Wisconsin Counties Association ANNUAL CONFERENCE & Exhibit Hall 2022

2:15 - 3:15 PM

Inflation, County Budgets, and Levy Limits
Inflation, Levy Limits, and County Budgets

Jeff French, Barron County Administrator
Adam Payne, Sheboygan County Administrator
Kevin Dospoy, Forward Analytics
Inflation

- What is it?
- What causes it?
How is Inflation Measured?

- **Consumer Price Index**
  - Prices paid by consumers
  - Basket of goods

- **Producer Price Index**
  - Prices paid by producers, including imports

- **GDP Deflator**
  - Price changes for consumers, businesses, government, etc

Which is the best for County Governments??
County Government Spending

- Health and Human Services, 33%
- Public Safety, 22%
- General Govt, 17%
- Roads, 9%
- Debt, 7%
- Other, 5%
- Culture/Rec, 6%
Staffing Problems

- Wage growth
- Flexibility, work balance

Increase revenue by:
1. Referendum
2. Raising tax levy
3. Debt
<table>
<thead>
<tr>
<th>Year</th>
<th>Salt Price/ton</th>
<th>Tons Used</th>
<th>Road Oil</th>
<th>Oil Filter</th>
<th>Diesel Fuel</th>
<th>Unleaded Gas</th>
<th>18” Culvert</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$78.91</td>
<td>2,825</td>
<td>$380</td>
<td>$21.95</td>
<td>$2.28</td>
<td>$1.93</td>
<td>$43</td>
</tr>
<tr>
<td>2019</td>
<td>83.64</td>
<td>2,113</td>
<td>$495</td>
<td>$22.96</td>
<td>$2.03</td>
<td>$1.82</td>
<td>$62</td>
</tr>
<tr>
<td>2020</td>
<td>$84.48</td>
<td>1,693</td>
<td>$442.5</td>
<td>$17.71</td>
<td>$1.38</td>
<td>$1.24</td>
<td>$62</td>
</tr>
<tr>
<td>2021</td>
<td>$84.48</td>
<td>1,132</td>
<td>$476.5</td>
<td>$18.76</td>
<td>$2.26</td>
<td>$2.09</td>
<td>$90</td>
</tr>
<tr>
<td>2022 (through July)</td>
<td>$87.01</td>
<td>1,501</td>
<td>$688</td>
<td>$21.70</td>
<td>$3.59</td>
<td>$2.94</td>
<td>$134</td>
</tr>
<tr>
<td>% Increase in Price</td>
<td>10.3%</td>
<td>81.1%</td>
<td>-1.0%</td>
<td>57.5%</td>
<td>52.3%</td>
<td>209.7%</td>
<td></td>
</tr>
</tbody>
</table>
## Barron County

<table>
<thead>
<tr>
<th>Year</th>
<th>WE Energies Per Therm</th>
<th>Bean Baked w/ Bacon</th>
<th>Summit Food Services - breakfast</th>
<th>Chem Treat Inc Water Treatment</th>
<th>Office Depot Tape Correction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$0.52</td>
<td>$0</td>
<td>$2.10</td>
<td>$1,639</td>
<td>$4.46</td>
</tr>
<tr>
<td>2019</td>
<td>$0.78</td>
<td>$0.052</td>
<td>$2.65</td>
<td>$1,744</td>
<td>$3.94</td>
</tr>
<tr>
<td>2020</td>
<td>$0.53</td>
<td>$0.050</td>
<td>$2.97</td>
<td>$1,796</td>
<td>$3.94</td>
</tr>
<tr>
<td>2021</td>
<td>$0.92</td>
<td>$0.050</td>
<td>$3.41</td>
<td>$1,848</td>
<td>$3.94</td>
</tr>
<tr>
<td>2022</td>
<td>$1.22</td>
<td>$0.066</td>
<td>$2.90</td>
<td>$2,439</td>
<td>$4.39</td>
</tr>
</tbody>
</table>

| % Increase in Price | 134.6% | 26.9% | 37.8% | 48.9% | -1.6% |

**Note:** The % Increase in Price column reflects the percentage increase from the previous year's data.
INFLATION, LEVY LIMITS, AND COUNTY BUDGETS

2022 WISCONSIN COUNTIES ASSOCIATION CONFERENCE
COUNTY ADMINISTRATOR ADAM PAYNE
SEPTEMBER 19, 2022
Sheboygan County's 2022 total expenditures for major departments. The "General Government" category shown includes the budgeted expenditures for all departments not listed. Funding for total expenditures includes property tax levy, state and federal funding, fees for services, interest revenue, and other non-levy revenues.
Sheboygan County's 2022 tax levy broken out by major categories. The Sheboygan County property tax levy increased $585,430, or 1.14%, from 2021 to 2022.
The tax rate decreased 19 cents from 2021 to 2022 which is a 4.01% decrease.
Sheboygan County Adopted Property Tax Levy Trend
% Change in County Share of Property Taxes

Since 2011, the average annual percentage change is 1.22%.
## BUDGET DEVELOPMENT SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>February – May</td>
<td>Preliminary Budget Assumptions, Estimates and Preparations</td>
</tr>
<tr>
<td>April – May</td>
<td>Executive &amp; Finance Committees</td>
</tr>
<tr>
<td>June 15</td>
<td>County Board Leadership Forum</td>
</tr>
<tr>
<td>June 22</td>
<td>Budget Kickoff</td>
</tr>
<tr>
<td>July 5 – August 5</td>
<td>Base Budget Review with County Administrator</td>
</tr>
<tr>
<td>July 5 – August 5</td>
<td>Liaison Committee Reviews</td>
</tr>
<tr>
<td>August 10 – September 21</td>
<td>Finance Committee Reviews</td>
</tr>
<tr>
<td>September 28</td>
<td>Adoption of 5-Year Capital Plan</td>
</tr>
<tr>
<td>October 7</td>
<td>Budget Published</td>
</tr>
<tr>
<td>October 18</td>
<td>Budget Presented to County Board</td>
</tr>
<tr>
<td>October 25</td>
<td>Public Hearing</td>
</tr>
<tr>
<td>November 1</td>
<td>Final Adoption</td>
</tr>
</tbody>
</table>
BUDGET DEVELOPMENT PRINCIPLES

• **Goal:** Strive to succeed with existing financial resources and tax levy associated with net new construction

• **Guiding Principles:**
  • Maintain essential programs and services
  • Improve departmental efficiency
  • Direct resources based on County priorities
  • Position the County for continued fiscal stability

• **Targets:** Departments will receive specific, targeted levy amounts

• **Capital Outlay:** Requests are broken out and authorized separately prior to their inclusion in departmental budgets

• **Performance Measures:** Outcome assessments for programs and services
2023 BUDGET ASSUMPTIONS

- No change in state shared revenue
- 3% pay for performance and 2.5% across the board increase for Sheriff Deputies wages and wage related benefits
- As of May 2022, CPI increase over prior year annual average is 8.1%
- 5.0% increase in employee health insurance costs
- 0% increase in dental insurance costs
- WRS contribution rates are available in June. No changes have been included in the current assumptions.
- Capital outlay funding set at $500,000
- Furniture Pool set at $70,000
- Capture of net new construction via tax levy
- Register of Deeds to absorb levy impacts for pay for performance and health insurance, and increase contribution by $50,000
- Redirected levy from Health and Human Services of $694,015 (due to prior positive variances and increased medical assistance revenue)
- Direct Property Tax relief through $1,000,000 of sales tax revenue applied to debt service support
COST CONTAINMENT INITIATIVES
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• Department Consolidations/Relocations
  • Register in Probate with Clerk of Courts (2000)
  • Comprehensive Health Care Center with Rocky Knoll Nursing Home (2002)
  • Printing with Information Technology (2006)
  • Privatization of Sunny Ridge Nursing Home (2007)
  • UW Extension with UW Sheboygan (2007)
  • Property Listing with Treasurer (2009)
  • Land & Water co-located with Planning (2009)
  • ADRC from Baxter Building to Sheboygan Falls (2009)
  • Land & Water consolidated with Planning (2010)
COST CONTAINMENT INITIATIVES

• Department Consolidations/Relocations (cont.)
  • Payroll with Finance Department (2010)
  • Airport with Highway (2012)
  • Child Support with Health and Human Services (2015)
  • Combined Emergency Dispatch (2016)
  • Fiber Network Ring connecting County facilities (2017)
  • Transportation Complex consolidated 3 Highway sheds (2017-2018)
  • Veterans Service Office co-located with Aging Disability Resource Center (2019)
  • Economic Support co-located with the Aging & Disability Resource Center (2021)
COST CONTAINMENT INITIATIVES

• Staffing Changes – from 1,349 employees in 2003 to 850 in 2022 (37% reduction)

• Shared Purchasing Agent with City of Sheboygan (2008)
  • Cost savings of $57,561+ annually

• Innovative IT service delivery (2012)
  • Hybrid public and private sector staff
  • Cost savings of $250,000+ annually
COST CONTAINMENT INITIATIVES

• Established County InHealth Clinic (2008)
• Enhanced County Wellness Programs (2008)
• Health Insurance Plan Design Changes (2008)
• Health Insurance Network/Administrator Change (2012)
• Migrate Retirees from County Health Insurance to Health Insurance Exchanges (2013)
• Established Employee Fitness Plan (2015)
• Employee Benefits joined Wisconsin Counties Association Group Health Trust (2016)
COST CONTAINMENT INITIATIVES

• County-wide Program Evaluation & Prioritization Process (2005 & 2009)

• Operation Studies of:
  • Health Care Centers (2004)
  • Health & Human Services (2006)
  • Sheriff’s Department (2008)
  • Highway Department (2008)
  • Child Support (2009)
  • Information Systems (2011)
  • Clerk of Courts (2012)
  • Human Resources (2012)
  • Health & Human Services Administrative Support Services (2012)
  • Treasurers Department (2019)

• Alternatives to Incarceration (2019 & 2020)
• Health & Human Services Program Evaluation & Prioritization Process (2020)
REVENUE ENHANCEMENTS

- 1/2% County Sales Tax (2017)
- ARPA Funds
- Grant Writer
- Collaboration with Private Sector and Sheboygan County Economic Development Corporation
  - Leverage resources for capital improvements
THANK YOU