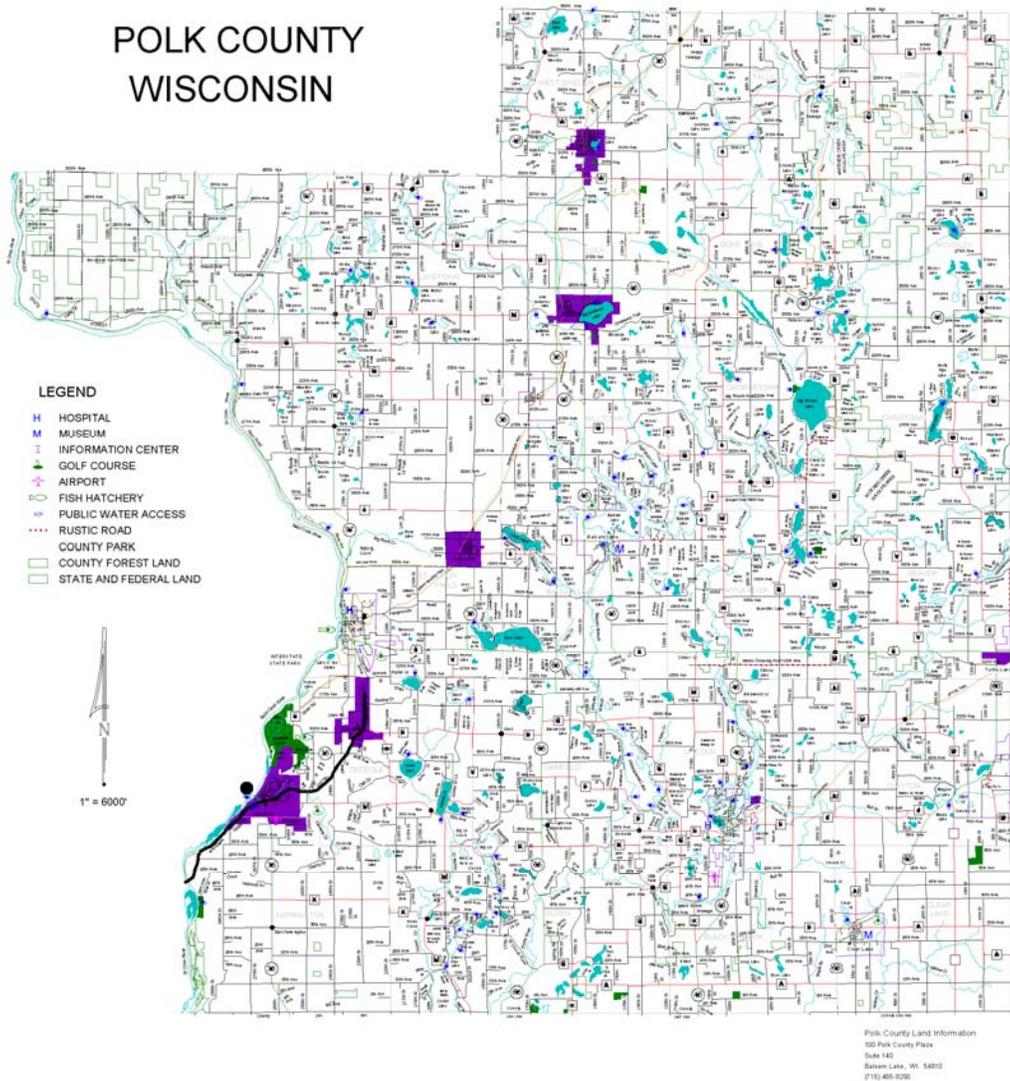


# 2012 ANNUAL REPORT ON THE CONDITION OF POLK COUNTY

## POLK COUNTY WISCONSIN



**DANA FREY, COUNTY ADMINISTRATOR  
JULY 2012**



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## LETTER OF TRANSMITTAL

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July 17, 2012

Polk County Board of Supervisors  
100 Polk County Plaza  
Balsam Lake, Wisconsin, 54810

Honorable Chair Johnson and Supervisors:

Pursuant to Wisconsin Statutes Section 59.18, I have the honor of presenting you my second annual report on the condition of Polk County, as follows in this document.

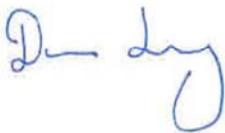
In this report, as in the past, I measured the condition of the County using three dimensions: economic and demographic conditions, fiscal conditions, and management conditions. I am pleased to report that all three are continuing in a positive direction and show improvement over the prior year.

With respect to the economy, the County has not fully recovered from the 2007-09 recession but continues to show improvement. According to our estimates, about half the people who lost jobs have been rehired; full recovery at current rates of growth will not occur for at least another two to four years. Our population continues to grow very slowly according to recent data, and continues to get older as is the pattern in much of the State. Our fiscal position remains solid, and continues to improve with an increase in fund balances and in general sound budgetary discipline, although we do face a future of severely limited resources.

There have been substantial improvements in the management conditions of the County in the past year. All of the major management policies have been rewritten, and progress is underway to consolidate all into a comprehensive administrative code. Operations are increasingly efficient, with all necessary reductions to date made through attrition, not layoffs. The 2012 budget reduced County employment by 12.5 FTE without incurring any expense for unemployment compensation; at present other positions are being held open for possible elimination through restructuring. Better use is being made of County assets as well: the use of consistent rules on vehicles, travel, wireless communication devices and procurement has resulted in substantial savings without any reduction in service level or quality.

We will discuss much more of the fiscal outlook as part of the budget process later this summer and fall. In the interim, please advise me if you have any questions.

Respectfully submitted,



Dana W. Frey  
County Administrator

## EXECUTIVE SUMMARY

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Wisconsin Statutes section 59.18 requires a county administrator to annually communicate to the county board the condition of the county. As the administrator is the chief administrative officer of the county and the county board the policy setting body, this would imply that the administrator communicate matters of relevance in policy making, specifically in setting the annual budget and responding to strategic issues such as workforce development and succession, infrastructure improvements, and changing service needs and issues.

The condition of Polk County (“the County”) is measured on three dimensions: the economic and demographic condition, or the context within which the Polk County Board of Supervisors (“the County Board”) must make its decisions and the administrator his recommendations; the fiscal condition, or the current finances and financial trends affecting the County; and the management condition, or the ability of the administration to effectively implement policy as set by the County Board.

The 2007 recession hit Polk County very hard, and data are only now becoming available that help illustrate the magnitude. Going into the recession, the County’s economy was heavily reliant on manufacturing and retail trade, accounting for almost one of every two jobs. Both sectors shed jobs, and the retail economy is only now recovering. As a consequence, employment has not recovered from the recession, with perhaps only half the jobs held by County residents returning to date. Nonetheless, there are signs of improvement, perhaps tentative, in almost every area. Unemployment is falling, sales tax receipts indicate retail sales are back at their pre-recessionary level, there are indications that the real estate market may have hit bottom early this year, and the foreclosure rate has fallen off substantially.

The demographics of the County have also been affected by the recession. Although the County’s population is growing according to State figures, the State also estimates that the County saw a small net outmigration, a reversal of the trend for most of the past decade and longer. And the County is aging: in percentage terms, the fastest growing age group is those 100 and over; in



*On balance, it is fair to say that the condition of Polk County is improving in every aspect, but serious challenges loom: severely limited revenues, a rapidly aging population, a coming wave of employee retirements, and a yet uncertain future role for local government.*



numeric terms, it is those between age 70 and 79. The number of County residents between ages 20 and 29 is actually expected to decline over the next 25 years in absolute terms.

The financial condition of the County continues to improve, albeit with upcoming challenges due to severely limited revenues. The undesignated General Fund balance now stands at over 31 percent of expenditures, and for the second year in a row the County took in more than it spent. Several hundred thousand dollars were saved through restructuring and attrition; tight expenditure controls and innovation among County employees served to reduce expenditures further. This reverses a trend that developed over the past decade, with expenditures exceeding revenues in nine out of ten years and a cumulative gap between revenues and expenditures of \$33.4 million, since fallen to \$31.1 million. Most of this gap is due to borrowing for necessary capital improvements, but that must of course also be repaid.

With respect to property tax burden, the County remains at about the average level for Wisconsin counties. The County's overall tax rate is 32<sup>nd</sup> highest of the 72 counties, an increase of nine places from 2011 due to a very large drop in equalized value, nearly seven percent. Although the County's per capita tax burden is higher than the State average, that is significantly affected by the high proportion of seasonal households in the County.

As stated, the County has high in debt service costs attributable to the construction of several County facilities within the past decade or so. Debt service increased this year by \$225,000 and is scheduled to increase another \$113,000 in 2013. The County's debt service will not decline appreciably until 2017, with all of the County's current debt scheduled to be repaid in the next ten years, by 2021. On the other hand, the County also enjoys the benefits of newer, more efficient facilities and has no pressing need for major capital investments in the near term, with the exception of a major reconstruction or construction of a highway facility.

The management condition of the County is very good and improving, although again with serious challenges looming. The greatest asset of Polk County government is its staff, and the greatest risk is turnover. One-third of County employees are eligible to retire, including most of those in key positions. Succession planning is an imperative, and where not possible because of the size of agencies, alternative methods of replacing key skills, e.g. through technology or outside agencies, must be explored. Finally, there is currently difficulty in recruitment that must be addressed through more active recruitment methods and better positioning of the County in the market for talent.

In a related area, the adoption of Acts 10 and 32 in 2011 has also created both challenges and opportunities, challenges in that the County, like every other local government, no longer can simply defer to contracts for personnel management but must create comprehensive employment policies, and opportunities in that the County can look at how to structure compensation and work rules to attract and retain the best possible employees and, in so doing, improve organizational performance. This process has only begun, and will take years to complete in Polk County as well as in all other local governments within the State..

An administrator is responsible for implementing policies set by a county board, a significant part of his or her management assignment. To do so, these policies must be clear, comprehensive, easily referenced, current, and not contradictory or ambiguous. The best approach to ensuring that is the case is to assemble these policies into an administrative code, replacing the old stand-alone resolutions and individual policies. This effort is underway, but will require perhaps two years until completion due to the number of individual policies and resolutions that must be incorporated.

The organizational structure of the County is typical for Wisconsin counties, with a large number of small departments, many headed by an elected official. Two departments were reorganized in 2011, Aging and Human Services, as the opportunity arose through attrition and with substantial personnel cost savings. Additional consolidation or restructuring may be possible, with the opportune time to undertake such reorganization in the case of a vacancy; restructuring can otherwise result in a cost increase through effectively creating just another layer of management.

A final aspect of the management condition of the County is organizational on a broader sense, and concerns the role of county government in Wisconsin. In 2011, Wisconsin Act 32 froze local property taxes forever, allowing increases only for new construction (and debt). Given the relatively high level of property taxes on residential property in Wisconsin and the weak real estate

market, it is unlikely that this will be lifted significantly any time soon. By so doing, the State has set a process in motion that will result in the realignment of the roles of State and local government. The basic challenge is whether this will be a transition, where the eventual outcome is at least known and planned, or a transformation, where there is no long term planning and the outcome is not known. An example of a transformation is California, where Proposition 13 in 1978 (that froze property taxes) has resulted in a set of unintended and undesirable consequences that could have been avoided with planning. An example of a transition is the changes in school district financing that swept most states, including Wisconsin, in the early 1970s or the welfare reform initiatives implemented in the 1990s.

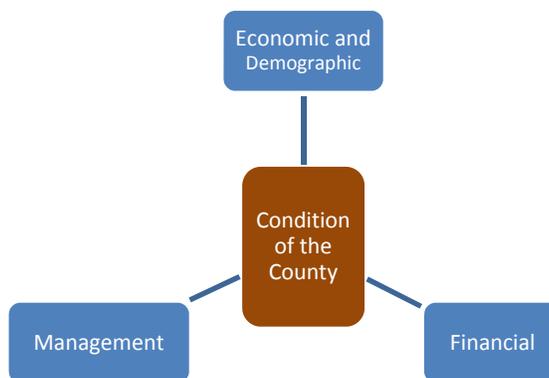
On balance, it is fair to say that the condition of Polk County is improving in every aspect, but serious challenges loom: severely limited revenues, a rapidly aging population, a coming wave of employee retirements, and a yet uncertain future role for local government. The local economy continues to slowly get better, and population growth is moderate (and aging). The County's financial status has strengthened but with coming challenges in revenues and unavoidable cost increases. Finally, the County's management condition is also continuing to improve, but with succession planning essential and increasing uncertainty developing concerning the future role of county government. As was written last year, and even more true this year, the County is in a position most would envy: solid reserves, a foundation of good fiscal practices, an outstanding work force, and a great place to live.

## INTRODUCTION

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Wisconsin Statutes section 59.18 governs the position of county administrator and assigns him or her the responsibility of being the chief administrative officer of the county as well as other duties including preparation, submission, and execution of the annual budget, hiring and supervision of department heads, appointment of committee members, and implementation of federal, state and county laws or policies. That same statute provides that “The county administrator shall annually... communicate to the board the condition of the county.” By this, the statute also assigns every county administrator the responsibility of advising the board on issues of import to them from the perspective of the administrator’s duties and responsibilities. As the county board is the policy setting body, this would imply that the administrator communicate matters of relevance in policy making. This report is written in fulfillment of that requirement and constitutes this annual communication on the condition of Polk County as required by statute.

The condition of the County is measured on three dimensions: the economic and demographic condition, or the context within which the County Board must make its decisions and the administrator his budget recommendations; the fiscal condition, or the current finances and financial trends affecting the County; and the management condition, or the ability of the administration to effectively implement policy as set by the County Board.



Reports are of little value without applicability. This report is therefore written in the main to provide background information on the context within which the County Board will need to operate in developing and approving the annual budget, or as the macro-fiscal framework used in determination of the resource envelope and running expenditure costs in other systems. In addition, this report is also intended to help identify some of the more significant strategic issues in management that the County Board will need to face in the coming year and beyond: succession planning and workforce turnover, changing service demand, severely constrained resources and other external factors. Finally, as the County now may, and certainly must, focus on a longer-term horizon for financial and operational planning, this report also considers longer-term opportunities and threats, some of which will be addressed in the forthcoming budget. This report is therefore intended to complement the strategic planning activities now underway in the individual governing committees.



Who and what is Polk County?

*Scattered throughout this report are text boxes like this containing facts and figures intended to shed light on the condition of Polk County – who we are as residents, as visitors, as businesses, as government – in a way that helps inform the role and challenges of county government.*



Please note that this report is not intended to be a substitute for annual reports submitted by individual departments to their governing committees, and care has been taken to not repeat information included therein. Longer term plans are to consolidate this report and these annual reports to improve their applicability and value to the County Board and make them a resource for the public. As noted last year, this report is instead intended to provide a view of the County at a more macro, 10,000 foot level; department reports are more detailed – a view from 500 feet. This report does, however, replace any department report for the department of administration.

## THE CONDITION OF THE COUNTY

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The condition of the County is stronger than it has been in years in all three dimensions: external economic and demographic conditions and, for county government itself, the fiscal conditions and the management conditions. Recovery from the worst recession in 75 years, although by no means complete – and in some cases tentative – is now readily apparent in virtually every sector. The County’s finances are stable overall, with a generally sustainable budget and significant reserves providing the capacity to respond to fiscal issues in a measured manner while continuing to reduce the County’s long-term financial obligations. The County’s population is expanding, housing prices appear to have bottomed early in 2012 (although that has been thought before), and as noted last year the County remains wealthy in its human capital – our employees, our volunteers, and our citizens. This past year has also seen a great deal of progress in improving the management of the County, with better use of assets, departmental restructuring, clearer work rules and rewritten policies and increased financial discipline.

Of course there are serious challenges as well: the local real estate market remains poor and many homeowners are in financial difficulty with tax delinquency remaining at near-record levels; unemployment, although improved, is very high by historical standards; and although investment is occurring elsewhere in the County, the County has lost a major employer. From a management standpoint, the County faces substantial personnel losses from retirement and, from a fiscal standpoint, severely constrained resources that will force both increased efficiencies and programmatic reductions. Finally, the population of the county is aging rapidly and, as a consequence, the County will see greater demands for many services.

### DEMOGRAPHIC CONDITIONS

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According to estimates by the Wisconsin Department of Administration, Polk County continues to grow in population since the last (2010) Federal census.<sup>1</sup> The County added a net 39 residents between April 1, 2010, and January 1, 2011, increasing the population to an estimated 44,244 as of the beginning of last year. Unlike the growth in the past decade, all of this growth is from natural increase (births minus deaths); the State estimates that a net 38 people left the county in that same nine month time period. In population overall, Polk County remains the 32<sup>nd</sup> largest county in the State, slightly smaller than Monroe County and slightly larger than Douglas County.



*Growing older: by 2025, or in just over 10 years, one in four residents will be 65 or older – up from one in six today.*

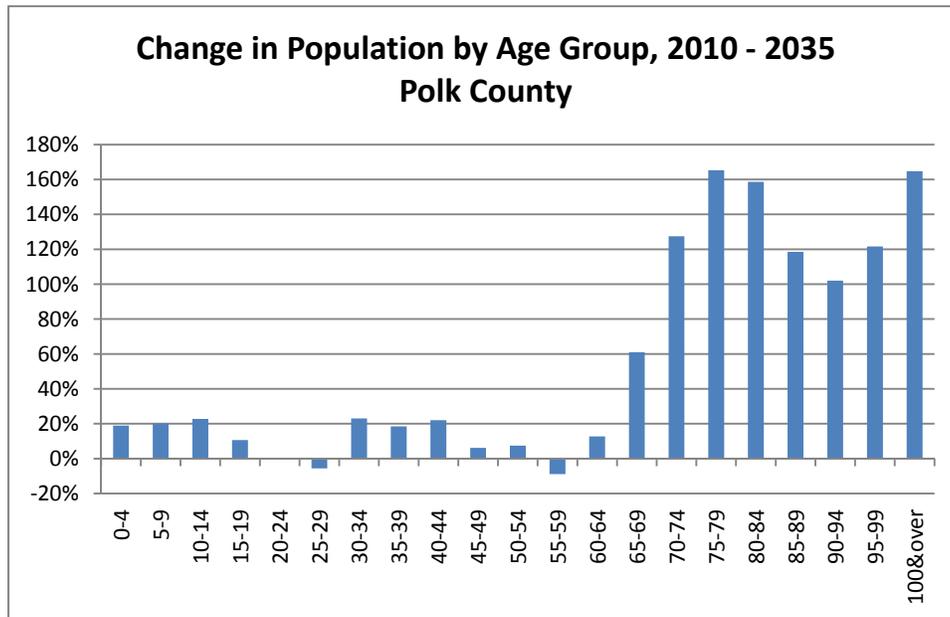


The most striking feature of the County’s demographic profile – like that of most rural counties – is its rapidly aging population. Over the next 20+ years the fastest growing age group in absolute terms will be residents in their 70s, adding another 4,600 people; by contrast, the County is expected to lose population in the 20-29 age group. The fastest growing group in percentage terms is those 100 and over, with that cohort almost trebling in size. Figure 1 shows the change in population by age group from 2010 to 2035; note the dramatic increases in the older groupings.

This rapid shift – the median age of County residents is expected to increase by 2½ months every year – will place strains on government services, especially in rural areas. Many of these individuals

will live around the lakes or in the countryside, with vacation properties becoming permanent residence. These properties are not easily accessed, many on narrow, private, dead end gravel roads by a lake. Transportation, public safety, highway maintenance, social services, public health, aging programs – all will require increased resources due to the County’s older, geographically scattered population. However, along with this increased need for services will come a reduction in ability to pay for them, as many of these residents will be on relatively fixed retirement incomes.

Figure 1



Source: Prepared from estimates developed by the Wisconsin Department of Administration

With respect to housing, the State has not developed new housing estimates, with the latest being from the 2010 Census. At that time, it was estimated that Polk County had 24,248 housing units, of which 74.2% are occupied and the remainder mostly seasonal, (just over 20 percent of the total). For the impact of this on county costs and services, please refer to the special section in the 2011 report on the condition of Polk County.

Other relevant demographic information is that the County has a very high homeownership rate –

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*Long-distance commuters:  
for Polk County residents,  
the average (one way) drive  
time to work was 27.9  
minutes.*

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82.0% versus 69.5% for the State as a whole – and a stable population.<sup>ii</sup> 91.1% of residents reported that they had been living in the same house for more than one year as compared to 85.3% for the State as a whole. The proportion of high school graduates was also higher than the State – 91.4% compared to 89.4% – as is the proportion of veterans. 9.3% of Polk County residents have served in the military, according to the U.S. Census Bureau, compared to 7.7% for the State as a whole. Our share of college graduates is a bit lower than the State – 18.4% compared to 25.8%, which likely is a function of the nature of employment in the County. Finally, County workers are long-distance commuters: residents report an average

travel time to work of 27.9 minutes. This has implications as well, for the County's winter road maintenance programs, for scheduling County services, and for providing information to and obtaining input from citizens.

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## ECONOMIC CONDITIONS

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Polk County was severely affected by the 2007-2009 Recession, with a substantial loss in employment, in property value, and in overall wealth. Although there are signs of a rebound everywhere in the County, the depth of this past recession and slow pace of recovery continue to cause lingering financial problems readily apparent to even the casual observer. Nationally, first quarter GDP statistics were disappointing, and recent economic statistics show an even slower recovery, with the unemployment rate projected to remain well over eight percent for the foreseeable future. However, most observers expect the recovery to continue, although the European debt crisis, a slowdown in developing nations (especially the BRICs: Brazil, Russia, India and China) and ongoing issues in the housing market have been a substantial drag on the economy. In the last several recessions, housing has contributed significantly to the recovery, but in this recovery it has detracted from the recovery. This especially has had a real impact on Polk County in both construction-related employment and in tax base. As discussed below, Polk County has been very dependent on the construction industry, an industry that will take years to begin to recover.



*Small businesses: 61% of Polk County businesses employ 4 or fewer workers, compared to 51% for the State as a whole.*



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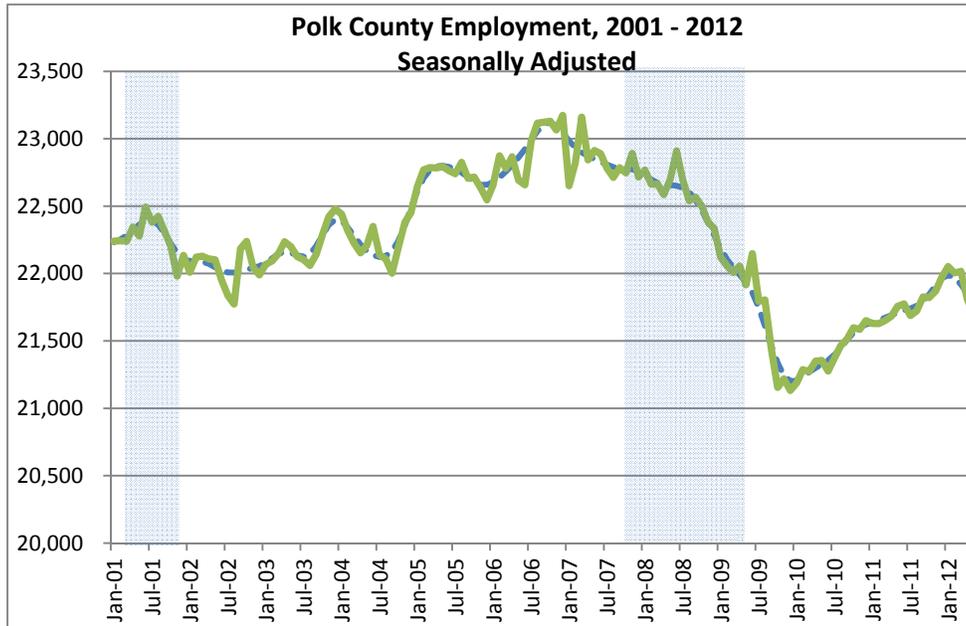
## EMPLOYMENT

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Measuring employment and unemployment is problematic even at a national level; problems increase exponentially in attempting such measurements at a local level, especially one with a population as small as Polk County (see Annex A for a discussion of this issue). Nonetheless, and all methodological issues aside, it would appear that over half of Polk County residents who lost jobs in the past recession have become reemployed, although there also appears to be a recent softness in the job market that may be of concern. From peak to trough, County employment fell from about 23,100 people to 21,200, or a loss of 1,900 jobs during the past recession. Current employment levels in Polk County are about 21,700 to 22,000. Figure 2, following shows seasonally adjusted monthly employment for Polk County since January 2001. The shaded areas are the two recessions during that same period (the solid line is actual seasonally adjusted data, and the dotted line is the trend).

Good employment data are not available on agricultural employment, but it is clear that the farm economy does contribute substantially to the County's economy. Data are available on agricultural production, and the County does rank relatively high by most measures compared to other counties. For example, in 2011 Polk County farmers produced 8.5 million bushels of corn, ranking the County 22<sup>nd</sup> highest among Wisconsin counties.<sup>iii</sup>

**Figure 2**



Source: Department of Administration calculations from Wisconsin Department of Workforce Development data

Note that this employment measure is quantitative, not qualitative. Someone who is underemployed, working fewer hours than he or she wishes (in a part-time position instead of a full-time position), still counts as being employed for purposes of this indicator. Nationally, the percentage of the workforce in this category has about doubled, to 5.7% from 3.0% in late 2007. If this is typical, then, the job loss is greater than regular statistics show and the rebound less.

In May, 2012, the County's unemployment rate was 7.8%, down from 8.2% in May, 2011 (and above the State average of 6.8%).<sup>iv</sup> Again, this does not provide a totally accurate picture, both

★★★★★★★★★★

*Productive farmers: in 2011, County farmers produced 8.5 million bushels of corn, 22<sup>nd</sup> highest among Wisconsin counties.*

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because of the aforementioned underemployment and the increase in discouraged workers and those marginally attached to the labor force (see Annex A). All told, the unemployment rate nationally including all of these groups is about 80 percent higher than the commonly-used unemployment rate, meaning the County's unemployment rate measured most broadly is probably closer to 15 percent. In addition, the unemployment rate is not seasonally adjusted, meaning it will typically fall in the late spring, early summer and rise in the late fall and winter every year, regardless of the underlying economy. That is why the only

meaningful comparisons are year-over-year.

As noted, the recent softness in the County's employment numbers is a bit concerning, as it ends almost two years of steady, albeit slow, growth. It may be that the slowing down of the national economy is echoed here, or it may be that the data are simply wrong. These data are commonly revised in one direction or another, and it may well be that the freakishly warm winter confused the seasonal adjustment factors. A few more months' data are needed before any conclusion can be drawn. It should also be noted that no similar weakness has appeared in State employment data.

**BUSINESS**

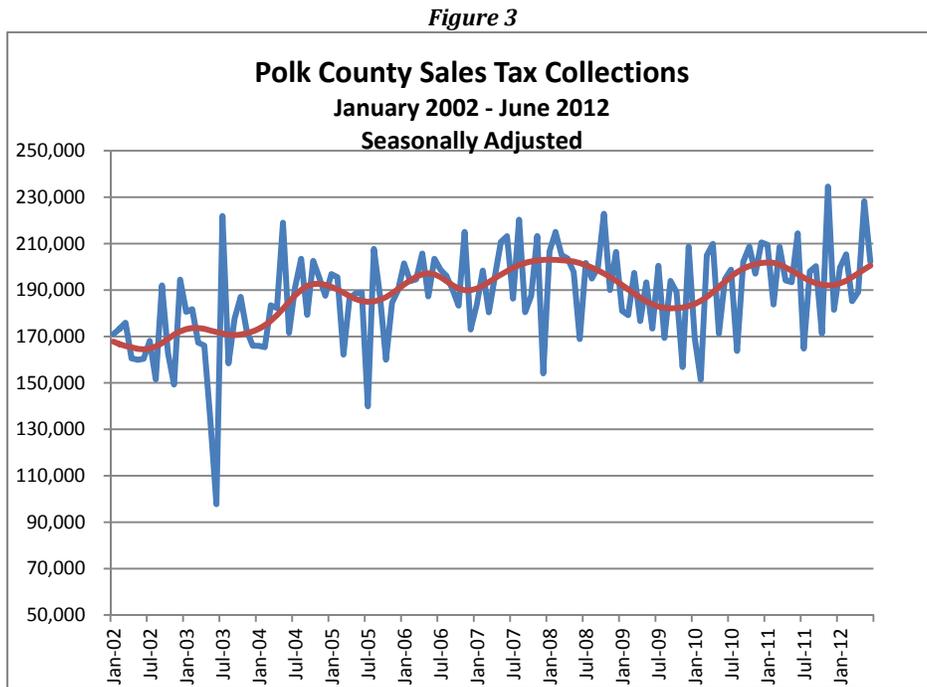
Like all but a few Wisconsin counties, Polk County imposes a one-half cent sales tax piggybacked on the State sales tax and collected by the State Department of Revenue. In addition to providing revenue to reduce reliance on the property tax, these collection data also allow the County to track local economic activity. Unfortunately, these data are a bit difficult to read for anything short of a year (and perhaps longer) as they suffer both from seasonality, like employment data, and volatility due to payment timing and processing. A delay of one day by a vendor or by the Department of Revenue in processing a large sales tax remittance can have a significant impact on that month's collections.

Figure 3 attempts to control for these problems as much as possible through both seasonal adjustment and trend measurement to provide a better indicator of economic activity. These data show that sales have nearly reached their pre-recession levels, but there was a bit of a retreat in the first part of 2011 due to higher energy prices and the dampening effect on the U.S. economy from the first stages of the European debt crisis at that same time. (Note that sales tax collections are reported by month paid to the County after collection by the Department of Revenue, meaning there is a lag of at least two months between economic activity and collections.)

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*Self-employed: 20% of Polk County businesses have no outside employees compared to 12% for the State.*

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*Note: Smoothed line is a moving average; jagged line is actual seasonally adjusted data<sup>v</sup>*

It is fair to say that the retail economy has largely recovered from the past recession based on these sales tax collection data. That is significant for Polk County as retail establishments are an important part of the County's economy, accounting for 15.6% of all private employment in 2010. This share is significantly greater than for the State of Wisconsin as a whole, with a reported

average of 12.6% of all private employment in retail establishments, indicating the County's importance as a tourist destination and a regional retail center.

Most remarkable in these employment data is the County's reliance on manufacturing. As of 2010, manufacturing accounted for 29.2% of all private employment (excluding self-employed) and 35.8% of all private payroll, or \$128 million out of \$357 million in total on an annualized basis. These figures are after the 2007-2009 recession. The comparable figures for the State are 17.6% of total employment - almost half of the county level - and 21.8% of all private payroll. This high level of manufacturing employment may indicate an advantage to the County from its proximity to



*Manufacturers: in 2010, manufacturing accounted for 29.2% of all private employment and 35.8% of all private payrolls on an annualized basis.*



Minneapolis-St. Paul combined with Wisconsin's lower rates on payroll taxes: in neighboring Chisago County, Minnesota, manufacturing accounted for only 17.7% of total payroll for the same period.

This reliance on manufacturing is beneficial to the County for the long term. Even though this sector suffered badly in the last recession, it appears to be recovering rather quickly: the Wisconsin Department of Revenue estimates that annual rate of growth in manufacturing employment to be 2.5% in 2012, 3.6% in 2013, 2.3% in 2014 and 2.1% in 2015.<sup>vi</sup> The average weekly wage for employees in this sector is also higher than most other sectors,

meaning personal income in the County should recover more quickly as well. (It is, however, dangerous to project local data from statewide data.)

Table 1 shows the distribution of Polk County businesses by sector by number of firms, number of employees and annual payroll for 2010.

**Table 1**  
**Distribution of Polk County Businesses, 2010**

<b>Sector</b>	<b>Establishments</b>		<b>Employees</b>		<b>Annual Payroll</b>	
	<b>Number</b>	<b>Percent of Total</b>	<b>Number</b>	<b>Percent of Total</b>	<b>Amount (\$000)</b>	<b>Percent of Total</b>
<b>Agriculture, forestry, fishing and hunting</b>	4	0.4%	1-4	0.1%	77	0.0%
<b>Mining, quarrying, and oil and gas extraction</b>	1	0.1%	10-19	0.1%	N/A	
<b>Utilities</b>	8	0.7%	99	0.8%	6,027	1.7%
<b>Construction</b>	144	12.9%	315	2.7%	11,450	3.2%
<b>Manufacturing</b>	100	8.9%	3,448	29.2%	128,095	35.8%
<b>Wholesale trade</b>	34	3.0%	414	3.5%	18,403	5.1%
<b>Retail trade</b>	166	14.8%	1,836	15.6%	38,983	10.9%
<b>Transportation and warehousing</b>	25	2.2%	129	1.1%	4,379	1.2%
<b>Information</b>	20	1.8%	173	1.5%	5,808	1.6%
<b>Finance and insurance</b>	55	4.9%	359	3.0%	14,758	4.1%
<b>Real estate and rental and leasing</b>	38	3.4%	1-99	1.3%	1,056	0.3%
<b>Professional, scientific, and technical services</b>	82	7.3%	312	2.6%	11,489	3.2%
<b>Management of companies and enterprises</b>	1	0.1%	20-49	0.3%	N/A	
<b>Administrative and support and waste management and remediation services</b>	47	4.2%	404	3.4%	6,826	1.9%
<b>Educational services</b>	5	0.4%	1-9	0.1%	296	0.1%
<b>Health care and social assistance</b>	102	9.1%	2,455	20.8%	84,453	23.6%
<b>Arts, entertainment, and recreation</b>	27	2.4%	204	1.7%	2364	0.7%
<b>Accommodation and food services</b>	128	11.4%	1,036	8.8%	10,986	3.1%
<b>Other services (except public administration)</b>	130	11.6%	473	4.0%	8,664	2.4%
<b>Industries not classified</b>	1	0.1%	1-4	0.0%	N/A	
<b>Total for all sectors</b>	<b>1,118</b>		<b>11,801</b>		<b>357,792</b>	

*N/A means that data were not released to avoid disclosing confidential information. For those businesses for which an employment range was given, the percentage of total employees was estimated based on range midpoint(s)*

*Source: U.S. Department of Commerce, Bureau of the Census, County Business Patterns 2010*

Polk County also has a greater share of small businesses than the State, with 61% of Polk County businesses employing four or fewer workers compared to 51% for the State as a whole. More Polk County businesses are sole proprietorships than the State average as well: 20% of Polk County businesses have no outside employee compared to 12% for the State. Table 2 shows the distribution of businesses by sector and by size.

**Table 2**  
**Distribution of Polk County Businesses by Sector and Number of Employees, 2010**

<b>Sector</b>	<b>Total</b>	<b>1-4</b>	<b>5-9</b>	<b>10-19</b>	<b>20-49</b>	<b>50-99</b>	<b>100-249</b>	<b>250-499</b>	<b>500-999</b>	<b>1000 or more</b>
<i>Agriculture, forestry, fishing and hunting</i>	4	4	0	0	0	0	0	0	0	0
<i>Mining, quarrying, and oil and gas extraction</i>	1	0	0	1	0	0	0	0	0	0
<i>Utilities</i>	8	3	1	3	0	1	0	0	0	0
<i>Construction</i>	144	128	11	4	1	0	0	0	0	0
<i>Manufacturing</i>	100	35	14	11	21	9	8	1	1	0
<i>Wholesale trade</i>	34	15	9	5	3	1	1	0	0	0
<i>Retail trade</i>	166	79	46	25	12	2	1	1	0	0
<i>Transportation and warehousing</i>	25	17	4	3	1	0	0	0	0	0
<i>Information</i>	20	9	4	4	3	0	0	0	0	0
<i>Finance and insurance</i>	55	29	17	7	1	1	0	0	0	0
<i>Real estate and rental and leasing</i>	38	35	2	1	0	0	0	0	0	0
<i>Professional, scientific, and technical services</i>	82	67	7	5	3	0	0	0	0	0
<i>Management of companies and enterprises</i>	1	0	0	0	1	0	0	0	0	0
<i>Administrative and support and waste management and remediation services</i>	47	38	3	2	3	0	1	0	0	0
<i>Educational services</i>	5	3	2	0	0	0	0	0	0	0
<i>Health care and social assistance</i>	102	38	27	14	12	5	3	3	0	0
<i>Arts, entertainment, and recreation</i>	27	20	5	1	0	0	1	0	0	0
<i>Accommodation and food services</i>	128	58	33	23	13	1	0	0	0	0
<i>Other services (except public administration)</i>	130	99	25	4	2	0	0	0	0	0
<i>Industries not classified</i>	1	1	0	0	0	0	0	0	0	0
<b>Total for all sectors</b>	<b>1,118</b>	<b>678</b>	<b>210</b>	<b>113</b>	<b>76</b>	<b>20</b>	<b>15</b>	<b>5</b>	<b>1</b>	<b>0</b>

*Source: U.S. Department of Commerce, Bureau of the Census, County Business Patterns 2010*

These data shed further light on the importance of manufacturing to the county's economy in that most of the employment is by mid-sized companies, not very large firms. The average manufacturing firm in Polk County employs 34 people, but the median firm (half larger, half smaller) employs just over nine people. As we can presume the firm in the category 500 – 999 employees is Polaris, the importance of the medium size manufacturing firms to the County's economy is now greater than it was in 2010.

Comparing data for 2010 with those of 2007 show the severity of the 2007-2009 recession in its effect on County businesses. Polk County lost 90 firms during that period and 1,568 jobs, or 11.7% of the total pre-recession employment. In numbers, the largest job loss was in manufacturing, with 707; in percentage terms the largest loss was in construction at -43.3%. Estimates for the State of Wisconsin as a whole are that manufacturing employment will not reach its pre-recession peak until at least 2015.<sup>vii</sup> State employment is now not expected to reach its pre-recession levels until

2014 and, if the forecast rates of growth by sector are applied to Polk County, it will be another three years or so before County employment reaches its pre-recession level.

Tracking a statewide and nationwide trend, health care showed a significant net increase, adding 280 jobs or 12.8%. Table 3 shows change in employment and firms for this period.

**Table 3**  
**Change in Number of Firms and Employees by Sector, 2007 – 2010, Polk County**

Sector	Number of Establishments			Number of Employees			
	2007	2010	Change	2007	2010	Change in Number	Percent Change
<i>Agriculture, forestry, fishing and hunting</i>	3	4	1	N/A	N/A		
<i>Mining, quarrying, and oil and gas extraction</i>	3	1	-2	N/A	N/A		
<i>Utilities</i>	7	8	1	99	99	0	0.0%
<i>Construction</i>	181	144	-37	556	315	-241	-43.3%
<i>Manufacturing</i>	113	100	-13	4,155	3,448	-707	-17.0%
<i>Wholesale trade</i>	29	34	5	354	414	60	16.9%
<i>Retail trade</i>	198	166	-32	2,200	1,836	-364	-16.5%
<i>Transportation and warehousing</i>	33	25	-8	159	129	-30	-18.9%
<i>Information</i>	18	20	2	261	173	-88	-33.7%
<i>Finance and insurance</i>	55	55	0	349	359	10	2.9%
<i>Real estate and rental and leasing</i>	39	38	-1	86	N/A		
<i>Professional, scientific, and technical services</i>	75	82	7	316	312	-4	-1.3%
<i>Management of companies and enterprises</i>	3	1	-2	22	N/A		
<i>Administrative and support and waste management and remediation services</i>	46	47	1	419	404	-15	-3.6%
<i>Educational services</i>	6	5	-1	N/A	N/A		
<i>Health care and social assistance</i>	103	102	-1	2,175	2,455	280	12.9%
<i>Arts, entertainment, and recreation</i>	30	27	-3	257	204	-53	-20.6%
<i>Accommodation and food services</i>	128	128	0	1,376	1,036	-340	-24.7%
<i>Other services (except public administration)</i>	137	130	-7	527	473	-54	-10.2%
<i>Industries not classified</i>	1	1	0	N/A	N/A		
<b>Total for all sectors</b>	<b>1,208</b>	<b>1,118</b>	<b>-90</b>	<b>13,369</b>	<b>11,801</b>	<b>-1,568</b>	<b>-11.7%</b>

Source: U.S. Department of Commerce, Bureau of the Census, County Business Patterns 2010 and 2007

Finally, it is also readily apparent that a large part of the County's economy is self-employed individuals. The latest data are for 2009, and they show that the construction industry remains important for self-employed individuals as well, accounting for the largest share of employment and of gross receipts (i.e. sales or billings) at 20.5% and 26.2%, respectively, followed (in gross receipts) by transportation and retail trade. These data are contained in Table 4.

**Table 4**  
**Self-employed Individuals by Sector, 2009, Polk County**

Sector	Firms		Gross Receipts	
	Number	Percent of Total	Amount (\$1,000)	Percent of Total
<i>Agriculture, forestry, fishing and hunting</i>	82	2.5%	\$2,440	2.6%
<i>Utilities</i>	N/A	N/A	N/A	N/A
<i>Construction</i>	665	20.5%	24,225	26.0%
<i>Manufacturing</i>	95	2.9%	2,091	2.2%
<i>Wholesale trade</i>	58	1.8%	2,396	2.6%
<i>Retail trade</i>	431	13.3%	10,434	11.2%
<i>Transportation and warehousing</i>	179	5.5%	13,271	14.2%
<i>Information</i>	26	0.8%	527	0.6%
<i>Finance and insurance</i>	79	2.4%	2,615	2.8%
<i>Real estate and rental and leasing</i>	200	6.2%	8,395	9.0%
<i>Professional, scientific, and technical services</i>	278	8.6%	6,352	6.8%
<i>Administrative and support and waste management and remediation services</i>	211	6.5%	2,952	3.2%
<i>Educational services</i>	44	1.4%	674	0.7%
<i>Health care and social assistance</i>	272	8.4%	3,906	4.2%
<i>Arts, entertainment, and recreation</i>	149	4.6%	2,177	2.3%
<i>Accommodation and food services</i>	41	1.3%	1,420	1.5%
<i>Other services (except public administration)</i>	426	13.2%	9,280	10.0%
<b>Total for all sectors</b>	<b>3,238</b>		<b>\$93,170</b>	

Source: U.S. Department of Commerce, Bureau of the Census, Non-employer Statistics, 2009

## INCOME AND POVERTY

Given the above employment and business statistics, it is not surprising that the poverty rate within Polk County was affected by the past recession, with the percentage of people living in poverty jumping 44 percent from 2007 to 2010, increasing from 8.7% to 12.5% of the population. This is still below the State average of 13.2%. The jump in children in poverty was even greater, increasing 75 percent from 10.6% of children under 18 to 18.2%. That, too, is below the State average of 19%. The poverty level for 2010 is defined as \$11,139 for one person and \$22,314 for a family of four.



*Impacted by the recession: median household income in Polk County declined by 3.2% from 2007 to 2010 and the poverty rate increased by 44%.*

With respect to income, median household income in Polk County was estimated to be \$46,871 in 2010 (half of the households had incomes above, half below). Although slightly below the State average of \$48,974, it compares very well with all of our neighboring counties except those closer to Minneapolis and St. Paul, St. Croix and Pierce. Overall, Polk County ranks 30<sup>th</sup> in median



household income among Wisconsin's 72 counties. Polk County also has a moderate high average weekly wage, estimated at \$659 in September, 2011, the latest period available.<sup>viii</sup> That places the County tied for 31<sup>st</sup> highest with St. Croix County among Wisconsin counties.

As another measure of the severity of the past recession, this median income also declined in both Polk County and in the State as a whole, in both cases by 3.2%. In 56 of Wisconsin's 72 counties, the median income in 2010 was lower than that in 2007; in some parts of the State, the decline was almost 15 percent. Table 5 lists data on poverty rate and household incomes for Polk and neighboring counties (and the State).

**Table 5**  
**Poverty Rates and Household Income, Polk and Neighboring Counties, 2010**

<b>County</b>	<b>Percent in Poverty</b>		<b>Median Household Income</b>	
	<b>All Ages</b>	<b>Children under 18</b>	<b>2010 Amount</b>	<b>Change from 2007</b>
<i>Polk</i>	12.5%	18.2%	\$46,871	-3.2%
<i>Barron</i>	13.6%	22.0%	42,805	-1.3%
<i>Burnett</i>	15.3%	26.6%	38,774	-4.2%
<i>Chippewa</i>	12.3%	18.8%	46,479	-3.0%
<i>Dunn</i>	15.2%	19.3%	47,442	+2.4%
<i>Eau Claire</i>	16.7%	18.1%	43,901	-1.5%
<i>Pepin</i>	12.3%	20.7%	43,912	-3.1%
<i>Pierce</i>	10.8%	11.1%	57,111	-3.9%
<i>Rusk</i>	19.6%	32.1%	35,757	-3.2%
<i>St. Croix</i>	6.8%	8.2%	64,990	-2.6%
<i>Sawyer</i>	18.0%	32.4%	37,858	-4.3%
<i>Washburn</i>	14.5%	25.7%	38,474	-4.6%
<i>Wisconsin</i>	13.2%	19.0%	48,974	-3.2%

*Source: U.S. Department of Commerce, Bureau of the Census, Small Area Income and Poverty Estimates*

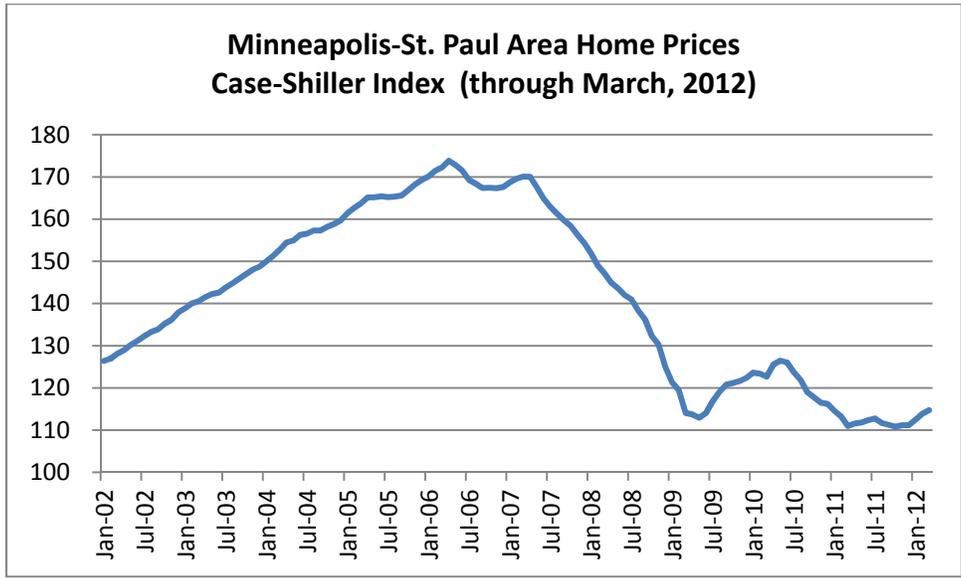
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## HOUSING

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After years of declining values and high foreclosure rates, there are indications that values are improving and foreclosures slowing. The latest home price data for the Minneapolis-St. Paul metropolitan area, which certainly has a strong influence on Polk County home values, shows some minor improvements in the last few months, through April, 2012, the last data available. As Figure 4 (following) shows, however, this recovery is not dramatic and the chance of further decline cannot be dismissed given the weakening national and world economies. Current prices in the Minneapolis-St. Paul metropolitan area are about the same level as they were in early 2001, meaning a house that sold for \$100,000 then would sell for about \$100,000 now. When adjusted for inflation using the Consumer Price Index, houses are selling now for about the same amount they did in late 1996, meaning that sixteen years of appreciation in value has been lost.

Figure 4

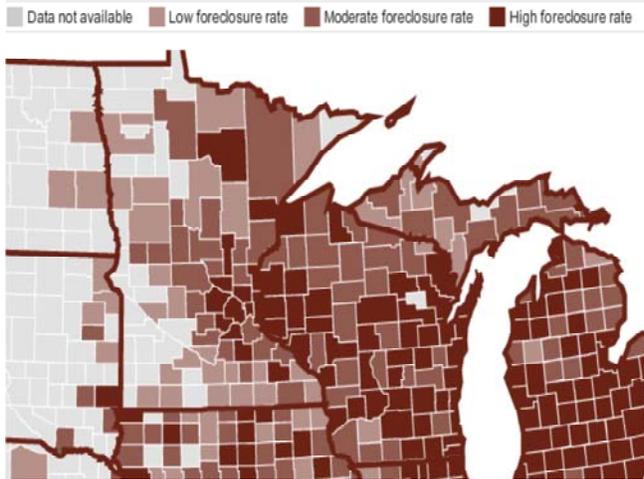


Source: Standard and Poor Case-Shiller Home Price Index, seasonally adjusted<sup>ix</sup>

Mortgage foreclosure rates within the County and the region also appear to be moderating. According to data derived from the firm Realty Trac, the foreclosure rate for Polk County in March, 2011 was one in 456 mortgages, or about 0.22%, but fell to one in 1,054 households in March 2012, or less than one-tenth of a percent. Although this is still considered to be a high rate in the map in Figure 5, following (the cutoff between high and moderate appears to be one in 1,100 households), it is now lower than in Dunn, Barron, St. Croix, and Chisago Counties and is probably close to the State average (given the higher foreclosure rates in the more populous southeastern part of Wisconsin). These data are contained in the following table.

Figure 5

**Mortgage Foreclosure Rates, Upper Midwest and Surrounding Counties**



County	Foreclosure rate	
	March 2011	March 2012
Polk	1 in 456	1 in 1,054
St. Croix	1 in 824	1 in 330
Burnett	1 in 700	1 in 2,546
Barron	1 in 1,779	1 in 695
Dunn	1 in 1,263	1 in 998
Washburn	1 in 986	1 in 1,622
Chisago (MN)	1 in 776	1 in 1,059
Washington (MN)	1 in 352	1 in 464

Source: Realty Trac

Please note that a high foreclosure rate does not necessarily indicate greater underlying economic issues but may, in fact, indicate processing timelines or practices that vary among financial institutions. However, that is likely more of a regional phenomenon than a local (i.e. west central Wisconsin mortgages are likely through the same basket of lenders).

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## FISCAL CONDITIONS

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The economic analysis and outlook is one part of the financial picture for purposes of policy making through the annual budget; the fiscal status or condition of the county is another. Economic data help provide guidance as to demand for services and growth in resources; fiscal conditions provide information on resource availability and internal influences on the County's budget as well as those externally imposed by other levels of government in the form of financial aid, programs or mandates.



*Less reliant on State aid: In the past five four years, State aid has been reduced by \$5.4 million, from 21% of total revenues to 16%.*



In general, the fiscal condition of the County has improved substantially over the past two years. For the first time in over a decade, the County has begun to reduce the cumulative gap between revenues and expenditures – an indicator analogous to a deficit at a higher level of government. (Counties of course must have balanced budgets; however, borrowing for capital and, especially, indirectly for current expenditures has a similar effect in that these funds that must be paid back in the future.) County finances as a whole are now sustainable, albeit challenges are coming in the form of severe revenue restrictions combined with increased costs of operations. At the same time, the County's fund balances continue to improve and there is reason to believe that we may be near the bottom in equalized value (although likely not for taxes payable in 2013).

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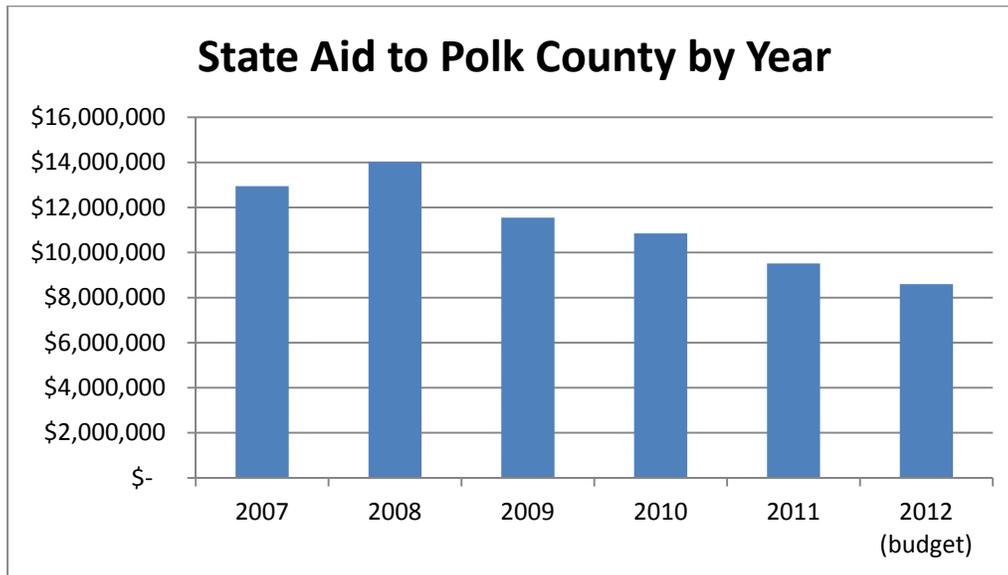
## INTERGOVERNMENTAL AID AND FINANCES

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In 2011, the State significantly reduced the amount of funding to local governments for 2012 and thereafter, a cost that was largely offset by an increase in the employee share of pension contributions. All told, we estimate that State aid – which includes Federal pass-through funds such as Medical Assistance – will decline from \$9,514,443 in 2011 to \$8,599,376 in 2012, a drop of nearly \$1 million, or about ten percent (Figure 6).

For the future, there is no reason to expect anything more than frozen intergovernmental revenues, at least until the economy improves greatly: the allocation for State aid for the second year of the biennium (calendar 2013 for counties) is about the same amount as the first year, the aforementioned 2012 reduced level. Although State revenues have improved, increasing by 5.0% in the first seven months of Fiscal Year 2012 (July 2011 – May 2012 as compared to the same period in Fiscal Year 2011), there does appear to be some recent issues in the State and national economy that could slow this rate of growth. Polk County has also been recently advised that the County's share of retirement funding for employees will increase next year by 8.5% to 16% for most employees. Overall, that represents an increase in mandated levy-funded costs of somewhere between \$100,000 and \$200,000.

Figure 6



Source: Department of Administration

For the longer term, it is foolish to expect anything other than reductions from the Federal government and generally frozen revenues from the State. The former is faced with the challenge of dealing with unsustainable deficits, and the continued slow growth in the economy will limit the ability of the State to do more. As a consequence, growth in local government revenue in Wisconsin will be at historic lows for the foreseeable future; if that is not accompanied by mandate relief, then many local governments – especially those who have been budgeting non-sustainably – will find themselves in extreme difficulty very quickly.

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### PROPERTY TAX CAPACITY AND TAX EFFORT

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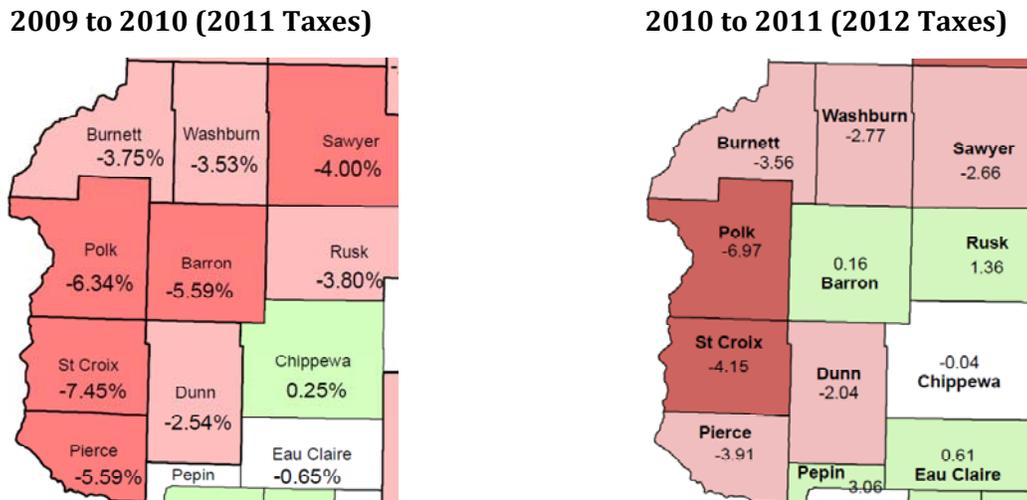
Polk County lost at least \$828 million in value from 2008 to 2011, the last year available, according to the Wisconsin Department of Revenue. This startling 16.6% fall in value equates to one out of every six dollars of real estate value, and the component 20%+ drop in the value of residential improvements means that one out of every five dollars in residential building value was lost. This is the greatest cumulative drop in value in the State, but only slightly ahead of other counties that border the Minneapolis-St. Paul metro area: St. Croix County lost 16.2% of equalized value and Pierce County 14.7%. Over the same period, the fall in value in Burnett County was 8.6%, in Barron County 6.4%, and in Dunn County 5.1%; the State average drop in value was 5.2%. Table 6 shows change in value by class of property, and Figure 6 shows change in value for Polk and neighboring counties both in 2010 and in 2011.

**Table 6**  
**Change in Equalized Value by Class, 2010 – 2011, Polk County**

Class of Property	2010 Value	New Construction	2011 Value	Change in Value	
				Dollar	Pct.
Residential	3,508,281,300	19,113,100	3,247,136,500	-261,144,800	-7.3%
Commercial	336,740,200	2,105,800	326,002,200	-10,738,000	-0.6%
Manufacturing	90,077,900	477,900	89,280,200	-797,700	-2.4%
Agricultural	37,440,900	0	36,444,000	-996,900	-1.1%
Undeveloped	48,400,800	0	45,767,500	-2,633,300	-3.0%
Ag Forest	59,495,600	0	58,218,800	-1,276,800	-4.3%
Forest	278,569,700	0	243,871,600	-34,698,100	-5.4%
Other	127,082,200	862,000	125,399,100	-1,683,100	-1.3%
<b>Total</b>	<b>4,486,088,600</b>	<b>22,558,800</b>	<b>4,172,119,900</b>	<b>-313,968,700</b>	<b>-6.3%</b>

Source: Wisconsin Department of Revenue

**Figure 6**  
**Change in Equalized Value by County**



Source: Wisconsin Department of Revenue

There is no good news in these data. Polk County equalized value is now at the same dollar amount as it was six years ago (2005 equalized value) despite hundreds of millions of dollars of new construction over that time period. It may well be that recent housing sales data portend a turnaround in value (or that the Department of Revenue overstated the decline) but even so recovery will not be rapid and, as equalized value lags current sales by over a year, the turnaround will not happen this year but next.

On a brighter note, even with this record fall in value Polk County remains a relatively wealthy county as measured by tax capacity or equalized property value. At \$93,131 of equalized value per capita for 2011, Polk County lies 12.3 percent above the State average, or 23<sup>rd</sup> highest overall, a drop of two positions since 2010. Polk County still has greater value per capita than all of our neighboring counties with the exceptions of Burnett and Washburn, due to both the County's proximity to a metropolitan area and large amount of seasonal property owned by nonresidents.

Despite these falling values and in large part because of fiscal constraint, Polk County's property tax rate – an *indicator* of tax effort – remains right in the middle of Wisconsin counties. For 2012, the County's tax rate was \$5.23 per \$1,000 of equalized value; this places the County almost exactly at the median, ranking 35<sup>th</sup> highest among the 72 counties. Even though the county property tax levy was reduced from 2011 to 2012, that is however an increase in ranking from 41<sup>st</sup> highest tax rate in 2011. As noted in past reports, that ranking is greatly affected by a relatively high debt levy, and the tax rate for operating expenses levy is likely still well below the median average. In 2011, the County's debt rate was \$0.86 for every \$1,000 of equalized value, the sixth highest rate among Wisconsin counties

On a per capita basis, Polk County collects \$487.04, ranking 19<sup>th</sup> highest among Wisconsin counties again largely because of the relatively high debt levy. This is the same ranking as in 2011. As noted



*Property wealthy: despite a huge fall in value, Polk County remains 23<sup>rd</sup> highest among Wisconsin counties in per capita equalized value*



in last year's condition of the county report, much as a relatively low tax rate is not prima facie evidence of low tax effort or burden, as higher average values can result in higher average taxes holding rate constant, a relatively high per capita levy is not proof of a high tax effort. Tax shifting and incidence result in a redistribution of taxes to non-residents; this is especially pronounced in those areas with a great deal of seasonal property as per capita measures do not take into account the cost of providing services to seasonal residents or tourists. In an annex to last year's report, we calculated that about \$60 of levy per capita can be directly ascribed to the cost of providing services to seasonal residents (of course the added value more than compensates for this cost).

Wisconsin overall does have a higher property tax effort on residential property than most other states and a lower effort for commercial and rental property due to its single rate on all property. Minnesota, by comparison, has a classified tax system – prohibited by Wisconsin's constitution – that allows for preferential treatment of some typed of property. The Minnesota Taxpayers' Association along with the Lincoln Institute of Land Policy recently completed a study of property taxes for all 50 states, selecting a representative urban area and rural area for each. The rural area selected for Wisconsin was Rice Lake, and it was found that a \$150,000 house in that community paid \$3,073 in 2010, or the 8<sup>th</sup> highest tax among the 50 states. The average for all 50 states was \$1,888. Conversely, Wisconsin (Rice Lake) ranked between 20<sup>th</sup> and 23<sup>rd</sup> in taxes on industrial property.<sup>x</sup>

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## OTHER REVENUES

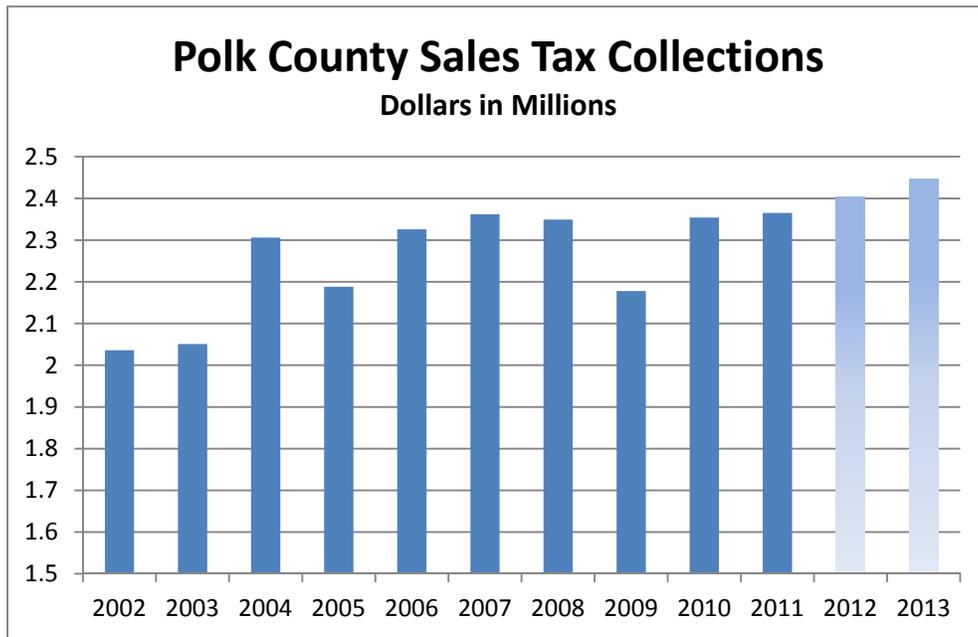
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As discussed in the section on the economy, sales tax collections are now well above recession-era levels and actual collections for 2011 were the highest ever, at \$2,365,172, just above the previous peak in 2007. Figure 7 shows annual sales tax collections by budget year.<sup>1</sup>

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<sup>1</sup> Budget year is collections through February of the following year.

Figure 7



July 2012 - February 2014 are forecasts  
Source: Wisconsin Department of Revenue

Although the forecasting model does not pick this up, there is some recent softness to collections, however, which may be nothing more than payment timing or may indicate a far broader slowdown in the economy. Collections for the first half of 2012 are only 0.5% above 2011; for the State as a whole the same growth is 2.9% which would indicate the issue is likely confined to timing in payments.

Other revenues are generally flat. Interest income is not meeting even pessimistic estimates, and revenue from fees and charges, especially land-use related, have yet to recover from the recession. Real estate tax delinquency remains at near-record levels, and outside donations for programs such as aging have not improved from recession-level lows. With the exception of the lime quarry, revenues from services are performing poorly as well, including other fee and permit revenue and home care revenue. An initiative is underway to improve the County's collection of receivables which may improve collections in general, but it is clear that the lingering effects of the last recession have resulted in a loss of income and resources to the County.

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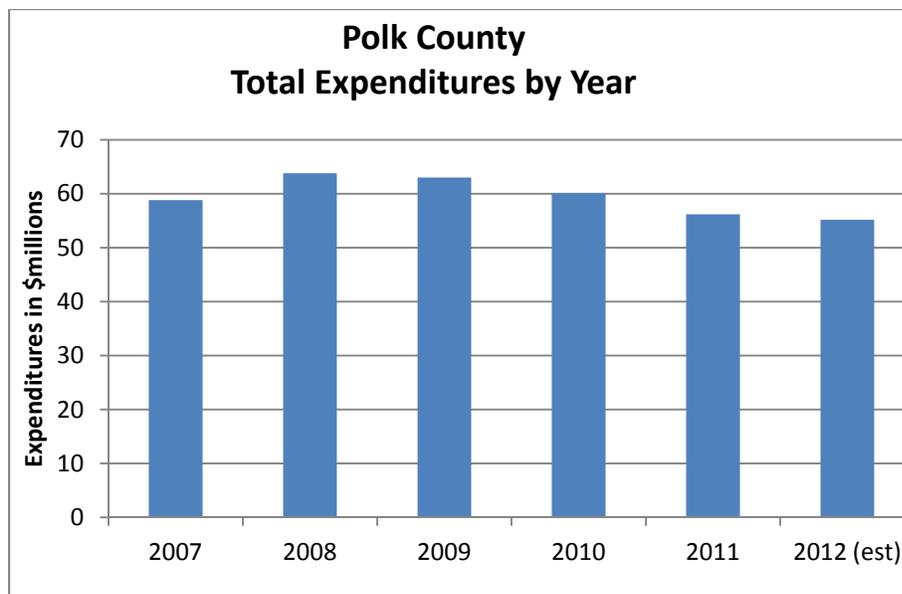
## EXPENDITURES

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As a consequence of state aid reductions, loss of revenues from services, shifting responsibilities between the State and local governments, and tight expenditure controls overall expenditures have declined for the past four years from their high in 2008. (Note, however, that 2008 was something of an aberration due to bond funds being provided to the Highway Department, making comparisons less meaningful.) In 2009, expenditures totaled \$45.9 million; that has declined to \$40.2 million in 2011. Over this period, the largest decline in spending was in health and human services, totaling about \$3.9 million; law enforcement, on the other hand, saw a slight increase in

funding over this period. Figure 8 shows expenditures by year for the past six years. It is expected that 2012 will also show a decline in overall expenditures once the year is complete.

Figure 8



Source: 2011 draft financial statements, Polk County

It is important to note that current expenditures and current revenues are only part of the fiscal picture; debt and fund balance use are also very important. It is not uncommon for a government to spend more than it takes in in a given year; the use of debt financing for capital improvements is a common example. Although this is often prudent fiscal management, to spend more than is being taken in it does have the net effect of buying something now using money that must be repaid in the future. Other actions, such as draw-down of fund balances or spending revenues from the sale of an asset also allow expenditures to exceed revenues in a given year even though the annual budget is technically balanced. Of concern is when future repayments strain budgets or when fund balances or other one-time revenues (including debt) are used to fund ongoing expenditures. This constitutes a pattern often called a structural deficit.

In nine out of the ten years from 2000 to 2009 Polk County spent far more than it took in, with a total cumulative gap between expenditures and revenues reaching a respectable \$33.4 million (Table 7). Although most of these expenditures were used to fund necessary capital improvements, what goes up must come down: for the long term revenues must equal or exceed expenditures. Either revenues would need to be raised, expenditures reduced, or both in a cumulative amount equal to the revenue-expenditure gap. At the time much of this occurred, the County's tax base – and revenue – was growing rapidly. Few saw the 2007-2009 recession coming until it was far too late.



*Spending less: Since 2008, total County expenditures have fallen by 13.5%, or \$8.6 million.*



This trend has been reversed. For the past two years, revenues have exceeded expenditure by a total of \$2.3 million, reducing the size of this gap \$33.4 million to \$31.1 million. Through tight expenditure controls and realistic budgeting (and no new use of debt) 2010 revenues exceeded

expenditures by \$1.7 million and, in 2011, by \$600,000. Although this will be increasingly difficult, continued payback of the County's debt and financial discipline through budgeting and expenditure controls will act together to reduce this gap further.

**Table 7**  
**Changes in Fund Balances of Governmental Funds, Polk County**  
*(Modified Accrual Basis of Accounting); Dollars in Millions*

Year	Revenues	Expenditures	Revenues less Expenditures	
			Annual	Cumulative
2000	\$25.629	\$26.211	(\$0.582)	(\$0.582)
2001	30.689	39.231	(8.550)	(9.132)
2002	32.179	44.841	(12.663)	(21.795)
2003	34.691	43.753	(9.062)	(30.857)
2004	38.386	38.387	(0.001)	(30.858)
2005	41.053	40.523	0.529	(30.329)
2006	41.748	43.781	(2.034)	(32.363)
2007	41.766	42.214	(0.448)	(32.811)
2008	45.479	45.925	(0.445)	(33.256)
2009	41.820	41.963	(0.143)	(33.399)
2010	42.063	40.335	1.729	(31.670)
2011	40.834	40.244	0.591	(31.079)

*Detail may not add to total due to rounding*  
*Source: 2009 and 2011 (Draft) Comprehensive Annual Financial Report, Polk County*

Some of this debt was also used to indirectly offset other operating expenditures (including debt service itself). In 2007, the County issued a \$3.5 million bond, \$2.5 million of which went to the Highway Department for road construction. For this to have been sustainable, these funds should have provided extra funding for construction and the levy kept at its current level to fund regular construction, but that was not the case. From 2006 to 2010, the County levy increased 27.6%, or an average of 6.3% per year, while the levy for highway went up 2.2%, or an average of 0.5% per year, a level not adequate to maintain a full construction budget. As a consequence, the County now has the challenge of shifting levy back from other areas to provide sustainable funding for highway construction or cutting construction below the level needed to maintain the highway system at the current level.

Outside of the General Fund, the condition of other funds has largely improved as well. The health insurance fund had an actual increase in fund balance in 2011 after several years of declines; net assets grew by \$224,077 to \$606,565. (Note that this is figure is several hundred thousand dollars less than the cash balance, as it includes medical costs incurred by covered individuals but not yet

billed.) The Highway Department fund balance declined by about \$600,000 from near-record levels (as was scheduled in 2011); there is no scheduled use of fund balance in 2012. Golden Age Manor has built up a significant cash shortfall over the past two years (one more than covered county-wide by the overall financial gains in 2010<sup>1</sup>); this shortfall must eventually be resolved. The current financial status of the nursing home is much improved, however.

Polk County’s public financial management structure is also improved, with new budget preparation and execution policy and a completely rewritten purchasing policy and better controls. A number of positions were held open in 2011, and two departments – Aging and Human Services – were restructured to reduce overhead costs without reducing services. Finally and most importantly, Polk County’s staff did an excellent job once again of controlling costs and figuring out how to do more with less. As a result, Polk County’s expenditures for 2011 were \$972,000 below budget, with significant savings in most departments.

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### UNASSIGNED GENERAL FUND BALANCE

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As a result of all of these changes, the size of Polk County’s unassigned fund balance has increased dramatically in the past two years, from 12.3% of General Fund expenditures in 2009 to 31.1% at the close of 2011 or an increase of \$4,376,044 (Table 8). The minimum fund balance is 20 percent of General Fund expenditures according to County Board policy; the current balance now exceeds that amount by \$2.6 million. In the 2012 budget, the fund balance was set at a minimum of 25 percent of General Fund expenditures; the end-of-2011 unassigned balance exceeded that amount by \$1.4 million. The 2012 budget did assign some of these funds to three accounts: a retirement sick leave payout account, an asset revolving loan fund, and the regular contingency account. It is intended that any expenditure from these accounts will either be reimbursed through budget savings elsewhere or will be repaid.

**Table 8**  
**Polk County Unassigned Fund Balance by Year**

	<b>2007 Calculated</b>	<b>2008 Calculated</b>	<b>2009 Audited</b>	<b>2010 Audited</b>	<b>2011 Audited</b>
Beginning Fund Balance	\$4,484,426	\$3,979,443	\$2,987,002	\$2,878,036	\$6,635,325
Additions (Subtractions) <sup>2</sup>	(534,983)	(992,441)	(108,966)	3,757,289	618,755
Ending Fund Balance	3,949,443	2,987,002	2,878,036	6,635,325	7,254,080
Percent of General Fund Expenditures	18.7%	12.3%	12.3%	29.4%	31.1%

A fund balance of 25 percent is considered to be a prudent amount at this time due to a high level of uncertainty in State and Federal funding as well as limited growth in revenues. Should a major

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<sup>2</sup> 2007 and 2008 financial statements combined designated and undesignated fund balances; this table estimates that the designated fund balance fell in equal measure between 2006, the last year these funds were separated, and 2009, the most recent year they were separated.

funding loss or large unanticipated cost occur, a reserve provides the time needed to phase out programs and avoid disruptions and extra costs. In addition, much of this fund balance was comprised of one-time resources such as cancellation of non-lapsing accounts, project funds, and so forth as well as one-time expenditure reductions or savings. The intent was that the 2012 budget be sustainable, meaning that it did not rely on one-time resources for to fund ongoing costs; the intent is that the 2013 budget be sustainable as well. As was written last year, for now the safest assumption is that these funds are all one-time resources.



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## DEBT SERVICE AND BORROWING

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*Paying off debt: Although in 2010, Polk County ranked 6<sup>th</sup> highest among Wisconsin counties in debt service levy as a percent of total levy, all this debt will be paid in 10 years.*



As of today, Polk County owes \$25.9 million in principal and, under current schedules (absent refinancing) will pay \$5.6 million in interest between now and 2021, when all debt is paid. The current burden for debt service is quite high: in 2012, the County levied over \$4.1 million for debt service, or about one-fifth of the County's total property tax levy. That is an amount greater than that levied for every department other than Law Enforcement, Human Services, and Highway - combined. This amount also will increase in 2013 by over \$113,000, with only a minor opportunity for any significant refinancing in the foreseeable future despite record low interest rates.

The County is rated Aa3 by Moody's Investor Service, a rating close to the median for Wisconsin counties. Of the 72 counties, 13 have no rating, 10 have a lower rating than Aa3, and 33 have a higher rating.<sup>xi</sup> Although Aa3 is an excellent rating for a county the size and wealth of Polk County, it may well be possible for Polk County to improve its rating to an Aa2 (S & P AA) through continued prudent financial management and planning, including multi-year budgeting, adequate sustained reserves and strong policy underpinnings to support debt service and repayment prior to any future debt issue. This may be pursued later this year, as the County has the opportunity to refinance a small issue and save perhaps \$40,000 - \$60,000 over a two year period.

As has been noted, due past actions Polk County is not in a position to undertake any new substantial debt without a major increase in property taxes. The County undertook a series of major capital projects relatively recently, including the Justice Center, the addition to the Government Center, communication towers, and the 2007 highway funding issue. Although most of these projects will in general reduce future costs, as noted the County currently has a high debt service and no opportunity to refinance current debt burden for several more years.

Table 9 shows debt service by year from 2012 through 2021 by principal and interest payments for all County obligations. Note that all of the County's debt is retired and there are no scheduled debt service payments after 2021 at this time.

*Table 9*  
**Polk County Debt Service Payments**  
**2011 - 2021**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Change from prior year</b>
2012	\$ 2,982,329	\$1,158,747	\$ 4,141,076	\$225,212
2013	3,203,670	1,050,868	4,254,538	113,462
2014	3,340,058	905,756	4,245,814	(8,724)
2015	3,192,777	751,210	3,943,987	(301,827)
2016	3,461,308	599,893	4,061,201	117,214
2017	2,732,570	435,231	3,167,801	(893,400)
2018	2,043,882	329,639	2,373,521	(794,280)
2019	2,175,248	232,798	2,408,046	34,525
2020	2,236,668	129,728	2,366,396	(41,650)
2021	500,000	23,750	523,750	(1,842,646)

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### CAPITAL IMPROVEMENTS AND INFRASTRUCTURE

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With a few notable exceptions, the County's infrastructure is in excellent condition. The opposite side of the debt service cost issue is that the County does enjoy the benefits of relatively new, energy efficient, low maintenance facilities. The quality of the highway system is also quite high despite recent funding challenges discussed above; please refer to the excellent reports by the Highway Department for more detail.

A longer-term concern has emerged with respect to specific facilities. The Highway Department facilities are in relatively poor condition, with issues of accessibility, efficiency, and structural and functional obsolescence. These issues must be addressed in the next several years, either through a major remodeling or construction of new facilities or perhaps both. Golden Age Manor would benefit from investment of as much as \$200,000 per year over the next decade for plant maintenance to replace aging or inefficient equipment, and the government center itself is perhaps only a decade or so away from requiring a major upgrade.

Polk County has approximately \$4.5 million in highway-licensed vehicles, but they had not been efficiently used until recently. The County travel policy calls for use of a County-owned vehicle before receiving full reimbursement for use of a private vehicle, but until a few months ago there had been no mechanism of interdepartmental reservations. Early results are encouraging, with a far higher utilization of County-owned vehicles and accompanying savings in mileage reimbursements. Further refinements are planned to determine what the most efficient structure for vehicles may be.

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## MANAGEMENT CONDITIONS

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The final relevant aspect of the condition of Polk County is administrative. Specifically, this dimension considers implementation of policy as set by the County Board, the “how” Board directives are carried out. State law assigns this responsibility to the county administrator and department heads, therefore requiring that the county administrator and department heads be accountable to a county board for their implementation. A recent Wisconsin Attorney General’s opinion has reinforced this responsibility and consequent accountability, noting that “In a county with a county administrator ... [committees and boards are] purely advisory bodies to the county administrator and county board and a policy-making body for the ... department as a whole ... [and] cannot exercise supervisory or management authority”<sup>xii</sup>

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## POLICIES

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An administrator is responsible for implementing policies set by a county board, a significant part of his or her management assignment. To do so, these policies must be clear, comprehensive, easily referenced, current, and not contradictory or ambiguous. Over the past two years, a number of policies have been redrafted to fit the administrator form of government, to ensure comprehensive coverage or to eliminate inconsistent or obsolete provisions. This activity has been of benefit in improving the quality of policies and assisting in their implementation. Redrafted policies include budget preparation and execution, purchasing, personnel policies, financial policies, governing committee roles and responsibilities, investment policy, and the general rules of order.

The massive changes required by the adoption of Acts 10 and 32 in 2011 required a significant redesign of many policies to incorporate factors formerly contained in collective bargaining agreements. Interim policies have been written as part of that transition, but far more work is required in the development of final policies. Much of this is discussed below in the section on staffing and succession.

On balance, however, the condition of the County’s policies is still not what it needs to be, as the past practice of policies contained in stand-alone resolutions or stand-alone policies is not conducive to coordination or comprehensiveness. The best approach to ensuring that is the case is to assemble these policies into an administrative code, replacing the old stand-alone resolutions and individual policies. This effort is underway, but will require perhaps two years until completion due to the number of individual policies and resolutions that must be incorporated.

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## CONTRACTS

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To deliver services, county government is dependent on a number of outside agencies. To assure quality of service, it is essential that mutual expectations be set out in the form of a contract, and that each be periodically examined as to performance and value for money. It is fair to say that condition of the County’s relationship with outside agencies is greatly improved. All contracts are reviewed by the corporation counsel, and every financial arrangement is reviewed again by the department of administration. Over the past year contracts for financial services, insurance broker, and health insurance provider have been offered for bids; a rebidding of the County’s investment provider is also underway. In addition, all outside agencies have been assigned to a department

head and governing committee to ensure review and accountability, and regular financial reports are collected on each and reviewed.

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### GRANT REVIEW

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The use of grants from higher-level governments to finance important County services is essential, but management needs improvement. Indirect costs – the cost of issuing paychecks, or processing expenditures, or workers’ compensation insurance costs for staff, or utilities – are often not covered by the grant itself, meaning that taxpayers effectively subsidize the grant-funded efforts. A process has recently been put in place to approve application for grants during the year and otherwise assign such funds to the regular budget process for review and approval. Additionally, all departments will be trained in calculation of indirect costs, with a policy to be developed that requires County Board approval of all unfunded indirect costs above a certain amount, either specifically identified within the budget or, if during the year, through consideration of a stand-alone resolution.

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### MANAGEMENT AND SERVICE DELIVERY

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The general approach taken towards service delivery in Polk County is a form of performance management. Performance management requires the alignment and clarification of goals and then support towards their achievement and measurement of results; performance budgeting is one component of this general approach, albeit arguably the most important. The general concept is to continually evaluate progress towards objectives set by the County Board through meaningful, timely measures of effectiveness; as the old saying goes, as there is not enough money to do everything, the Board has to somehow decide what to do. The optimal approach is to shift funding from ineffective, low priority programs to more effective, high priority programs. Although this process of introducing performance management has begun, full implementation is a long-term objective. However, as with budget reform, the journey is as important as the destination.

The current effort to develop and refine individual department strategic plans is very important in setting these policy goals and the consequent measures that can be used in determining progress toward them. Without such guidance, it is impossible to prioritize among needs, an action that will be increasingly critical given shrinking resources. The 2011 budget saw the first use of performance measures; these are being refined in the 2012 budget. The idea is to align all incentives and funding towards common goals as developed through these strategic plans.

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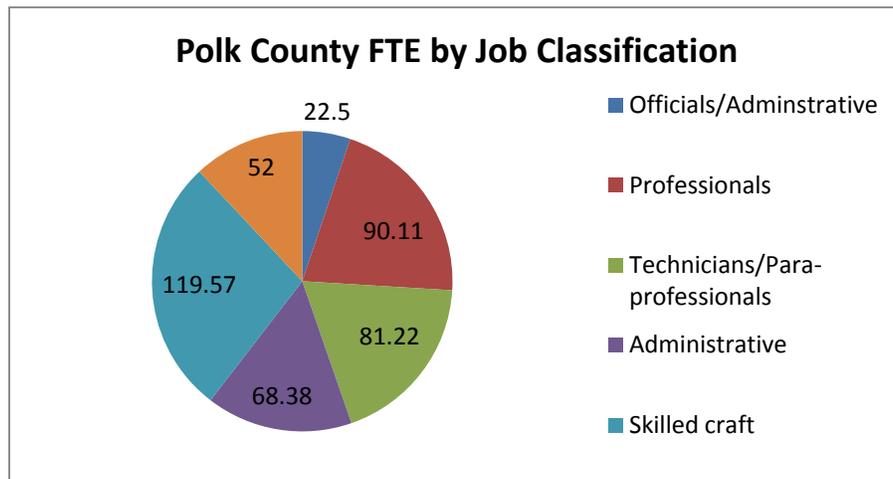
### STAFFING AND SUCCESSION PLANNING

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County government is largely a service industry, and much of what we do is therefore reliant on our employees. Most of our expenditure is for personnel costs, at an estimated \$29.3 million for 2012, or 53% of the total. Note that this is a \$1.4 million decrease in costs from 2011 despite a general compensation increase of 1.5% and increased health care costs; the reason for this decrease is a reduction in the number of employees due to restructuring and an estimated \$900,000 to \$1,000,000 savings in the County’s share of pension contributions (offset by an approximately equivalent reduction in State aid). In total, the number of full time equivalent staff (FTE) is 433.8, down from 445.4 budgeted in 2011.

By job classification, 25.5 employees are considered officials or administrators, generally department heads (the medical examiner is a half-time employee). Of the remainder, most are engaged in direct service delivery: nearly 85 percent of County employees are skilled craftspeople, technicians, clerical or protective service workers. Figure 9 shows the distribution of employees by category.

*Figure 9*

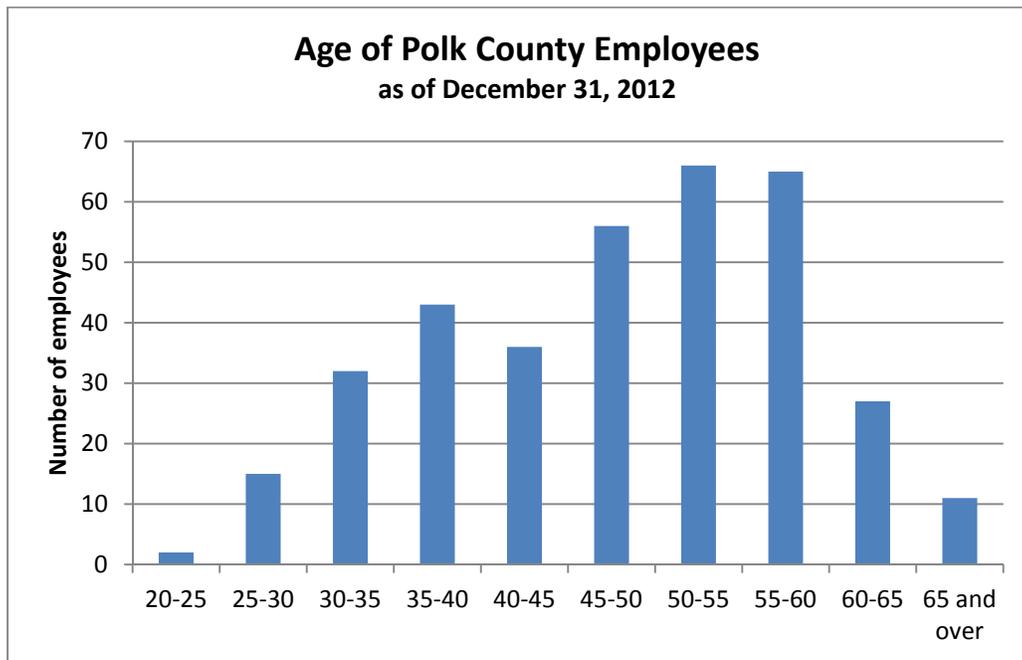


It should be noted that most County employees are not paid through the property tax. Golden Age Manor has 105.63 FTE, none of whom (ideally) are paid through the property tax; other departments are self-sufficient or paid through state funds. As funds are not specifically earmarked for salary, it is not possible to identify how many employees are directly paid by property taxes, but the range is somewhere between 137 and 189 (the former if all other revenue is allocated to personnel costs first, the latter if allocated proportionately). Using the higher figure, then, only about 43.6% of County employees are paid through the levy. (Note that this is the average cost, not the marginal cost, as most of these non-levy funds, such as State aid, are fixed. We estimate that about two thirds of any cost increases fall on the levy.)

The County's work force also growing older: over one-third of County employees are currently eligible for retirement. Naturally, this includes most of the senior staff. There is also a large group of employees who will be eligible for retirement in the following five years. The average Polk County employee, excluding Golden Age Manor, is 48 years old.

Figure 10 shows the frequency distribution of staff by age.

Figure 10



Succession planning is therefore an imperative. First, essential skills need to be identified and duplicated as possible by training more than one staff person, ideally at least three. If that is not possible due to small size of a department or other considerations, other means of responding to loss of skills found. In some cases, technology can aid skill transfer, in others it may be preferable to contract for services and provide that backup externally. The County is at present doing just that with our payroll system (in addition to replacing obsolete software, as mentioned above).

For leadership positions, as outside recruitment continues to be difficult, with few qualified applicants, the County also must focus on promotion from within. Again, the small size of some departments limits career paths, but in others it may be possible to identify potential successors and gradually train all in key areas, perhaps even gradually transferring responsibility as possible.

Finally, avoiding turnover – especially unplanned turnover – should be a key component of the County’s personnel policy. Job sharing, leave without pay and educational leave, flexible work hours, and so forth – above and beyond compensation issues – can help slow transitions and prevent turnover. These options will need to be reviewed to first determine overall effect on organizational performance, however.

A major challenge in staffing and employment resulted from the adoption of Act 10, limiting collective bargaining for public employees. This action almost completely eliminated a system of labor relations with which most were familiar, if not always comfortable, and replaced it with an unknown. In addition, governments must now consider a broader labor market, public and private, in the competition for talent. The private sector has evolved greatly in the last 30+ years in terms of compensation and benefits, including bonuses and stock options, personal time off as opposed to sick and vacation leave, telecommuting, and even results-based workplaces where time off is not limited as long as results are achieved.

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## STRUCTURE AND ORGANIZATION

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As noted in past reports, Polk County has a traditional organizational structure for a Wisconsin county, with a large number of relatively small departments and several headed by an elected official. Polk County has 23 departments, of which nine have five or fewer employees and another five departments have between five and ten employees. One department was eliminated in 2012, Aging, through consolidation with the ADRC. These small departments can cause issue with efficiency, but much of this has been addressed informally through sharing staff in times of high (or low) demand.

Span of control – number of employees per supervisor – was increased significantly in the Human Services Department through a major reorganization last year. Three supervisory positions were eliminated through attrition, replaced in some cases by a lead worker. To date, experience with this organizational structure appears positive and over time there may be the opportunity to consider restructuring elsewhere. The forthcoming change to the Board structure, with a reduction to 15 members, may also lead to restructuring of the committee system and perhaps facilitate reorganization of the department structure as well.

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## TRANSITION OR TRANSFORMATION?

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A final aspect of the management condition of the County is organizational in a far broader sense, as it concerns the role of county government in Wisconsin. In 2011, Wisconsin Act 32 froze local property taxes forever, allowing increases only for new construction (and debt). Given the relatively high level of property taxes on residential property in Wisconsin and the weak real estate market, it is unlikely that this will be relaxed any time soon. Additionally, this is only one in a series of developments that have changed the financial environment for counties and will continue to do so. The State will not be in a position to greatly increase aid for the foreseeable future, and the Federal government has its own issues to resolve.

We know local government will have to change; the basic challenge is whether this will be a transition, where the eventual outcome is at least known and planned, or a transformation, where there is no long term planning and the outcome is not known. Many local governments across the nation are going through a transformation, with the end result in some cases dissolution and (possibly) intermediate stages of bankruptcy, mass layoffs, slashed wages and wholesale cuts in services. The best example of local governments in transformation is California following the adoption of Proposition 13 in 1978 that froze property taxes. In California, this restriction has resulted in a set of unintended and undesirable consequences that could have been avoided with planning: new and sometimes counterproductive fees and charges, risky investment strategies to attempt to maintain revenues (perhaps a reason for the bankruptcy of Orange County in 1994) and increased State control over local finances that led one observer to write “Clearly, the property tax is now really a state tax”.<sup>xiii</sup>

An example of a transition is the changes in school district financing that swept most states, including Wisconsin, in the early 1970s or the welfare reform initiatives implemented in the 1990s. What these initiatives had in common was a clear knowledge – by both the State and local governments – of the final end state of this process and a desire to mutually reach that end state. As

counties are effectively State agencies in the Wisconsin system (and in most states subject to the Dillon rule<sup>3</sup>), that common vision and cooperation is critical.

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## CONCLUSION

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Overall, the condition of the County continues to improve. The local economy has at least partially recovered from the past recession, with retail sales at roughly their pre-recession peak. Employment has not fully recovered, however, as is the case in both the State and the nation as a whole. Using raw numbers, only about half the jobs lost have returned, and it is likely that these numbers conceal substantial underemployment. The housing market may have bottomed, but is only slowly recovering. Nationally and locally economic growth is expected to be at historically low rates. The County's is growing only slightly, with perhaps net outmigration. And the population is aging rapidly, with profound implications for government services.

The clearest improvement continues to be in the County's financial condition. This is largely due to increased fiscal discipline and a common effort towards increased efficiency. For the first time in a number of years, the County finished both 2010 and 2011 with expenditures less than the original budget; this, combined with better than expected revenues and a cancellation of dedicated funds resulted in substantial increases in the unassigned fund balance and a greatly improved fiscal picture. The overall gap between past revenues and expenditures is closing, by over \$2.3 million in the past two years, and as currently scheduled all of the County's debt will be paid in the next 10 years. As was noted last year, a significant fund balance provides the County the opportunity to manage its way through the coming fiscal challenges, a luxury few other local governments have. Attrition can be used instead of layoffs as needed; a layoff often represents a costly failure to plan.

Financial challenges are substantial as well. Polk County has seen a dramatic drop in equalized value, a drop likely to continue for another year. Despite serious fiscal restraint, with an historically small increase in property taxes in 2011 and an actual reduction in 2012, the County's tax rate has increased, now ranking 35<sup>th</sup> highest among the State's 72 counties. Property wealth remains high, although declining in recent years due to the depression in the real estate market. Most significantly, the County's revenues are generally frozen, and as costs increase compensating savings will need to be found. This will only become more difficult as time goes on, and we expect the 2014 budget to be even more challenging than 2013.

The County's management condition is also better, with most major policies rewritten, better controls on use of assets, improvements in contract and grant processing, and reorganizations to reduce costs. The biggest challenge for the near term remains replacing retiring staff – about a third of all employees are eligible to retire – and designing a compensation and benefits package to improve organizational performance by attracting and retaining the best quality employees possible given overall resource constraints. There is also more uncertainty than at any time over the future of local government in Wisconsin (and perhaps the United States) given these same resource constraints; this will take years to sort out, and it is still unknown how much ability the County will have to determine this role.

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<sup>3</sup> After Federal Judge John Forrest Dillon, who ruled in 1872 that local governments as creatures of state government only have the authority expressly provided them under state law.

On balance, and as was written last year, Polk County is in a position many other local governments would envy: a growing population, an improving economy, solid financial reserves and a foundation of good fiscal practices, an outstanding work force – and a great place to live.

## ANNEX A: MEASURING EMPLOYMENT

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For what appears to be a simple statistic – how many people in a given area have jobs – measurement of employment is extremely complex. The issues are definitional (what is employment), methodological (do you measure residents, do you measure employment at businesses) and they statistical (since you can't count everyone, how many do you count). Even if a measurement is accurate, interpretation is still problematic: employment is seasonal, so it is reasonable to expect more employment in, say, July than in February in most areas. In small geographic areas, like Polk County, employment level can be erratic: a short-term construction project can boost employment, while a harsh winter can temporarily reduce employment. Finally, measures tend to be quantitative instead of qualitative: a part-time entry-level position can count the same as a full-time senior professional under some measures.

In the United States, employment in states and in counties is measured using two distinct methods: the household survey and the business survey, both implemented by the U.S. Department of Labor, Bureau of Labor Statistics, using two different surveys conducted by the Census Bureau. The Current Population Survey is a household survey using a stratified national sample of 60,000 households to determine whether the adults within that household are working or looking for work. These data are used to calculate change in employment at a national and state level and the unemployment rate through measurement of the labor force. The second survey, also conducted by the Census Bureau, is the Current Employment Statistics survey that surveys a sample of 160,000 businesses and government agencies that represent 400,000 individual employers. This survey measures only nonagricultural, nonsupervisory employment and cannot be used directly to calculate an unemployment rate. These two surveys sources have different classification criteria, and usually produce differing results.

At the state and local level, employment estimates are based on data from several sources. For metropolitan areas, the primary source is the Current Employment Statistics survey, the business survey. A national sample of 160,000 businesses provides a large enough data set to allow for projections at the level of a metropolitan area. However, it is nowhere near a large enough sample to allow for projections for smaller population groups such as a county or most individual cities. In these cases, the primary data source is the Quarterly Census of Employment and Wages, data required of all employers who are subject to unemployment insurance. These data list total employment for most businesses by place of work by city and county.

To calculate employment by county, these "place-of-work" data must be converted to a place of residence basis. That is done through conversion factors developed using the most recent census data. Further, as these data do not include agricultural workers, the self-employed, unpaid family workers, and private household workers, these employees must be estimated and added to the total to determine number of people employed. Each of these adjustments of course adds possible error to the calculations.

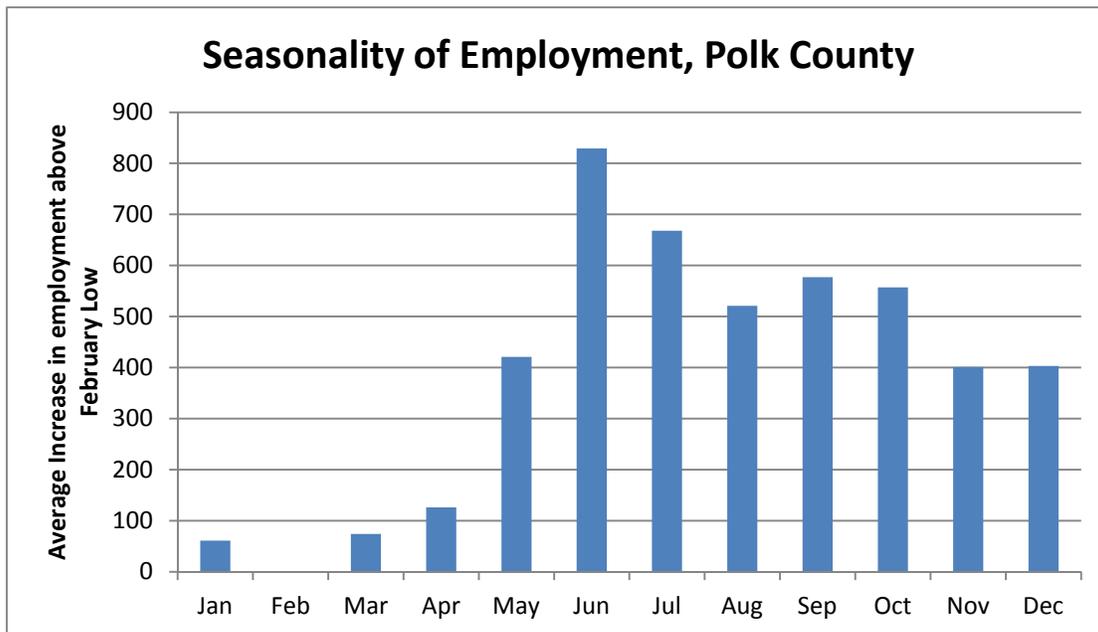
To calculate labor force, the estimate of the number of employed people is increased by those who are currently receiving unemployment insurance and those who have exhausted all benefits based on estimates from previous periods. To this must be added new entrants and reentrants to the

labor force, which must be estimated based on historical data as there is no means of directly measuring these individuals. The difference between the labor force and the number of employed is the number unemployed and, when the latter is divided by the labor force the result is the unemployment rate. Missing from these estimates are those defined as marginally attached: neither working nor looking for work but who likely would if labor market conditions improved.

To calculate employment for Polk County, unadjusted data determined as above and released by the State of Wisconsin Department of Workforce Development are seasonally adjusted using the same method as used for larger areas by the Census Bureau itself, the X-12 ARIMA (autoregressive, integrated, moving average) time series analysis model. Trend is calculated using a 13-term Henderson moving average, as the Census Bureau does with larger metropolitan areas.

These data show substantial seasonality. On average (using data collected since 1990), approximately 800 more Polk County residents are working in June than in February, the usual low point. Figure 11, following, shows seasonality of employment by month. To not adjust the data for seasonality would be to significantly overstate or understate actual employment.

**Figure 11**



Source: Department of Administration calculations from State data

The unemployment rate for Polk County is not seasonally adjusted, meaning that it tends to rise in the winter as above and fall in the summer. However, the labor force tends to expand in the summer as well, so increased employment is partially offset by increased people looking for work.

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- <sup>iii</sup> U.S. Department of Agriculture, National Agricultural Statistics Service, [http://www.nass.usda.gov/Statistics\\_by\\_State/Wisconsin/Publications/County\\_Estimates/index.asp](http://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/County_Estimates/index.asp)
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