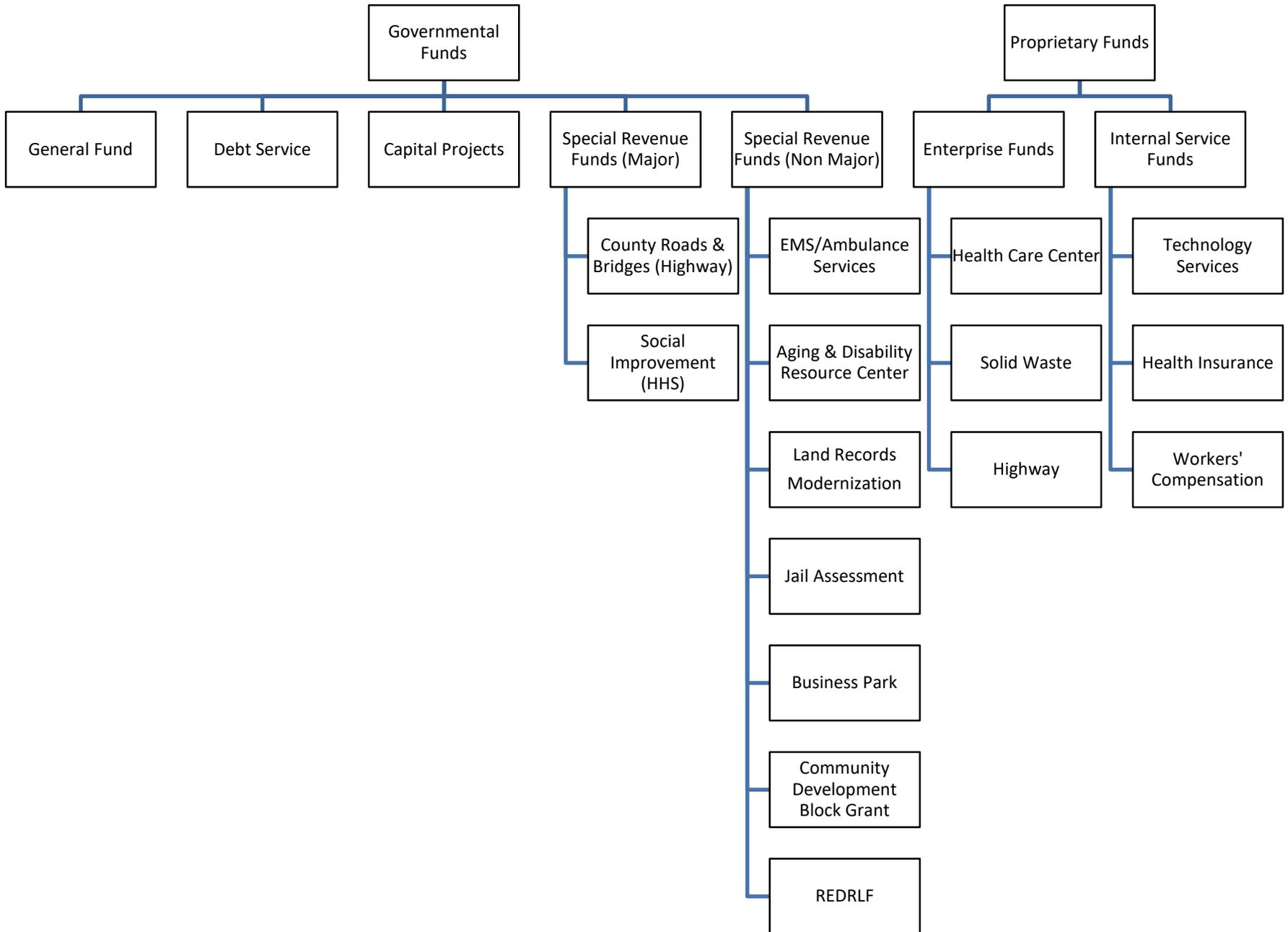


PORTAGE COUNTY FUND STRUCTURE



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 operations of the county-wide emergency medical and ambulance services operated by Portage County with funding provided primarily through public charges and property tax levy.

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.

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 – 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.

2017 Wisconsin Act 59 imposes a local tax levy increase limit for the 2018 and 2019 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, a levy increase approved by referendum, debt service levy for authorized debt, 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 ¾ 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 and bridge and culvert aids levy (under sec. 82.08(2) Wis. Stats.) 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, in order of priority:

- Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk.
- Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- Return – The investment portfolio shall be designed with the objective of regularly meeting or exceeding its performance benchmark, which is specified in the investment procedures.

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, 2016, the County's legal margin for creation of additional general obligation debt was \$262,302,700, 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.

FINANCIAL MANAGEMENT POLICIES

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 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 7th 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.

August 2017



2017-2021 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 and all community partners
6. **Relationship Builders** - We will build a unified 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 Living Wage 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 NEEDED FUNCTIONAL, FLEXIBLE COUNTY FACILITIES

- II. Develop a Comprehensive 10 to 20 Year County Physical Space Plan
 - II.A Define & Identify Present & Future Locations for all County Facilities
 - 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 Improve Efficiency and Effectiveness of Governance

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 Develop Strategies for Talent Attraction in a Labor Shortage Environment
- IV.D Develop a Training Plan for Our Leaders & Staff
- IV.E Develop County Policies & Reporting Tools for the Purpose of Creating an Efficient Workplace Culture