

The Task of Local Government (Give It Your Thought)

County and municipal budgeting is not something commonly understood by the voting public. The intent of this paper is to provide a factual and transparent presentation about this complex process.

First, it is important to clear up inaccurate and false claims that have been made regarding the county board's decisions about the annual budget. Some have been quick to criticize our county's spending and consider it outlandish.

However, most of what local government oversees is mandated by the state and federal government. The county cannot, by law, opt out of providing any of these services.

It is important to understand what property taxes support and pay for:

- Public schools, both public and private.
- Police, fire, and ambulance services
- The departments of Public Health and Emergency Government- especially visible during pandemics/catastrophic weather events
- Road and bridge maintenance and repair
- The Department of Social Services-provides vital support to the elderly, protective services for children, public housing, income and nutritional support for the economically disadvantaged

Juneau County benefits from matching funds and grant programs. For Juneau County, the **property tax levy** (amount collected from taxpayers), is around \$18.5 million. Yet, the entire budget is over \$64 million, with the \$47 million difference made up by grants and matching funds.

Looked at another way, the county gets roughly \$2.50 from other sources for every dollar of property tax. The bulk of the entire county budget is spent locally; thus, infusing millions of dollars into the county's communities.

The budget is divided into basically two pots: the operational budget and the capital budget. The operational budget funds salaries and other day-to-day costs of local government services. The capital budget covers durable items such as vehicles, buildings, roads, and bridges.

The costs for these budgetary items, whether operational or capital, are not fixed. They do not stay the same from year to year due to inflation and cost of living increases. Similarly, building materials, vehicles, and asphalt are price-affected the same way.

It is also important to understand that property tax increases are capped by state law. As property values increase, the mill rate is adjusted downward, thus keeping the levy relatively flat compared to inflation.

The **mill rate** is a figure that represents the amount of taxes paid per \$1,000 of assessed value of your property.

The only way the levy can increase is by **new** construction. Replacing a building lost to fire or a weather event is not considered new construction. Juneau County, as with most areas of the state, has not been allowed (by state statute), to increase the levy to keep up with inflation.

Our representatives are faced with tough choices: roads, bridges, buildings, and equipment need repair, replacing, and fixing. They must balance the safety of its citizens who drive on unsafe roads and county employees working with faulty equipment against the electorate's concern for higher taxes.

An example: \$5 million is in the budget for capital projects (i.e. road maintenance, etc). This amount for capital expenditures accounts for most of the 4% levy increase in 2024. **Half** of this \$5 million is for one project: a partial repair of Hwy. K in southern Juneau County.

Our Finance committee struggles every year with trying to keep up with inflationary costs, but with the same amount of money as the previous year.

No one enjoys paying taxes, but we do expect value in return of our tax dollar. We further expect our officials and administrators to be competent and transparently honest. Give it your thought.