

Lincoln County

Wisconsin



Preliminary

2024 Budget Strategy and Goals

Levy Limits

State imposed operational levy increase limits are the maximum amount the county may levy property taxes on parcels within the county, which cannot exceed Net New Construction or zero, whichever is greater.

Net New Construction

Net New Construction is the metric that determines how much the county is allowed to increase the levy from year to year. Essentially, if no new construction occurred in the county, then the allowable levy increase is zero percent. Below is Lincoln County's Net New Construction over the last 6 years:

Year	Increase (%)	Amount
2018	.84%	\$97,506
2019	.76%	\$88,958
2020	.84%	\$98,880
2021	.75%	\$89,021
2022	.95%	\$113,606
2023	1.01%	\$121,930
Average	.86%	\$101,650

Population Change

For counties, population change has both economic and service implications. A shrinking population can result in less economic activity which means a smaller tax base. The population in Lincoln County has been in decline since the year 2000. According to the US Census Bureau, the population has dropped 1,100 from the year 2000 to the year 2022. This represents a 4.0% decline.

2024 Budget Timeline

Date

March - Apr	Finance and Insurance Committee creates Budgetary Guidelines document; County Board receives and reviews Budgetary Guidelines documents
April	Salary and fringe schedules are prepared and given to department heads, Department Heads create CIP and vehicle schedules
May	Preliminary budgets to oversight committees and input into Munis. Departmental budgets must meet County Board targets.
May	CIP Requests, vehicle schedules, and preliminary departmental budgets to Finance Director
June	Finance and Insurance Committee reviews preliminary budget.
July	County Board receives preliminary budget report
July-Sept	Budget discussions, CIP review
Oct	Final Budget Review by Finance and Insurance Committee.
10/17/23	Final draft of 2024 Budget presented to County Board for review and discussion.
11/07/23	Budget hearing and approval by County Board.

Budget updates will be presented at County Board meetings from May through September.

Fiscal Sustainability Issues

Health Insurance Fund

On 12/31/2022, the health insurance fund has a fund balance of \$1,735,229 (unaudited). A healthy fund balance should be between \$1.13 million – \$1.7 million (40% - 60% of total expenditures). In order to remain viable, the health insurance fund borrowed \$1.2 million from the general fund.

RECOMMENDATION: Continue to maintain a healthy fund balance.

Emergency Medical Services (EMS) Fund

Currently, the EMS fund has a deficit balance of \$4,986 at the end of 2021. The anticipated fund balance at the end of 2022 is \$202,470. Emergency Medical Services are not a mandated county service and are not subject to the levy limits.

Social Services Fund

As of 12/31/21 the Social Services fund had a positive fund balance of \$743,070 and an unassigned amount of \$271,815 after committing \$405,000 for out of home placements. Due to high out of home placement costs, the expected fund balance will be reduced to \$260,595 (unaudited - \$66,256 reserved and \$194,339 designated).

RECOMMENDATION: Maintain the committed amount to be able to absorb high cost out of home placements.

General Fund

Currently, the General Fund is healthy with a projected unassigned amount of \$5,706,159 and total fund balance of \$9,835,934.

RECOMMENDATION: Continue to monitor fund balance.

Fees

Approve all fee increases through the budget process. This will assure that all department budgets are accurate and we are capturing all revenue increases as part of the budget planning process.

RECOMMENDATION: Review all fee revenue lines approved through the budget process.

Operational/Program Concerns

Pine Crest Nursing Home Sustainability

Starting in 2020 Lincoln County has contracted with North Central Health Care to manage the operations of Pine Crest. Operationally, we must make sure Pine Crest can get to a sustainable level and ensure it can remain sustainable. In 2022, the estimated loss for the Pine Crest nursing home is \$1,126,328.

RECOMMENDATION: The County will need to enter into discussions with North Central Health Care in order to ascertain the viability of Pine Crest Nursing Home.

Cost of Living Adjustment (COLA)

In 2016 the county completed a salary study and implemented the results of that study in 2017. The results of the study helped get salaries to a more competitive level and closer to market. Over the last 5 years the county has provided a COLA of 1%-2%. Ensuring we remain close to market and have competitive wages will help with recruitment and retention efforts.

RECOMMENDATION: As a placeholder in the 2024 budget, a 2% COLA will be budgeted for. The COLA may be adjusted as the budget process moves along.

No Program Expansion Without funding

No program expansion should occur without sustainable funding covering direct and indirect expenses or being approved by the full county board.

RECOMMENDATION: All new programming needs to be approved by oversight committee, Finance and Insurance Committee, and County board as part of the budget process. Once approved at all levels the new programming needs to be included in the county's budget.

Vacant Positions

One way to address the budget challenges the county faces is to not fill vacant positions. All vacant positions need to be examined to assess the impact to the county, if not refilled.

RECOMMENDATION: All open positions will be reviewed per the current County policy and practice prior to being refilled.

Capital Improvement Projects

Highway Facility

The current highway facilities are outdated and require major repairs. Currently a new highway facility is included in the CIP budget for the year 2028.

RECOMMENDATION: Continue the process of planning/funding a new highway facility.

Pine Crest

Pine Crest currently has significant current and ongoing capital needs.

RECOMMENDATION: The County will need to work with NCHC to develop a facility needs plan based on the future operation of Pine Crest nursing home. Once the nursing home needs are established, the County will better be able to address the capital concerns.