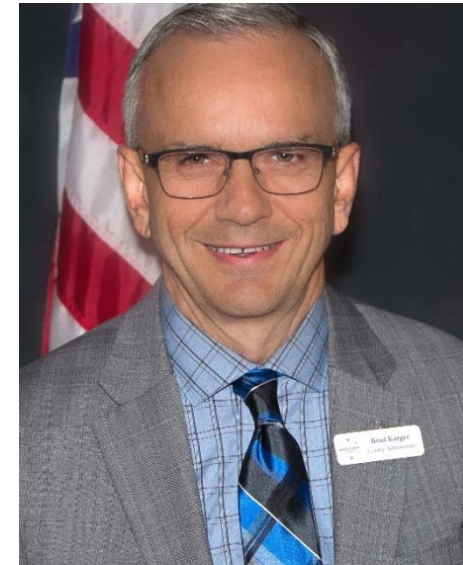


# County Administrator's Budget Message



TO: The Honorable Marathon County Board of Supervisors

FROM: Brad Karger, County Administrator

DATE: October 11, 2018

SUBJECT: 2019 BUDGET MESSAGE

I present this Financial Plan and 2019 Annual Budget to the County Board, as required by Wisconsin Statute 59.033(5). The actual budget and tax levy for 2019 will be voted upon at the November meeting of the County Board. This document represents my recommendations for the operating budget for the year 2019, including funding for the 2019 Capital Improvements Program (CIP).

## **THANK YOU TO THOSE WHO CONTRIBUTED TO BUILDING THIS BUDGET**

A budget is a team effort. In building a financial plan for the upcoming year department heads and the administrative people who support them, Lance Leonhard along with Kristi Palmer, Alicia Richmond and employees of the Finance Department who support them, pulled together and the result is a product which continues our array of public services and reduces our tax rate from \$4.95 to \$4.80.

We have a great group of people involved in key financial and leadership roles and I thank you all. Our County Government functions at a high level in part because of the many contributors who are committed to public service as a profession and who understand that the work we do matters.

**THE PROPERTY TAX RATE IS REDUCED BY .09 CENTS  
AND HAS NOT BEEN INCREASED SINCE THE 1995 BUDGET**

The tax rate is going down, but our property tax levy is increased by \$354,749 or .72%. Let me explain:

“Tax Rate” -- Amount of tax collected from the tax base (usually expressed in mills, or \$.001 of equalized value).

“Tax Levy”-- Equalized value times the tax rate.

So for instance -- \$100,000 (equalized value of property) x .002 (2 mills tax rate) = \$200 tax levy

The tax levy for the County is the total tax levy of all the properties within the County.

This year the equalized value of all the properties in Marathon County is \$11,054,104,100, an increase of \$463,942,800 (4.38%) over 2018. That increase minus the portion of the increase in tax increment districts, times the new tax rate (\$4.80) generates a \$354,749 increase in property tax dollars which are incorporated into the 2019 budget. Thus, you can argue that this budget proposal increases taxes if your focus is on the tax levy or you can argue that it decreases taxes if your focus is on the tax rate. Both are true.

**AVERAGE HOMEOWNER IMPACT**

The average homeowner in Marathon County will see some minor increase in the County portion of their property tax bill for 2019. For illustration the following chart compares the “average homeowner’s” tax bill for 2010 thru 2019.

<b><u>Budget Year</u></b>	<b><u>Property Value</u></b>	<b><u>Tax Rate</u></b>	<b><u>Tax Amount</u></b>	<b><u>\$ Changes</u></b>	<b><u>% Changes</u></b>
2019	\$152,065	\$4.80	\$732.74	\$ 4.54	0.62%
2018	\$146,965	\$4.95	\$728.20	\$ 7.65	1.06%
2017	\$142,685	\$5.04	\$720.55	\$11.11	1.57%
2016	\$138,422	\$5.125	\$709.44	\$ 6.80	.97%
2015	\$136,134	\$5.16	\$702.45	\$12.44	1.8%
2014	\$133,465	\$5.17	\$690.01	\$ 3.70	.054%
2013	\$132,748	\$5.17	\$686.31	(\$22.10)	(3.2%)
2012	\$137,023	\$5.17	\$708.41	(\$ 9.19)	(1.3%)
2011	\$138,800	\$5.17	\$717.60	(\$13.96)	(1.9%)
2010	\$141,500	\$5.17	\$731.56		

Thus, the average homeowner in Marathon County will see their County tax bill increase by \$4.54 even though the tax rate declined by 15 cents. This happened because of a 4% increase in their property value.

### REPLENISHMENT OF WORKING CAPITAL ACCOUNTS

The “good news” is that the 2019 budget is balanced without spending down any working capital funds.

The “bad news” is that there is no provision in the budget to repay any of the \$1,625,438 of working capital funds spent in 2018 to fund dramatic increases in correctional costs, justice alternatives program expansions and child welfare caused by the drug crisis.

The drug crisis is still with us as are the expenses of providing public services to those trying to recover from an addiction, protecting children endangered by the drug use of another, and the cost of incarceration of drug offenders.

### ADJUSTMENTS MADE TO BALANCE THE BUDGET

We have made three adjustments to the budget that are new in 2019 in order to make the budget balance.

1. We are budgeting closer to our real cost of employee compensation. In the past, our budgets assumed that all positions would be filled all year long. This resulted in surpluses in these accounts when there was turnover and there was a gap of time after the position incumbent left and before the new person started. Thus, in order to reduce over-budgeting for employee compensation, I have backed \$200,000 out of the Sheriff’s Corrections Budget and the Highway Department Budget. Prior year surpluses suggest that this money will not be needed in 2019:

	<u>Highway</u>	<u>Corrections</u>
2017	\$1,541,836	\$426,624
2016	497,027	562,333
2015	214,777	295,988

“Budgeting closer” doesn’t save any money, but it does avoid artificially inflating the cost of doing business.

2. We have fully applied the estimate of sales tax revenue provided to us by the State for 2019, \$13,000,000. In the past we budgeted most, but held some back as a cushion for a recession. This adds \$1,100,000 to our budget.
3. We have applied a new \$360,000 one-time Economic Support reimbursement to support the cost of out-of-home placements of children. Because this is new and unknown if it will be anything more than a one-time payment, my first choice was to apply funds to one-time expenses like capital. We tried that on an earlier budget draft, but we need the funds in the operating budget to balance.

## NEW POSITIONS

Thirteen (13) new, full-time equivalent (FTE) positions were requested by department heads. I have approved and funded four (4) new positions. None of those new positions involve any “new levy”; they are funded with increases in user fees and reallocations, prioritizations within department budgets.

This “hard line” is necessitated by our financial position and after multiple discussions we have arrived at a place where the County’s essential needs are met or there is a pathway established for meeting the needs:

1. Planning Technician (Land Use Technician) Conservation, Planning and Zoning Department  
Funded with the conversion of an existing casual position to a regular, full-time position and user fee increase. Specifically, \$77,000 cost is offset by the \$32,047 that was budgeted for a casual position and increasing an array of user fees to offset the remaining \$44,953 cost.
2. Social Services Manager (Social Work Supervisor) Department of Social Services  
The full cost of \$111,100 is covered by abolishing a full-time social work position (\$98,536) and drawing down an additional \$12,564 in Children’s Long Term Support Services (CLTS) grant funding. The position is needed to support our efforts to protect the safety of children.
3. Diversion Program Assistant, District Attorney’s Office  
This position will help to divert from the court system offenders that would have otherwise been charged with criminal operating a motor vehicle after revocation. The full cost of the position is offset by new revenues from participants and corresponding reductions in the District Attorney’s budget, mostly funds that had previously been allocated for outside professional services.
4. Organizational Excellence Program Manager, County Administration  
This position will bring internal two important programs, leadership/management development and process improvement. The \$112,169 salary and benefits is offset by reduction in funds that previously had been used to fund outside professional services.

There is no funding in the 2019 budget for new Dispatcher positions to staff a new police channel. (\$75,507 per position, \$453,042 for six positions) That is a challenge that we do not have a solution for yet. The answer seems to involve a reallocation of funds within the 2019 budget. Some possibilities the Sheriff’s Command Officers, Managers of the Social Services Department and I are considering.

1. Can the Secure Detention Facility generate more revenue by housing kids from other counties and is new revenue sufficient to fund the six (6) dispatcher positions needed to open a new police channel?
2. Can we generate enough savings by closing our Secure Detention Facility and housing our kids in Portage or Eau Claire County facilities to fund the new police Channel?

The current situation is that we typically house three kids from Marathon County and three kids from other counties in our facility. Our salary and benefits costs alone are \$955,538 and our revenues from other counties are only \$134,341. The bottom line is that our overhead costs are flat and the problem is that our facility is underutilized.

### New & Expanded Position Requests - 2019

Dept	Request	Class Title (Working Title) Occ Code / DBM	Funding	CTT ADMIN APPROVA L TO PROCEED	FTE	Additional County Funding			Additional Non-Levy or Grant Funds			STANDING E APPROVAL	Human Resources & Finance, Property Committee Ranking/Recommendati	Approved and included in 2019 Budget - by County Administrator	
						Minimum	Mid-Point	Maximum	Minimum	Mid-Point	Maximum				
<b>Position Recommended By County Administrator To Include In 2019 Budget</b>															
1	County Administration	Create	Organizational Excellence Program Manager <b>New OC / C52</b>	100% Levy	YES	1.00	\$97,131	\$112,169	\$127,209	\$0	\$0	\$0	YES		YES
2	Conservation, Planning & Zoning	Create	Planning Technician (Land Use Technician) <b>5131 / B23</b>	44% Levy 56% Permit/Program Fees <b>(1)</b>	YES	1.00	\$32,047	\$32,047	\$32,047	\$36,752	\$44,953	\$53,155	YES		YES
3	Sheriff's Office	Create	Communication Specialist (Public Safety Telecommunicator) <b>5071 / B23</b>	100% Levy	YES	2.00	\$135,056	\$151,014	\$166,974	\$0	\$0	\$0	YES		NO
4	Social Services	Create	Social Services Manager (Social Work Supervisor) <b>5406 / C52 (2)</b>	No Additional Levy Funds Needed; Costs will be covered through state & federal funds	YES	1.00	\$11,305	\$13,564	\$15,826	\$2,153	\$2,584	\$3,014	YES		YES
5	District Attorney	Abolish Create	Social Worker Social Service Coordinator (Diversion Program Assistant)	26.8% Levy 73.2% Program Fees	YES	1.00	\$18,098	\$20,236	\$22,375	\$49,430	\$55,271	\$61,112	NO		YES
<b>APPROVED FTE'S &amp; FUNDING INCLUDED IN 2019 BUDGET PER COUNTY ADMINISTRATION</b>						<b>5.00</b>	<b>\$293,637</b>	<b>\$329,030</b>	<b>\$364,431</b>	<b>\$88,335</b>	<b>\$102,808</b>	<b>\$117,281</b>			
<b>Position Not Recommended By County Administrator To Include In 2019 Budget</b>															
1	Sheriff's Office	Create	Detective-FBI project	No additional levy; funds must be in 2019 budget	NO	1.00	\$107,559	NA	\$110,176	\$0	\$0	\$0			
2	Sheriff's Office	Create	Lieutenant-Investigations	100% Levy	NO	1.00	\$117,993	\$118,888	\$119,782	\$0	\$0	\$0			
3	Sheriff's Office	Create	Lieutenant-Court Security Unit	100% Levy (3)	NO	1.00	\$30,284	\$17,482	\$13,007	\$0	\$0	\$0			
<b>NOT APPROVED BY COUNTY ADMINISTRATION</b>						<b>3.00</b>	<b>\$255,836</b>	<b>\$136,370</b>	<b>\$242,965</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			

**(1) Proposing to eliminate \$32,047 that is budgeted for casual employee**

**(2) Abolish 1 Social Work and Create 1 Social Work Supervisor**

Abolished PCN 26146, and created PCN 26009

**(3) Abolish 1 Deputy Sheriff & Create 1 Lieutenant**

**COUNTY EMPLOYEES  
MARATHON COUNTY: FULL TIME EQUIVALENT EMPLOYEES**

	2014	2015	2016	2017	2018	2019	+ Incr -Decr.	See Note
Clerk of Circuit Court	34.00	34.00	34.00	34.00	34.00	34.00		
Conservation Planning Zoning	21.00	23.00	24.00	24.00	24.00	25.00	+1.0	2
Corporation Counsel	6.50	6.50	6.00	7.25	7.78	7.78		
County Administration	4.00	4.00	4.00	4.00	4.00	5.00	+1.0	1
County Clerk.	4.50	4.00	4.00	4.00	4.00	4.00		
District Attorney	12.80	13.80	13.80	13.80	15.30	16.30	+1.0	3
Emergency Management	2.00	2.00	2.00	2.00	2.00	2.00		
Employee Resources	6.80	6.80	6.80	6.80	7.00	7.00		
Facilities & Capital Management	23.70	23.70	23.70	35.70	35.70	35.70		
Finance	6.00	6.00	6.00	6.00	6.00	6.00		
Health	42.00	42.20	40.82	43.82	43.82	43.82		
Highway	77.00	78.50	78.50	78.50	78.50	78.50		
Library	44.90	44.90	46.10	46.10	46.10	46.10		
Medical Examiner	1.70	2.00	3.00	3.00	4.00	4.00		
Park Recreation & Forestry	43.00	43.00	43.00	43.00	44.00	44.00		
Register of Deeds	7.50	7.50	7.50	7.50	7.50	7.50		
Sheriff	180.00	186.85	187.85	187.85	193.60	193.60		
Social Services	111.23	111.73	107.50	111.00	115.63	115.63		4
Solid Waste	7.50	8.00	8.00	9.00	9.00	9.00		
Treasurer	5.00	5.00	5.00	5.00	5.00	5.00		
UW Extension	2.00	2.00	2.00	2.00	1.00	1.00		
Veterans	2.75	2.75	2.75	2.75	2.75	2.75		
<b>Total</b>	<b>645.88</b>	<b>658.23</b>	<b>656.32</b>	<b>677.07</b>	<b>690.68</b>	<b>693.68</b>	<b>+3.0</b>	
Central WI Airport	22.00	22.00	23.00	23.00	23.00	23.00		
ADRC – CW	58.73	57.71	57.71	58.11	58.11	58.11		
Special Education	76.50	81.50	83.50	84.00	84.00	98.50	+14.50	5

<b>NOTES</b>
(1) New 1 FTE Organization Excellence Program Manager added for 2019.
(2) New 1 FTE Planning Technician added for 2019.
(3) New 1 FTE Diversion Program Assistant added for 2019
(4) Added 1 FTE Social Service Manager and abolish 1 FTE Social Worker.
(5) Increased allocation of paraprofessionals by a total of 14.50.

In deciding which positions to fill I have relied upon the priorities assigned by the Human Resources, Finance and Property Committee.

I know that the Public Safety Committee wants the new police channel opened in January, not at the end of 2019. I also know that there are board members who want to tap some other funding source and leave the Secure Detention Facility open. None of that is unreasonable, but consider the limitations:

1. You cannot raise taxes. The levy rate will be reduced from \$4.95 to \$4.80 consistent with the levy caps imposed on us by State Government.
2. You might be able to raise fees such as establishing a “booking fee” charged to those who are booked into the jail. But at \$30 per person that will generate in the neighborhood of \$150,000; not nearly enough for the new police channel on its own. Plus, that assumes that the new fees are all collectable and our experience with the \$18 daily room and board fee assessed to jail inmates suggests that most of the funds billed are not collected. That might change if the local police organizations were billed for jail and not the person jailed. But then we will hear that municipalities have not had time to prepare for this new expense in their budget cycle. Should we postpone to the 2020 budget, we will hear from municipalities about the impact of the tax levy caps on them and their ability to incur a new expense.
3. You could completely or partially eliminate Courthouse Security (\$543,891) but I have a hard time imagining that was a top priority only a year ago is now a low priority.

You have already heard from Ben Bliven, Wausau Police Chief and Chad Billeb, Chief Deputy of the Sheriff’s Department about the importance for officers’ safety and department efficiencies that the new police channel be opened. No one denies that the need to move Everest Metro and Rothschild to a new channel is real. The concern is also shared by police officials from the rural areas of our County. Here is an excerpt of a letter that I recently received from Aaron Stencil, Athens Police Chief:

***Based upon our geographical location within the County, the Athens area residents and our police officers are likely more reliant upon quick action by our dispatchers . . . I am hopeful an additional radio channel is added in the near future to address issues we face in rural areas.***

We could spend down \$453,042 in working capital to open the new police channel in January or borrow that same amount and shift capital improvement dollars to fund the new positions. That strategy can work as a “quick fix” in the short term get us the Dispatchers we need to open the new police channel and would avoid a lot of unpleasant discussion/actions associations with the Security Detention Facility, but in the long-term, that is not sound financial policy, and I don’t recommend it.

(In this discussion I am using the salary range midpoints. You may have seen position costings elsewhere that are substantially lower. That may be because they are reporting the salary range minimums.)

## EMPLOYEE HEALTH CARE

We knew that the cost of employee health care being substantially the same in 2018 (\$1,849.81 – Family) as 2013 (\$1,850.89 – Family) was not going to last forever and we were right.

Our cost of employee health care will increase 3% in 2019 (\$242,991). That 3% increase will be achieved with several changes to the benefit plan. The cost increase with no changes to the benefit plan is 9%, a \$728,973 increase. Working with Kim Hertz, Group Health Trust, we have agreed upon a few changes to the health benefit that will reduce costs, but they have not yet been approved by the plan's underwriter. Here is what has been proposed:

- A \$20 office visit charge.
- Increases in out-of-pocket maximums
- Increased employee contributions toward the more expensive, specialty prescription medications

These changes are designed to shift much of the increased costs to those who most utilize the plan.

We already have an excellent wellness programming place, which 40% of our employees utilize, which features:

- Wellness Coaching
- Health Screenings
- Weight Watchers at Work
- Zumba
- Yoga
- Health Education
- 3% Premium Reductions for Participants; 5% Premium Reduction for Participants in 2020
- Health Fair
- Onsite Clinic, opened in 2018

The onsite clinic will continue to open without charge to employees for routine care, wellness examinations, care for chronic disease.

Much of what we are experiencing with the 9% increase in claims is just the 6% rate of medical inflation catching up with us. Nothing is unique about what we are experiencing:

***At least 60 of the 72 counties will experience a higher increase in the cost of health insurance than the State imposed levy caps allow them to take in new tax levy.***

**Kyle Christensen, WCA Legislative Director, at the October 5, 2018 WCUTA meeting.**



It has been represented to me that the County would be granted better discounts in health care services if we switched from Group Health Trust to an employee health insurance plan that Aspirus owns. It makes sense that Aspirus would reserve the best discounts for the health plan that it owns. How much impact those discounts might have we cannot really know until we see a proposal.

I think that long-term the County is better off sticking with Group Health Trust. They have been very progressive in working with us with a focus on healthier employees. The best discount is the surgery that is not needed. (Group Health Trust "GHT" is a cooperative venture of a number of Counties that was originally organized by Wisconsin Counties Association (WCA) as a way of helping Counties deal with the escalating cost of employee health care. (Most people will tell you that the County self-insures employee health care. That was true for many years, but the relationship we have with GHT is a fully insured product.)

The changes to our benefit structure will be painful for some and they would not have been possible in the pre-Act 10 collective bargaining environment. You don't have to approve these changes and we could just leave the plan as it is currently. You would, however, have to find \$728,973 in new revenues or reductions elsewhere to make the budget balance.

## BREAKDOWN OF RATES FOR EMPLOYEE HEALTH INSURANCE

Updated - September 28, 2018

Year	SINGLE		Employee +1		FAMILY	
	Full Premium	% Increase	Full Premium	% Increase	Full Premium	% Increase
19983-84	\$53.13				\$132.83	
1985	\$58.03	9.22%			\$145.07	9.21%
1986	\$69.47	19.71%			\$160.86	10.88%
1987	\$83.97	20.87%			\$196.00	21.85%
1988	\$94.17	12.15%			\$220.76	12.63%
1989	\$113.00	20.00%			\$264.91	20.00%
1990	\$135.60	20.00%			\$317.89	20.00%
1991	\$207.63	53.12%			\$451.56	42.05%
1992	\$209.71	1.00%			\$456.08	1.00%
1993 (200/600)	\$154.78	-26.19%			\$382.67	-16.10%
1993 (100/300)	\$161.61	-22.94%			\$399.61	-12.38%
1994	\$147.71	-4.57%			\$370.12	-3.28%
1995	\$156.11	5.69%			\$387.44	4.68%
1996	\$142.97	-8.42%			\$365.97	-5.54%

1997		\$210.89	47.51%			\$498.32	36.16%
5/1/97 (PPO benefit plan for all employees except for Hwy Union)		\$177.15	-16.00%			\$418.59	-16.00%
1998 (1/5/98 - County won arbitration award RE: Hwy Union and PPO benefit plan)		\$225.00	27.01%			\$524.85	25.39%
1999		\$253.23	12.55%			\$584.71	11.41%
2000 - 5% employee contribution		\$268.57	6.06%			\$623.83	6.69%
2001 - 5% employee contribution		\$282.20	5.08%			\$758.76	21.63%
2002 - 5% employee contribution		\$289.26	2.50%			\$777.73	2.50%
2003 - 5% employee contribution		\$318.19	10.00%			\$855.50	10.00%
2004 - 5% employee contribution		\$413.65	30.00%			\$1,112.15	30.00%
2005 - 5% employee contribution		\$463.29	12.00%			\$1,245.60	12.00%
2006 - 5% employee contribution		\$491.09	6.00%			\$1,320.34	6.00%
2007 - 5% employee contribution		\$510.73	4.00%			\$1,373.15	4.00%
2008 - 5% employee contribution		\$592.45	16.00%			\$1,592.85	16.00%
2009 - 5% employee contribution		\$616.15	4.00%			\$1,656.57	4.00%
2010 - 5% employee contribution		\$683.14	10.87%			\$1,838.79	11.00%
2011 - 10% Non-represented; 5% union employee contribution		\$720.31	5.44%			\$1,938.30	5.41%
2012 -12.6% employee contribution		\$615.55	-14.54%	\$1,494.20	N/A	\$1,757.88	-9.31%
2013 -12.6% employee contribution		\$648.12	5.29%	\$1,573.26	5.29%	\$1,850.89	5.29%
2014 -12.6% employee contribution		\$731.08	12.80%	\$1,774.65	12.80%	\$2,087.81	12.80%
2015 -12.6% employee contribution		\$731.08	0.00%	\$1,774.65	0.00%	\$2,087.81	0.00%
2016 -12.6% employee contribution	Aspirus	\$686.34	-6.12%	\$1,666.04	-6.12%	\$1,960.04	-6.12%
	Broad	\$737.50	0.88%	\$1,790.26	0.88%	\$2,106.18	0.88%
2017 -12.6% employee contribution	Aspirus	\$669.18	-2.50%	\$1,624.39	-2.50%	\$1,911.04	-2.50%
	Broad	\$719.06	-2.50%	\$1,745.50	-2.50%	\$2,053.53	-2.50%
2018 -12.6% employee contribution	Aspirus	\$655.94	-1.98%	\$1,574.24	-3.09%	\$1,849.81	-3.20%
	Broad	\$711.89	-1.00%	\$1,710.04	-2.03%	\$2,009.58	-2.14%

2019 -12.6% employee contribution	Aspirus	\$675.62	3.00%	\$1,621.47	3.00%	\$1,905.30	3.00%
	Broad	\$733.24	3.00%	\$1,761.33	3.00%	\$2,069.88	3.00%

**EMPLOYEE COMPENSATION**

The budget funds a 2% increase in employee compensation (\$819,812). These funds will be applied to the performance based pay structure in place.

**WORKER’S COMPENSATION**

The cost of worker’s compensation decreased by 1% causing a savings of \$95,000.

**HIGHWAY PAVING AND BRIDGE PROGRAMS**

We have estimated an increase of \$101,098 in vehicle registration fees for a total revenue of \$3,000,000. Those fund will be used to partially fund the 2019 County road paving program.

Our policy has been to pave 30 – 32 miles per year. In 2019, our paving crew will pave 26 miles. An additional 6 miles of paving will be done by an outside contractor utilizing the Surface Transportation Program. In this program, we fund \$1,225,715 and we secure \$2,067,337 of state and federal funds for the same purpose. (As a “rule of thumb” one mile of paving cost is \$225,000 for full depth replacement.)

We have 9 bridges on the County system that need to be replaced. In 2019, a bridge on Highway Z in the Town of Easton is funded for replacement (\$200,000 County levy; \$1.3 million Federal funding). Additionally, the County Road Q, Mole Brook Bridge in the town of Ringle is in the Capital Improvement Program (\$407,174). If you want that bridge completed in 2019, you will have to borrow for the funds.

**STATE FUNDING FOR COUNTY ROADS IN THE UPCOMING 2019-2021 STATE BUDGET**

At the Wisconsin Counties Association (WCA) Conference in La Crosse, Governor Scott Walker proposed giving counties an additional \$57 million in the next State budget to increase the State’s share of road costs.

This proposal will push the State’s share of the costs for County roadwork to 30%. It is currently 19.5%

A 10.5% increase in state funding seems to equate to a \$756,000 increase to Marathon County. Talking with Kyle Christensen, WCA Legislative Director, he advised us not to count on that additional funding yet. He said it is not yet known how the new funds will be distributed and whether the same commitment will be made if Tony Evers wins the Governor election. Kyle Christensen said that the words of the Governor should give us hope, but until the budget is proposed and adopted, it would be a poor choice to rely upon new State money for County roads. As the State budget is debated, funding for County roads and transportation will be in competition with the funding needs of K-12 public education and Medicaid (Badger Care).

## **PARK DEPARTMENT CAPITAL PROJECTS**

A number of our park facilities were built during the Great Depression Era and just like an old house many of these facilities are in constant need of upgrades. Several year ago we started the practice of setting aside \$100,000 to get the most important small capital projects done. In 2019, we will:

1. Upgrade electrical systems at Dell of the Eau Claire (\$24,950)
2. Replace the flooring in the lobby and hallway in Multi-Purpose Building in Marathon Park (\$37,000)
3. Replace tables and chairs at East Gate Hall (\$6,500)
4. Finish upgrading the roadway lighting at Marathon Park (\$11,000)
5. Sunny Vale Softball Complex Concession Stand paver conversion to concrete (\$7,279)
6. County Forest Trail Reconstruction (\$13,271)

In addition, out of the 2018 HRFC contingency budget is the \$30,000 accumulator (HRFC Committee approved this on October 1).

## **START RIGHT**

Start Right is a program unique to Marathon County, which provides education and home visits to at-risk families with newborn children. The program costs \$1.7 million dollars. \$500,000 comes from grants, local foundations funding and Badger Care reimbursements and \$1.2 million dollars is County tax levy.

In 2017, Start Right was utilized as follows:

- 124 women either pregnant or with a newborn received a home visit. 96 of these women receive 3 or more visits
- 211 children received intensive home visiting services
- 215 family coaching sessions were conducted
- 288 adults and 441 children participated in Play 'N Learn sessions

The County's investment in Start Right is intended to reduce costs elsewhere in the County budget including:

- Child Abuse and Neglect
- Foster Care and out-of-home placements
- Mental health services and interventions
- Arrests and incarcerations

In August, the Health and Human Services Committee considered a \$200,000 reduction to Start Right funding and rejected the idea. Consistent with the wishes of the Committee, the full \$1.2 million dollars of tax levy to support Start Right is incorporated into the 2019 budget.

## BROADBAND EXPANSION

The County’s Strategic Plan makes broadband expansion a top priority.

### **OBJECTIVE 8.7: Strive to provide affordable, reliable, high-speed internet access throughout the County**

To accomplish this objective the budget envisions a partnership and shared position with Lincoln County that is focused on broadband expansion. In 2018, University of Wisconsin Extension (UWEX) had a .5 FTE position authorized and funded that was not filled.

In 2019, we believe that UWEX can hire a full-time employee who will work half-time in Marathon County and half-time in Lincoln County. When that person is in Marathon County, the top priority will be broadband expansion including coordinating the development of a comprehensive approach to high speed internet access.

## FUNDING OF NON-PROFIT ORGANIZATIONS

County funding of non-profit organizations has been a source of controversy for 25 years. I have told the non-profit organizations that if the budget is adopted without amendment, their funding will be phased-out over a 3 – 5 year period:

2-1-1 Information and Referral (United Way)	\$ 40,000
Crime Stoppers	5,000
Entrepreneurial Bootcamp	40,000
Healthy Teens Initiative	25,000
Historical Society	54,376
Marathon County Development Corporation (MCDEVCO)	180,000
North Central Community Action Program (NCCAP)	33,757
Partners for Progressive Agriculture	20,000
The Women’s Community	75,000
Wisconsin Valley Fair	20,000

The agency representatives have been told that their funding is secure for 2019 – 2021. Starting in 2022 some allocations will be pared down and most will be eliminated altogether.

The people I talked with expressed appreciation of the long notice period, but also want to schedule time before the County Board to explain the benefits of their programs.

In the context of a \$162.6 million dollar budget these funds represent a small percentage. The argument has always been – if you can't afford to fully fund mandated County services, why are you using County funds to support services provided by non-profits that can raise money in the community by other means?

### **ADULT DETENTION FACILITY (aka "JAIL") CENSUS**

Our jail census continues to exceed the capacity of our jail and we continue to rent space from neighboring counties including Lincoln, Shawano, Chippewa, Taylor, Langlade, Outagamie and Marquette.

The story of the jail census might be another of those "good news" "bad news" scenarios.

There really isn't very much good news unless you consider the problem not getting worse to be "good news". In the first eight months of 2018 we averaged 399 inmates per month. That compares to an average of 402 inmates per month in 2017. With all the effort that has been put in by many people and groups to reduce the jail census this result is disappointing, but at least the jail population did not go up.

The "bad news" is that our inmate population is on a long-term climb. If you average the jail census over the previous 13 years where we have full-year data (2005 – 2017), you will find an average monthly census of 341. Our jail capacity is more complex than a single number. 250 is our target number and 279 is our maximum capacity. Our hard cost of out-of-County boarding of prisoners continues in the 1.2 to 1.5 million dollar range. On average we are housing 100 – 120 inmates in out-of-County jails. The cost figures fail to account for all the prisoner transports made by the Sheriff's Department for court appearances and medical appointments. Additionally, the Corrections Division budget is up \$281,459 because of increased costs of our food contract and inmate medical care.

## JAIL CENSUS

YEAR	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	TOTAL	MONTHLY AVERAGE
<b>2005</b>	304	300	315	337	324	337	353	339	327	353	357	361	<b>4007</b>	333.92
<b>2006</b>	357	361	381	387	376	375	366	344	350	337	327	317	<b>4278</b>	356.5
<b>2007</b>	326	326	330	319	322	334	326	323	341	357	349	334	<b>3987</b>	332.25
<b>2008</b>	336	340	350	346	347	359	346	355	352	359	354	328	<b>4172</b>	347.67
<b>2009</b>	303	315	326	317	334	335	326	339	338	324	326	315	<b>3898</b>	324.84
<b>2010</b>	303	298	298	312	302	296	303	312	300	302	292	284	<b>3602</b>	300.16
<b>2011</b>	287	293	305	303	298	305	298	301	298	293	294	290	<b>3565</b>	297.09
<b>2012</b>	310	306	305	326	327	322	327	341	334	345	336	339	<b>3918</b>	326.5
<b>2013</b>	352	362	348	343	346	374	371	362	358	366	367	348	<b>4297</b>	358.09
<b>2014</b>	343	349	342	352	341	342	347	341	344	347	358	329	<b>4135</b>	344.58
<b>2015</b>	327	329	345	365	356	337	328	331	338	337	340	339	<b>4072</b>	339.33
<b>2016</b>	351	359	348	358	361	371	380	371	401	410	398	395	<b>4503</b>	375.25
<b>2017</b>	400	413	399	441	394	399	422	423	404	379	372	375	<b>4821</b>	401.75
<b>2018</b>	374	374	400	411	418	412	408	397						

There are no easy answers to the jail census challenge, but we have a number of important initiatives underway including:

- Expanded house arrests
- Operating While Intoxicated (OWI) Court
- Drug Court
- Deputy Sheriff position specializing in mental health and drug treatment

All these initiatives are funded in the 2019 budget.

**OUT-OF-HOME PLACEMENT OF CHILDREN**

In 2019, we will spend 4.9 million dollars placing children needing protective services and in the youth justice system in the community or in an institution of care.

<b>Placement Type</b>	<b>Actual</b>	<b>10 year</b>	<b>Budgeted</b>	<b>Average Placement Cost</b>	<b>Budgeted Placement Cost</b>
Correctional Care	0	3	1	\$144,900	\$144,900
Residential Care Center	6	16	12	\$144,516	\$1,734,196
Group	10	11	12	\$83,619	\$1,003,424
Treatment Foster Home	22	11	19	\$46,194	\$877,686
Specialized Foster Home	12	16	13	\$21,289	\$276,760
Foster Home	75	66	73	\$9,816	\$716,600
County Kinship	62	19	71	\$2,928	\$207,888
Foster Care to 21	0	NA	0	0	-
<b>TOTAL</b>	<b>187</b>		<b>201</b>		<b>\$4,961,454</b>

This represents a \$218,195 reduction from the budget for 2018. These cost estimates are supported by the Social Services Board. This isn't only about the drug epidemic, but a lot of these costs are attributable to the use of drugs and drug endangerment.

**FUNDING OF REGIONAL GOVERNMENT ENTITIES**

- A. The County's funding of the City-County-NCHC Technology Department is \$1,630,798, a 9.6% increase over 2018. By agreement you cannot reduce the amount contributed for technology support. (All of the increases are attributable to software maintenance agreements.)
- B. Funding for the ADRC-CW is the same as it was when the regional entity was created \$395,367.
- C. Funding in the form of County tax levy, for North Central Health Care is the same as it was in 2018, \$5,294,932:

<b>SHARED SERVICES</b>	
Inpatient Hospital	\$ 208,852
Lakeside Recovery (MMT)	218,116
Crisis	1,356,802
Protective Services	398,992
Birth to Three	513,729
Contract Services	664,096
<b>TOTAL</b>	<b>\$3,360,587</b>



**MARATHON COUNTY ONLY PROGRAMS**

North Central Health Care operates a number of programs directly for Marathon County that require tax levy support to operations. The largest program is Mouny View Care Center (MVCC).

Community Corner Clubhouse	\$ 92,000	
Aquatic Therapy Pool	342,345	
MVCC – Long Term Care	428,000	} \$1,500,000
MVCC – Legacies Dementia Care	1,072,000	
<b>TOTAL</b>	<b>\$1,934,345</b>	

A. Funding for our membership in the North Central Regional Planning Commission continues to be \$43,000 and is incorporated into the budget.

**COUNTY “GRANTS” FOR ENVIRONMENTAL PROTECTION AND ECONOMIC DEVELOPMENT INITIATIVES**

The Environmental Impact fund was converted into a revolving loan program for low income people who are ordered to replace their septic system. We are not using that program yet because the Wisconsin Fund is still in place and funded. When the State loan program ends or is not funded, our County Loan Program will begin.

The Economic Development unallocated funds that we used support many different kinds of initiatives, like the Ginseng Festival, are not funded.

These were always fun programs that we could award dollars to support initiatives by community groups.

**SUMMARY OF KEY CHANGES IN THE 2019 BUDGET AND A PREVIEW OF THE 2020 BUDGET**

Not a lot is new in the 2019 budget, but here are some of the highlights:

- Most department budgets are increased 2% or less.
- The 2019 budget is balanced without spending down any working capital reserves.
- There are 4 new positions, but no new levy to fund them. They are funded with new revenues, grants or by moving money around in the department budget.

- There is no funding for Dispatcher positions needed to open a new police channel, but we are expecting to be able to redistribute funds from the Secure Detention Facility to get that channel opened in 2019.
- Employee health care costs will increase 3% with adjustments to the plan benefits. Without these adjustments our costs would have increased 9%.
- We will pave 32 miles of County roads in 2019. This is consistent with our policy.
- We will have a half-time employee in UWEX dedicated to moving forward our goal of broadband expansion.
- We are beginning a 3 – 5 year process to phase out county funding for non-profit agencies.
- Out-of-home placements of children and out-of-County placement of offenders continue to represent major expenses related to the drug epidemic.
- We are going to have to borrow to fund ranked capital projects and for Highway vehicle replacement.

In between now and the 2020 budget we need to:

- Alcohol and other drug abuse are top priorities in our 2017-20 Community Health Priorities and need to be a continued area of focus as they are driving forces behind our rising jail census.
- We need to get more employees involved in protecting their own health. We are on the right track in investing in healthier employees rather than focusing on provider discounts. But, we have to get more employees involved in our wellness programs than 40%. 80% would look like success to me. This may not change our health care costs in 2020, but long term it will help preserve the quality insurance benefit we offer employees, and more importantly, enhances the participating employee's health and quality of life.
- We have to stick with our new initiatives around mental health and specialty courts to reduce our jail census. The building of a new correctional facility is inevitable and will come in about five years. We don't want to build it to house people who don't need to be there or who would do better in correcting their behavior in some other setting.
- We have a new \$2,000,000 revolving loan fund, with the capacity to expand to \$3,200,000 based on lines of credit provided by area banks, and we need to target those funds toward the goal of increasing median incomes in Marathon County. For reasons I don't fully understand, higher incomes will improve health and safety in our County.

- The Capital Improvement Plan that has served us well for the past 20 years is officially broken. In 2019, we were not able to fund all of rolling stock and none of the ranked projects. We need a new policy for the 2020 budget which applies carry-over funds to maintenance projects and borrows for all new capital purchases. (Nothing new or unique about this – I bet that if you ask Kyle Christensen about this he will say that at least 60 of the 72 Counties do this already.)
- We need a plan to replenish the working capital account. Not spending down any working capital in 2019 is a step forward, now we need to agree on a plan to repay the 1.6 million dollars used in 2018 over the next five budgets (2020 – 2024).
- From a legislative perspective, we need relief in the tax levy cap formula. Neither political party is likely to remove the tax levy caps entirely. But we can't just keep moving forward with the local authority to tax below our cost to continue and expect good things to happen.