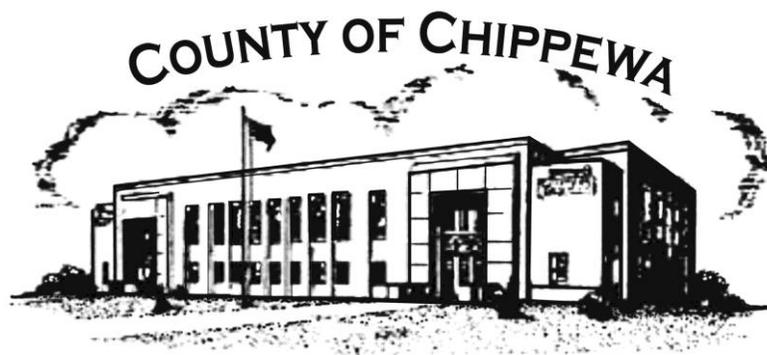


# Chippewa County 2011 Recommended Budget



October 11, 2010

As presented to the  
Chippewa County Executive Committee

**By: Steven S. Kubacki, County Administrator**

With the assistance of:  
Mary G. Behling, Finance Director,  
Department of Administration,  
& All Chippewa County Department Heads

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**CHIPPEWA COUNTY**  
**DEPARTMENT OF ADMINISTRATION**

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**A**

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October 5, 2010

TO: County Board Chair Willkom  
County Board Supervisors  
County Department Heads

FR: Steve Kubacki, County Administrator

RE: 2011 Recommended Budget

I would like to thank all of you for your patience in the 2011 budget preparation process. It started later than one would normally expect and hence the process has been more intense than all of us would have liked or preferred. None the less, we now have an Administrator's recommended budget that will be presented to the Chippewa County Executive Committee on October 5, 2010.

We feel the budget makes sense from both the 2011 and the long-term perspective. We have looked at all sources of revenue and examined our expenditures; some that we control directly and most that we have little control over at all. That is the environment we are in at this time. Over the years Chippewa County and their elected officials have been frugal and have managed the County's finances well. One thing that I have noticed is that there is little wiggle room or excess dollars within individual budgets from either a revenue or expenditure perspective.

I am quite confident you will find that the 2011 budget as recommended balances needs, revenue sources, and expenditures in a manner that benefits the entire County and organization. That does not mean that everyone or department is entirely happy with the end product. However, it does reflect a balanced budget that is fair considering where we are at fiscally at this point in time.

I look forward to presenting this 2011 Chippewa County Budget to the Executive Committee on Tuesday, October 5, 2010. I would like to especially thank Mary Behling, our capable Finance Director, Traci Bremness, Administrative Secretary, and Malayna Halvorson-Maes, Human Resources Manager for their time, effort, and counsel during this stimulating process.

Steve Kubacki  
County Administrator

## B. Initial 2011 Budget Instructions/Guidelines

1. 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.
2. Departments will operate within the 2010 budget parameters. Programs that receive cuts from state/federal allocations must absorb those cuts. Moving programs onto the tax levy due to cuts to the state/federal budget allocations will not occur.
3. 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.
4. Staff may be reallocated between departments from low priority areas to those of higher priority as part of the budget process.
5. All departments must justify their revenues. Provide analysis including source of the revenue (fees, fines, service agreements, grants, etc.) and why the revenue has been increased or decreased.
6. County user fees shall be reviewed for potential inflationary increases or adjustment.
7. New positions will not be considered for the 2011 budget absent an ability to eliminate a greater personnel expense elsewhere in the budget.
8. New programs or services will not be considered for the 2011 budget, absent prior approval from the Finance Director and County Administrator.
9. Expenditures funded by revenue sources other than property tax levy should be budgeted within the revenue constraints of those other revenue sources.
10. Capital Improvement Program requests should be submitted and must include a memo detailing cost/funding projections, as well as, cost/benefit analysis with an identifiable break-even point if applicable.

## C. General 2011 Budget Philosophy

1. Efficiency, effectiveness/providing service external/internal.
2. Keep expenditures within a reasonable levy increase.
3. Preserve a significant contribution to the undesignated general fund both in 2010 and 2011.
4. Preserve essential non-lapsing funds that may be or are critical to a future program, project and service.
5. Maximize and balance use of levy dollars, sales tax revenue, non-lapsing funds, grants, fees for service, and state and federal aid.
6. Create, layout and present a five-year Capital Improvement Program for all county departments for all major county projects – work with all Departments Heads – 2011 Project.
7. Be cognizant and aware of state and federal budgets, decisions and direction.

## D. 2011 Recommended Budget Highlights

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

✿ ADRC	✿ Human Resources
✿ Child Support	✿ Information Technology
✿ Corporation Counsel	✿ Juvenile Intake
✿ County Board	✿ Land Records
✿ County Clerk	✿ Planning & Zoning
✿ District Attorney / Crime Victim Witness	✿ Public Health
✿ Economic Development	✿ Register in Probate
✿ Emergency Management	✿ Risk Management/Centralized Purchasing
✿ Facilities & Parks	✿ Treasurer
✿ Finance	✿ UW Extension
✿ County Clerk	Will take on ATV/recreational vehicle licensing.
✿ Land Conservation & Forest Management / Recycling	Quality of Life or Stewardship Funds not funded – Lack of available sales tax dollars.

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

✿ County Administrator	Included \$40,000 for miscellaneous organizational studies to look at improvements to efficiencies, effectiveness, and overall streamlining.
✿ Clerk of Courts	Capital Equipment – 1 polycom for courtroom. Will want to budget another polycom in 2012 for 3 <sup>rd</sup> courtroom — \$35,000 each.
✿ Highway	\$1,400,000 ± in highway projects to be borrowed for if approved in 2011.
✿ Human Services	Reclassifications for Economic Support employees removed for consideration later in the year 2011 contingent upon County Administrator review.
✿ Register of Deeds	Includes a ½ time position to fill retirement & an additional LTE for redaction project.
✿ Sheriff	Increased fees for Huber revenue. Decrease of \$100,000 in county prisoner fees.
✿ Veterans Service	Added a ½ time position to offset work load. Allow for greater access to benefits for larger number of veterans.

### III. Sales Tax Projects Approved / Considered / Removed

<b>Available Sales Tax Dollars 2010</b>	<b>\$3,664,969</b>
Committed Sales Tax Dollars	
1. Property Tax Credit	1,287,353
2. Debt Service Fund	1,255,809
3. Refund Savings	261,699
4. Airport Debt Contribution	<u>121,530</u>
	2,926,391
Non-Committed Sales Tax Dollars Available 2010	738,578
2008 Carry Forward	<u>55,900</u>
Total Sales Tax Dollars Available 2008 & 2010	\$3,720,869

Requested Sales Tax Uses		CA Approved Sales Tax Uses
Facilities	344,500	303,500
Land Conservation – Quality of Life	50,000 *6	—
Stewardship	100,000	—
Sheriff MDC AVL	400,000 *1	—
IT Phone System	155,000	155,000
IT Computers	246,000	165,978
IT Broadband Grant	200,000 *2	—
Facilities & Park Uses	42,000 *6	—
Circuit Court Video/Audio	200,000 *3	—
Highway Road Projects	1,432,000 *4	—
Non-Highway Vehicle Fleet Pool	<u>200,000</u>	<u>170,000</u> *5
<b>TOTAL</b>	<b>\$3,369,500</b>	<b>\$794,478</b>

\*1 Sheriff MDC AVL can be delayed until TAC10 software is completely installed and the Broadband tower is constructed and operational. It may be able to be spread out over two budget years 2012 & 2013. (\$400,000)

\*2 Broadband grant match funds will be addressed in the 2011 levy.

\*3 Circuit court audio/video will be delayed until future budget years. A stop gap acquisition of a polycom costing \$35,000 will be acquired within the 2011 levy for Branch II. Branch III will be added in 2012.

\*4 Highway road projects will be identified, reviewed and recommended for borrowing as appropriate in 2011 with debt service being integrated within existing and future borrowing to fiscally balance the Chippewa County Debt Service Fund.

\*5 Vehicle pool contribution will also include a contribution of \$6,000 from ADRC, \$30,000 from Human Services, and \$7,000 from Land Records. As well as, billing to some individual departments, sale of equipment and \$169,000 of property taxes.

\*6 Requests not \$100,000 or more.

## E. 2011 Budget – General Information

I. Equalized Valuations		
2009 for 2010	\$4,436,150,700	Increase of \$233,755,500 or 5.6%
2010 for 2011	\$4,431,512,900	Decrease of \$4,637,800 or 0.1%
2011 for 2012	\$4,450,774,700	Increase of \$19,261,800 or 2.7%
II. Tax Rates		
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	\$3.49 / \$1,000	Increase of 3.9%
III. Property Tax Levies		
2008 for 2009	\$14,449,058	Increase of 3.2%
2009 for 2010	\$14,887,389	Increase of 3.0%
2010 for 2011	\$15,534,010	Increase of 4.3%
IV. Allowable and Proposed Property Tax Levy Dollars and Levy Rates		
Allowed by State Levy Rate Limit Worksheet		\$17,167,388 or \$3.86 per \$1,000
Allowed by County Sales Tax Ordinance		\$15,880,035 or \$3.57 per \$1,000
Allowed by State Levy Dollar Limit Worksheet		\$15,734,888 or \$3.54 per \$1,000
Proposed for 2011		\$15,534,010 or \$3.49 per \$1,000
V. General Fund Balance Applied		
2011 Budget		\$0

## F. 2011 Budget – Outside Agency Funding

Chippewa County Tourism Council	27,270
Northern WI State Fair	54,000 <sup>*1</sup>
Chippewa County Economic Development Corporation	180,737
West Central WI Regional Planning	<u>30,140</u>
<b>TOTAL 2011 BUDGETED</b>	<b>\$292,147</b>

\*1 \$10,000 UW Extension Non-Lapsing Fund  
\$44,000 Chippewa County Tax Levy  
\$54,000

NOTE: If Chippewa County decided to NOT FUND the \$30,140 contribution to West Central WI Regional Planning in 2012, we would need to adopt two complimentary resolutions by July 1, 2011.

## G. Chippewa County County Levy Limit Worksheet 2011 Budget

2009 Payable 2010 county levy	15,267,254
Adjust Out:	
Bridge Aids	(50,000)
Libraries	(633,698)
G O Debt issued after 7/1/2005	(150,253)
2009 Payable 2010 adjusted county levy	14,433,303
3% growth plus terminated TID % applied to 2009 levy	14,884,343
Net new construction % of 1.354% applied to 2009 levy (does not include unknown TID adjustments)	14,614,007
Larger of Line 16 or Line 18	14,884,343
Adjust In:	
G O Debt issued after 7/1/2005	150,253
Bridge Aids	74,000
Libraries	626,292
<b>2010 Payable 2011 Allowable Levy</b>	<b>\$15,734,888</b>

H.

**Chippewa County  
Analysis of Audited General Fund Balances  
1999 thru 2009**

											Per 2009 Audited Numbers		
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Recommended Undesignated Minimum	Recommended Undesignated Maximum
Reserved For Total Designated Balances	1,102,674	1,582,343	1,833,823	2,332,566	2,868,848	2,639,145	2,228,987	2,249,314	2,500,645	3,124,749	3,217,606		
Reserved For Delinquent Taxes	802,357	902,072	1,191,768	1,260,646	1,346,795	1,179,439	1,276,493	1,255,642	1,329,434	1,906,380	2,170,449		
Reserved For Subsequent Year Budget									1,177,000	150,000	0		
Reserved for Prepayments	2,313	4,790	2,806	2,603	5,761	10,148	5,165	4,638	9,721	8,532	8,967		
<b>Unreserved, Undesignated</b>	<b>2,111,628</b>	<b>2,759,987</b>	<b>3,355,026</b>	<b>4,058,487</b>	<b>4,081,945</b>	<b>4,253,307</b>	<b>4,844,154</b>	<b>5,195,150</b>	<b>5,007,899</b>	<b>4,728,867</b>	<b>6,734,715</b>	<b>6,576,870</b>	<b>8,681,468</b>
Total General Fund Balance	4,018,972	5,249,192	6,383,423	7,654,302	8,303,349	8,082,039	8,354,799	8,704,744	10,024,699	9,918,528	12,131,737		
% of Undesignated Fund Balance to General Fund Expenditures	14.6%	17.7%	20.6%	19.3%	17.3%	17.0%	19.7%	20.7%	24.7%	17.7%	25.6%	25.0%	33.0%

## I. 2010 Budget Fiscal Breakdown <sup>\*1</sup>

	A. Estimated Available Monies	\$889,313 ±
Minus	B. Estimated Drawdown <ul style="list-style-type: none"> <li>■ Shortfalls in Revenue</li> <li>■ Miscellaneous Expenditures Realized <ol style="list-style-type: none"> <li>1. Shortfalls in Jail Revenues</li> <li>2. 2010 Salary Increases (not included in 2010 budget – contract negotiations)</li> <li>3. Shortfalls in Interest Income</li> <li>4. Non Realization of Property Sales</li> </ol> </li> </ul>	\$723,594 ±
=	C. Estimated Return of Excess \$ to the Undesignated General Fund	\$165,719 ±

## J. 2011 Recommended Fiscal Direction <sup>\*1</sup>

<b>A. Original 2011 Budget</b>		
Recommended Tax Levy	\$15,334,010	3.0% Increase
Recommended Tax Rate	\$3.45 / \$1,000	2.7% Increase
Included \$150,000 in Contingency Plus \$150,000 in General Fund Adjustment Account		
<b>B. New 10/12/10 Recommended 2011 Budget</b>		
Recommended Tax Levy	\$15,534,010	4.3% Increase
Recommended Tax Rate	\$3.49 / \$1,000	3.9% Increase
Includes \$150,000 in Contingency Plus \$350,000 in General Fund Adjustment Account		

<sup>\*1</sup> Prior to 10/5/10 Expenditure Report Realization – New Information.

## **K. 2011 Budget Highlights**

### **A. Annual Budget 2011**

1. Most Important Document Created Annually.
  - a. Realistic portrayal of services, programs and projects provided annually.
  - b. This is your budget, our bible for the next 365 days.
  - c. It sets the tone, direction of the ship for the given year and future years.
  - d. Efficiency/effectiveness.
2. No drastic changes – Business as usual.
3. Likely changes in 2012 – Formulated during 2011.
4. 2011 – Year of investigation/study/reflection.
  - a. What are we doing? Why are we doing it? How can we do it better?
  - b. Just because we have been doing it doesn't mean we should continue it without looking at it and/or options, alternatives, etc.

### **B. 2011 Budget Review, Modification & Recommendation Process**

Minimum of 2 meetings – Some Departments Heads had 3 meetings.

1. Looked at expenditures/revenues – examined historical trends/existing service levels.
  - a. Questioned Department Heads on trends – expenditures, services provided, personnel issues, expectations, brush fires.
  - b. Questioned Departments Heads on revenues – trends, existing level, potential for increases, potential for decreases, new revenues.
2. Examined – Non-lapsing funds
  - a. Questioned future uses, ability to tap State and Federal aid, looked at ability to leverage our local dollars.

### **C. Borrowing/Bonding**

1. Will look at/examine existing debt service.
2. Will create a 5 year CIP\* for future existing budgets.
3. Will create a level debt service plan integrating our existing debt service payments with future projects identified by the 5 year CIP.

\* 5 year CIP = 5 year Capital Improvement Plan presented by Administrator, reviewed and approved annually by the County Board.