



Waukesha County

Department of Administration

December 8, 2022

Dear Honorable County Board Supervisors:

The 2023 Adopted County Budget meets the needs of a growing county while keeping taxes low. This is accomplished through the County's commitment to continuous improvement, strategic planning, and adherence to sound fiscal management policy. The budget innovates, supports collaboration, and makes investments to support growth and provide high quality services.

COUNTY EXPENDITURES AND REVENUES

Expenditures in the budget total \$376.9 million, an increase of \$39.5 million from the prior year. Operating budget expenditures increase \$22.5 million or 7.3% and is funded largely by state and federal grant awards, described below. Capital project expenditures increase \$17.1 million for a total capital budget of \$45.6 million and includes multiple projects funded largely with state and federal revenues, including the 2023 construction phase for the courthouse renovation project, construction along Moorland Road, and the completion of the Lake Country Trail underpass.

This budget continues careful management of personnel with a cost increase of 5.4% for 2023. This increase is mostly due to positions created during 2022 through County Board-approved and pending ordinances, resulting in an additional net 27.90 FTE, with nearly all of these position costs offset by state or federal funding or offset by reductions in previously contracted positions. After these current-year adjustments, position changes in this budget total a net reduction of 6.20 FTE.

The 2023 budget includes changes in key revenue sources.

- In March of 2021, the federal government approved the American Rescue Plan Act (ARPA), which allocated \$350 billion of direct aid to state and local governments through the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program to support public health; respond to negative economic impacts from the public health emergency; build public sector capacity and address administrative needs; provide premium pay for essential workers; invest in water, sewer, and broadband infrastructure; and support general county government services and infrastructure by offsetting revenue loss due to the pandemic. Waukesha County's CSLFRF allocation is \$78.5 million and allows for project costs to be spent or obligated by December 31, 2024, and completed by December 31, 2026.

It is important that ARPA funds are spent judiciously, and Waukesha County established an ARPA management response team with representation from countywide functional areas to help prioritize grant resources that meet critical county needs and provide long-term benefits in the following areas: Community/workforce development and economic recovery, infrastructure, public health response, enhancement of human services, stormwater management, and maintenance of essential services, including public safety.

The 2023 budget includes \$28.85 million in ARPA-funded initiatives, an increase of \$20.8 million from the 2022 budget, with \$9.7 million included in operating budgets and \$19.1 million budgeted for capital projects, with some of the major highlights listed below. For greater transparency and monitoring, the budget document includes a section dedicated to detailing planned uses of this funding (pages 480-485).

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- \$14 million to partially offset costs of core infrastructure in the renovation of the 1959 Courthouse (capital project #201705), with another \$10 million planned to be used in 2024. Use of ARPA funds offset borrowing needs, saving county taxpayers.
 - \$1.2 million to continue addressing the criminal case backlog caused by the COVID-19 pandemic. This funding is allocated across the Circuit Courts, District Attorney’s Office, and Criminal Justice Collaboration Council, with a cross-charge to the Sheriff’s Department for bailiff services. This is a temporary initiative that is scheduled to end when either the courts backlog is eliminated or December 31, 2023, whichever date is sooner.
 - \$2.0 million for the Sheriff’s Department, including \$900,000 to phase-in the cost of pay increases to sworn officers, approved during 2022 to promote recruitment and retention, and \$800,000 to replace de-supported taser equipment.
 - \$2.7 million for Health and Human Services (HHS), including \$804,000 for improving child welfare infrastructure, \$399,000 for HHS technology improvements, \$386,000 for expansion of youth mental health services, and \$346,000 to embed crisis service staff with law enforcement.
 - \$1.0 million for stormwater management, including \$835,000 for non-point pollution mitigation and \$100,000 to rebuild catch basins.
 - \$3.1 million for countywide technology projects, including \$2.7 million for the first-year implementation of an Enterprise Resource Planning (ERP) system that combines human resources, payroll, time and attendance, and financial management. This project is expected to generate efficiencies through greater integration, automated workflows, and better reporting.
- Reflecting recent favorable trends in real estate market activity and valuation, real estate transfer fee revenues in the Register of Deeds Office increases \$250,000.
 - Continuing strong demand for quality outdoor recreation leads to an increase in various Parks fees (e.g., annual/daily entrance stickers, camping fees) of \$300,000.

PROJECT FUNDING AND DEBT MANAGEMENT

The County values strategic long-range capital planning, budgeting, and debt management policies and practices. Property tax levy support for the capital budget increases \$210,000 to \$1.5 million. Tax levy and the use of governmental fund balance of \$1.3 million and other revenues of \$20.7 million, including \$19.1 million of ARPA funding towards multiple projects, maintains the County’s “down payment” at 70% of net capital costs, above the target policy of 20%.

Borrowed funds are budgeted at \$12.5 million, an increase of \$1.2 million from the 2022 budget. This includes \$10.0 million in borrowing for the capital plan, an increase of \$500,000 from the 2022 budget, and \$2.5 million in borrowing for major vehicle replacements, an increase of \$700,000. The County’s 2023 debt service expenses are budgeted at \$16.1 million, which is well within the County’s key benchmark ratio of debt service expenditures to the total governmental operating expenditures of less than 10%. Maintaining debt service on borrowing at a lower level in the range of 5.5% to 6.5% assures the County will be able to maintain its infrastructure without diminishing funding needed for direct services for future generations.

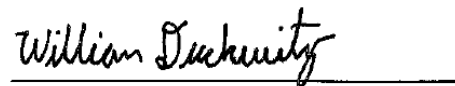
ACKNOWLEDGEMENTS

We take this opportunity to thank the County Board for their continued support and detailed review of programs and initiatives. The development of this budget reflects the tremendous dedication and hard work of department administrators and their staff in making the decisions that truly reflect the County’s standards of service excellence.

Sincerely,



Andrew Thelke
Director



William Duckwitz
Budget Manager

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