

## The Executive Summary

A few weeks ago, I met with Editor Joe Bachman to discuss the possibility of writing a regular column for the Portage County Gazette and the City Times. My intention—then and now—is to provide readers with un-slanted information from a broad, county-wide perspective. I realize that people will think that I can't help but slant the information simply by virtue of being in the position of County Executive. My promise to you is that I will not claim that I am objective, but I will strive to be objective in this column. If I stray from that path, call me out. If I neglect to include something, let me know. No one has a monopoly on the best ideas, and everyone has an incomplete perspective. Acknowledging that is important. After all, we're human.

The idea for a column came about because there are a lot of important issues on the horizon for the county to work through, and I wanted to find a way to be transparent and to help inform the public so that the discussions we have as citizens in Portage County can benefit from a grounding in a reality that's based upon the best and most recent information at our disposal. A lot of those bigger issues will be difficult conversations to have, yet they cannot be avoided. There are just a lot of things all coming to a head right now. I knew that when I elected to run for this position, and I have had very few surprises since starting to work for you three months ago. That said, I want to talk about everything happening at the county, which means taking the good with the bad. For every looming issue that presents some complex difficulties for us to navigate there's a success that deserves its share of the spotlight.

One of those successes, is that the new county board chair and I have been making it a point to work together and to communicate on an almost daily basis about county issues. In our first couple of months we went around the county to meet department heads and their staff so that we could introduce ourselves, explain our approaches to leadership, and answer any questions that people had. We each have our respective roles in county government, and it's our intention to get people working together on what's best for the county. This will be especially important as we look to find ways to provide some stability and predictability within county budgets. To that end, I have asked department heads to bring their budgets to their oversight committees this year so that board supervisors can get themselves up to speed on not only those smaller budgets but the county budget as a whole.

That's a good segue to talk a bit more about the lifeblood of the county—the budget. What the budget does is it identifies the services to be provided by the county. It also identifies the level of funding allocated for the service and the source of that funding.

The county's fiscal year coincides with the calendar year. The budget calendar really gets going in July and finishes in December, though the budget is not fixed in time. At any point in the year, we can make adjustments to it should we choose to do so. All budget amendments require a 2/3 vote of the entire county board membership, but the Finance Committee does have the authority to transfer up to \$10,000 or 10% of the funds originally provided, whichever is less. All budget amendments require a class 1 notice (one published notice) within 10 days so that the public is kept apprised of the situation.

Recently, the total county budget has been around \$103 million dollars. That number is often thrown around without much context, so I'll point out that the county's total discretionary funding is only \$33.5 million dollars. The primary components of that discretionary funding is made up of the operating levy (i.e. property taxes) at \$23.5 million, sales tax brings in another \$6.7 million, and shared revenue brings in just shy of \$2 million. The county levy (property tax) has been held to 0% growth or the percentage

change in net new construction—whichever is greater—since the legislature decided to permanently cap the levy. In 2017, that meant a 1.426% increase in the operational levy. At this point in time, we've had too many years of flat revenue and rising costs. We start every budget cycle without enough money, and that gap has to be made up somehow. So, we get creative, we reduce levels of service, and we cut.

The revenue sources for the county are taxes, intergovernmental (i.e. state and federal) aid, licensing and permits, fines, charges for services, and miscellaneous areas like the sales of equipment and property. The fund types you'll see in the budget are the general fund, special revenue funds, the debt service fund, and a capital projects fund.

The general fund is typically the largest, and most county programs are financed in the general fund. Special revenue funds vary from county to county and are used to account for proceeds of specific revenue sources that are restricted for specific purposes or activities.

The debt service fund is used to account for resources used to retire long term obligation debt. That includes the payments of principal, interest, and fees.

The capital projects fund is made up of resources restricted for the purchase and/or construction of major capital facilities and improvements, equipment, and other large, non-recurring expenses. Planning is a critical piece to this last fund, but each fund requires a lot of informed, in-depth conversations in order to put the county in the best fiscal position possible. It's my intention to lead the effort with county staff to have those conversations alongside Chair Haga and the county board.

There are a couple of unique funds in the county, which are broadly referred to as proprietary funds. Within that, you have enterprise funds and internal service funds.

An enterprise fund is used to account for county activities similar to those in the private sector. The costs of providing those services to the general public is financed primarily through user charges. The expectation for enterprise funds is that they are self-supporting with minimal support from the general fund. In Portage County, our enterprise funds are the Solid Waste Department, the Highway Department, and the Health Care Center.

Internal service funds are used to account for services performed by a county department for other departments of the county. Charges are based upon the cost of services provided, and in our county our internal service funds are Information Technology, Health Insurance, and Risk Management & Worker's Compensation.

There you have it folks. A quick summary of the nuts and bolts involved with the county budget. I'll refer back to this information in the future, and I'll also do some more focused writing on different areas in the county. In my next column, I'll provide some background and recent developments for you on the Portage County Health Care Center.