



# Portage County Proposed 2021 Budget

# The Budget Adoption Process

- **October 6:** Presentation of proposed budget.
- **October 13:** No formal amendments made, but referrals to committee for further review can be done.
- **October 26:** The Finance Committee reviews formal budget amendments.
- **November 2:** Annual board meeting and public hearing (budget adoption).

## Our Fiscal Framework

- This budget reflects only what we know today. Projections are moving targets due to unknowns
- We need to exercise reasonable care in all decision-making and not place the county under unnecessary risk.
- Our fiduciary duty requires us to stay objective, honest, responsible, and efficient.

# Federal & State Uncertainty

- Last year, the federal deficit passed \$1 trillion in September. The 2020 projection is currently at \$3.3 trillion or triple from last year.
- Investments will be more of a challenge given the unease in markets and the economy in general.
- State budget uncertainty
  - Revenues are down
  - Likely cuts to K-12, UW System, Shared Revenue
  - More unfunded mandates are likely

## County Uncertainty

- Backlogs due to COVID-19 will require some catching up and will impact revenues and expenses
- We'll need to be flexible with managing this budget and there will likely be some need for contingency requests.

# 2021 Budget Assumptions

- This budget is focused on preserving the financial integrity of Portage County. It is balanced and does not create a structural deficit.
- The operating levy is limited to a net new construction increase of 1.124% plus 0.001% for TID subtraction over the previous year less an adjustment for the personal property tax aid, for a net increase of: **\$312,989**.
- The budget includes a reduction of \$398,350 in tax levy support for capital projects that should be replaced in future budgets.

# 2021 Levy per \$1,000 Equalized Value

Operating Levy: \$24,607,651 (+\$312,989)

**Tax Rate: \$3.93**

Health Care Center Referendum: \$1,400,000 (+\$504,441)

**Tax Rate: \$0.22**

Debt Service Levy: \$3,947,822 (+\$406,360)

**Tax Rate: \$0.63**

Countywide EMS Levy: \$2,501,120 (+\$121,278)

**Tax Rate: \$0.40**

Bridge & Culvert Aid Levy: \$280,000 (+\$230,000)

**Tax Rate: \$0.05**

TOTAL LEVY: \$32,736,593

**Tax Rate: \$5.23**

(up from \$5.18)



# Things To Keep In Mind

- Portage County has **a lot of unknowns** that are potentially associated with larger price tags.
  - Health Care Center
  - Infrastructure (in general)
  - Increased costs for maintenance and repairs
  - 2021 COVID-19 Response

# Debt Service

	2019 Budget Year	2020 Budget Year	2021 Budget Year
Equalized Value	\$5,945,369,300	\$6,353,475,400	\$6,645,640,400
Debt Limit	\$297, 268,465	\$317,673,770	\$332,282,020
Outstanding Debt	\$8,199,028	\$16,641,581	\$14,510,000
Available Debt	\$289,036,437	\$302,388,703	\$317,772,020
Percent Available	97.2%	95.2%	95.6%

- Planning here includes an anticipation of the need for future debt service for projects outlined in the 2021-2026 Capital Improvement Plan.
- The County has also structured repayment schedules to allow for and prepare for anticipated larger debt issues in the future.

# 2021 CIP Projects & Funding

- IT upgrades could not be put off any longer
- RMS/CAD could not be put off any longer
- Total Cost: \$2,106,987
  - This is much lower than initial estimates
- A surplus in the General Fund led to a transfer of \$357,566 for excess fund balance, as this is the amount the unassigned fund balance was in excess of the fund balance threshold of 25% in 2019. An additional transfer of \$500,000 is planned based on estimates and for the same reason in 2020.

# Revenue Highlights

- Sales Tax forecasts from early 2020 were pessimistic for good reason. At this point we are very close to last year's performance with an estimated shortfall of \$163,000. **A major boost for the 2021 budget process.**
- We have received just shy of \$2.9 million in contracts related to our COVID-19 response – including HHS, Routes to Recovery (CARES Act), EMPG-S, ADRC, HCC provider relief, etc.
  - This funding won't likely be there or at the same level in 2021 and beyond.

# County Employees

- This budget includes employees' steps within the salary plan as well as a 1% increase to the plan itself.
- The Health Insurance Fund, which is very strong, is projected to have a surplus of \$585,000 due to lower than anticipated claims
- Some layoffs, telework continues, redeployments have been successful for some, and the state Work Share program has provided an additional avenue for some to utilize

# Non-County Agencies

- In 2018, I informed every entity in the non-county agency budget that the county can't guarantee funding from year-to-year.
- The 2020 budget reduced non-county agency funding and set all entities on a path to receive lower levels of funding assistance.
- The county is an unreliable source of funding for non-county agencies.
- The 2021 budget adjusts these areas according to the plan laid out for the 2020 budget.

# Department Highlights

- Planning & Zoning
  - Increased funding for work related to water testing given the recent focus on work in and around Nelsonville.
  - Budget includes funding for membership in the North Central Wisconsin Regional Planning Commission.
  - An increase of 84.9% or \$253,102 anticipated primarily due to increased grants for 2021, including two targeted run-off management grants and a healthy lakes grant.

# Department Highlights

- Clerk of Courts
  - Because of jury trial postponements, the budgeted expenses (per diem juror payments, mileage, meals and jury trial bailiffs) related have gone under spent for 2020. It is the presumption that these expenses will be significantly higher in 2021 as scheduling resumes and the back-log is met.
  - Expecting a slow budgetary recovery from losses in revenue due to high unemployment and overall economy
  - There has been a significant decrease in Clerk of Court revenues and expenses due to COVID (Fines, Forfeits, Penalties, Contractual Services, Public Charge for Services).

# Department Highlights

- ADRC
  - Property tax revenue decreases by \$53,990, or 8.4% as a result of the impact from COVID-19 on aging programs. The department has reduced programming and temporarily closed some programs.
  - Intergovernmental revenues decrease by \$176,430, or 8.4%, as a result of increases to grant funds in 2020 to help the agency respond to the COVID-19 public health emergency. These temporary increases in funding are not anticipated to continue in 2021.
  - An estimated decrease in fees in the amount of \$35,000, or 28.0%, from the Adult Day Center resulting from temporary closure of the program due to the COVID-19 public health emergency.
- Solid Waste
  - Projected deficits in recycling
  - Surplus in the transfer facility helps to balance out those losses
  - SW Board is exploring more options to deal with larger, unavoidable future deficits in recycling.

# Department Highlights

- Health Care Center
  - Resident room and board revenues are expected to decrease \$974,797 based on third party payor information and current year collection estimates. This decrease is a result of decreased census due to existing trends and the COVID-19 public health emergency.
  - CLA Study and discussion have taken place recently, and the committee is poised to outline and explore all available options.
  - The future likely hinges upon another successful referendum. In the event that a referendum fails and fiscal stability cannot be found through other options, they have enough in net assets to operate for about two years beyond 2022. Closure remains the least desirable option.

# Department Highlights

- Portage County Business Park
  - Routine maintenance and upkeep costs are paid for by all landowners within the Park, based on amount of acreage owned.
  - Reimbursement for business park maintenance is expected to increase based on fewer lots owned by the County.
- Highway
  - Risk Management is purchasing an attenuator in the amount of \$30,000 for the highway department in an effort to improve workplace safety on the roadway.

# Fiscal Planning: 2022 Budget Task Force

- Generate fiscal policy recommendations to frame the county's decision-making process
- **Analyze discretionary funding in the budget**
- Present existential questions to the County Board about the future of county operations
- Educate Ourselves & The Public
- **Expand our thinking beyond year-to-year**

# MovingForward...

- The next state budget will be a challenge.
- Uncertainty is everywhere and for the foreseeable future.
- The 2021-2023 budgets may end up being the difficult budget seasons that many predicted for this year. We have planned accordingly and should continue to do so.



A big thank you to the Finance Department Staff for all of their work and assistance and thank you to department heads, everyone on staff, and the County Board as well for the seriousness you give to the county's fiscal future.