

Sauk County, Wisconsin 2012 Final Budget Hearing

County Board Review
November 15, 2011



Mission Statement

To provide essential services to the residents of Sauk County in a fiscally responsible manner that promotes safety, economic development, and stewardship of natural resources while encouraging the development of cultural, social, and community values that enhance human dignity.

What is a Budget?

- It is a policy document
 - Is reflective of the constituencies' desired type and level of service
 - Encompasses the unique flavor of the locality
- It is an operations guide
 - Provides direction on policy implementation in a detailed form

What is a Budget?

- It is a planning document
 - Embodies the mission, vision and goals of the organization
 - Incorporates strategic plan of the organization
- It is a communications device
 - Providing transparency
 - Providing accountability
 - Providing information to the electorate

The Budget Process

- Begins early in 2011 for 2012 budget year with the Mid-Term Assessment, defining countywide strategic issues
- Oversight Committee development of:
 - Programmatic Assessment and Prioritization
 - Department Specific Strategic Issues and Goals
 - Performance Measures
- Intergovernmental meetings with overlapping units of government
- The Finance Committee sets priorities and policies for overall budget development

The Budget Process (cont'd)

- Public input via committee meetings and on-line budget survey
- The Finance Committee meets in late September to review and finalize for Board presentation and publication in October
- Adoption: November 15, 2011

Growth Rankings

- **Wisconsin**
 - The median age was 38.5.
 - The average household size was 2.43 people per household.
 - Among the state's occupied housing units, 68.1 percent were owned, compared with 31.9 percent that were rented.
- **Sauk County changes in Equalized Value (excluding TID increments): \$6,290,286,000**
 - 2.60% decrease, or \$168,065,100
 - Loss is primarily in commercial property (5.75%)
 - It is expected that this trend will continue for the near term – Federal Housing Finance Agency (Madison region), decline of 1.43% in House Price Index
 - 62% of valuation is generated from residential properties
 - 44.36% of the valuation comes from rural areas (Towns)

Levy Limits

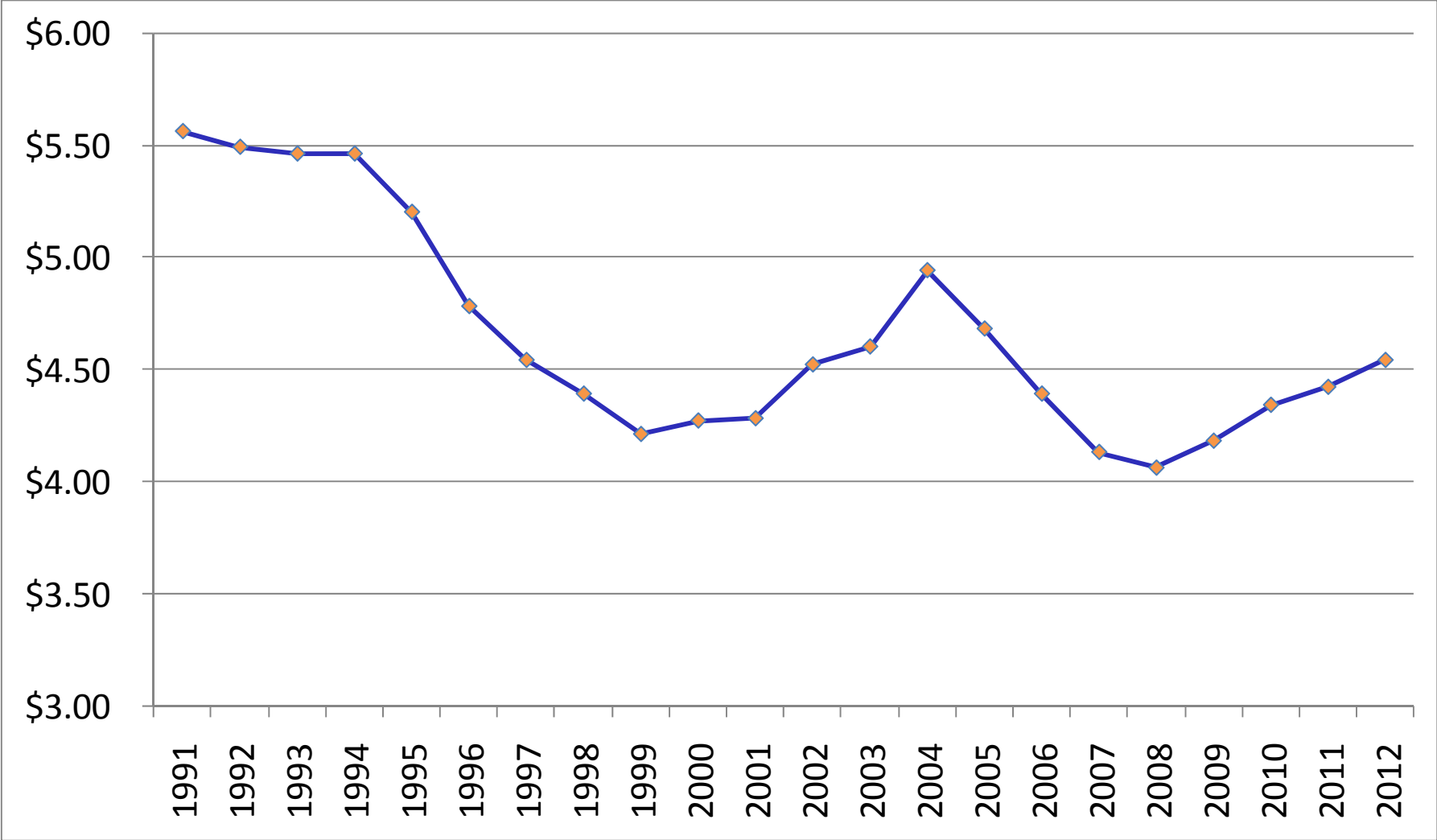
Two limits exist: Overall percent increase in actual dollars and the mill rate.

- Act 32 Levy limit of net new construction (0.590%), or 0.0%; whichever is greater.
- 1992 limit: caps mill rate at \$5.13.
- “Allowable levy”
- Exemptions were taken for debt service, library and bridge aids.

2012 Proposed Budget

- Zero increase in levy dollars from the prior year, for a total levy of \$28,531,297.
 - Unused capacity: \$1,226,097
- Mill Rate: \$4.54
- Total Percent Change in Dollars Levied: 0.00%
- Total Uses: \$77,471,107

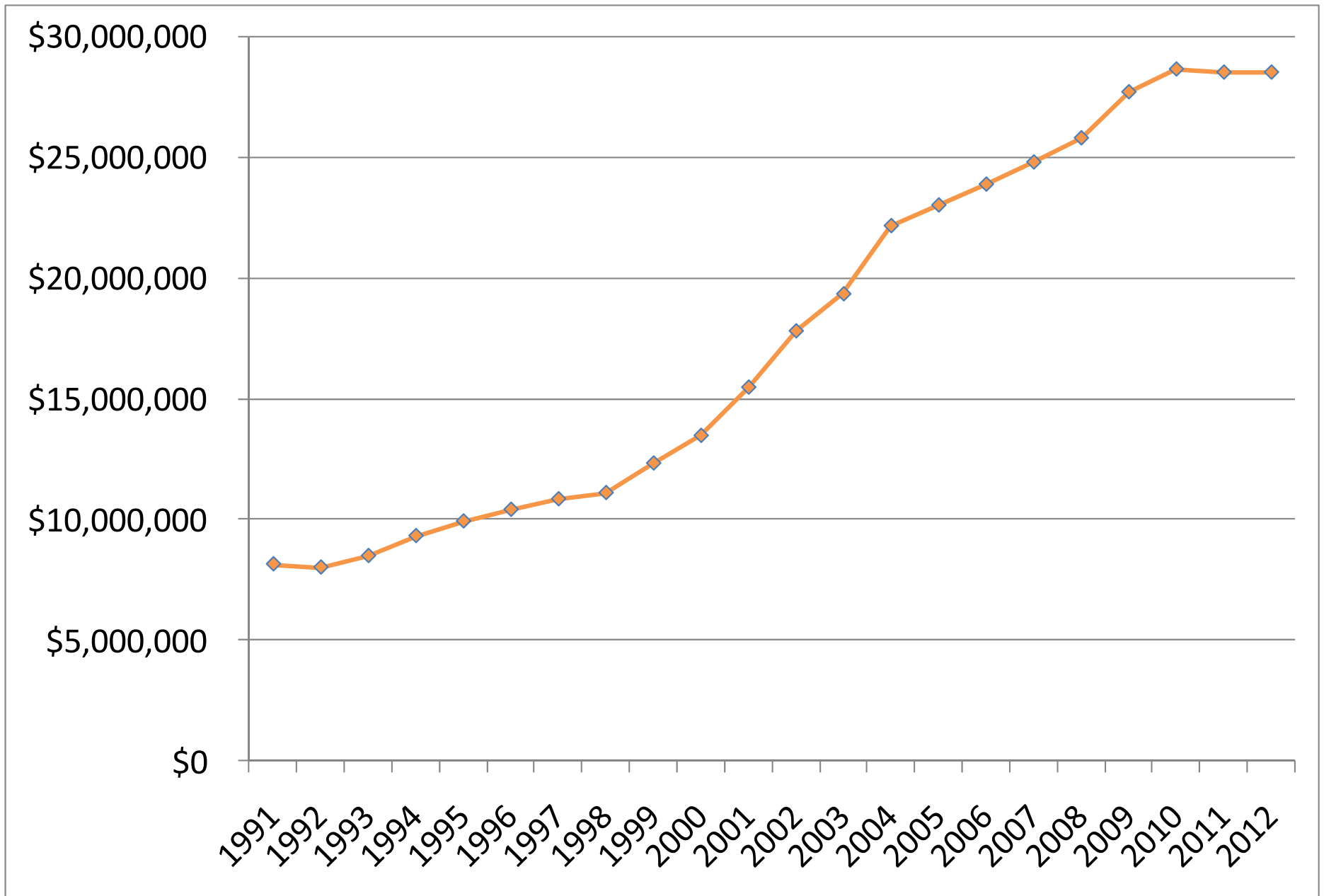
Levy Rate



The levy rate limit is on our radar.

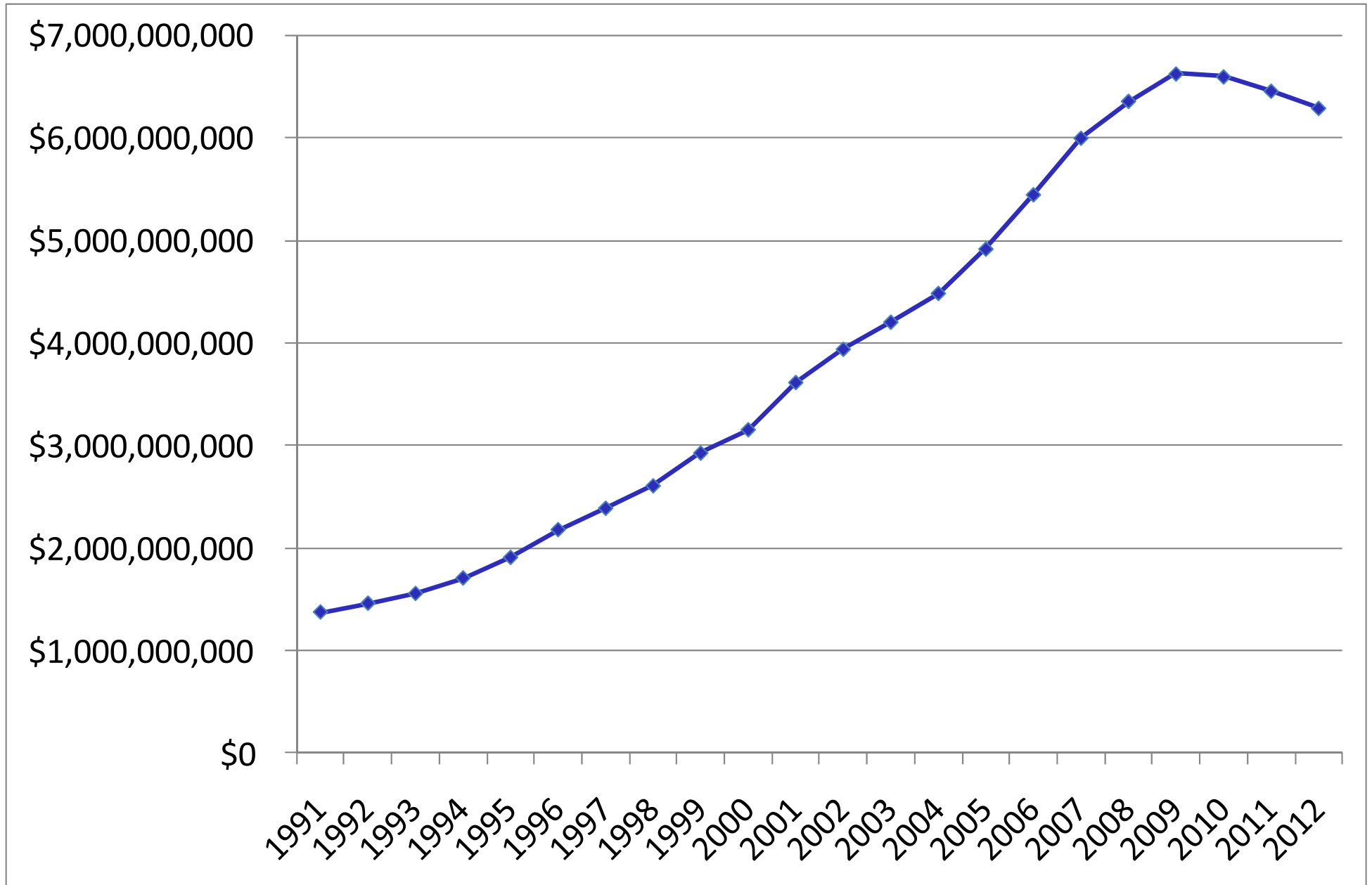
<u>Levy Year</u>	<u>Budget Year</u>	<u>Projected Equalized Value (TID out)</u>		<u>Estimated Total Levy Dollars Based on Percent Increase Limit</u>		
		<u>% Change</u>	<u>\$ Amount</u>	<u>% Change</u>	<u>\$ Amount</u>	<u>Rate</u>
2009	2010		\$6,597,841,700		\$28,659,120	\$4.34
2010	2011	-2.11%	\$6,458,351,100	-0.45%	\$28,531,297	\$4.42
2011	2012	-2.60%	\$6,290,286,000	0.00%	\$28,531,297	\$4.54
2012	2013	-3.00%	\$6,101,577,420	1.00%	\$28,816,610	\$4.72
2013	2014	-2.50%	\$5,949,037,985	1.00%	\$29,104,776	\$4.89
2014	2015	-2.00%	\$5,830,057,225	1.00%	\$29,395,824	\$5.04
2015	2016	-1.50%	\$5,742,606,366	1.00%	\$29,689,782	\$5.17
2016	2017	-1.00%	\$5,685,180,303	1.00%	\$29,986,680	\$5.27
2017	2018	0.00%	\$5,685,180,303	1.00%	\$30,286,547	\$5.33
2018	2019	1.00%	\$5,742,032,106	1.00%	\$30,589,412	\$5.33
2019	2020	1.00%	\$5,799,452,427	1.00%	\$30,895,306	\$5.33

Property Tax Levy

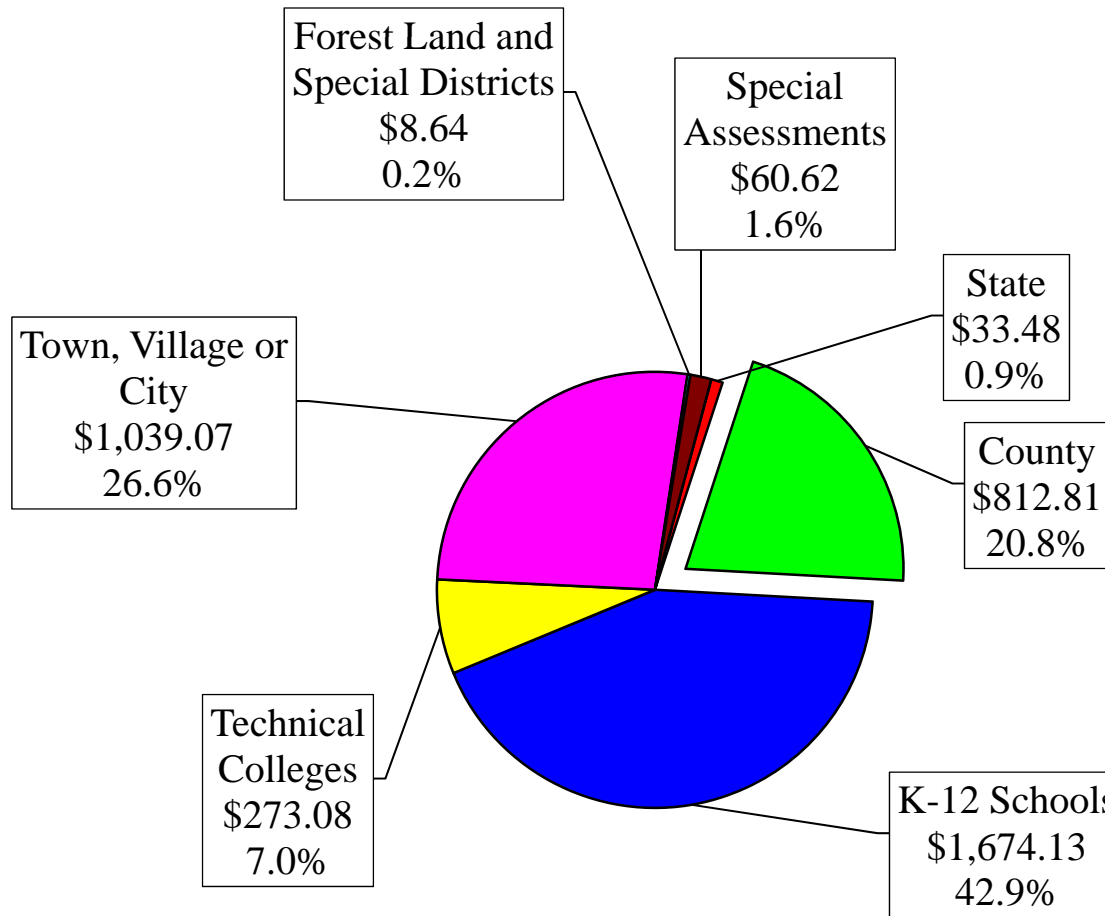


Equalized Value

Tax Increments Excluded



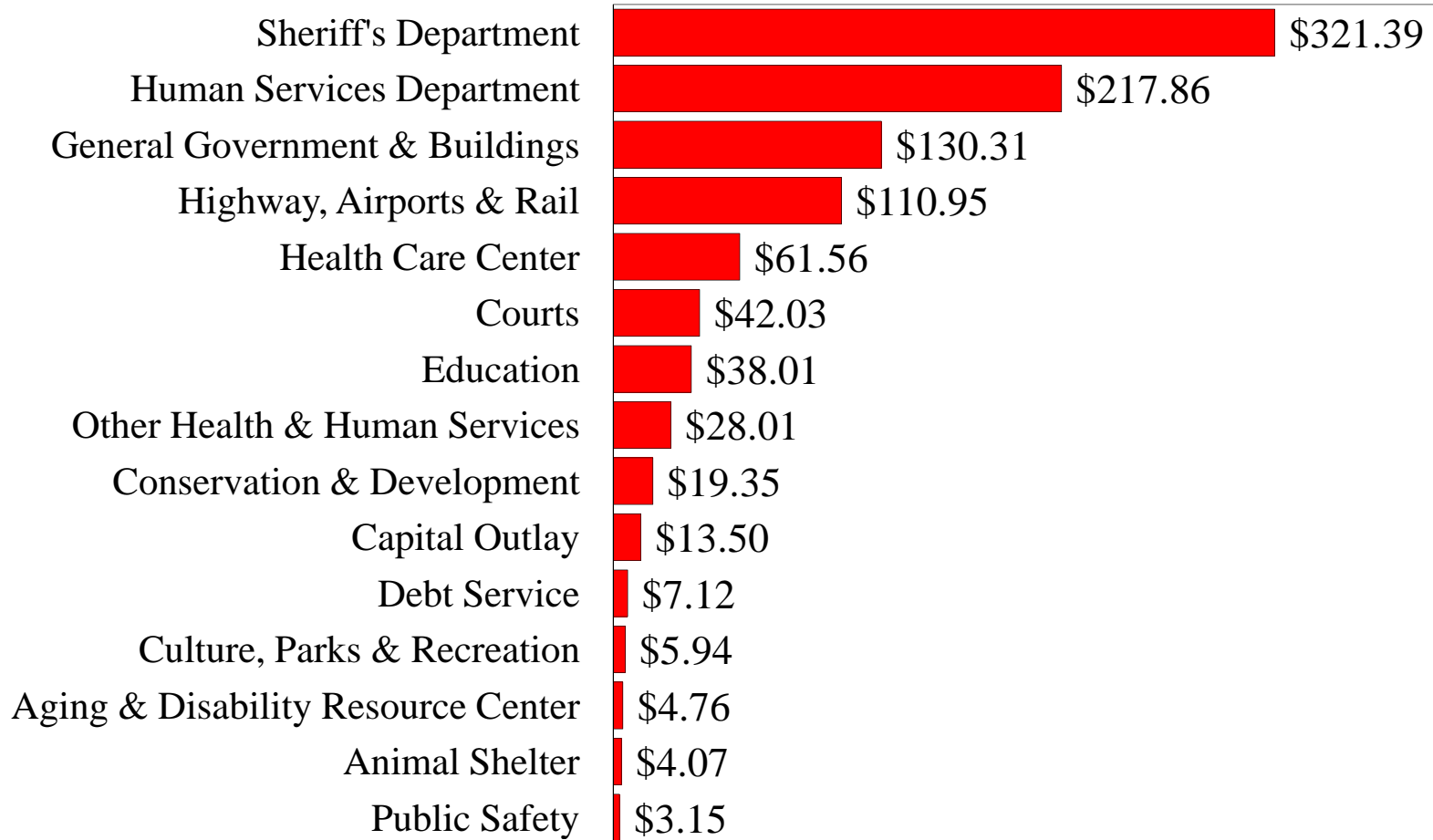
Allocation of Total Sauk County Property Tax Bill by Taxing District
Total average tax bill on a property of \$179,200: \$3,901.83



2010 paid 2011 levy (2011 budget)

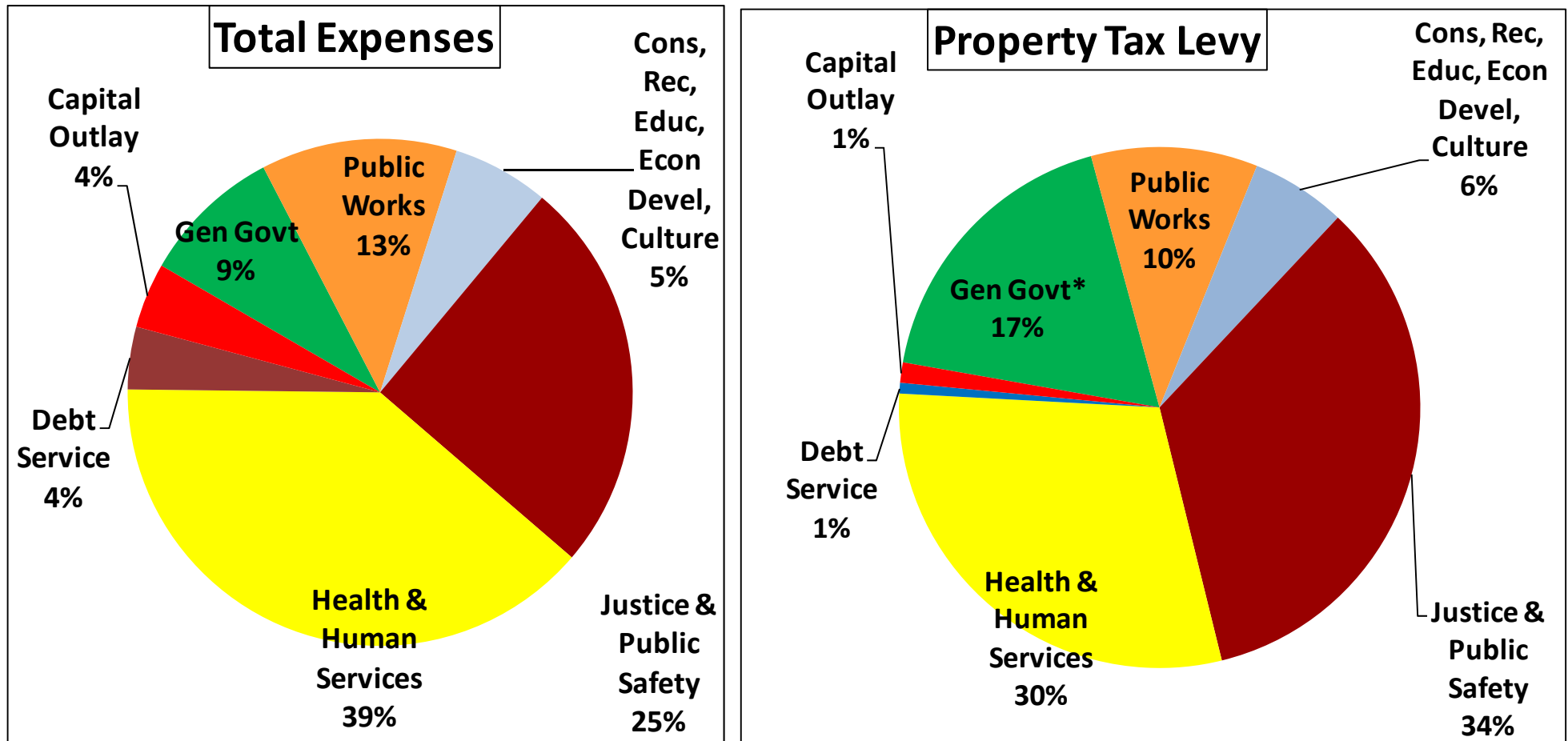
Based on totals for entire County. Individual municipalities may differ significantly.

Allocation of Sauk County's Portion of the Property Tax



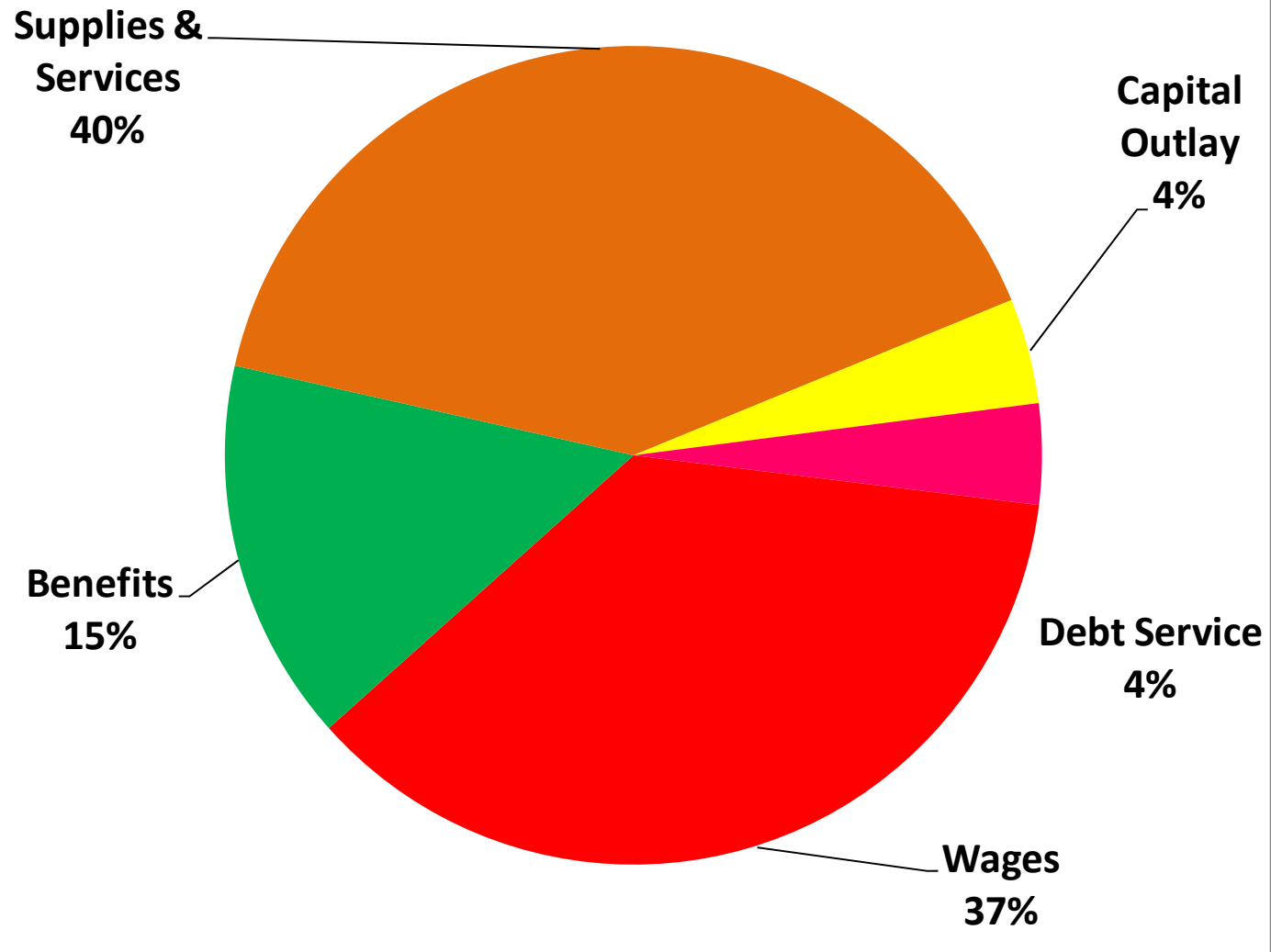
County property taxes are also reduced by revenues from sales tax by \$195.22 for an average property.
This brings the total County portion of property tax to \$812.81.

2012 Expenses by Functional Area



*Because significant non-departmental revenues are accounted for as a function of "General Government," the net impact of these functions is to reduce the total levy by \$2,365,922. The actual levy expenditures, net of non-departmental revenues and transfers is \$6,773,881.

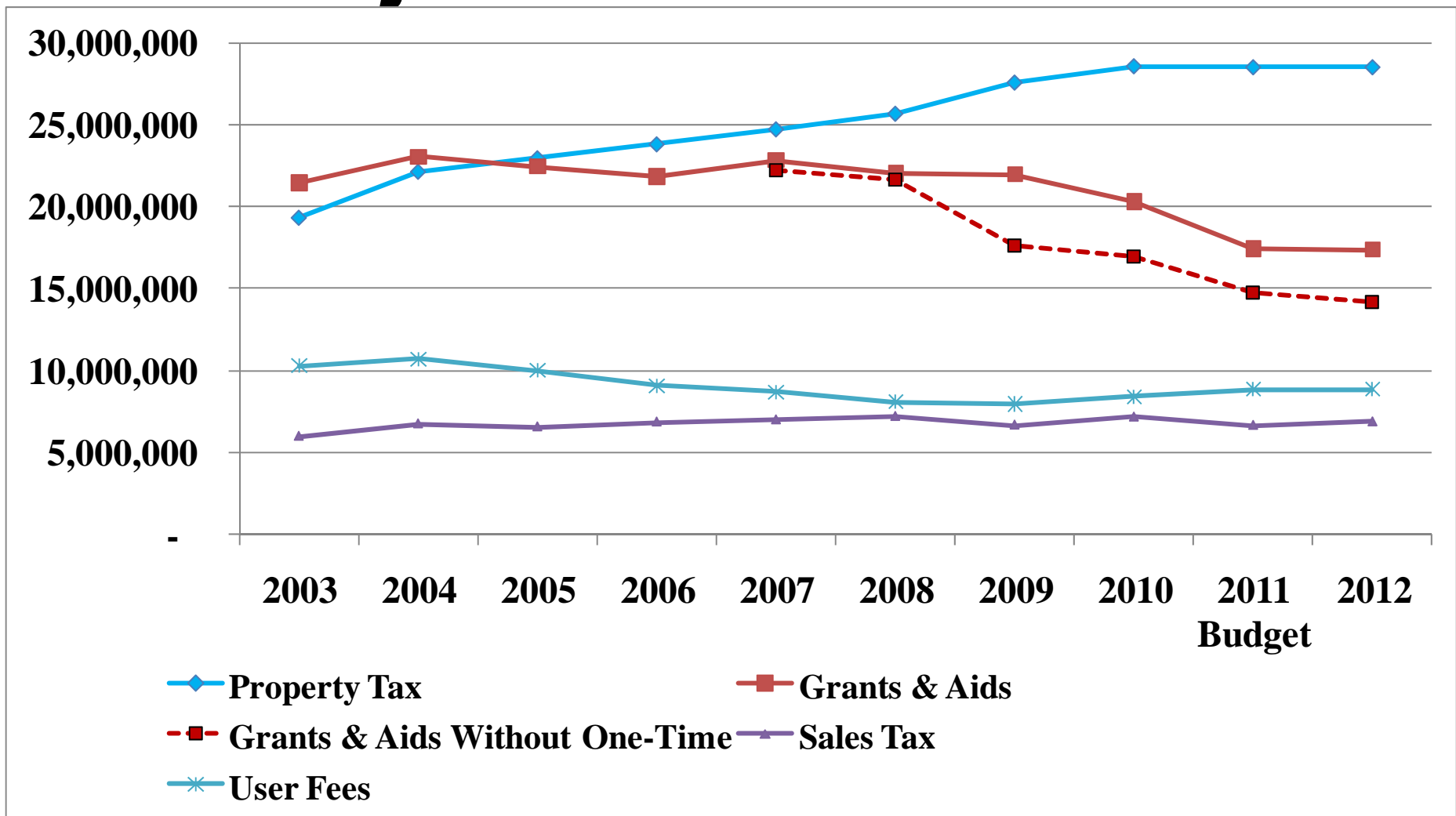
Expenses by Category



Labor costs total 52% of the 2012 budget. If capital outlay is excluded, labor costs are 56% of the operating budget.

Ten Year History

Major Revenue Sources



Barriers and Savings / Opportunities

Barriers:

- Stagnant and declining revenue streams
- Plummeting interest earnings
 - From \$2,047,729 in 2007 to \$138,320 in 2012
- Shift in primary revenue for County operations – to Property Tax

Savings / Opportunities:

- We will need to make systematic reductions through 2012
- Retirement contribution made by most employees
- Future restructuring opportunities will need to continue in 2012
- Review of non-essential programs will need to continue in 2012

Trends for 2012 and Beyond

- Revenue projections:
 - Declining equalized values in 2012 (-1.43%)
 - Continued flattening in equalized value growth and net new construction in subsequent years
 - Limited growth in sales tax
 - Continuing decline in grants and aids in mandated program areas
- The County will need to look for long term reductions in service as structural gaps emerge (efficiency measures, programmatic reductions).

Trends for 2012 and Beyond

- Message to constituency:
 - 2012 = Service Sustainability
- Programmatic evaluation and prioritization
- Restructure of operations
- Service reductions