

Plan for eliminating all debt
in 2029 while maintaining
Marinette County road
system and Highway Dept.

Marinette County August 30, 2016

How to cut the borrowing, pay off our debt and still maintain a viable highway department at 2010 levels in the years from 2017 to 2029

The Highway Comm. is examining a revised CIP schedule that reduces our borrowing for roads from 2017 to 2021 from \$19.5 million to less than \$6 million

This will result in **no** borrowing for roads in 2020 and 2021 and significant reductions in 2017, 2018 and 2019.

In order to make up for this shortfall in borrowing we will need to consider the following steps: Switch to a new health plan that can save approximately \$1 million per year...these savings can then be utilized to plug our road funding gap.

Utilize up to \$10 million in funds from sale of hospital to pay for additional road projects during the years 2020 to 2029.

Contract out more work to the towns and villages, cities and the state for work for the Highway Dept. We currently do 400k a year in work for them...if we get back to 2 million a year as we were in the past we maintain a fully functioning Highway Dept. and still will be able to make road improvements throughout the County

Budget for specific road projects...\$200,000 starting in 2018 and 2019...\$300,000 to \$400,000 2020 to 2029. After 2029 all road projects are paid for by sales tax since all debt is paid off and no borrowing for road construction occurs with an amendment to the existing ordinance allowing this

Assumptions and requirements in order to **eliminate** debt and maintain good road system through 2029:

The sales tax sunset clause is removed and amended to allow spending on capital projects

Savings from health insurance and reduced plowing are only put back into the highway dept. and not spent elsewhere

Overall spending remains flat or within levy limits

No more than 12 million dollars is borrowed between 2017 and 2029 for all CIP expenditures

Additional work for other govt entities maintains highway dept and benefits citizens of Marinette County even if County is not budgeting for the work

A 1-2 year shortfall in Highway spending and work may occur but will not undermine viability of Marinette County roads or Highway Dept.

If we have shortfalls in Highway Dept. work we do not fill some positions

Cuts in other areas of the budget are only required if the assumptions are not met for more than two years and Highway Dept. still does not have enough work for available revenue etc. or if spending rises above levy limits

How to cut the borrowing, pay off our debt and still maintain a viable highway department at 2010 levels in the years from 2017 to 2029

Breakdown:

2017: 1.55 million in borrowing, health insurance savings (up to million), additional work for other govt entities (up to 1.4 million), reduction in plowing (100k)

2018: 232k in borrowing, health insurance savings, 200k budgeted for roads, additional work for other govt entities, reduction in plowing

2019: 1.2 million in borrowing, health insurance savings, 200k budgeted for roads, additional work for other govt entities, reduction in plowing

2020: 1 million in available funds (hospital), 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing

2021: 1 million in available funds, 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing

2022: 1.55 million in borrowing, 1 million in available funds, 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing

2023: 232k in borrowing ,1 million in available funds, 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing

2024: 1.2 million in borrowing, 1 million in available funds, 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing

2025: 1 million in available funds, 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing

2026: 1 million in available funds, 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing

2027: 1 million in available funds, 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing

2028: 1 million in available funds, 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing

2029: 1 million in available funds, 400k budgeted for roads, health insurance savings, additional work for other govt. entities, reduction in plowing (ALL DEBT RETIRED)

2030: **Sales tax is utilized to pay for road construction.**

Preliminary Funding Analysis		2017	2018	2019	2020	2021	Total
T	Property Tax Levy						0
D	Debt	5,910,000	5,211,000	13,137,500	2,088,000	2,234,155	28,580,655
S	Sales Tax	349,400	299,240	310,880	395,565	336,315	1,691,400
O-H	Highway Restricted Cash	694,000	698,000	518,000	573,000	593,000	3,076,000
G	Grant and Aids	75,000	75,000	75,000	75,000	100,000	400,000
O	Operating Revenue	290,000	330,000	0	250,000	0	870,000
FB	Fund Balance						0
F	Forestry Heavy Equipment Fund	125,000	80,000	0	0	200,000	405,000
PY CIP	Prior Year Capital Improvement						0
P	Forestry & Parks Development Fund	120,000	32,000	32,000	75,000	100,000	359,000
	TOTAL						35,382,055

Preliminary Funding Analysis		2017	2018	2019	2020	2021	Total
T	Property Tax Levy						0
D	Debt	3,220,000	1,304,000	10,990,000	125,000	225,000	15,864,000
S	Sales Tax	349,400	299,240	310,880	395,565	336,315	1,691,400
O-H	Highway Restricted Cash	594,000	598,000	518,000	573,000	593,000	2,876,000
G	Grant and Aids	75,000	75,000	75,000	75,000	100,000	400,000
O	Operating Revenue	290,000	330,000	0	250,000	0	870,000
FB	Fund Balance						0
O-F	Forestry Heavy Equipment Fund	125,000	80,000	0	0	200,000	405,000
PY CIP	Prior Year Capital Improvement	1,007,000					1,007,000
O-P	Forestry & Parks Development Fund	120,000	32,000	32,000	75,000	100,000	359,000
	TOTAL						28,472,400

MARINETTE COUNTY FUNDS SCHEDULE - 2015

7/22/2016

File:fundschr

ACCOUNT DESCRIPTION	ACCT NO.	BALANCE	APPROP	Long-term	OTHER	Prior Yeay	TRANSFERS		TOTAL	EXPEND.	BALANCE	Change
		1/1/2015		Debt Proceeds	REVENUE	Audit Adj	IN	OUT	AVAIL.		12/31/2015	
Tax Deeds	34180	184,881.15							179,333.64		179,333.64	(5,547.51)
Tax Certificates - less 60 days	34181	2,615,172.53					34,304.07	5,547.51	2,649,476.60		2,649,476.60	34,304.07
Loans Receivable	34186	1,404,227.01						114,797.85	1,289,429.16		1,289,429.16	(114,797.85)
Inventories\prepaids (Include Postage)	34187	6,577.19					44,769.87		51,347.06		51,347.06	44,769.87
		4,210,857.88	0.00	0.00	0.00	0.00	79,073.94	120,345.36	4,169,586.46	0.00	4,169,586.46	(41,271.42)
RESTRICTED												
Sheriff Dept Honor Gd Unifms	Gen Gov 34211	485.94							485.94		485.94	0.00
Canine	Gen Gov 34228	14,372.95			950.00				15,322.95		15,322.95	950.00
Family Counseling	Health 34224	35,756.72			7,999.22				43,755.94	10,000.00	33,755.94	(2,000.78)
Veteran's Transportation	Health 34243	35,617.81			1,724.53				37,342.34		37,342.34	1,724.53
Wildlife Habitat	Con&Dev 34219	20,851.63			10,864.15				31,715.78	2,908.86	28,806.92	7,955.29
County Forest Ld Acquisition	Con&Dev 34220	9,251.18							9,251.18		9,251.18	0.00
		116,336.23	0.00	0.00	21,537.90	0.00	0.00	0.00	137,874.13	12,908.86	124,965.27	8,629.04
COMMITTED												
Property Tax Reduction Fund	Gen Gov 34215	19,058,907.50							19,058,907.50		19,058,907.50	0.00
Service level stabilization	Gen Gov 34292	2,000,000.00							2,000,000.00		2,000,000.00	0.00
Forestry :Heavy Equipment	Forestry 34216	139,739.40			165,720.52				305,459.92	4,456.00	301,003.92	161,264.52
Tourism	Con&Dev 34223	24,874.14	95,000.00		4,426.41				124,300.55	112,882.26	11,418.29	(13,455.85)
Land Information	Con&Dev 34245	42,815.35					32,126.87		74,942.22		74,942.22	32,126.87
Environmental site assessment	Con&Dev 34285	23,661.29							23,661.29		23,661.29	0.00
		21,289,997.68	95,000.00	0.00	170,146.93	0.00	32,126.87	0.00	21,587,271.48	117,338.26	21,469,933.22	179,935.54
ASSIGNED												
Capital Maintenance	Gen Gov 34205	394,165.86	352,495.00				25,700.00	40,735.00	731,625.86	211,664.49	519,961.37	125,795.51
Applied to Subsequent Budget	Gen Gov 34286	0.00					230,000.00	0.00	230,000.00		230,000.00	230,000.00
Design for subq year (Carryovers)	Gen Gov 34286	131,684.70					46,663.99	131,684.70	46,663.99		46,663.99	(85,020.71)
		525,850.56	352,495.00	0.00	0.00	0.00	302,363.99	172,419.70	1,008,289.85	211,664.49	796,625.36	270,774.80
UNASSIGNED												
General government	34290	2,859,973.39	10,116,677.00		12,298,816.85		970,726.82	525,755.80	25,720,438.26	21,561,948.48	4,158,489.78	1,298,516.39
Contingencies	34291	2,207,856.00					50,286.00	0.00	2,258,142.00		2,258,142.00	50,286.00
Cash Flow Requirements	34500	1,839,880.00					41,905.00		1,881,785.00		1,881,785.00	41,905.00
		6,907,709.39	10,116,677.00	0.00	12,298,816.85	0.00	1,062,917.82	525,755.80	29,860,365.26	21,561,948.48	8,298,416.78	1,390,707.39
General Fund - Only		33,050,751.74	10,564,172.00	0.00	12,490,501.68	0.00	1,476,482.62	818,520.86	56,763,387.18	21,903,860.09	34,859,527.09	1,808,775.35
Total County		48,056,138.09	15,923,038.00	0.00	46,869,304.16	566,037.00	6,234,355.06	6,234,355.06	111,414,517.25	59,391,367.75	52,023,149.50	2,254,292.30
								0.00				

Estimated Debt Service Levy 2017-2026
No New Debt Issued After 2016

Year	Sales Tax - Estimated 2% Increase	Existing Debt Service	Tourism/Squads ?	Levy Required	Equalized Valuation - Estimated with 1.5 % increase	Estimated debt levy per \$1,000 property valuation
2017	\$ 3,100,000	\$ 3,557,725	\$ 400,000	\$ (857,725)	\$ 3,575,265,852	\$ 0.24
2018	3,162,000	3,371,475	400,000	(609,475)	3,628,894,840	0.17
2019	3,225,240	3,267,975	400,000	(442,735)	3,683,328,262	0.12
2020	3,289,745	3,053,475	400,000	(163,730)	3,738,578,186	0.04
2021	3,355,540	2,950,787	400,000	4,753	3,794,656,859	(0.00)
2022	-	5,779,250		(5,779,250)	3,851,576,712	1.50
2023	-	4,966,000		(4,966,000)	3,909,350,363	1.27
2024	-	4,389,500		(4,389,500)	3,967,990,618	1.11
2025	-	2,066,250		(2,066,250)	4,027,510,477	0.51
2026	-	2,022,500		(2,022,500)	4,087,923,135	0.49
	<u>\$ 16,132,524</u>	<u>\$ 35,424,937</u>				

General Obligation debt authorized after July 1, 2005 levy limit exception

Prepared by Finance

Updated June 13,2016

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2019	3,225,240	3,267,975	400,000	(442,735)	3,683,328,262	0.12
2020	3,289,745	3,053,475	400,000	(163,730)	3,738,578,186	0.04
2021	3,355,540	2,950,787	400,000	4,753	3,794,656,859	(0.00)
2022	3,422,650	5,779,250		(2,356,600)	3,851,576,712	0.61
2023	3,491,103	4,966,000		(1,474,897)	3,909,350,363	0.38
2024	3,560,926	4,389,500		(828,574)	3,967,990,618	0.21
2025	3,632,144	2,066,250		1,565,894	4,027,510,477	(0.39)
2026	3,704,787	2,022,500		1,682,287	4,087,923,135	(0.41)
	<u>\$ 30,239,348</u>	<u>\$ 35,424,937</u>				

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