

### **The Executive Summary (003)**

On October 27<sup>th</sup>, I delivered my “State of the County” presentation to the County Board of Supervisors, and it made sense to me that I should do something similar for residents of the county. The full presentation will be included in the county board meeting minutes when they are published, and I’ve already uploaded it to my department page on the county’s website. If neither option works for you, give me a call or send an e-mail. We’ll get you a copy.

Whether we’re figuring out our monthly expenses for our home, our business, or the County, no one is a stranger to a budget. I cut to the chase in my presentation by starting with the fact that there’s no ‘fat’ left to trim. We are headed for strategic, prioritized budget cuts and reductions in levels of service in order to provide the long-term stability and sustainability that we currently do not have. Every department in the county has needs beyond their current funding levels, and they all do as well as they can with what they have. In that light, we’re truly lucky to have an excellent professional staff who have demonstrated to me in a short time that they are able to handle themselves and their responsibilities in a way that is a benefit to me, the County Board, and the public.

What many don’t realize is that we cannot simply raise taxes to cover increased costs. Rather, the state restricts us to increasing the levy by only the amount that is calculated by the Department of Revenue for *Net New Construction* each year. This year, that was a 1.8% bump, which was higher than we expected. That means the levy can increase \$425,040 in 2019. That is a lot of money, but if we know that every department could benefit from additional funding, it’s a few hundred shy of \$15,000 per department.

The reality, of course, is that many departments could use much more than that. There are also areas of the budget that are mandatory (i.e. we have no option but to fund them). For instance, Health and Human Services (HHS) has to provide psychiatric help for those people in its program(s). This year, the psychiatrist at HHS retired, and everyone we’ve spoken to since then won’t come to Portage County for anything less than \$400-\$500 per hour plus a lot more in benefits. So, HHS has to move forward with “Tele-Psychiatry” where there’s a psychiatrist on a screen and a live nurse in the room with the patient. This is arguably a reduction in the level of service that HHS is providing, but it is costing them \$140,000 more this year and every year thereafter until something changes. In fact, HHS is full of mandatory programming that is directly impacted by legislative changes at the federal and state levels. Those changes, in some cases, could wreak havoc on HHS’ budget. By extension, the county budget would suffer as well since there’s no choice but to provide the service. I’ve said it before, but it’s worth repeating that the vast majority of the funding in the County’s budget is not discretionary.

I grew up watching “The Good, the Bad, and the Ugly” with my grandfather, and I’ve always liked that movie. I’ve probably watched it a hundred times. In my presentation, I noted that the good things in the county include: The Emergency Management Office will soon be filled with a new Coordinator and Deputy Coordinator, county department heads did an excellent job of meeting the 0% budget growth target that I gave them, and the Adult Drug Treatment Court has a graduation coming up in September. The bad and the ugly include: Our ability to generate revenue is virtually non-existent, the recycling markets have tanked to the point that we are losing money on every ton of material we recycle (a loss of over \$300,000 this year), and groundwater discussions remain frustrating for all involved—regardless of where one is on that topic.

I presented 5-year trends within the budget along with the last 12 years of actual discretionary budget allocations so that the board could see what we spend in each area and how funding has increased incrementally over time. I included these because numbers are very straightforward. I also wanted the board to see that our current spending mirrors many of the priorities that the public has. So, I compared those numbers with the results of the St. Norbert survey that gauged the public's perception about the Portage County Health Care Center. In that survey was a ranking of county services, and we are right where the public wants us to be for Public Safety and Health & Human Services. Our spending on Public Works (i.e. Highways) would need to increase to match the survey results, and our spending on personnel would have to decrease. The former is something that I think we can do, but the latter gets to be more difficult because it is the people who carry out the work and in a tight labor market it's increasingly challenging to attract and retain employees if you don't have good compensation packages. That being said, people in the County clearly want the services we provide as they were all ranked at or above 90% favorability.

If I went through every department in the County, I'd run out of space. So, here are just a few that I think you'll find of interest. The Coroner's Office is transitioning to a Medical Examiner's Office this year. That comes at a cost to the County, but it also brings with it more accountability and assurances for the public. Did you know that Wisconsin is one of the few states in the nation that still has no basic training requirements for the position of Coroner? Our current Coroner does a great job, but it's a real head scratcher to think that anyone who can win an election can be put into this position. So, a lot of counties are making this transition because the state has resisted adding training requirements for at least the last 15 years.

The Highway Department projects a \$3 million deficit each year (without borrowing) in order to meet the pavement replacement cycle goal and the current levels of service. Did you know we spend about \$2 million per year just for Winter Maintenance? Freak storms in April that dump over 30 inches of snow don't help much, either. So, the County needs to figure out how to keep this department from finding itself on a debt treadmill with no ability to jump off. It would be like paying your mortgage with your credit card and then trying to make the minimum payments over time. Before long, you're buried in debt and there's no way out aside from bankruptcy and even that doesn't do much for you these days. The Highway Committee and Highway Commissioner know this, so we've all been talking about long-term funding sustainability as a focus for 2019 and beyond. Incidentally, Portage County is far from alone in this. Most other counties are faced with the same dilemmas, and you'll see that reflected in referenda all across the state in the fall election.

In the HR Department, we are looking into some potential options for wellness incentives and our health insurance premiums. The federal rules on this are very clear, but what is problematic to me is that they treat single parents differently than families with two parents. Nothing is perfect when it comes to policy—or parenting—but if a lower risk family (single parent, child) is paying more than a higher risk family (two parents, child) then we should try to find a way to make that more fair for everyone. We may not be able to fix this, especially since it's something at the federal level that's framing the discussion. Still, we're going to do our due diligence on finding out what possibilities, if any, exist.

There's so much more to say, and I realize I've been a little less objective in his article, but I'll leave you with the same things I told the County Board. It's my intention to lead the county alongside the board in completing a prioritized budgeting process. If we are successful, that will provide more stability and

predictability for our budget and more importantly, for the public. We can also leverage that approach into creating the slow, steady, and achievable growth that we can afford to maintain and operate. We've just put these discussions off for too long in the county, and we're faced with some really frustrating challenges. It won't be easy, but I'm confident that we can find a better way forward for the County and the people we serve.

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