

Chippewa County 2021 Recommended Budget

Randy B. Scholz, County Administrator



November 5, 2020

County Board of Supervisors

- | | | |
|-----------------------------|--------------------|-------------------|
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Adopted by the County Board 11/05/2020

2021 Budget Table of Contents

	Page
A. Initial 2021 Budget Instructions/Guidelines (May 2020)	2
B. General 2021 Budget Philosophy	2
C. 2021 Recommended Budget Highlights	3
D. Sales Tax Projects Approved	7
E. Tax Levy Comparison – 2016 Budget vs. 2021 Budget	8
F. 2021 Budget – General Information	9
G. Analysis of Audited General Fund Balances 2015 – 2019	10
H. 2021 Budget Summary	11
I. Conclusion	12
J. Chippewa County Strategic Plan	13



A. Initial 2021 Budget Instructions/Guidelines

Budget information was distributed to Department Heads/Elected Officials in May with instructions to develop their budgets based on the following criteria:

1. FY21 challenges before us:
 - a. Levy Limits: We have been under a zero percent levy limit increase or net new construction as imposed by the state for the last 9 years. This year will be no different. We will need to determine what, if any, levy increase I can justify to the County Board and the citizens of Chippewa County.
 - b. Annual increases associated with Health Care costs. Currently we are looking at a double-digit increase.
 - c. Inability to anticipate and control increases in utility and fuel costs. It is unclear how the current global energy situation will affect our utility and fuel costs.
 - d. Recruitment and retention of employees. No one is sure how COVID-19 will affect recruitment and retention of employees over the next several years.
 - e. The continuing Meth epidemic facing Chippewa County.
2. Ensure that budget proposals are in line with those of the Chippewa County Board as identified in the strategic goals and objectives and the priority report.
3. Departments will generally operate within the 2020 budget parameters. The only tax levy increases will be the net increase in salary/wages and fringe benefits for tax levy positions. Some departments may be required to maintain current levy limits.
4. Cuts affecting individual departments will not be spread across the pool of all departments. Non-mandated programs, as analyzed by the priority review process, should receive a high degree of scrutiny when determining interdepartmental budget reductions.
5. All revenues must be justified. Provide analysis including source of the revenue (fees, fines, service agreements, grants, fund balance applied, etc.) and why the revenue has been increased or decreased. All funds received should be reflected as revenues. All revenue sources will be reviewed for consistency and sustainability.
6. Current County user fees will be reviewed at least every three years. Fees will be reviewed to determine if the full cost recovery for services occurs.
7. New positions may be considered for the 2021 budget after review and approval by the County Administrator.
8. New programs or services may be considered for the 2021 budget after review and approval of the County Administrator. New program requests need to show a full representation of funding streams and expenses that include a 3-5 year timeframe.
9. Normally, if there is any new levy involved, it would be very difficult to approve. This year it will be even more difficult to approve any new position or programs, regardless of their revenue source.
10. Pay Grade Evaluations of current positions will not be considered at this time. A market analysis review of all positions was conducted in 2019 and implementation on January 1, 2020.

B. General 2021 Budget Philosophy

The FY21 budget analysis and fiscal philosophy is to follow the goals identified in the new strategic plan:

1. Effectively communicate information about programs, services, and resources to all residents and county employees.
2. Develop additional resources of revenue and funding to meet emerging needs.
3. Improve access to mental health and drug treatment options.
4. Maintain and proactively address threats to water quality.
5. Support economic development in rural areas.



Department of Administration

Randy Scholz, County Administrator

October 6, 2020

TO: County Board Supervisors
County Department Heads

FR: Randy Scholz, County Administrator

RE: 2021 Recommended Budget

This budget was developed with the assistance and cooperation of the County Department Heads and their staff. They deserve a special thank you for understanding the need to provide the necessary services to our citizens while prioritizing and minimizing the cost to the taxpayers. I want to thank everyone for working so hard on this budget. The budget process can be very stressful and complicated. Everyone involved in the process has been professional and willing to look at all areas of the budget.

Each budget has its own set of challenges and opportunities. Challenges include sustaining services to the citizens we serve; opportunities include providing those services in a cost-effective way to the citizens of Chippewa County. The number one challenge currently facing Chippewa County is the current COVID-19 pandemic. I do not want us to forget that the meth epidemic is also still present in our community and a huge challenge. Unfortunately, meth will still be in our community long after COVID-19 is gone. The number one opportunity for us is to provide a high level of service to the community and to encourage all of the Departments within Chippewa County to continue communicating and working together in order to manage these challenges.

The County added several positions in the last two budgets to address the meth epidemic, to reduce out of home placements, and to reduce staff turnover. The County also added more positions in an effort to reduce, and hopefully eliminate, waiting lists for Children's Long-Term Support and Comprehensive Community Services. The State mandated that Counties cannot have a wait list in these programs.

In the 2021 budget I am requesting two positions. One is because the County passed Resolution 26-19 which authorized Chippewa County to withdraw from the Child Abuse and Neglect Reporting Partnership. Withdrawing from the Partnership requires us to hire a Social Worker in Children Youth and Families Division of the Department of Human Services. The second position is a mid-year request in 2020 for an Epidemiologist in Public Health. I am recommending to continue this position in 2021. This position is funded by eliminating an Administrative Assistant III (the employee retired) in the Public Health Department. Also the Epidemiologist position qualifies for grants that the previous position did not.

TAX RATE

The County Administrator's proposed tax rate for the 2021 Chippewa County budget is \$3.26, which is a reduction from \$3.43 in the 2020 budget. The recommendation is a decrease of 4.91%. Here are the reasons for the recommendation:

- A. The County's Equalized Value for FY21 increased by 7.36% or \$419,173,000;
- B. The labor agreement with WPPA is in place through 2022;
- C. Added funding for the IT Division for contracted services in 2021 with the goal of adding a full-time position in 2022.
- D. A three percent across the board wage increase for employees. This is to try and stay competitive for recruiting and retaining great employees.

BUDGET HIGHLIGHTS

1. Impact of Economic Realities

A reduction from both forestry and interest from the County Investments caused a reduction in revenue.

2. **Increase in Health Insurance**

The health insurance plan impact on the FY21 budget includes a 9.223% increase in premiums. In May of 2020, Chippewa County initially received an 18% premium renewal from Security Health Plan (SHP) for 2021 based on the 2020 health insurance plan design. After receiving a few more months of data, in August 2020, SHP provided Chippewa County with an updated renewal equal to a 12% premium increase for the same plan design. After evaluating multiple plan designs options, reviewing benefit survey feedback from our employees, and taking into consideration our FY21 budget, we made the following plan design changes: 1) Offer only a Higher Deductible plan option. We will no longer be offering a Lower Deductible plan option, and 2) The Higher Deductible plan will increase the OOP (out of pocket) maximum from \$3,000/\$6,000 to \$5,000/\$10,000. These plan design changes allow us to maintain a 9.223% increase in premiums for FY21 while offering our employees a \$0 monthly premium contribution which will help with recruitment and retention.

3. **Employee Wage Adjustments**

With the elimination of the Pay for Performance policy, we have transitioned to across-the-board wage adjustments in 2021. I am recommending a 3% wage adjustment for employees. Despite the COVID-19 pandemic, we did not see it reduce the demand for employees. The 3% increase is an effort to try and stay competitive to recruit and retain great employees.

4. **New Positions and Eliminated Positions**

The table below shows the new positions that the County Board approved for incorporation into the FY20/FY21 budgets. All of the new positions listed below are currently included in the County Administrator FY21 Recommended Budget. The table also indicates two positions that have been eliminated from the FY21 Recommended Budget.

Summary of New Positions Recommended by the County Administrator				
The positions listed below have already been approved by the County Board or are pending approval for incorporation into the FY20/FY21 budget				
Description	Department	Budget Process or Mid-Year	County Board Meeting	Comments
Dementia Care Specialist (Full-time)	ADRC	FY20 Mid-Year	Res. 13-20 03/10/20	Grant funded position.
Community Health Epidemiologist (Part-time)	Public Health	FY20 Mid-Year	Res. 29-20 08/11/20	Eliminated FT Admin Assist III position and using that funding for this position in FY21. In FY20 will use available CARES funding and ROUTES TO RECOVERY. Position to start 9/1/2020. If levy is needed in the future for this position then it will need to go back to the County Board for approval.
Social Worker – CPS (Full-time)	DHS	FY21 Budget	Res. 33-20 09/08/20	Per Res. 26-19 the County will withdraw from the CAN Partnership no later than 1/1/2021. This position is needed to handle the calls currently received by the CAN Partnership.
Information Technology (LTE or Contracted Services)	DOA – IT Division	FY21 Budget	n/a	Increased contracted services funding to allow for an LTE to assist with staff capacity or contract for services. Moving to a Full-Time position for 2022.
Positions Eliminated from 2021 Budget				
Community Educator (FT) (Shared Position)	UW Extension	FY21 Budget	n/a	Position currently under state hiring freeze. Position eliminated and \$13,969 removed from department budget for FY21.
Administrative Assistant III (LTE – 780 hours)	Veterans	FY21 Budget	n/a	Vacant position was eliminated and \$16,386 removed from department budget for FY21.

TAX LEVY

The property tax levy will increase by \$409,330 or 2.09%. The tax (mill) rate will decrease by 4.91% to \$3.26 as equalized valuation for the County has increased 7.36%.

CA Proposed (Tax Levy by Department) 09-14-20				
	2020 Tax Levy	2021 Tax Levy	Tax Levy Incr/(Decr)	Percentage Change
ADRC & Aging	153,453.00	35,047.00	(118,406.00)	-77.16%
DHS	2,222,230.00	2,340,636.00	118,406.00	5.33%
CJS	268,507.00	295,606.00	27,099.00	10.09%
County Admin	327,283.00	332,962.00	5,679.00	1.74%
County Clerk	187,459.00	189,660.00	2,201.00	1.17%
Corp Counsel	314,367.00	328,394.00	14,027.00	4.46%
Courts	679,602.00	701,099.00	21,497.00	3.16%
Child Support	39,981.00	73,279.00	33,298.00	83.28%
District Attorney	606,829.00	632,162.00	25,333.00	4.17%
Emerg Mgmt	196,754.00	203,047.00	6,293.00	3.20%
UW Extension	300,308.00	283,261.00	(17,047.00)	-5.68%
Facilities & Parks	1,632,249.00	1,657,566.00	25,317.00	1.55%
Finance	377,855.00	384,561.00	6,706.00	1.77%
Human Resources	413,938.00	424,793.00	10,855.00	2.62%
Highway	4,316,914.00	4,363,739.00	46,825.00	1.08%
Information Tech	765,456.00	824,703.00	59,247.00	7.74%
Land Conservation	168,131.00	239,538.00	71,407.00	42.47%
Public Health	793,228.00	797,220.00	3,992.00	0.50%
Probate	172,057.00	177,149.00	5,092.00	2.96%
Register of Deeds	(71,297.00)	(100,733.00)	(29,436.00)	41.29%
Sheriff - Admin	880,680.00	947,199.00	66,519.00	7.55%
Sheriff - Invest	622,831.00	649,264.00	26,433.00	4.24%
Sheriff - Jail	2,845,576.00	2,830,217.00	(15,359.00)	-0.54%
Sheriff - Patrol	2,210,200.00	2,256,088.00	45,888.00	2.08%
Sheriff - Telec	1,349,866.00	1,318,537.00	(31,329.00)	-2.32%
Treasurer	(330,270.00)	(219,418.00)	110,852.00	-33.56%
Veterans	237,830.00	215,054.00	(22,776.00)	-9.58%
Zoning	440,367.00	438,382.00	(1,985.00)	-0.45%
County Board	181,680.00	181,680.00	-	0.00%
General County	(4,155,620.00)	(4,174,581.00)	(18,961.00)	0.46%
Facilities (Other)	34,385.00	45,926.00	11,541.00	33.56%
Budget Adjust	260,000.00	165,000.00	(95,000.00)	-36.54%
Insurances	222,400.00	222,400.00	-	0.00%
Libraries	771,168.00	786,290.00	15,122.00	1.96%
Coroner	106,265.00	106,265.00	-	0.00%
Housing	1,150.00	1,150.00	-	0.00%
LEVY	19,543,812.00	19,953,142.00	409,330.00	2.09%

SUMMARY

The FY21 budget before the Chippewa County Board:

1. Is consistent with the Chippewa County Strategic Plan;
2. Is sustainable from FY21 to FY22; and
3. Allows the current Chippewa County Board to address operational needs.

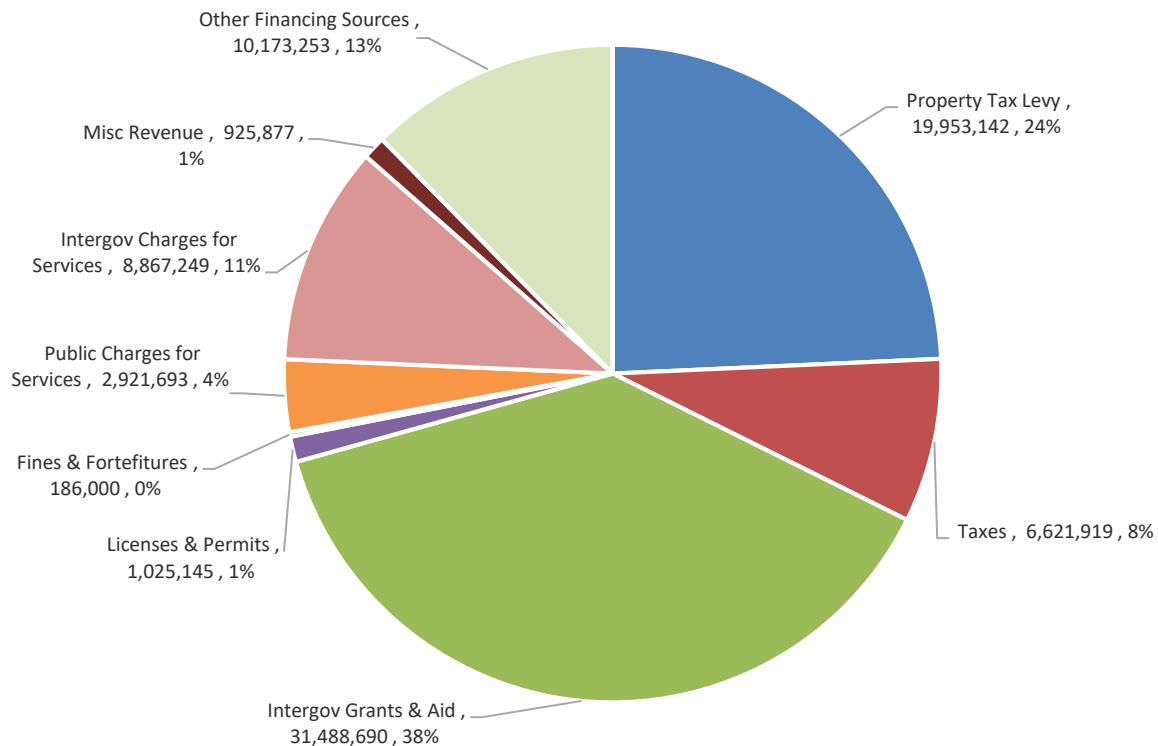
I am always available to answer any questions you may have on the 2021 recommended budget. If you are considering changes to the budget, please contact me prior to the budget hearing to ensure that I have a full understanding of the proposed amendment. This will give me time to gather information, so the full County Board will understand the impact of the change.

Sincerely,



Randy B. Scholz
County Administrator

2021 Revenue Sources



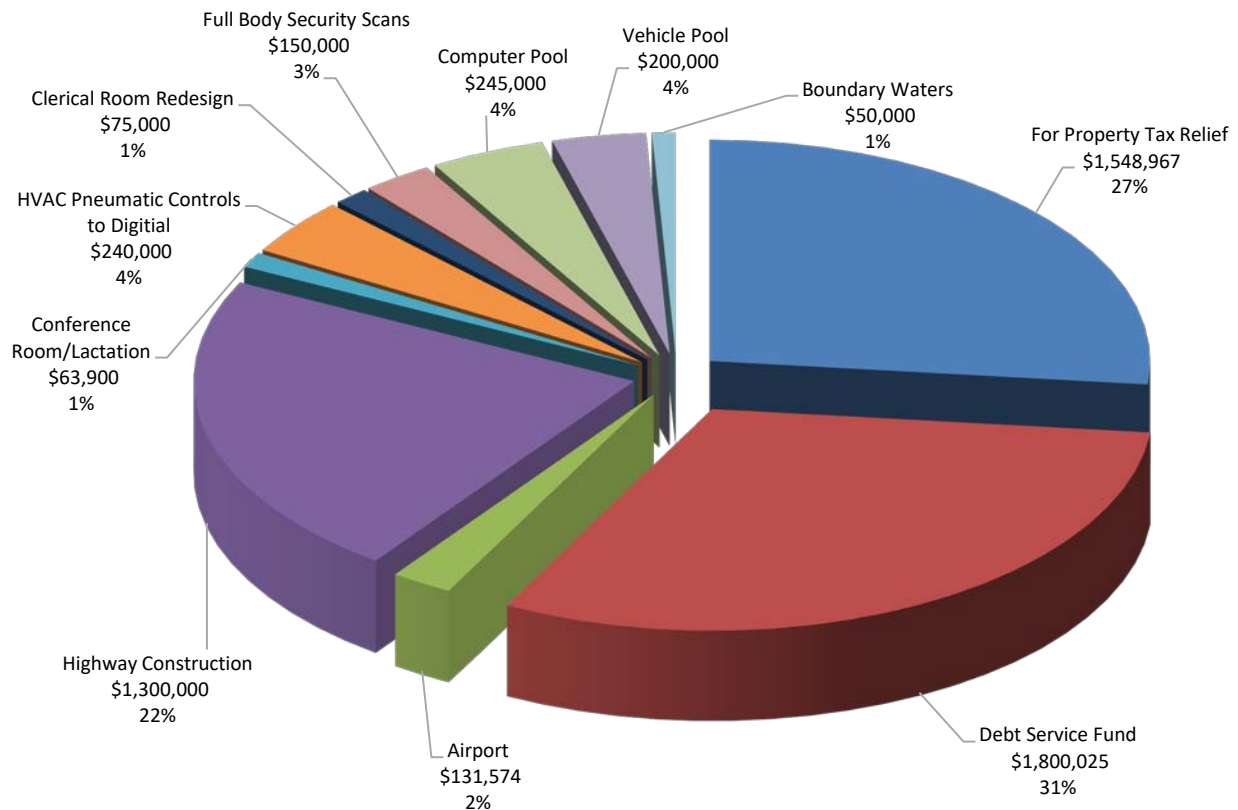
D. Sales Tax Projects Approved

Available Sales Tax Dollars 2020	\$5,804,466
Committed Sales Tax Dollars	
1. Property Tax Credit	1,548,967
2. Debt Service Fund	1,800,025
3. Airport Debt Contribution	<u>131,574</u>
Total Committed Sales Tax Dollars	3,480,566
Non-Committed Sales Tax Dollars Available 2020	<u>\$2,323,900</u>
Total Sales Tax Dollars Available 2020	\$5,804,466

Requested Sales Tax Uses – Approved (CIP)

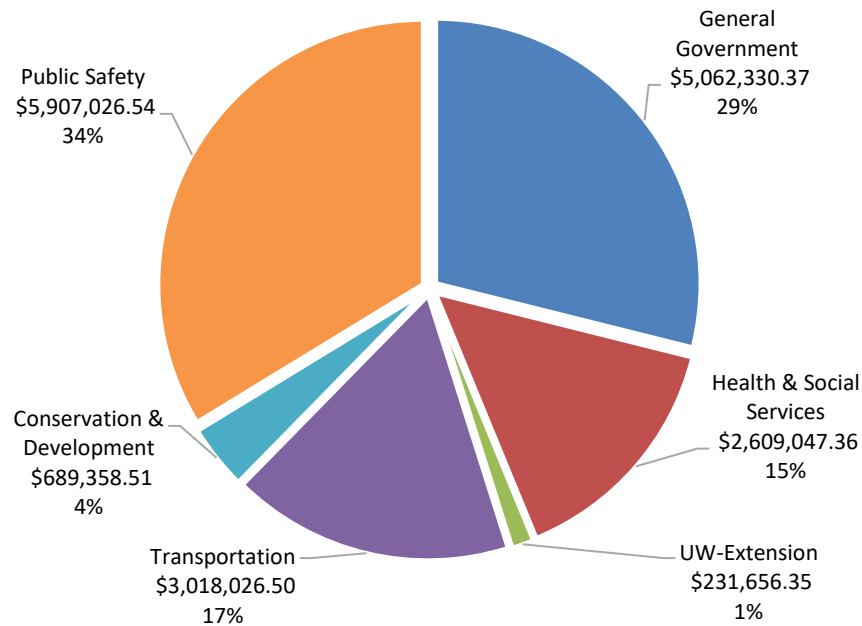
Variable Air Volume (VAV) Box Upgrade (Phase 2) – Resolution 20-20	\$240,000
Conference Room/Lactation/Storage Room Remodel – Resolution 20-20	\$63,900
Highways & Bridges – Resolution 21-20	\$1,300,000
Non-Highway Fleet Vehicles – Resolution 21-20	\$200,000
IT Equipment Replacement & Data Center Equipment – Resolution 22-20	\$245,000
LCFM Boundary Waters Project – Resolution 23-20	\$50,000
Sheriff Full Body Security Scanner – Resolution 24-20	\$150,000
Sheriff Clerical Room Redesign – Resolution 24-20	<u>\$75,000</u>
TOTAL	\$2,323,900

Total for 2021 Sales Tax Distribution

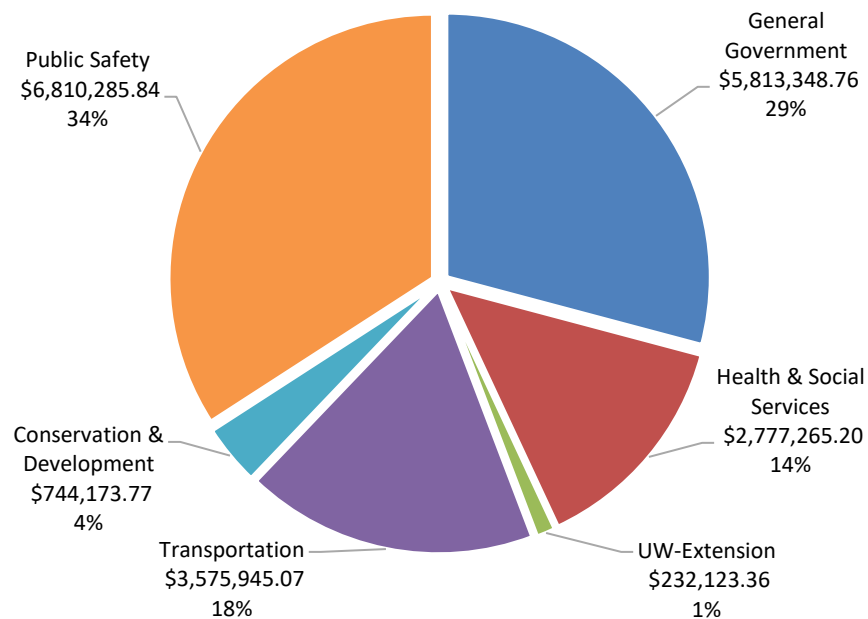


E. Tax Levy Comparison – 2016 Budget vs. 2021 Budget

2016 Budget Tax Levy



2021 Budget Tax Levy



F. 2021 Budget – General Information

I. Equalized Valuation

2015 for 2016	\$4,742,695,200	Increase of \$174,777,100 or 3.8%
2016 for 2017	\$4,912,661,000	Increase of \$169,965,800 or 3.58%
2017 for 2018	\$5,078,001,000	Increase of \$165,340,000 or 3.37%
2018 for 2019	\$5,251,453,300	Increase of \$173,452,300 or 3.42%
2019 for 2020	\$5,693,384,000	Increase of \$441,930,700 or 8.42%
2020 for 2021	\$6,112,557,400	Increase of \$419,173,400 or 7.36%

II. Tax Rate

2015 for 2016	\$3.69 / \$1,000	Decrease of 2.02%
2016 for 2017	\$3.68 / \$1,000	Decrease of .27% (Amended by CB 11/3/16)
2017 for 2018	\$3.69 / \$1,000	Increase of 0.2% (Amended by CB 11/2/17)
2018 for 2019	\$3.64 / \$1,000	Decrease of 1.20% (Amended by CB 11/1/18)
2019 for 2020	\$3.43 / \$1,000	Decrease of 5.80%
2020 for 2021	\$3.26 / \$1,000	Decrease of 4.91%

NOTE: There is an inverse relationship between equalized value and tax rate. As equalized valuation increases, tax rate decreases by the same proportion and vice versa.

III. Net New Construction

2015 for 2016	\$235,701	35.41%
2016 for 2017	\$284,849	20.85%
2017 for 2018	\$254,871	- 10.52%
2018 for 2019	\$390,950	53.39%
2019 for 2020	\$228,046	- 41.67%
2020 for 2021	\$313,437	37.44%

IV. Property Tax Levy

2015 for 2016	\$17,514,446	Increase of 1.75%
2016 for 2017	\$18,103,129	Increase of 3.36% (Amended by CB 11/3/16)
2017 for 2018	\$18,728,228	Increase of 3.45% (Amended by CB 11/2/17)
2018 for 2019	\$19,136,194	Increase of 2.18% (Amended by CB 11/1/18)
2019 for 2020	\$19,543,812	Increase of 2.13%
2020 for 2021	\$19,953,142	Increase of 2.09%

V. Allowable and Proposed Property Tax Levy Dollars and Levy Rates

Allowed by State Levy Dollar Limit Worksheet		Approved / Proposed	Amount Available
2015 for 2016	\$18,287,343 or \$3.86 per \$1,000	\$17,514,446 or \$3.69 per \$1,000	\$772,897
2016 for 2017	\$18,831,395 or \$3.83 per \$1,000	\$18,103,129 or \$3.68 per \$1,000	\$728,266
2017 for 2018	\$19,241,410 or \$3.79 per \$1,000	\$18,728,228 or \$3.69 per \$1,000	\$513,182
2018 for 2019	\$19,325,692 or \$3.68 per \$1,000	\$19,136,194 or \$3.64 per \$1,000	\$189,498
2019 for 2020	\$19,713,473 or \$3.46 per \$1,000	\$19,543,812 or \$3.43 per \$1,000	\$169,661
2020 for 2021	\$19,956,580 or \$3.26 per \$1,000	\$19,953,142 or \$3.26 per \$1,000	\$3,438.00

VI. Total Budget

Total 2016 Budget	\$63,955,511.00
Total 2017 Budget	\$61,916,126.00
Total 2018 Budget	\$68,165,628.00
Total 2019 Budget	\$77,520,516.00
Total 2020 Budget	\$78,732,363.00
Total 2021 Budget	\$82,162,968.00

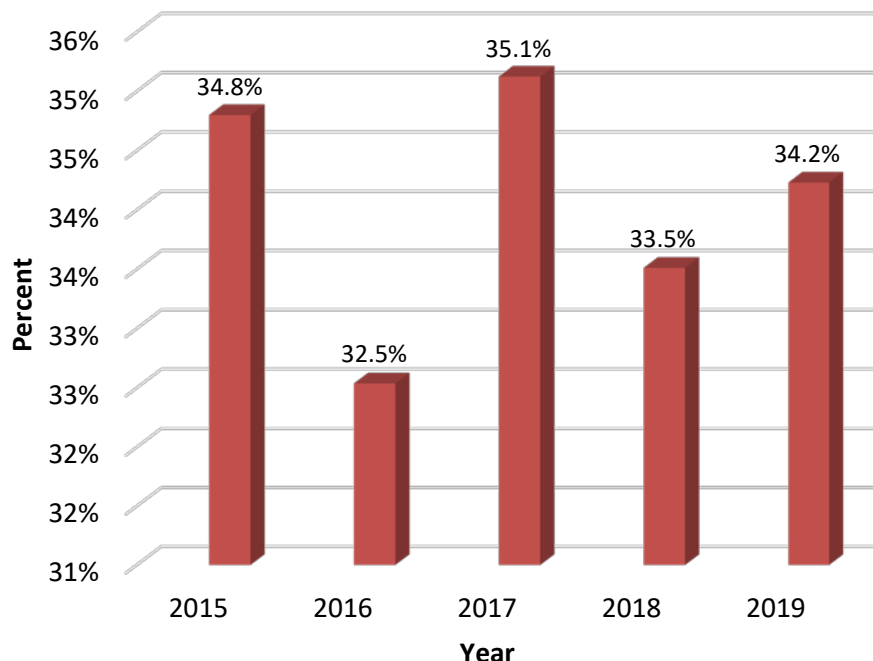
G. Analysis of Audited General Fund Balances 2015 – 2019



A 5-Year General Fund Analysis occurs for bonding events by the bond rating agency. Chippewa County strives to maintain fund balances over 35% to allow for a better (lower) interest rate.

	2015	2016	2017	2018	2019	Per 2019 Audited Numbers Recommended Undesignated	
						Minimum	Maximum
Reserved for Total Designated Balances	7,704,229	8,434,583	10,102,560	11,104,597	11,606,627		
Reserved for Delinquent Taxes	1,265,153	1,192,002	1,097,437	883,351	979,741		
Reserved for Subsequent Year Budget	0	0	0	0	0		
Reserved for Prepayments	6,278	91,534	86,244	74,367	88,862		
Unreserved, Undesignated	9,892,304	9,963,870	10,389,175	10,743,090	11,527,829	10,103,051	13,470,739
Total General Fund Balance	18,867,964	19,681,989	21,675,416	22,805,405	24,203,059		
% of Undesignated Fund Balance to General Fund Expenditures per Executive Summary	34.8%	32.5%	35.1%	33.5%	34.2%	30.0%	40.0%

Percent of Undesignated Fund Balance to General Fund Expenditures (Auditor Recommended 30-40%)



H. 2021 Budget Summary

1. 2021 Budget

Recommended Total 2021 Budget	\$82,162,968	
Recommended Tax Levy	\$19,953,142	Increase of 2.09%
Recommended Tax Rate	\$3.26 / \$1,000	Decrease of 4.91%

2. Past, Current & Future Bond Rating

- ✱ Continuation of current financial position with fund balance between 30% - 40% will allow for a better (lower) interest rate should Chippewa County undertake a borrowing effort in the future.
 - Current Bond Rating Aa¹

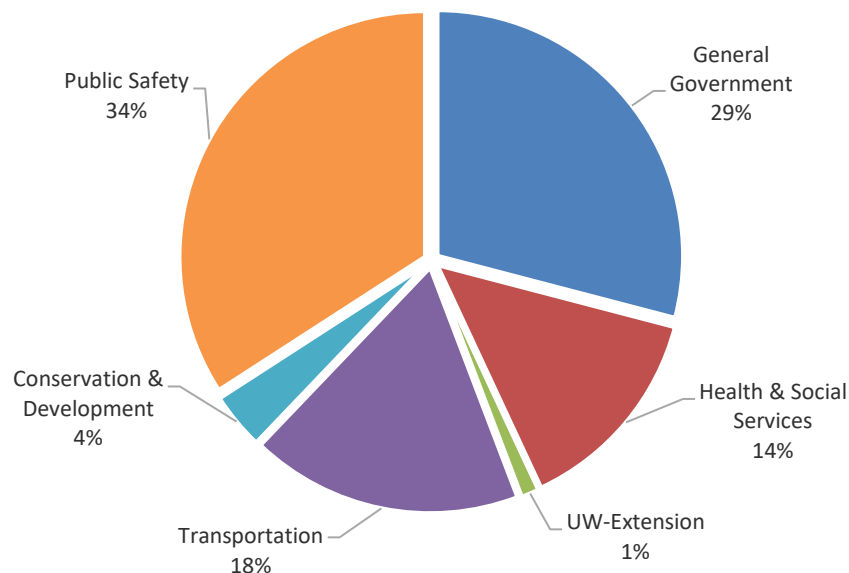
3. The County's Recommended Tax Rate of \$3.26 / 1,000 is low in comparison to other similar Counties.

- ✱ Yet the County road infrastructure is the 4th largest in the State and demand for all other service(s) is virtually the same in other Counties. The levy rate has maintained minimal changes for the last several years.

4. Comparison – County Tax Impact on Homeowners

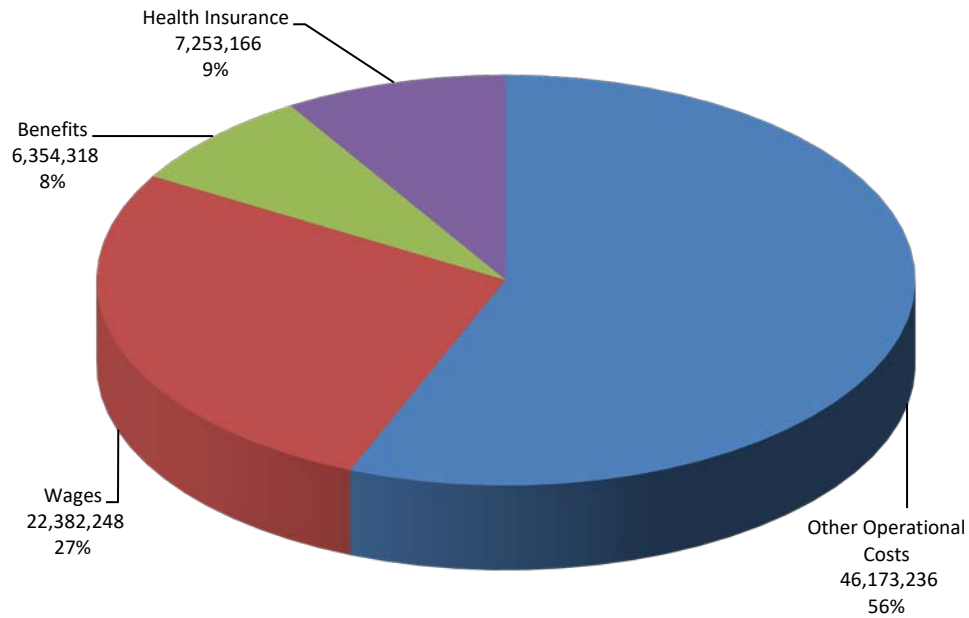
Home Value	2020 Tax Per \$1,000	Proposed 2021 Tax Per \$1,000	Proposed Change Amount
	\$3.43	\$3.26	
\$100,000 Residence	\$343.00	\$326.00	(\$17.00)
\$150,000 Residence	\$514.50	\$489.00	(\$25.50)
\$200,000 Residence	\$686.00	\$652.00	(\$34.00)

**Distribution of Proposed Tax Decrease
Based on Levy Allocation for \$150,000 Residence**



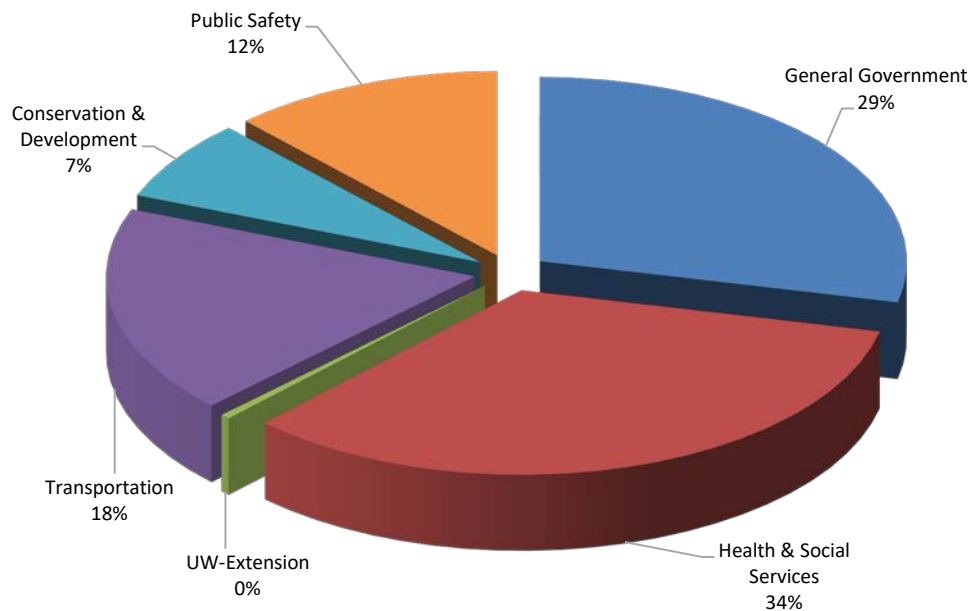
I. Conclusion

Total 2021 Budgeted Expenses \$82,162,968



Benefits Include: Employer Share of: FICA Taxes, Workers Compensation, Wisconsin Retirement, Life Insurance Benefit and Disability Benefit

Total 2021 Budget By Function \$82,162,968



J. Chippewa County Strategic Plan



Chippewa County's vision is a thriving and welcoming community that offers an exceptional quality of life for all residents

Our mission is to offer an exceptional quality of life for all who live, work and play in Chippewa County by supporting social and economic opportunities through a transparent, accountable, and fiscally responsible government



Effectively communicate information about programs, services, and resources to all residents and county employees

- Utilize technology to develop user friendly communication tools
- Identify residents and employees' preference for information dissemination and customize dissemination options
- Explore and use best practices for communicating information to rural communities
- Conduct face-to-face meetings with residents and county employees to listen to their concerns and clarify expectations

Develop additional sources of revenue and funding to meet emerging needs

- Study strategies for revenue generation from other counties and municipalities
- Enhance networking and educate state and federal officials about emerging needs
- Collaborate with other counties and municipalities to achieve cost savings through shared resources
- Partner with nonprofit organizations and private sector to address community needs

Improve access to mental health and drug treatment options

- Enhance educational outreach and educate community about available mental health service options
- Collaborate with communities and organizations and educate public about eliminating stigma associated with mental health
- Enhance networking and educate state and federal officials about emerging needs of Chippewa County
- Collaborate with service providers to integrate services and address issues from a whole person perspective
- Provide training for law enforcement to learn trauma informed strategies and resources

Maintain and proactively address threats to water quality

- Utilize baseline database from groundwater study and embrace cutting edge technology for monitoring water quality
- Collaborate with and encourage towns to adopt County's comprehensive zoning plan
- Coordinate with neighboring counties, DNR, and communities to develop mechanisms for protecting water quality

Support economic development in rural areas

- Improve and develop infrastructure to support the community and businesses
- Educate communities on economic development opportunities and resources
- Encourage retention of local talent in collaboration with communities
- Identify and promote recreational and tourism opportunities

The Strategic Plan was adopted by the County Board on January 14, 2020 per Resolution 05-20.