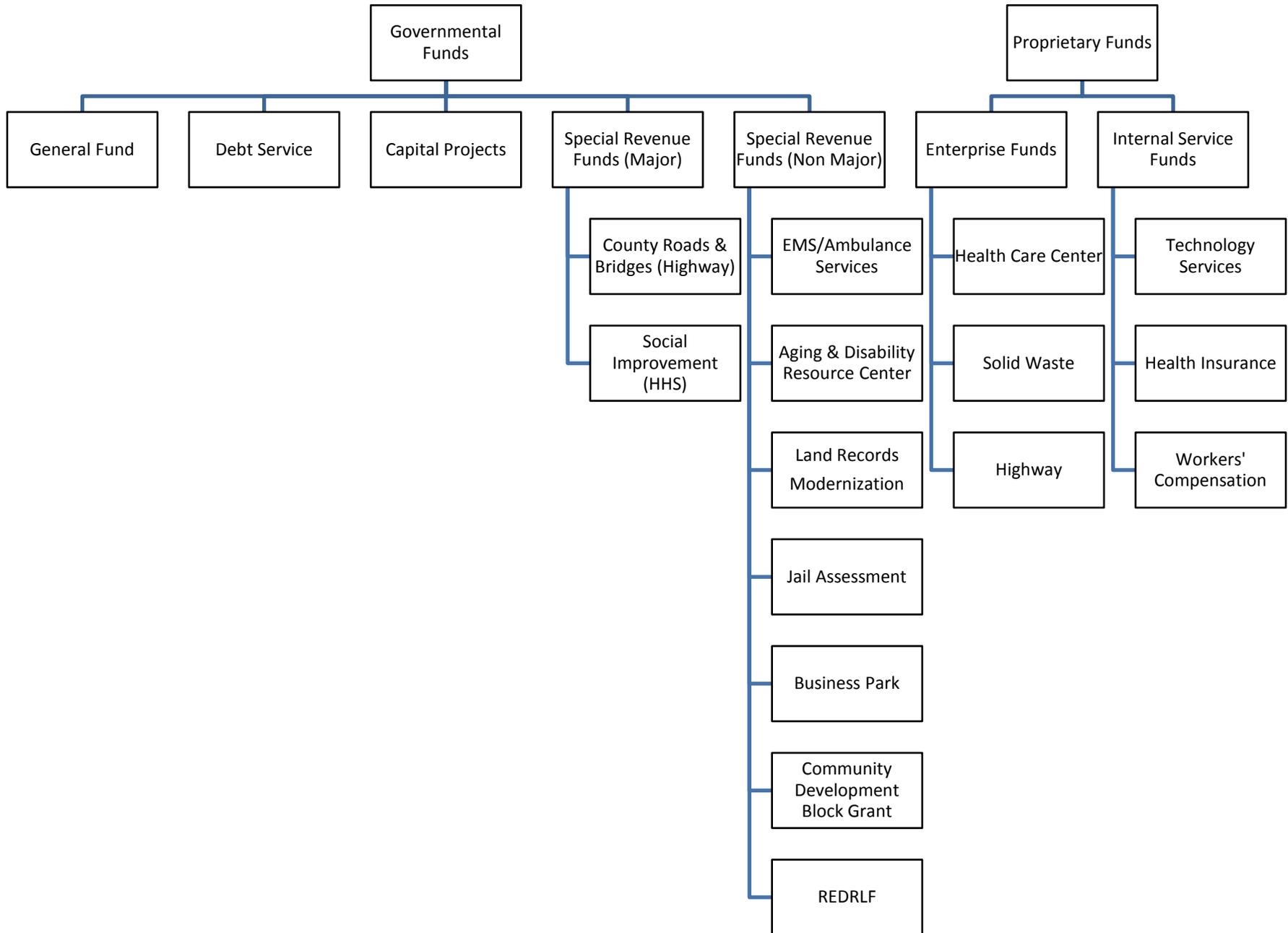


## PORTAGE COUNTY FUND STRUCTURE



## **FUND STRUCTURE & DESCRIPTIONS**

### **FUND ACCOUNTING**

Similar to most governmental entities, the County organizes its finances on the basis of funds and department account groups. Each fund is considered a separate accounting entity. Operations of individual funds are accounted for with a separate set of accounts that consists of its assets, liabilities, fund equity, revenue and expenditures or expenses, as appropriate.

### **GOVERNMENTAL FUNDS**

The governmental funds are used to report activities normally associated with government which are primarily supported by taxes and intergovernmental revenues.

The County reports the following major governmental funds:

General Fund – This is the County’s main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund – The capital projects fund accounts for major acquisitions of land, buildings and equipment identified in the County’s capital improvement plan primarily supported by property taxes, long term-debt proceeds and other revenues.

### *SPECIAL REVENUE FUNDS*

Special revenue funds are used to account for the proceeds of specific resources (other than trust or major capital projects) that are legally restricted to expenditures for specified purposes.

The following special revenue funds are major funds:

County Roads and Bridges Fund – The County Roads and Bridges fund is used to account for property taxes and intergovernmental grants received for general maintenance and improvements to the Portage County highway system.

Social Improvement Fund – The Social Improvement Fund is used to account for resources legally restricted to support the various health and human service programs.

The following special revenue funds are non-major funds:

EMS/Ambulance Services – To account for the operations associated with providing emergency medical services including ambulances services and revenues for providing such services.

Aging & Disability Resource Center – To account for the operations associated with providing services to Older Americans. Funding is provided primarily through grants and donations.

Land Records Modernization – To account for fees collected by the Register of Deeds, per State Statutes, to be used for records modernization projects.

## **FUND STRUCTURE & DESCRIPTIONS**

Jail Assessment – To account for jail assessments received by the County. This program is intended to provide counties with financial resources that are restricted for jail related equipment, construction, or jail debt service.

Business Park – To account for activities within the County’s Industrial Park; including maintenance, marketing of property, and sale of properties.

Community Development Block Grant – To account for activities related to Community Development Block grant funds received by the County.

REDRLF – To account for activities to Rural Economic Development Revolving Loan funds received by the County.

### **PROPRIETARY FUNDS**

#### *ENTERPRISE FUNDS*

The enterprise funds are used to report activities which provide services similar to those in the private sector or business type activities of a government. The costs of providing services are *primarily* through user charges. The County reports the following major enterprise funds:

Health Care Center – The health care center fund is used to account for the provision of skilled nursing home care services for aged and disabled residents.

Solid Waste – The solid waste fund is used to account for the provision of solid waste collection, disposal and the recycling services to County residents.

Highway Fund – The highway fund is used to account for the operations of the County highway department. This is the general business function of the County highway which includes the maintenance and repair of County, Town, Village, and State roads.

#### *INTERNAL SERVICE FUNDS*

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The County uses internal service fund accounting for the following activities:

Technology Services – This fund is to account for the accumulation and allocation of costs associated with computer technology maintenance and equipment replacements; the phone system maintenance and equipment services and charges to the user departments; and print management services.

Health Insurance – This fund is used to account for the operations of the County’s self-funded health insurance fringe benefits provided to employees.

Risk Management/Workers’ Compensation – This fund is used to account for operations of the County’s self-funded workers’ compensation benefits provided to employees along with loss control and prevention costs.

## **FINANCIAL MANAGEMENT POLICIES**

### **County Tax Levy Limit**

The County Tax Levy Limit was originally imposed under 2005 Wisconsin Act 25 with a sunset provision at the end of the biennium. Since then the limits have been reauthorized by the Legislature each biennium.

2013 Wisconsin Act 20 imposes a local tax levy increase limit for the 2014 and 2015 budgets. The law prohibits a County from increasing its prior year total property tax levy more than the greater of 0% OR the percentage change in the County growth in equalized value due to new construction between the previous year and the current year.

The law does allow for various adjustments to the levy limit, such as when services are transferred from/to another governmental unit or consolidation of services, along with an option to levy prior year unused levy. In order to adjust the levy for a prior year adjustment, the County Board must approve the adjustment by a majority vote if the increase is 0.5% or less, and by a  $\frac{3}{4}$  vote, if the increase is greater than 0.5%, up to a maximum of 1.5% (as stated in sec. 66.0602(3)(f)3.a. Wis. Stats.).

The County wide emergency medical services levy, bridge and culvert aids levy (under sec. 82.08(2) Wis. Stats.), and debt service levy are excluded from the allowable levy limit.

The penalty for exceeding the levy limit is a loss of shared revenue.

### **County Tax Levy Rate Limit**

2013 Wisconsin Act 20, sec. 59.605(6) Wis. Stats., repealed the tax rate limit and counties are no longer subject to this limit for any County's levy imposed in December 2011 or any year thereafter.

### **Fund Balance Policies**

Financial stability is important in safeguarding County assets and providing a stable tax rate for County residents. The unrestricted fund balance is an indicator of sound financial planning and impacts the following: bond rating, cash flow, and investment interest income.

The general fund shall be the only governmental fund with an amount of unassigned fund balance. The unassigned general fund balance shall be a minimum of 15% to a maximum of 25% of operating expenditures from the following funds: the general fund, any special revenue fund requiring tax levy to operate, and the debt service fund. The percentages shall be calculated on an annual basis in conjunction with the end of fiscal year reconciliation. The unassigned fund balance maintains adequate working capital for county operations.

If the unassigned general fund balance falls below the minimum threshold, the shortfall must be funded through the subsequent budget process to restore the appropriate level of unassigned fund balance.

If the unassigned general fund balance exceeds the maximum threshold, the excess must be allocated as follows: a minimum of 50% to the Capital Improvement Fund for future capital improvements, a minimum of 25% to fund subsequent year budget for non-recurring expenditures, and the remaining 25% in accordance with the guidelines as specified for use of unassigned general fund balance.

The use of unassigned general fund balance should not be used to fund operational costs. This promotes the philosophy that current year operating expenses are funded with current year collections; therefore, not creating a structural deficit.

## **FINANCIAL MANAGEMENT POLICIES**

As noted in the table of contents, a Summary of Fund Balance Projections can be found in the Summary section of the budget document.

### **Contingency Fund**

The County's contingency fund provides for emergencies or other expenditures which could not have been planned for or anticipated during the budget process. Contingency fund transfers are authorized by the Finance Committee and/or the County Board.

### **Investments**

The Finance Committee, having been delegated the responsibility of investing County funds, has established the following investment program objectives:

- A. To maximize rate of return on interest income.
- B. To insure that investments are properly secured through Federal Agencies, and/or the State Insurance Program.
- C. To develop a program which provides liquidity of funds necessary for working capital.

### **Debt**

The County finances capital projects through the issuance of general obligation promissory notes and bonds. The County structures its financing and repayment structure in an effort to maintain stable debt service payments from budget to budget.

The County's debt obligations cannot exceed 5% of the equalized value of all property in the County. As of December 31, 2013, the County's legal margin for creation of additional general obligation debt was \$241,126,784, pursuant to sec. 67.03, Wis. Stats.

### **Capital Improvement Plan**

In accordance with the County Capital Improvements Program Handbook, every department shall prepare and submit their capital improvement requests to the County Executive. The requests shall include all anticipated projects for the upcoming budget year and five years beyond. The County Finance Director shall annually prepare the Capital Improvement Plan and submit it for review and approval by the County Executive, and then the Capital Improvements/Economic Development Committee, for adoption by the County Board.

A capital improvement project which requires submittal and review under this policy is defined as one of the following:

- The acquisition of land for a County facility such as a park, courthouse, safety, building, etc.
- The construction costs associated with a new or expanded County facility or building such as a courthouse expansion, jail, parking lot, library, etc.
- Purchases of equipment necessary as part of a newly constructed or acquired County facility (not included in the original project proposal approved by the County Board).
- Purchase of major pieces of equipment (in excess of \$25,000) which have a relatively long period of usefulness (nonrecurring nature and not funded through an annual equipment replacement fund).
- Costs for engineering/planning/architectural studies and services in excess of \$25,000 associated with a public improvement.

The County Executive, in conjunction with the Capital Improvements/Economic Development Committee shall, each September prepare and develop a Capital Improvement Plan. The Capital Improvements/Economic Development Committee shall recommend a plan

## **FINANCIAL MANAGEMENT POLICIES**

to the County Board for approval. The County Executive will use the Capital Improvement Plan to develop the capital budget to be included the upcoming County budget.

### **Accounting Policy and Basis of Budgeting**

The governmental funds are reported based on the modified accrual basis of accounting. This includes the General Fund, Special Revenue Funds, Capital Improvement Fund, and Debt Service Fund. Under this method, revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

The proprietary funds are reported based on the accrual basis of accounting. This includes the enterprise funds and internal service Funds. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The County's fiscal year is on a calendar year basis from January 1 to December 31.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as they are needed.

The County budget is adopted as required by state statutes and prepared on substantially the same basis as the financial statements. Proprietary funds do not budget for compensated absences and non-operating gains or losses on disposal of fixed assets. Fiduciary funds are not included in the budget.

## **BUDGET PROCESS AND TIMELINE**

### **Budget Process**

The annual budget process, under a County Executive form of government, is comprised of the development of both an operating budget and a capital budget based on a six-year capital plan. All departments prepare budgets based on specific guidelines and target allocations as set by the County Executive. Each department presents a budget to the County Executive for review and inclusion in the Executive's budget.

The Executive's budget is presented to the County Board for review and consideration. Legislative oversight committees may review the budget and make recommendations to the County Board in the form of amendments. After submission to the County Board, public hearings are held to obtain taxpayer comments. Following the hearings, the proposed budget, including any amendments, is legally enacted by County Board action. The County Executive may veto in whole or in part (line item) the budget adopted by the County Board. A two-thirds (2/3) vote of the County Board is required to override each County Executive veto.

The following schedule is used in preparing the budget:

#### January - June:

- Discuss and set upcoming year budget guidelines and strategy.
- Submit CIP requests to Finance Department.

#### July:

- Review specific budget guidelines and establish budget goals and target allocations for all departments.
- Meet with departments who project potential budget deficits for the current year operation.
- Review and adopt County capital improvement plan.

#### August:

- Review preliminary budgets submitted to the Finance Department and conduct budget hearings with all departments.

- Review reclassification requests and new staff requests.
- Review departmental budget requests with Committee/Boards for input on the Executive's budget.

#### September:

- Conduct joint meeting with Marathon County Finance Committee and the Portage County Finance Committee regarding airport budget.
- Prepare Executive's budget.
- Provide a report to the Finance and Human Resources Committees of the upcoming budget's reclassifications and new positions.

#### October:

- Prior to submission to the County Board, the County Executive will conduct any final reviews and public hearings on the County Budget as needed.
- No later than October 7<sup>th</sup> each year, the County Executive shall present the formal County Budget to the County Board at a special October County Board meeting.
- Publish the County Budget.
- Finance Committee of the Board will review the County Budget after the presentation to the County Board in October and review amendments.

#### November:

- Conduct a public hearing on the budget and formally adopt the budget at the November sessions of the Board, unless the regular meeting is changed by resolution of the County Board.
- Submit tax apportionment to all municipalities.

#### December:

- Submit levy limit compliance worksheet to the Department of Revenue.

## **BUDGET PROCESS AND TIMELINE**

### **Budget Amendment Process**

After the County Board of Supervisors formally adopts the budget, amendments to modify the budget exceeding \$10,000 or 10% of funds originally appropriated to a department require a budget adjustment resolution. The requesting department forwards the resolution for approval to the County Executive, legislative oversight and finance committees, with final approval by the County Board. The resolution must be adopted by 2/3 supermajority vote of the County Board pursuant to sec. 65.90(5)(a) and (b), Wis. Stats., and in accordance with Portage County Fiscal Ordinance 3.8.8 Budget Deficit and Budget Adjustment Resolutions.

### **Contingency Fund Transfers and Inter-departmental Transfers**

Pursuant to sec. 65.90(5)(a) and (b), Wis. Stats., County Boards may delegate specific budgetary fund transfer authority powers to its Finance Committee. Portage County has empowered the Finance Committee to authorize transfers in accordance with Portage County Fiscal Ordinance 3.8.5 Contingency Fund Transfers and Inter-departmental Transfers.

The Finance Committee shall have authority to transfer funds between budgeted items, if such budgeted items have been separately appropriated and to supplement the appropriation by transfers from the contingency fund limited to the lesser amount of \$10,000 or 10% of the funds originally appropriated for the department.

All transfers in excess of 10% must follow the budget amendment process.

## **STRATEGIC PLANNING OVERVIEW**

Portage County began a strategic planning effort in 2010 when Department Heads were charged with developing “snapshots” of their department that included key elements of their mission. In 2011, departments were charged with the next step in strategic planning: to complete a planning template provided by the County Executive. The template asked them to provide:

- A complete list of department mandates/priorities with statutory references and whether or not there are options for delivery of those mandates (i.e., less resource intensive methodologies?).
- Community partners with which the department works to satisfy its mission.
- A list (with dates) of past studies/assessments with high level notes about their relevance to planning in the County today.
- Notes about how the department gains stakeholder/citizen input.
- SWOT Analysis assessing their department’s strengths, weaknesses, opportunities, and threats.
- High level physical space analysis—for office, garage, storage or other needed space. (Provided as a summary to the Space and Properties Committee to support facility planning efforts.)
- Assessment of other needs such as vehicles, office equipment which would improve their department function.

Department Heads were asked to engage their department in this effort, and many departments also involved oversight committees in providing input/comment. These planning templates were compiled from all departments by the County Executive and they became a foundation for next steps in strategic planning. This compilation also provides a quick reference and useful tool for the budget and planning process.

In late 2012, a consultant was engaged to assist with next levels of the strategic planning process: to identify strategic priorities and a vision for Portage County. Walter Jankowski of Reinvention LLC (out of Madison) was hired to conduct extensive department and County Board surveys. This survey would provide a basis for a full day strategic planning session with Department Heads, County Board Members, and the County Executive.

Surveys were completed in December 2012 and identified “marketplace realities,” past/current state,” and “future state” elements of what is now the Master Strategic Plan 2013-2016. The strategic planning retreat took place on January 18, 2013. The retreat validated and prioritized survey data, clarified our “Guiding Principles” (how we will move forward), and identified our top strategic priorities with basic objectives and action steps.

Strategic priorities that rose to the top related to economic development, facilities, streamlining operations to achieve new efficiencies, and human resources (see following page).

This input was compiled into a draft which was shared across departments, with oversight committees, with the County Board, and with the public through a variety of means including four County Executive listening sessions. Following public input sessions, Portage County’s first vision statement was created.

Following an input period and additional refinement, the plan was approved on August 20, 2013.

The County Executive monitors plan activity and reports progress to the County Board and community in order to continually advance toward achievement of the plan’s goals and vision. The last update was provided January 21, 2014.

August 2013



## 2013-2016 STRATEGIC PLAN

### Vision

Portage County: A cohesively centered, vibrant community.

### Mission

It is the mission of Portage County government to enhance the quality of life for all its residents by providing fiscally responsible services that enable our citizens to build productive communities, families and lives.

### Guiding Principles -

1. **Ethical** – We will be ethical, fair and act with integrity
2. **Stewards** – We will be good stewards of resources - transparent and accountable for our actions, services, and resources
3. **Service Focused** – We will be citizen and community focused providing exceptional service
4. **Quality Driven** – We will be good problem solvers and strive for quality and continuous improvement
5. **Collaborative** – We will build partnerships and communicate well with each other
6. **Relationship Builders** - We will build a team that is respectful and professional at all times
7. **Proactive** – We will continually strive to be strategic and responsive to citizens' needs

Strategic Goal - Area that needs significant improvement in the next 3 years

Objectives - WHAT

## I. FACILITATE & STRENGTHEN COUNTY-WIDE COMMUNITY & ECONOMIC DEVELOPMENT

- I.A Partner With Economic Development Stakeholders That Create & Maintain Jobs
- I.B Make It Easier for Business Growth & Development
- I.C Maintain and Improve the Quality of Life With & For Portage County Citizens

## II. PROVIDE MORE FUNCTIONAL, FLEXIBLE COUNTY FACILITIES

- II. Develop a Comprehensive 10 to 20 Year County Physical Space Plan
  - II.A Define & Develop County Campus Plan; Identify Facilities That Will Not Be Part of Campus
  - II.B Analyze Feasibility & Develop Recommendations for County Health Care Center
  - II.C Analyze Feasibility & Develop Recommendations for Highway Facilities
  - II.D Analyze Feasibility & Develop Recommendations for County Correctional Facility
  - II.E Evaluate Needs for Other Facilities Related Actions
  - II.F Make It Easier For Citizens To Gain Access to Services in Facilities

## III. STREAMLINE & IMPROVE COUNTY SERVICES & PROCESSES

- III.A Leverage Technology to Improve Service & Communications
- III.B Improve Our Ability to Make Decisions Based on Real-Time Data
- III.C Improve Citizen Access Through Our On-line Presence
- III.D Improve County Planning Processes
- III.E Consolidate Services Only When It Increases Organizational Effectiveness & Efficiency; Consolidation Must Be a Cost Effective Thing To Do
- III.F Increase Public Feedback & Awareness of County Services & Value

## IV. ATTRACT, DEVELOP & RETAIN A HIGHLY SKILLED, PROFESSIONAL WORKFORCE

- IV.A Clarify Our Vision, Standards, & Resources Needed to Define Our Workplace Culture
- IV.B Ensure Competitive Compensation
- IV.C Improve Communications With & Feedback From Employees
- IV.D Develop a Training Plan for Our Leaders & Staff
- IV.E Develop County Policies & Reporting Tools for the Purpose of Creating a Performance Based Workplace Culture

## **STRATEGIC PLANNING – 2015 BUDGET INITIATIVES**

### **I. FACILITATE & STRENGTHEN COUNTY–WIDE COMMUNITY & ECONOMIC DEVELOPMENT**

- Economic and community development initiatives are primarily addressed through non-county agency funding for the Portage County Business Council, CAP Services, Arts Alliance of Portage County, Stevens Point Area Convention and Visitors Bureau, County Fairs, Portage County Historical Society, and Energy Services.
- The County will have a new web site in 2015 which will create stronger linkages to regional economic development and community development resources.
- Continued strong support for County Parks, trails, natural resources, and Libraries support economic and community development.
- The County’s Comprehensive Plan revision process in 2015 will emphasize planning that clarifies broad quality of life visions and goals.
- The 2015 budget strengthens social work staff in Health and Human Services to increase programming for children from birth to 3 years old, and to address the rising number of child abuse and neglect referrals.
- Staff for the Aging and Disability Resource Center (ADRC) is enhanced to provide additional caregiver support and improve access to information and assistance about elderly and disabled benefits.
- The 2015 budget retains \$575,000 in operating levy support for the Portage County Health Care Center (same as in 2014 budget) as we continue to plan for its future with potential community partners. The market study completed in September 2014 showed promise.

### **II. PROVIDE MORE FUNCTIONAL, FLEXIBLE COUNTY FACILITIES**

- A long range plan for facilities is supported through planning dollars in the capital projects budget. Specifically,

planning funds for a County Correctional Facility, and for the Portage County Health Care Center are included in the capital plan part of the budget.

- A renewable energy project analysis is also included in the capital plan to evaluate possibilities for renewable energy use.

### **III. STREAMLINE & IMPROVE COUNTY SERVICES & PROCESSES**

- The Enterprise Resource Planning (ERP) implementation moves into its second year in 2015. Financial systems will be converted in 2015 and human resource systems will be created. ERP will greatly improve business functions and efficiencies and will provide shared information through automation. The new system will help staff and policy makers make better informed decisions in how the County manages resources.
- Portage County’s web page and portal continues in development in 2015. It will set the stage to provide more web-based services.
- The 2015 budget enhances resources for the Facilities Department as it continues to improve county security technologies, address maintenance needs in aging facilities, and centralize department and enterprise maintenance and custodial support.

### **IV. ATTRACT, DEVELOP, & RETAIN A HIGHLY SKILLED, PROFESSIONAL WORKFORCE**

- Funds have been appropriated to provide a 1.4% compensation increase to employees and to moderate the impacts of necessary health plan changes for the County’s self-insured program.
- No reclassifications of positions have been included in the 2015 budget. Reclassifications will be addressed as part of a county-wide, bigger-picture process that streamlines multiple pay plans, creates better alignments across

## **STRATEGIC PLANNING – 2015 BUDGET INITIATIVES**

departments, and ensures fair and competitive compensation for County employees.

- The County has retained a strong County workforce in the 2015 budget to help us continue moving Portage County's mission forward.