

County tax levy might drop slightly

By Alexa Zoellner azoellner@dailyunion.com | Posted: Tuesday, September 20, 2016 12:57 pm

JEFFERSON — The Jefferson County Finance Committee on Monday kicked off four days of budget hearings, during which it learned that proposed 2017 expenditures reflect an increase in the countywide tax levy.

Jefferson County Administrator Ben Wehmeier presented an overview of his proposed budget, recommending that the panel approve a countywide tax levy of \$27,068,830, of which \$1,134,343 is debt. The proposed levy represents a 1.2-percent increase over \$26,743,522 this year.

Not included in the tax levy are funds of \$838,207 for the Jefferson County Health Department and \$1,070,311 for the county library system. Including the noncountywide funds, the total tax levy is \$28,977,348.

That is calculated by adding together estimated expenditures of \$72,119,540 and subtracting estimated revenues of \$38,849,169 and other finance sources of \$4,293,023.

The proposed budget, if adopted, would result in a countywide property tax rate of \$4.2969 per \$1,000 equalized valuation, translating into a 3-cents-per-\$1,000 decrease from last year.

“Before we even send things out to department heads, we go through two main processes with staff,” Wehmeier said. “First is, MIS starts looking at needs for technology and how is that allocated out. Second, is there any requests for personnel changes? It could be reclassification, adding staff, things along that nature, and we determine out what those costs will look like.”

Once that is completed, and they have the projected rates for health insurance and salaries, target rates specifically from a levy standpoint are developed and other revenue sources are examined.

“So those departments have what they cannot, or should not, exceed with what they turn back in to us,” Wehmeier said. “Most of the departments did very well in that fashion again this year. They hit the targets or below the targets. We had a couple outliers that we worked through, but for the most part everyone was very responsive in terms of how that went forward.”

The county administrator said there were two notes when going through the budget guidelines. First, cost reductions were looked at for smaller departments and that target goals are becoming more of a challenge. Second, many contracts for services or maintenance, which the county is using more often, are increasing in cost at a faster rate than in the past.

In addition, the county always is looking at health insurance, wage projections and revenue streams, he said.

Wehmeier recommended a contingency budget of just under \$525,000, which is “pretty much in line” with what has been seen in past years.

“What we are proposing for contingency, in some ways, it’s a little bit different than what we’ve done in the past, and some of that ties back to the University of Wisconsin-Extension,” he explained. “(In addition to the \$525,000), we also pulled \$28,000 directly from the UW-Extension. This is based on a calculation of what’s called a 133 contract.”

A 133 contract is the contract between the county and the UW System for paying for the UW faculty.

“Based on what we believe will be the reconciliation process, which is always one year behind, there will be a reduction in our contract of \$28,000,” Wehmeier said. “That’s mainly from Professor Steve Grabow retiring and not being filled, and the time lapse with the 4-H agent not being filled. I would recommend, if we do get awarded Farm Technology Days (see related story on page A1), that \$20,000 would come from that contingency line item. It’s reserved in this as a specific contingency line item.”

Also, \$80,000 was budgeted for Professional Services general expenditure.

“There’s various things we’d like to look at doing,” Wehmeier said. “One is a strategic plan update. We’re looking at priority-based budgeting, market analysis, benefit/health insurance and then continue our continuous quality improvement (CQI)/leadership training.”

In regard to revenues, positive trends and projections continue to be the pattern, he explained.

“Sales tax is up,” Wehmeier said. “It’s tracking ahead and we are adding \$100,000 versus what we had budgeted in last year’s budget, so about \$5.85 million. We are still waiting to see — we think that’s a conservative estimate — where it will go.”

New construction did fairly well this year, capturing almost \$330,000 compared to \$217,000 in previous years, the county administrator said.

State shared revenue maintains at status quo at \$1.17 million, he said.

“We’ve talked our return on investments in terms of what we did and in terms of going to Dana (Investment Advisors) and doing a cash flow analysis,” Wehmeier explained. “We’re projecting about \$500,000 in that investment income, up pretty significantly from what we’ve been in past years. That was a very wise move as we continue to move forward on that.

“The other interesting thing ... is the interest on the property taxes,” he continued. “In the past, that number was anywhere from \$600,000 to \$900,000-plus. That number is starting to come

down. As we've annotated, that number is significantly down for 2016, so we reduced that expected source down to \$420,000. That's not a bad number from a big picture of going down."

Wehmeier proposed multiple program and personnel changes, an ongoing review of wages based on market conditions and maintaining health insurance.

Program and personnel changes are proposed to take place in the Human Services and Highway departments and the Jefferson County Economic Development Consortium (JCEDC).

"Human Services always ebbs and flows as new money comes forward or doesn't come forward," Wehmeier said.

In Human Services, he proposed adding two Comprehensive Community Services (CCS) service facilitators; support staff for CCS; support staff for Children Long-Term Support (CLTS); lead economic support; economic support bilingual, and splitting a compliance/IT position into a compliance officer and an IT liaison.

"In the Highway Department, what we're also recommending is creating a higher level pool," Wehmeier said. "In the summertime, we have a small pool, mainly that we use for flaggers and those kind of things in the past and it's actually very difficult to fill those positions. What we're looking at is, can we bring in some part-time, higher-paid positions to help offset some construction time and mowing in the summer season."

Contingent upon finding available funds, the JCEDC would add an additional 1.5 full-time employees, he said.

Another personnel change would be the creation of Criminal Justice Collaborating Committee (CJCC) treatment courts coordinator.

"We did get that CJCC Treatment Court grants this last year for \$174,000," Wehmeier said. "That will include one fulltime position — that treatment courts coordinator for those activities — that will be a county employee."

Other positions are being finalized and reviewed in terms of reclassification requests, but are covered in the proposed budget, he added.

"(Wages are) always an ongoing conversation of where we need to head," Wehmeier said. "We do have a Step Program for our employees, with the exception of the sworn. There's roughly 2.5 percent between steps, so every year when we approve it, the actual cost is about \$560,000."

The county administrator suggested a 1.5-percent cost-of-living adjustment (COLA).

"We would be splitting that up at 0.75 percent on Jan. 1, 2017, and 0.75 percent on July 1, 2017," he said. "Based on some of the surveys in the public sector right now, we're seeing COLAs being around that 1.2 to 2 percent overall, so we're trying to maintain with that market."

Insurance was discussed.

“We’re around that \$7 million range on health insurance on an annual basis,” Wehmeier said.

“Most of our employees, if they stay status quo, they’re going to keep where they’re at or get a little bit better in terms of their premiums. There’s no increase to the county for this current year, based on what we’re proposing in terms of health insurance costs.

“Our plan design is maintain that low deductible plan,” he continued.

“Then maintain our FSA contributions. I’m not sure how much longer that’ll be able to continue going forward because I expect that’ll be eaten up in the next few years.”

Also on Monday were the budget hearings for management information systems (MIS), land information, register of deeds, district attorney and economic development. All five recommended budgets were approved by the Finance Committee.

MIS

The MIS department’s 2017 recommended budget would provide \$1,452,465 in charges to departments, which is a \$61,531 increase from 2016. There would be approximately \$330,000 in total capital items.

Land Information

The Land Information department 2017 proposed budget provides \$370,986 in tax levy, which is a \$8,920 increase in levy from the 2016 amended budget. There would be no capital items.

Register of Deeds

The register of deeds 2017 recommended budget provides \$155,762 in tax levy reduction, which is a \$25,697 decrease in tax levy reduction from the 2016 amended budget. There would be no capital items.

“(The department) gets the ‘luxury’ of not having to talk tax levy,” Wehmeier said. “It’s actually one that, because of how revenue flows and fees for service comes in, they actual help the bottom line of the other departments.”

District Attorney

The District Attorney’s Office proposed 2017 budget provides \$697,769 in tax levy, which is an increase of \$23,191 in levy from the 2016 amended budget, mainly due to fringes and salaries. There would be \$7,000 in capital expenditures.

Economic Development

The Economic Development Department's cost share in funding the Consortium budget is based on the county's population estimate of 84,255, as provided by the Wisconsin Department of Administration. Participant funding is paid at a rate of \$1.50 per census person based on an intergovernmental agreement. In 2017, the rate per census person increased from \$1 to \$1.50.

The tax levy for the county's cost share is budgeted on the county board budget and is an increase of \$42,138 from the 2016 amended budget.

The 2017 budget includes \$28,000 for the Railroad Consortium, in which \$14,000 is included on the Economic Development budget and the other \$14,000 is included in the county board budget.

The next three departmental budget hearings will take place at 8:30 a.m. on Wednesday, Thursday and Friday.