



Waukesha County

Department of Administration

December 14, 2015

Dear Honorable County Board Supervisors:

The 2016 Adopted County Budget continues a commitment to high standards and delivery of quality services while keeping taxes low during these challenging times. This budget will result in no increase in the County portion of the tax bill to most homeowners.

County Departments have worked diligently to be innovative, use technology to improve efficiency and seek collaborative efforts to control spending. Proposed expenditures in the budget total \$285.5 million. The Budget contains \$264.7 million in operating appropriations and the remaining \$20.8 million is dedicated to our capital project budget for infrastructure investments. Operating expenditures increase \$3.5 million or 1.3%. This budget maintains our low employee per capita ratio of 3.5 employees to 1,000 residents by controlling positions and limiting net personnel cost increases to 0.7%. Health insurance costs have been managed to a 2.4% increase, well below state-wide inflation trends including changes in deductibles and co-pays for 2016.

STABLE OPERATING BUDGET

The 2016 budget includes changes in key revenue sources.

- Investment income is decreased \$200,000 to \$3,408,000 reflecting continued historically low rates. Delinquent taxes penalty and interest is also reduced by \$55,000 as outstanding Delinquent Taxes declined during 2014. The prior budget reduced investment income \$800,000 and delinquent tax revenue by \$50,000.
- The real estate market has shown increased property sales with expected increases in real estate transfer fees of \$60,000 to \$1,428,500. This is offset by a reduction of \$130,000 in document recording fees. While revenue from home mortgage refinancings and home purchases have increased over the last couple of years, it has not reached historical levels, which requires another budget reduction in 2016.
- State revenues are largely stable overall, including Human Services community aids, youth aids and the Circuit Court support grant funding. These sources total \$16.2 million and fund significant on-going services. General Transportation Aids (\$4.6 million) have partially recovered from prior year reductions.

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SMART USE OF STATE FUNDS

A number of program areas will see increased service levels resulting from increases in State revenue. This includes:

- State funds for Economic Assistance include targeted funding increases of \$169,400 for FoodShare's new job training requirements and additional funding of \$43,900 for Child Care administration work. The FoodShare increase will fund 2.0 FTE Economic Support positions. This is offset with a reduction of \$71,000 in Patient Protection Affordable Care Act funding and involves the sunset of 1.0 FTE Economic Support position as caseloads from first year implementation subside.
- Children and Family Services funding includes an increase of \$95,000 for qualifying children to remain in foster care through age 21 and \$90,000 for family post-unification services.
- An additional \$770,000 in State revenues in the Comprehensive Community Services (CCS) program is due to a federal reimbursement change to cover 100% of costs. This funding provides psychosocial rehabilitative treatment in the community and in residential care facilities and will expand services to children.
- A new grant of \$115,000 will fund a State contracted special prosecutor in the District Attorney's office to specialize in cases of violence against women and to train local law enforcement and prosecutors in best practices.
- Community Development Block Grant (CDBG) funds will pay for \$150,000 of handicap accessible improvements at UW-Waukesha and County park facilities, including an accessible fishing pier at Fox Brook Park.
- Additional State funds of \$151,000 will meet the State request for an increase in highway maintenance on State roads in their contracts with the County.

PROJECT FUNDING AND DEBT MANAGEMENT

The County values strategic long range capital planning, budgeting and debt management policies and practices. Borrowed funds are budgeted at \$12 million, an increase of \$2 million from the 2015 budget. Although property tax levy support for the capital budget is reduced about \$100,000 to \$1,747,000, the tax levy and the use of governmental fund balance of \$2.1 million and other revenues of \$700,000 maintain the County's "down payment" at 27% of net capital expenditures, well above the target of 20%.

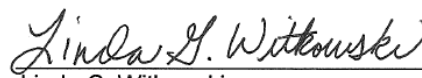
The County's 2016 debt service payment is budgeted at \$14.7 million, which is well within the County's key benchmark ratio of debt service expenditures to total governmental operating expenditures of less than 10%. Maintaining debt service on borrowing at a lower level in the range of 6.5% to 7.5% assures the County will be able to maintain its infrastructure without diminishing funding needed for direct services for future generations.

ACKNOWLEDGEMENTS

We believe you will find the 2016 Adopted County Budget balances essential service delivery needs while keeping taxes low. We take this opportunity to thank the County Board for its very thorough review and continued support. Certainly, this budget could not be accomplished without the cooperation of department administrators and their hard working, dedicated staff making decision that reflect the County's core values of collaboration, ethics and integrity, innovation, efficiency and our Aaa/AAA standard.

Sincerely,


Norman A. Cummings,
Director of Administration


Linda G. Witkowski
Budget Manager

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