

**FOND DU LAC COUNTY EXECUTIVE
SAM KAUFMAN
2026 BUDGET MESSAGE**

October 14, 2025

TO THE HONORABLE FOND DU LAC COUNTY BOARD OF SUPERVISORS:

Pursuant to my responsibility and authority under Chapter 59 of the Wisconsin State Statutes, I present for your consideration my proposed 2026 Fond du Lac County budget.

The proposed budget that I am presenting was not without difficulties in balancing, however, continues to provide adequate funding to continue the same level of county service in the areas of public safety, human services and conservation of our amenities.

Levy and Shared Revenue

Our 2025 County net new construction growth was 1.18% compared to 1.525% for 2024. TID growth for Fond du Lac County in 2025 was .178%, however, those TIDs, which were terminated in 2025, have resulted in a .246% revenue growth. Net new construction plus TID growth allows for a maximum operating levy increase of \$563,668. The state retirement rate for employees increased to 7.20% for 2026, compared to 6.95% in 2025.

The year to date report for the month of September 2025, shows that sales tax revenue is up 4.35%. Looking ahead at sales tax projections, I am recommending in this budget a small increase in projections from 2025.

Additionally, Fond du Lac County will receive in 2026 a slight increase in the supplemental shared revenue from 2025 - \$1,132,208 to 2026 - \$1,170,708.

Sales Tax Revenue and Allocations

The budgeted 2026 sales tax revenue is \$9,892,410. We have seen sales tax revenue increases averaging between 3% and 4% per year. Sales tax dollars have been allocated for 2026 as follows:

- (\$4,882) debt service on the Mid-States Aluminum loan. (Repayment will exceed debt service payment, with excess funds being returned to sales tax fund)
- \$1,854,246 for highway projects.
- \$412,517 for economic development
- \$4,980,529 for other projects within the county.
- \$1,000,000 sales tax appropriation to our local municipalities
- \$1,650,000 salary increases

Additionally, the County had a reserve of \$3,423,200 of unapplied sales tax revenue from previous years and at 12/31/24. Of this, \$850,000 will be carried over and applied to projects in the 2026 proposed budget. The remainder of \$2,573,200 of unapplied sales tax revenue is projected to be carried over to 2026 and unapplied.

American Rescue Plan Act (ARPA)

To date we have obligated all of the ARPA allocation to fund various county projects and community service organizations.

Labor Market

As of August 2025, the State of Wisconsin Department of Workforce Development reported that the Fond du Lac County not-seasonally adjusted unemployment rate was 3.1%. Fond du Lac County remains economically strong and jobs remain available. Fond du Lac County continues, through its partners at Envision Greater Fond du Lac, to send the message to our existing and prospective businesses that we value your business and support you.

County Workforce

My proposed 2026 budget includes an employee 3% cost of living increase. The County has again carried forward a salary contingency fund generated by previous years' surpluses, which fund the salary increases. Fond du Lac County wage increases for 2021 2%, for 2022 2.5%, for 2023 2.5%, for 2024 2%, for 2025 3% and for 2026 3%.

Health Insurance

On January 1, 2026, Fond du Lac County will return to GHT as the health insurance provider for Fond du Lac County employees. The change will have no effect on allowing our employees the choice of SSM, Aurora, Froedtert, UW Health and Children's Hospital as providers. The negotiated premium increase with Anthem for 2025 was 4.9%. The negotiated premium increase with GHT in 2026 will be 3.5%, resulting in a premium increase of \$350,000 over the 2025 premium. The total premium to the County in 2026 is \$11,630,000, an increase from the 2025 total premium of \$11,289,000. Our health insurance continues the operation of the employee clinic at SSM.

Highway Department

In 2025 our County Highway Dept completed, or is in the process of completing, both pavement replacement and reconstruction road projects throughout the County. Additionally, the Highway Department continued to complete county parks and trail projects with ARPA dollars. There are no significant highway revenue reductions in the state budget that will affect counties in 2026. Fond du Lac County general transportation aids (GTA) will increase by an estimated amount of \$121,000 in 2026. The proposed 2026 budget includes \$6.7 million in proposed bonding and \$1.854 million in sales tax allocation for highway projects.

Harbor Haven Health & Rehabilitation

In this budget, I would note that there is again no tax levy proposed to support Harbor Haven in the 2026 budget.

Human Services

The consolidated Human Services Department has now completed the relocation of the majority of its offices into the Fond du Lac County Campus. A discussion with the Health and Human Development Committee in regard to the future operations of our County Acute Unit will continue. To date the Acute Unit continues to sustain budgetary losses in excessive of \$1,000,000, which adversely affects the overall Human Services budget.

Sheriff's Department

In 2025 3 additional Patrol Deputy positions were created as part of the overall plan of creating twelve new Deputy positions over a 3-year period. The 2026 Sheriff Department budget again experienced a substantial budget increase. The increase is due to increases in wages and operational expenses, while continuing to experience a loss in revenue due to an inability to house out of County and State inmates. Our office worked alongside Sheriff Waldschmidt and his staff to ensure that any adjustments made to their proposed budget did not compromise in any way the safety of our county residents or our officers. Additionally, the resolution passed by the County Board will increase juvenile day rates from \$150 to \$400, resulting in an estimated increase in revenue of \$700,000.

Future Jail Project

The Public Safety and Highway, Facilities, Airport Committees continue to meet in joint session discussing the future Fond du Lac County Jail project. Currently, the site across the street from the current jail and the Highway vacant land site are both under consideration as the final site selection. We are awaiting reports from a structural engineer in regard to the condition of the existing jail and results of soil boring testing at the Highway Dept. A joint committee meeting is expected to be held in October, 2025 to provide the results from both reports. Time is now of the essence in regard to the selection of a site for a proposed new jail.

Fond du Lac County Campus

The 2026 proposed budget does not place the Fond du Lac County Campus (FCC) on the tax levy. To date the FCC continues to move forward as a multi-use facility serving public safety training, government offices, sporting events, performing arts, social events and conferences with the goal of promoting Fond du Lac County as a place to live, work and play.

Technology

Our County continues to move forward in the modernization of the County's technology with the integration of our existing programs into the new Oracle system. In January 2025 our County Oracle system went live. As we work through the adjustments of existing modules the services of Iteria to complete the conversion and implementation, after the difficulties experienced with Sierra Cedar, have exceeded our expectations.

2026

As we move into 2026 Fond du Lac County must continue to move forward as follows:


1. Remain competitive within the governmental labor market to ensure our county departments are staffed with the next generation of employees.
2. Continue our partnership with both Envision Greater Fond du Lac and our valued County businesses as we look for new economic development opportunities and retention of our existing businesses.
3. Continue to upgrade our County facilities and amenities as we continue to promote Fond du Lac County as a great place to live, work and play.
4. Continue to find ways to partner and support the municipalities within Fond du Lac County.

Summary

The 2026 proposed levy is \$52,404,513 as compared to \$51,401,025 or an increase of \$577,351 including debt service payments. Equalized value, reduced by TID (Tax Incremental District) increased 8.95% to \$12,831,431,600. The 2026 tax rate of \$4.08 compared to \$4.401 for 2025, represents a .317 cent decrease. Also, to meet this budget, I am proposing that we apply \$2,500,000 from the unassigned general fund reserve that resulted from surpluses in the 2024 budget. That compares to \$2,500,000 applied to the 2025 budget. Our undesignated reserve is projected to remain flat as compared to year-end last year. The County has had the long-time practice of applying the previous year's surplus to the subsequent year's budget to maintain a stable unassigned undesignated general fund to protect our cash flow and our bond rating.

I wish to thank Erin Gerred, Director of Administration, Tammy Pinno-Supple, Finance Director, Stacie Basler, Deputy Finance Director, Jill Triatik, Human Services Deputy Director, Mary Jo Myers, Highway Accounting Manager and their respective staffs, and all the department heads and elected officials for their assistance in compiling the 2026 proposed county budget.

Respectfully submitted,


Sam Kaufman
County Executive