of the Departments within Chippewa County to continue communicating and working together in order to manage these challenges.

The County added several positions in the 2019 budget to address the meth epidemic. The added positions have helped to reduce out of home placements and staff turnover. The County will add several more positions in the 2020 budget in an effort to reduce and hopefully eliminate waiting lists for Children’s Long Term Support and Comprehensive Community Services. The State has mandated that Counties cannot have a wait list in these programs.

## TAX RATE

The CA proposed tax rate for the 2020 Chippewa County budget is \$3.43, which is a reduction from \$3.64 in the 2019 budget. The recommendation is a decrease of -5.80%. Here are the reasons for the recommendation:

- A. The County’s Equalized Value for FY20 increased by 8.42% or \$441,931,000;
- B. Labor agreement negotiations with WPPA are in progress;
- C. Continued to provide fiscal stability for CJCC;
- D. Increased staffing levels for Chippewa County to address the meth epidemic;
- E. Maintained Pay for Performance salary adjustment schedule;

## RECOMMENDED BUDGET HIGHLIGHTS

1. **Impact of the Meth Epidemic**  
Throughout FY19 County Departments have been addressing the daily challenges and impacts of the meth epidemic. This has resulted in recommended increases to staffing levels in DHS.
  - DHS adding four positions
2. **Maintain Pay for Performance Salary Adjustment**  
On August 13, 2019 the County Board approved Resolution 30-19 to provide funding to be used to cover the costs of market analysis and salary schedule adjustments commencing on January 1, 2020 and performance based pay increases commencing on July 1, 2020 to the employees of Chippewa County for FY19. The resolution provides \$225,000 of levy funding to meet this objective.

3. **New Positions**

The table below shows the new positions that the County Board approved on 08/13/2019 for incorporation into the FY19/FY120 budgets. All of the positions listed below are currently included in the County Administrator FY20 Recommended Budget.

<b>Summary of New Positions Recommended by the County Administrator</b>				
<b>Description</b>	<b>Department</b>	<b>Budget Process or Mid-Year</b>	<b>County Board Meeting</b>	<b>Comments</b>
Pretrial Specialist Case Manager (Full-time)	CJCC	FY19 Mid-Year	Res. 31-19 08/13/19	Transitioned a contracted position to a county position. Funded 100% with grants.
Diversion Specialist (Full-time)	CJCC	FY20 Budget	Res. 32-19 08/13/19	Transitioned a contracted position to a county position. Funded mostly with grants. Does require \$5,026 of additional levy.
Social Worker – CLTS (Full-time)	DHS	FY20 Budget	Res. 33-19 08/13/19	Position will help eliminate current waitlist of approximately 21 children. Initially funded with existing DHS funds for first four months and then Medicaid funds thereafter.
Social Worker – CCS (2) (Full-time) – Adult (Full-time) – Child	DHS	FY20 Budget	Res. 34-19 08/13/19	Positions will help eliminate current waitlist of approximately 30 children and 24 adults with mental health issues. Funded by Medicaid via CCS.
Environmental Health Specialist (Full-time)	Public Health	FY20 Budget	Res. 35-19 08/13/19	Funded by existing Public Health levy funds and fees generated from the annual inspections.
Application Analyst	DOA-IT	FY20 Budget	Res. 36-19 08/13/19	Position will provide IT services to the Recovery Wellness Consortium for the AVATAR software. Funded by Medicaid via CCS.

4. **Changes to Health Insurance**

For the past four years, the employees of Chippewa County have not seen an increase in the health insurance rates. This year there will be an increase in the low deductible plan:

- a. For Option #1 Low Deductible the single plan will go from \$11/month to \$70/month. The family plan will go from \$30/month to \$178/month. The reason for the change is to provide all employees with an equal benefit amount for the health benefit they receive from the County. The low deductible plan costs more, so the employees taking this plan will now pay the difference between the high deductible plan and the low deductible plan.
- b. There will also be a new fourth tier added to the plan for specialty drugs. Any prescriptions in that tier will have a 25% copay or the option to see if that drug is available in another tier for a lower cost
- c. In addition there will be a network update as identified below.

**Premier Network**

This network includes providers such as Marshfield Clinic, Mayo Clinic Health System, Prevea Health, Oak Leaf, Sacred Heart Hospital, St. Joseph’s Hospital and more, which is what our current plan is now.

**Explore Network**

This network includes providers outside of the Premier network, in the event an employee needs alternate provider coverage not in the Premier Network or geographic location. At this time, we don’t believe anyone will need to select the Explore Network after reviewing employee addresses, but employees will have this option.

## TAX LEVY

The property tax levy will increase by \$407,618 or 2.13%. The tax (mill) rate will decrease by -5.80% to \$3.43 as equalized valuation for the County has increased 8.42%.

<b>CA Proposed (Tax Levy by Department) 8-26-19</b>				
	<b>2019 Tax Levy</b>	<b>2020 Tax Levy</b>	<b>Tax Levy Incr/(Decr)</b>	<b>Percentage Change</b>
ADRC & Aging	154,335.00	153,453.00	(882.00)	-0.57%
DHS	2,221,348.00	2,222,230.00	882.00	0.04%
CJCC	253,275.00	268,507.00	15,232.00	6.01%
County Admin	317,284.00	327,283.00	9,999.00	3.15%
County Clerk	188,089.00	187,459.00	(630.00)	-0.33%
Corp Counsel	304,356.00	314,367.00	10,011.00	3.29%
Courts	655,102.00	679,602.00	24,500.00	3.74%
Child Support	34,689.00	39,981.00	5,292.00	15.26%
District Attorney	546,695.00	606,829.00	60,134.00	11.00%
Emerg Mgmt	191,443.00	196,754.00	5,311.00	2.77%
UW Extension	299,688.00	300,308.00	620.00	0.21%
Facilities & Parks	1,587,189.00	1,632,249.00	45,060.00	2.84%
Finance	358,882.00	377,855.00	18,973.00	5.29%
Human Resources	397,357.00	413,938.00	16,581.00	4.17%
Highway	4,691,045.00	4,316,914.00	(374,131.00)	-7.98%
Information Tech	759,257.00	765,456.00	6,199.00	0.82%
Land Conservation	168,131.00	168,131.00	-	0.00%
Public Health	769,617.00	793,228.00	23,611.00	3.07%
Probate	166,470.00	172,057.00	5,587.00	3.36%
Register of Deeds	(78,343.00)	(71,297.00)	7,046.00	-8.99%
Sheriff - Admin	842,834.00	880,680.00	37,846.00	4.49%
Sheriff - Invest	606,741.00	622,831.00	16,090.00	2.65%
Sheriff - Jail	2,675,215.00	2,845,576.00	170,361.00	6.37%
Sheriff - Patrol	2,160,382.00	2,210,200.00	49,818.00	2.31%
Sheriff - Telec	1,256,243.00	1,349,866.00	93,623.00	7.45%
Treasurer	(266,553.00)	(330,270.00)	(63,717.00)	23.90%
Veterans	225,448.00	237,830.00	12,382.00	5.49%
Zoning	429,322.00	440,367.00	11,045.00	2.57%
County Board	182,435.00	181,680.00	(755.00)	-0.41%
General County	(4,136,256.00)	(4,155,620.00)	(19,364.00)	0.47%
Facilities (Other)	40,385.00	34,385.00	(6,000.00)	-14.86%
Budget Adjust	180,000.00	260,000.00	80,000.00	44.44%
Insurances	147,400.00	222,400.00	75,000.00	50.88%
Libraries	713,617.00	771,168.00	57,551.00	8.06%
Coroner	91,922.00	106,265.00	14,343.00	15.60%
Housing	1,150.00	1,150.00	-	0.00%
<b>LEVY</b>	<b>19,136,194.00</b>	<b>19,543,812.00</b>	<b>407,618.00</b>	<b>2.13%</b>

## SUMMARY

The FY20 budget before the Chippewa County Board:

1. Is consistent with the Chippewa County Strategic Plan;
2. Is sustainable from FY20 to FY21; and
3. Allows the current Chippewa County Board to address operational needs.

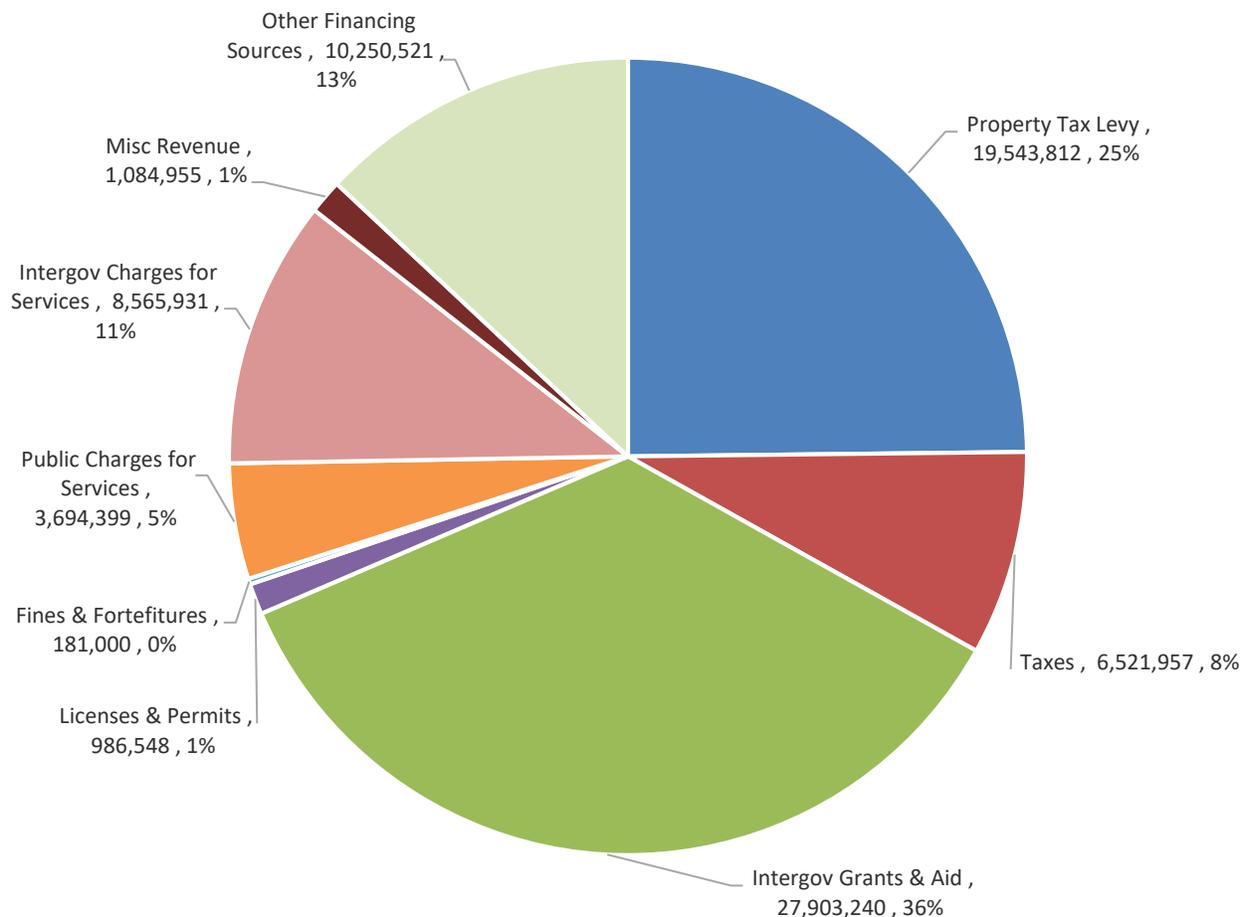
I am always available to answer any questions you may have on the 2020 recommended budget. If you are considering changes to the budget, please contact me prior to the budget hearing to ensure that I have a full understanding of the proposed amendment. This will give me time to gather information, so the full County Board will understand the impact of the change.

Sincerely,



Randy B. Scholz  
County Administrator

## 2020 Revenue Sources



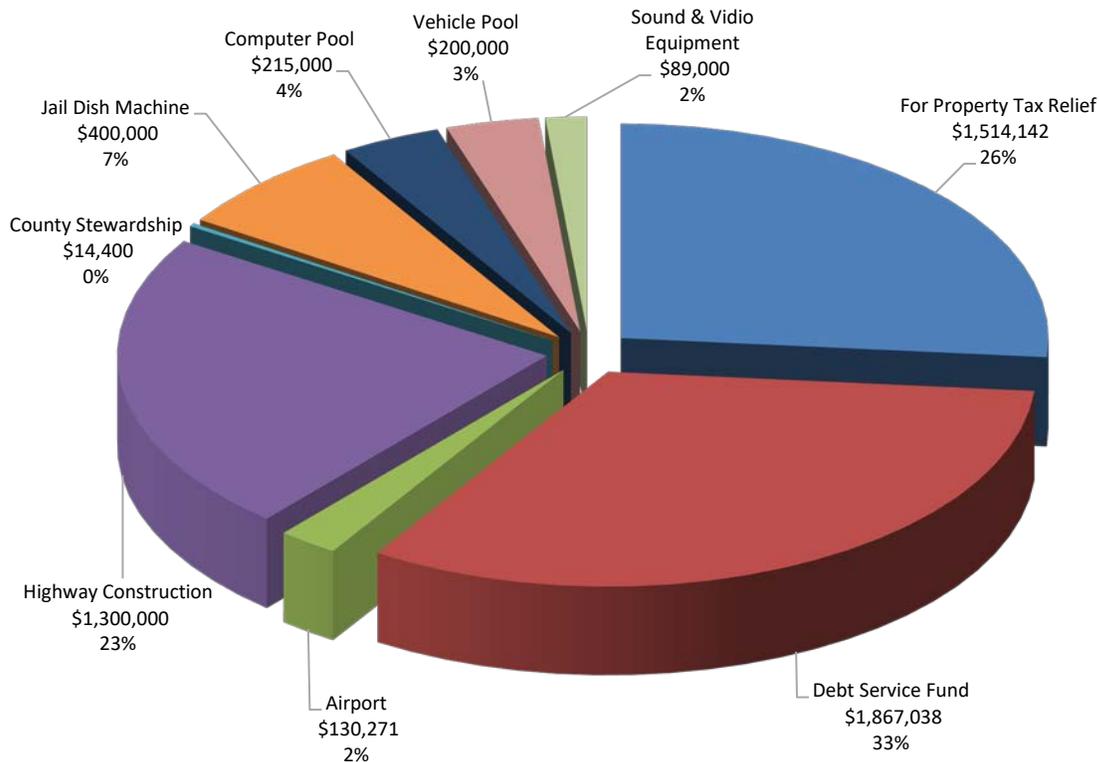
## D. Sales Tax Projects Approved

<b>Available Sales Tax Dollars 2019</b>	<b>\$5,729,851</b>
<b>Committed Sales Tax Dollars</b>	
1. Property Tax Credit	1,514,142
2. Debt Service Fund	1,867,038
3. Airport Debt Contribution	<u>130,271</u>
<b>Total Committed Sales Tax Dollars</b>	<b>3,511,451</b>
<b>Non-Committed Sales Tax Dollars Available 2019</b>	<b><u>\$2,218,400</u></b>
<b>Total Sales Tax Dollars Available 2019</b>	<b>\$5,729,851</b>

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

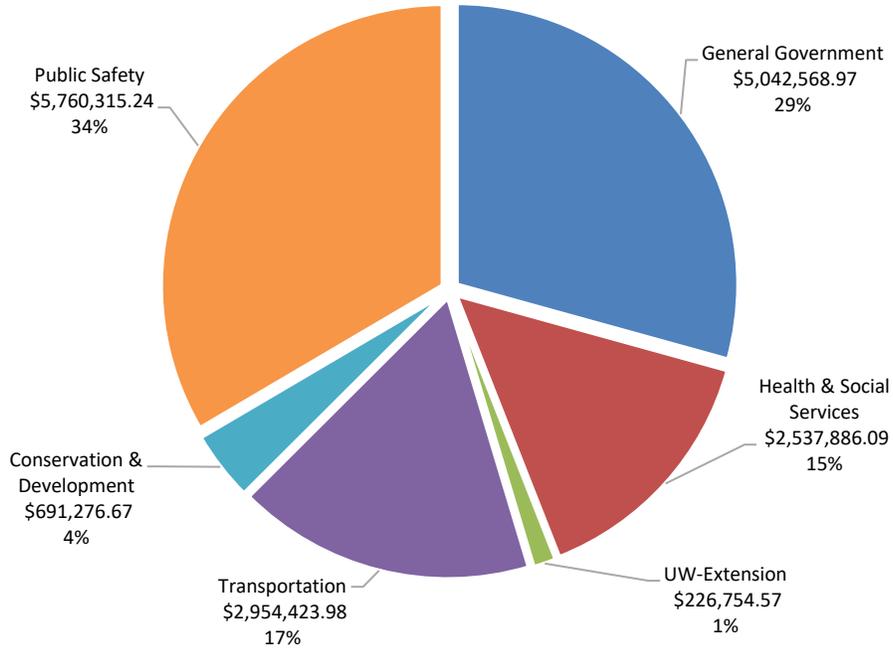
Highways & Bridges – Resolution 22-19	1,300,000
Non-Highway Vehicle Fleet Vehicles – Resolution 22-19	200,000
IT Equipment Replacement & Data Center – Resolution 23-19	215,000
IT Sound and Video Equipment Replacement – Resolution 23-19	89,000
LCFM County Stewardship Fund – Resolution 24-19	14,400
Jail Washer/Dryer Project and Huber Lobby Restructure – Resolution 25-19	<u>400,000</u>
<b>TOTAL</b>	<b>\$2,218,400</b>

### Total for 2020 Sales Tax Distribution

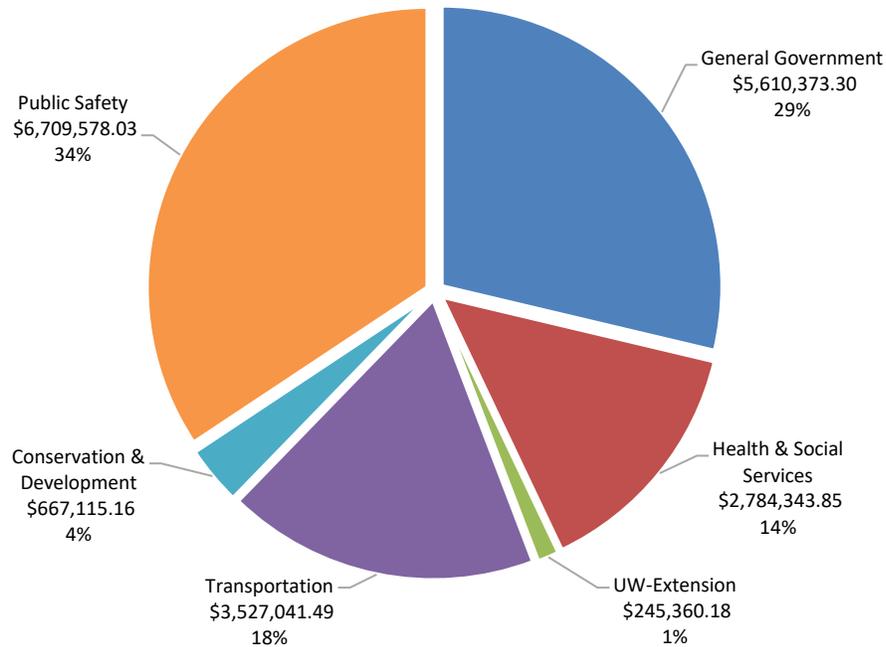


## E. Tax Levy Comparison – 2015 Budget vs. 2020 Budget

### 2015 Budget Tax Levy



### 2020 BUDGET TAX LEVY



## F. 2020 Budget – General Information

### I. Equalized Valuation

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%
2017 for 2018	\$5,078,001,000	Increase of \$165,340,000 or 3.37%
2018 for 2019	\$5,251,453,300	Increase of \$173,452,300 or 3.42%
2019 for 2020	\$5,693,384,000	Increase of \$441,930,700 or 8.42%

### II. Tax Rate

2014 for 2015	\$3.77 / \$1,000	Decrease of .2%
2015 for 2016	\$3.69 / \$1,000	Decrease of 2.02%
2016 for 2017	\$3.68 / \$1,000	Decrease of .27% (Amended by CB 11/3/16)
2017 for 2018	\$3.69 / \$1,000	Increase of 0.2% (Amended by CB 11/2/17)
2018 for 2019	\$3.64 / \$1,000	Decrease of 1.20% (Amended by CB 11/1/18)
2019 for 2020	\$3.43 / \$1,000	Decrease of 5.80%

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

2014 for 2015	\$17,213,225.53	Increase of 2.4%
2015 for 2016	\$17,514,446	Increase of 1.75%
2016 for 2017	\$18,103,129	Increase of 3.36% (Amended by CB 11/3/16)
2017 for 2018	\$18,728,228	Increase of 3.45% (Amended by CB 11/2/17)
2018 for 2019	\$19,136,194	Increase of 2.18% (Amended by CB 11/1/18)
2019 for 2020	\$19,543,812	Increase of 2.13%

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

Allowed by State Levy Dollar Limit Worksheet	\$19,713,473 or \$3.46 per \$1,000
Proposed for 2020	\$19,543,812 or \$3.43 per \$1,000

### V. General Fund Balance Applied

2020 Budget	\$0
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### Net New Construction

2014 for 2015	\$ 174,066	16.10%
2015 for 2016	\$ 235,701	35.41%
2016 for 2017	\$ 284,849	20.85%
2017 for 2018	\$ 254,871	- 10.52%
2018 for 2019	\$ 390,950	53.39%
2019 for 2020	\$ 228,046	- 41.67%

### 6 Year Average Percentage Change

	2015	2016	2017	2018	2019	2020	Average
Equalized Valuation	2.70	3.80	3.58	3.37	3.42	8.42	4.22
Tax Rate	- 0.20	- 2.02	- 0.27	0.20	- 1.20	-5.80	-1.55
Property Tax Levy	2.40	1.75	3.36	3.45	2.18	2.13	2.55

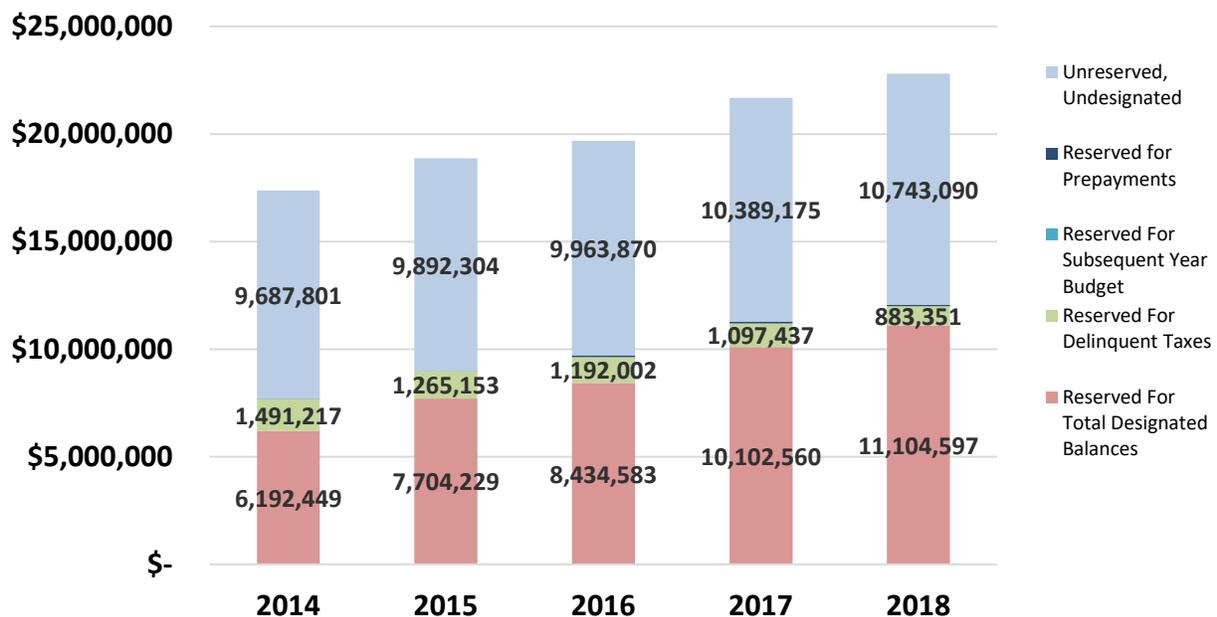
## G. Analysis of Audited General Fund Balances 2014 – 2018



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.

	2014	2015	2016	2017	2018	Per 2018 Audited Numbers Recommended Undesignated	
						Minimum	Maximum
Reserved for Total Designated Balances	6,192,449	7,704,229	8,434,583	10,102,560	11,104,597		
Reserved for Delinquent Taxes	1,491,217	1,265,153	1,192,002	1,097,437	883,351		
Reserved for Subsequent Year Budget	0	0	0	0	0		
Reserved for Prepayments	4,639	6,278	91,534	86,244	74,367		
<b>Unreserved, Undesignated</b>	<b>9,687,801</b>	<b>9,892,304</b>	<b>9,963,870</b>	<b>10,389,175</b>	<b>10,743,090</b>	<b>9,617,403</b>	<b>12,823,204</b>
Total General Fund Balance	17,376,106	18,867,964	19,681,989	21,675,416	22,805,405		
% of Undesignated Fund Balance to General Fund Expenditures per Executive Summary	34.0%	34.8%	32.5%	35.1%	33.5%	30.0%	40.0%

**General Fund Balances  
2014-2018**

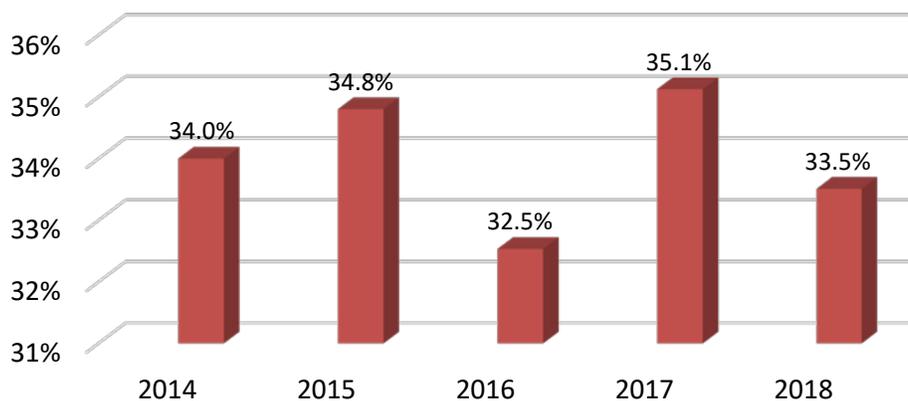


## H. Chippewa County General Fund Balance Unreserved / Undesignated

### Recommended Action

I. Auditor Recommended Min/Max		
	\$9,617,403	30%
	\$12,823,204	40%
II. 2018		
12/31/2018 – Current Audited Balance	\$10,743,090	33.5%
III. 2019 Allocation		
General Fund Balance Applied During 2019	\$0	
IV. Projected 2019 Ending Balance		
General Fund Balance Unreserved/Undesignated	\$10,743,090	33.5%
V. 2020 Budget		
Recommended Use of General Fund Balance Unreserved/Undesignated	\$0	
VI. Projected 2020 Ending Balance		
General Fund Balance Unreserved/Undesignated	\$10,743,090	33.5%

### Percent of Undesignated Fund Balance to General Fund Expenditures (Auditor Recommended 30-40%)



# I. 2020 Budget Summary

## 1. 2020 Budget

Recommended Total 2020 Budget	\$78,732,363.00	
Recommended Tax Levy	\$19,543,812.00	Increase of 2.13%
Recommended Tax Rate	\$3.43 / \$1,000	Decrease of -5.80%

## 2. Past, Current & Future Bond Rating

- ✱ Continuation of current financial position with fund balance between 30% - 40% will allow for a better (lower) interest rate should Chippewa County undertake a borrowing effort in the future.
  - Current Bond Rating      Aa<sup>1</sup>

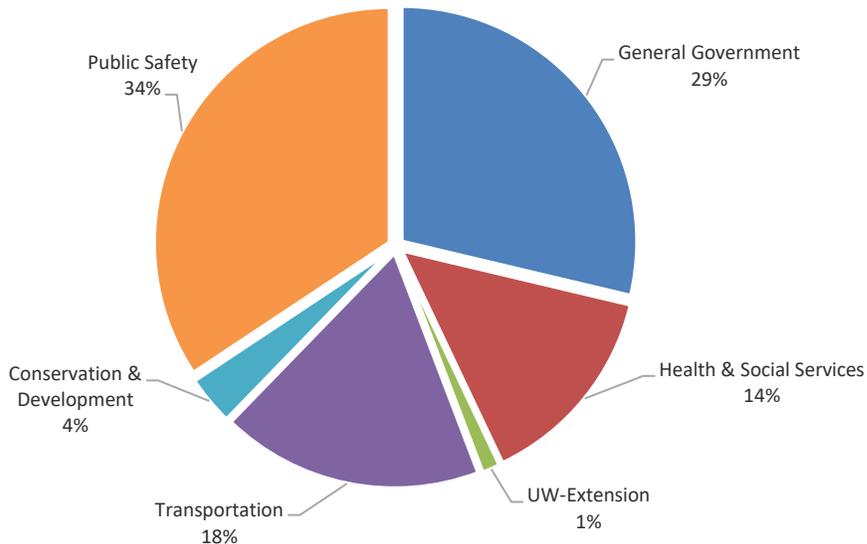
## 3. The County's Recommended Tax Rate of \$3.43 / 1,000 is low in comparison to other similar Counties.

- ✱ 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

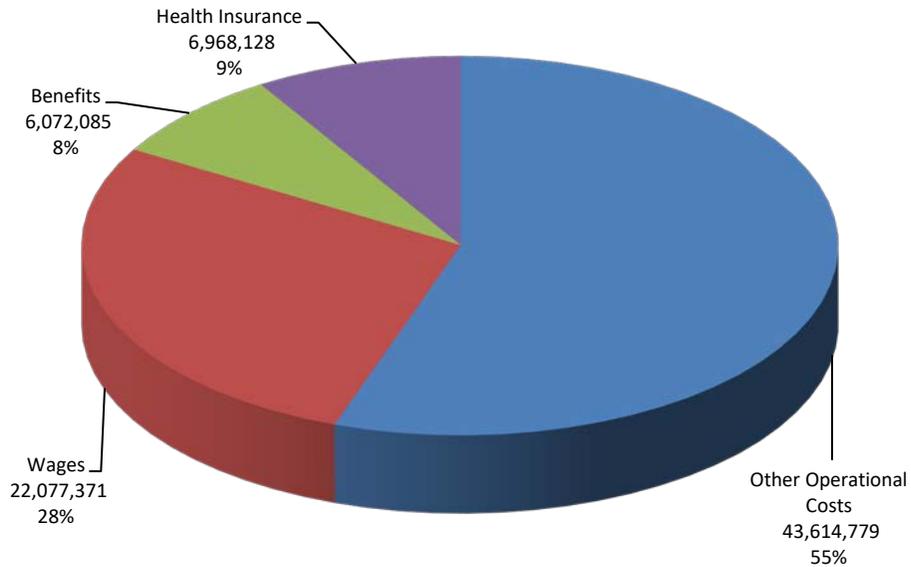
Home Value	2019 Tax Per \$1,000	Proposed 2020 Tax Per \$1,000	Proposed Change Amount
	\$3.64	\$3.43	
\$100,000 Residence	\$364.00	\$343.00	(\$21.00)
\$150,000 Residence	\$546.00	\$514.50	(\$31.50)
\$200,000 Residence	\$728.00	\$686.00	(\$42.00)

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



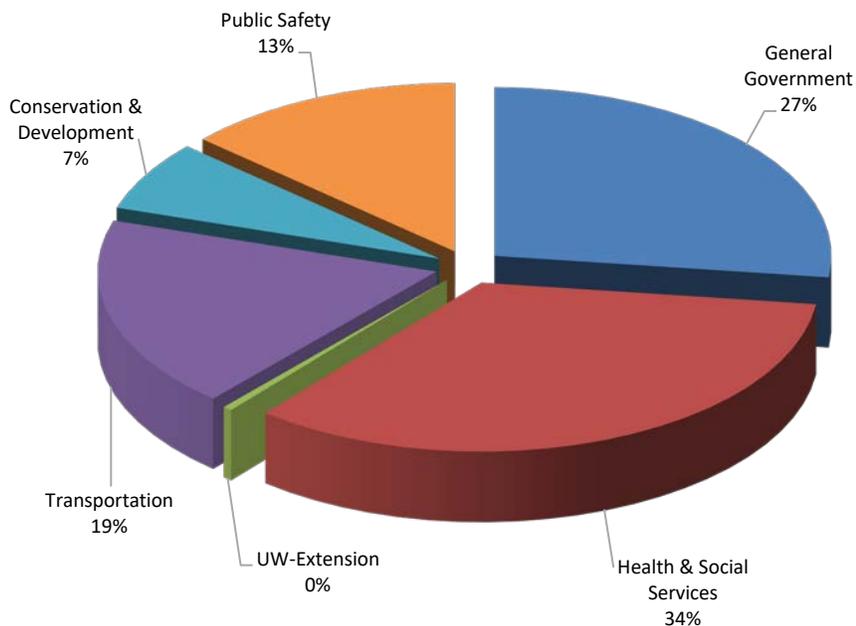
## J. Conclusion

### Total 2020 Budgeted Expenses



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

### Total 2020 Budget By Function \$78,732,363



## 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.

