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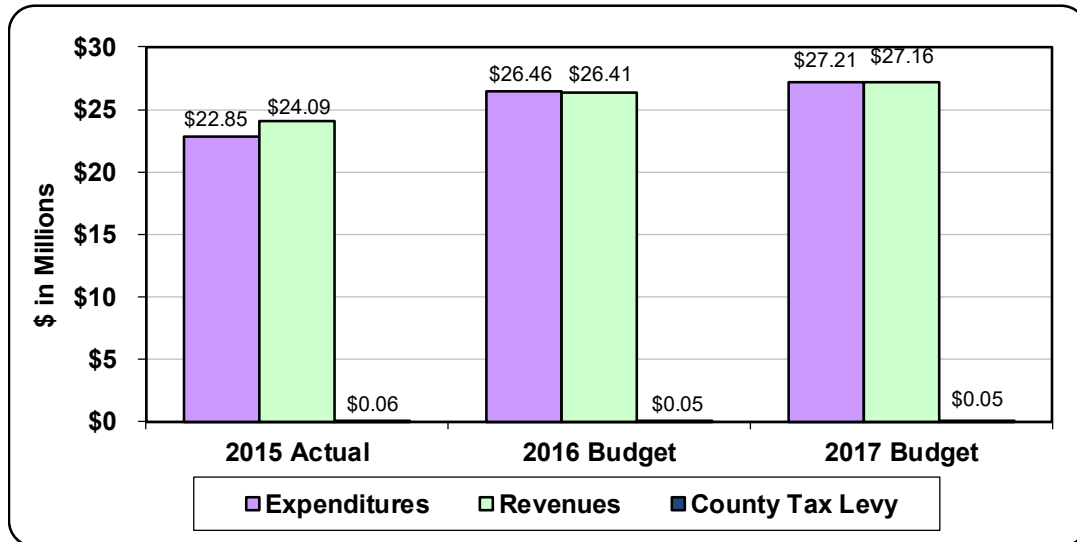
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NON-DEPARTMENTAL

Functional Area Budget Highlights

The Non-Departmental Functional area includes three budgets not directly associated with, or controlled by, a specific County department. The **Non-Departmental General Fund** provides for a wide variety of purposes, which includes significant items such as: membership in the Southeastern Wisconsin Regional Planning Commission; consulting services that benefit the entire County; payment of special assessments on County properties; and receipt of State Shared Revenues. The **Health and Dental Insurance Fund** is an Internal Service Fund, established to provide for and effectively manage the self-funded health benefits for County employees, elected officials, retirees and dependents. This Fund also includes an Employee Wellness (Health Risk Assessment) program, designed to improve employee productivity, morale and healthcare cost savings, through health education and health focused activities. This Fund budgets for the Waukesha Employee Health and Wellness Center for employees and retirees enrolled in County Health Insurance plans, with the goal of reducing prescription drug and medical costs. The center will be operated through an intergovernmental agreement with the School District of Waukesha and the City of Waukesha, who are also participating. The **Contingency Fund** provides funds to respond to emergency situations and issues that could not be anticipated during the budget process.



- The Tax Levy necessary to fund this functional area totals \$46,200, which is unchanged from the 2016 budget.
- **Non-Departmental General Fund:** In 2015, with the closure of the Waukesha County Economic Development Corporation, the County convened a workgroup of businesses, business organizations and local municipalities to develop a multi-year business growth strategy for Waukesha County. The County has now contracted with the Waukesha County Business Alliance to serve as the economic development organization to implement the objectives in the business growth strategy. Waukesha County funds will be leveraged with funds from the City of Waukesha, the Wisconsin Small Business Development Center, private business funding and financial participation by local units of Government in Waukesha County. The County's budgeted support for an economic development organization increases by \$95,000, from \$150,000 to \$245,000.
- **The Non-Departmental General Fund** funds the second year studying different levels of potential collaboration among independent municipal fire departments. The first-year study (2016) focuses on municipalities in and surrounding Lake Country. The 2017 budget of \$60,000 funds for follow-up analysis from the first report or studies for newly-participating municipalities. Participating municipalities will contribute in-part to the County's appropriation.
- **The Waukesha Employee Health and Wellness Center (Health and Dental Insurance Fund):** The program budget is updated after completing the first full year and a half of operation. Overall program expenditures increase by about \$120,000, mostly due to the following:
 - Contracted clinic staffing by \$58,700, based on current-year estimated staffing costs and to cover the first full-year budgeting for a physical therapist.
 - Pharmaceutical costs by \$24,000 and laboratory fees by \$19,200, based on current-year experience.
 - Other program expenditures include contractor management and consulting fees, budgeted at \$199,800, and facility-related expenses, budgeted at \$55,500.
- **Waukesha Employee Health and Wellness Center** – Based on the results of the request for proposal process, it is projected that the center will generate a positive return on investment for the combined organizations of approximately \$7.7 million over a 5 year period: With savings of \$3.1 million estimated for the County, \$3.4 million for the school district and \$1.2 million for the City.
- **Contingency Fund** remains at the 2016 budget level of \$1.2 million, funded with appropriated General Fund Balance.

****NON-DEPARTMENTAL****
Functional Area Summary by Agency

	2015 Actual	2016 Adopted Budget	2016 Estimate	2017 Budget	Change from 2016 Adopted Budget	
					\$	%
TOTAL NON-DEPARTMENTAL						
Revenues (a)	\$24,094,013	\$26,408,900	\$24,880,738	\$27,163,900	\$755,000	2.9%
County Tax Levy	\$61,200	\$46,200	\$46,200	\$46,200	\$0	0.0%
Expenditure	\$22,846,472	\$26,455,100	\$24,570,250	\$27,210,100	\$755,000	2.9%
Rev. Over (Under) Exp.	\$876,297	\$0	\$169,488	\$0	\$0	N/A
Oper Income/(Loss)	\$432,444	\$0	\$187,200	\$0	\$0	N/A

BREAKDOWN BY AGENCY

GENERAL NON-DEPARTMENTAL

Revenues (a)	\$2,145,810	\$1,860,400	\$2,024,888	\$2,035,400	\$175,000	9.4%
County Tax Levy	\$61,200	\$46,200	\$46,200	\$46,200	\$0	0.0%
Expenditure	\$1,330,713	\$1,906,600	\$1,901,600	\$2,081,600	\$175,000	9.2%
Rev. Over (Under) Exp.	\$876,297	\$0	\$169,488	\$0	\$0	N/A

HEALTH AND DENTAL INSURANCE

Revenues (a)	\$21,948,203	\$23,348,500	\$22,595,850	\$23,928,500	\$580,000	2.5%
County Tax Levy	\$0	\$0	\$0	\$0	\$0	N/A
Expenditure	\$21,515,759	\$23,348,500	\$22,408,650	\$23,928,500	\$580,000	2.5%
Oper Income/(Loss)	\$432,444	\$0	\$187,200	\$0	\$0	N/A

CONTINGENCY

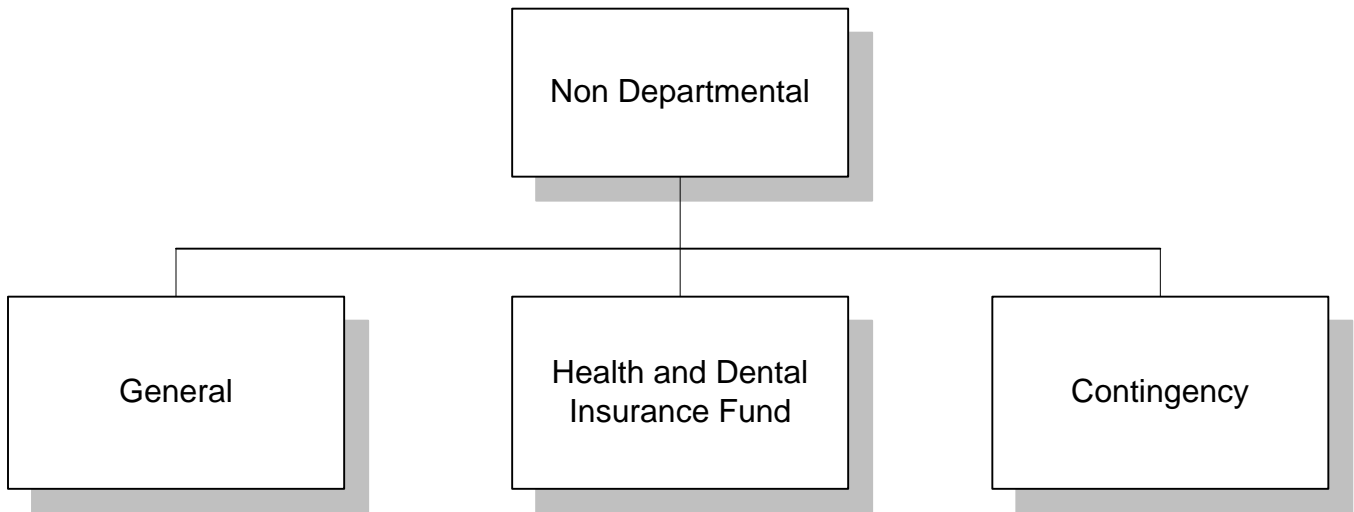
Revenues (a)	\$0	\$1,200,000	\$260,000	\$1,200,000	\$0	0.0%
County Tax Levy	\$0	\$0	\$0	\$0	\$0	N/A
Expenditure	\$0	\$1,200,000	\$260,000	\$1,200,000	\$0	0.0%
Rev. Over (Under) Exp.	\$0	\$0	\$0	\$0	\$0	N/A

(a) Revenue Budget for the 2017 Budget includes Fund Balance appropriations totaling \$3,709,900, which includes: \$570,400 in the General Fund, \$1,939,500 in the Health & Dental Insurance Fund, and \$1,200,000 in the Contingency Fund. The 2016 Budget includes Fund Balance appropriations totaling \$3,408,600, which includes: \$384,100 in the General Fund, \$1,824,500 in the Health & Dental Insurance Fund, and \$1,200,000 in the Contingency Fund.

Non-Departmental

NON DEPARTMENTAL

FUNCTION / PROGRAM CHART



There are no positions associated with the Non-Departmental accounts.



General Fund

Non-Departmental

Statement of Purpose

This agency is established to account for those revenue and expenditure transactions that are not directly associated with or controlled by a specific departmental operating budget. This Budget also serves as a vehicle for one-time or short-term (five years or less) program appropriations.

Activities

This Budget is the custodial responsibility of the Department of Administration. Items included are State Shared Revenue, non-benefit insurance premiums for certain departments, unemployment compensation, general feasibility and operational studies, funding of the retirement and sick leave payout reserve, economic development and tourism organization funding, certain special local property assessments of County owned land, funding for the County's membership in the Southeast Wisconsin Regional Planning Commission (SEWRPC), and funding for loss control and safety requirements which cannot be anticipated for County facilities and programs.

Financial Summary	2015 Actual	2016 Adopted Budget	2016 Estimate	2017 Budget	Change From 2016 Adopted Budget	
					\$	%
Revenues						
General Government (a)	\$901,197	\$865,000	\$863,300	\$865,000	\$0	0.0%
Fine/Licenses (b)	\$0	\$0	\$0	\$0	\$0	N/A
Charges for Services	\$0	\$0	\$0	\$0	\$0	N/A
Interdepartmental (c)	\$144,570	\$111,300	\$103,000	\$85,000	(\$26,300)	-23.6%
Other Revenue (b)	\$790,502	\$500,000	\$552,000	\$515,000	\$15,000	3.0%
Appr. Fund Balance (d)	\$309,541	\$384,100	\$506,588	\$570,400	\$186,300	48.5%
County Tax Levy (Credit)	\$61,200	\$46,200	\$46,200	\$46,200	\$0	0.0%
Total Revenue Sources	\$2,207,010	\$1,906,600	\$2,071,088	\$2,081,600	\$175,000	9.2%
Expenditures						
Personnel Costs (d)	\$322,038	\$380,000	\$376,000	\$390,000	\$10,000	2.6%
Operating Expenses (d)	\$908,723	\$1,395,500	\$1,394,500	\$1,572,500	\$177,000	12.7%
Interdept. Charges	\$99,952	\$131,100	\$131,100	\$119,100	(\$12,000)	-9.2%
Fixed Assets	\$0	\$0	\$0	\$0	\$0	N/A
Total Expenditures	\$1,330,713	\$1,906,600	\$1,901,600	\$2,081,600	\$175,000	9.2%
Rev. Over (Under) Exp.	\$876,297	\$0	\$169,488	\$0	\$0	N/A

Position Summary (FTE) No positions are budgeted in this fund.

- General Government revenues include State Shared Revenue Payments of \$685,000 for the 2017 Budget and \$735,000 for the 2016 Budget. General Government revenues also include estimated countywide indirect cost reimbursements (in excess of the amounts budgeted in the Department of Administration) received from the State funding sources mainly for the Aging and Disability Resource Center Contract.
- 2015 Actual Fines and Licenses revenues exclude jail assessment fees of about \$566,100, which are accounted for in the Non-Departmental Budget, but budgeted in subsequent years to help fund jail equipment replacement and related capital projects and debt service for jail related projects. Actual Other Revenues in 2015 exclude unclaimed funds revenue of about \$6,100, and is budgeted in later years as General Fund Balance due to its unpredictability.
- Interdepartmental Revenues include indirect cost recovery, mostly from County proprietary and special revenue funds, in excess of the amounts budgeted in the Department of Administration.
- Appropriated General Fund Balance for the 2017 Budget includes \$140,000 for retirement payouts from reserves for this purpose; \$40,000 toward one-time employee severance/retention payments; \$50,000 to partially fund a study of local fire departments; \$57,900 from prior-year unclaimed funds revenues; \$12,500 for the contribution to the Milwaukee 7 Regional Economic Development Campaign (or the alternative option, if pursued); \$150,000 from prior-year Tax Increment District (TID) revenues returned to the county to provide loans under the Waukesha County Small Business Leverage Loan Program; \$95,000 for the Waukesha County Business Alliance; and \$25,000 for the County's periodic Strategic Planning update. For a description of 2016 Budget and 2016 Estimated General Fund Balance use, see footnote (a) for the Non-Departmental Program/Activity Financial Summary on the Program/Financial Activity page in this document.

2017 Specific Activities and Purpose:

SEWRPC Allocation: Continue to provide funding for the County's share of the Southeastern Wisconsin Regional Planning Commission (SEWRPC) which provides regional planning, including: land use, transportation, water quality, flood-land management, and planned research for the seven counties in southeastern Wisconsin.

Waukesha County Economic Development & Tourism Initiatives: In 2015, with the closure of the Waukesha County Economic Development Corporation, the County convened a workgroup of businesses, business organizations and local municipalities to develop a multi-year business growth strategy for Waukesha County. The County has now contracted with the Waukesha County Business Alliance to serve as the economic development organization to implement the objectives in the business growth strategy. Waukesha County funds will be leveraged with funds from the City of Waukesha, the Wisconsin Small Business Development Center, private business funding and financial participation by local units of Government in Waukesha County. The County will continue support to Waukesha Area Convention and Visitors Bureau activity related to tourism and promotion.

Wisconsin River Rail Transit System: Funding for Wisconsin River Rail Transit Commission infrastructure project costs.

Loss Control/ADA: Continue to fund loss control and safety requirements and to fund measures necessary to comply with the federal Americans with Disabilities Act (ADA) that cannot be anticipated for County facilities and programs.

Separation Payouts (Vacation/Sick Leave): Continue budgeting for sick leave payouts that exceed normal budget amounts for large departments (reserves), based on an expected higher level of retirements (as baby boomers reach retirement age). Large service departments provide for most of this cost within their respective budgets. Continue to maintain an account to fund retirement sick leave and vacation payouts in administrative and small departments.

Employee Maximum Sick Leave/Non-Represented Vacation Payouts: Continue to fund the employee incentive payment for those who have maximized their sick leave accrual (maximum of 960 hours) in prior years. Continue to fund payouts for unused vacation time (maximum 40 hours) for non-represented employees who earn more than three weeks of vacation time during a year.

Section 125 Plan Administration Costs: Continue to fund the third-party administration of the County employees' Flexible Spending Account plans, which allow employees to set aside untaxed earnings for out-of-pocket health care expenses, which save the County the employer's cost share of FICA and Medicare payments.

Deferred Compensation Plan Consulting: Continue to provide consulting services to the employee investment advisory committee for the Deferred Compensation plan. This is offset by revenues (no tax levy) that the plan administrator shares with the County.

Severance/Retention: Provide for the funding of a program establishing a severance budget and an incentive to remain employed with the County to the end of the year for employees that are laid off due to abolishing or unfunding their position in the budget process. Employees who leave before the end of the designated term or accept another County position are not eligible.

Consulting/Grant/Other: Continue to provide funding for special consulting studies identified during the year.

Fire Study: The first study of different levels of collaboration among independent municipal fire departments is funded in 2016, with participating municipalities from Lake Country and surrounding communities. The 2017 budget will provide funding for follow-up analysis from the first report or studies for newly-participating municipalities. Participating municipalities will contribute in-part to the County's appropriation.

Merchant Card Fees: Provide funding for credit card and debit card processing fees in non-enterprise activities.

Property Tax Payments/Special Assessments: This appropriation reimburses County municipalities for the County portion of property tax refunds paid on successful appeals. It also funds special assessments on County non-park property.

Milwaukee 7 Regional Economic Development Campaign: The Milwaukee 7 is a regional, cooperative economic development platform for the seven counties of southeastern Wisconsin: Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Waukesha and Washington. The County is seeking demonstrable economic objective(s), pointing to evidence of success before making another commitment beyond 2017. If the agreement on these objective(s) cannot be reached, an alternative economic development option may be pursued. This will be reviewed with the appropriate County Board committee(s).

Waukesha County Small Business Leverage Loan Program: Beginning in 2012, the County established a gap loan funding program for small established businesses in Waukesha County to promote economic growth. Loans no greater than \$50,000, to be administered by a contract agency, will be targeted to small businesses in high-impact industries, such as manufacturing, technology and distribution and suppliers to larger businesses. This "gap" loan funding is intended to help businesses to qualify for larger funding from banks, the Small Business Administration (SBA) and other financial institutions to finance expansions, additional product lines, services or building capacity. The loans will be for three- to five-year terms, at an interest rate no less than 3% per year and funded initially with prior-year Tax Increment District (TID) dissolution dollars returned to the County. Expanded employment and/or tax base by businesses will be closely monitored. In 2017, the program is funded with loan repayments from prior-year loans and prior-year TID revenue.

Non-Departmental Program/Activity Financial Summary

Exp/Rev Category	Expenditures: Continuous	2015	2016	2016	2017	Budget	%
		Actuals	Budget	Estimate	Budget	Change	Change
Operating	SEWRPC Allocation	\$673,995	\$682,000	\$682,000	\$686,000	\$4,000	0.6%
Operating	Economic Development (a)	\$0	\$150,000	\$250,000	\$245,000	\$95,000	63.3%
Operating	Waukesha County Tourism Initiative	\$10,000	\$12,000	\$10,000	\$12,000	\$0	0.0%
Operating	Wis. River Rail Transit System	\$28,000	\$29,000	\$28,000	\$29,000	\$0	0.0%
Operating	Loss Control/ADA (a)	\$1,000	\$40,000	\$50,000	\$35,000	(\$5,000)	-12.5%
Personnel	Separation Payouts (Vac. & Sick Leave) (a)	\$52,691	\$140,000	\$128,000	\$140,000	\$0	0.0%
Personnel	Empl. Max. Sick Leave/NonRep. Vac. Payouts (Active Empl.)	\$131,526	\$140,000	\$138,000	\$140,000	\$0	0.0%
Operating	Section 125 Plan Administration Costs	\$6,625	\$14,000	\$10,000	\$8,000	(\$6,000)	-42.9%
Personnel	Unemployment	\$72,782	\$60,000	\$80,000	\$70,000	\$10,000	16.7%
Personnel	Severance/Retention (a)	\$65,040	\$40,000	\$30,000	\$40,000	\$0	0.0%
Operating	Deferred Comp. Plan Consulting/Retirement Planning (b)	\$12,000	\$25,000	\$22,000	\$25,000	\$0	0.0%
Operating	Consulting	\$15,233	\$40,000	\$25,000	\$40,000	\$0	0.0%
Operating	Merchant Card Fees	\$61,746	\$55,000	\$55,000	\$60,000	\$5,000	9.1%
Operating	Employment Advertising	\$28,055	\$20,000	\$20,000	\$30,000	\$10,000	50.0%
Operating	Property Tax/Special Assessments	\$11,062	\$50,000	\$50,000	\$40,000	(\$10,000)	-20.0%
Operating	Printing inc. Adopted Budget Books	\$3,202	\$6,000	\$5,000	\$5,000	(\$1,000)	-16.7%
Interdept'l	Work Comp/Liab/Casualty/Other Ins	\$99,952	\$131,100	\$131,100	\$119,100	(\$12,000)	-9.2%
Operating	Other Expenses	\$45,304	\$10,000	\$10,000	\$10,000	\$0	0.0%
Short-Term/Temporary/Periodic							
Operating	Fire Department Study (a)	\$0	\$50,000	\$65,000	\$60,000	\$10,000	20.0%
Operating	Strategic Planning (a)	\$0	\$0	\$0	\$25,000	\$25,000	N/A
Operating	Milwaukee 7 Regional Econ Dev Campaign (or Alternative) (a)	\$12,500	\$12,500	\$12,500	\$12,500	\$0	0.0%
Operating	Wauk. Co. Small Business Leverage Loan Fund Program (a)	\$0	\$200,000	\$100,000	\$250,000	\$50,000	25.0%
Total Expenditures		\$1,330,713	\$1,906,600	\$1,901,600	\$2,081,600	\$175,000	9.2%
Revenue:							
Gen Gov't	State Shared Revenues	\$745,000	\$735,000	\$735,000	\$685,000	(\$50,000)	-6.8%
Gen Gov't	Other General Government Revenues (c)	\$156,197	\$130,000	\$128,300	\$180,000	\$50,000	38.5%
Interdept'l	Intedepartmental Charge Revenue*	\$144,570	\$111,300	\$103,000	\$85,000	(\$26,300)	-23.6%
Other	Other Revenue (b)(d)	\$790,502	\$500,000	\$552,000	\$515,000	\$15,000	3.0%
Fund Bal	Fund Balance Appropriation (a)	\$309,541	\$384,100	\$506,588	\$570,400	\$186,300	48.5%
Tax Levy	Tax Levy	\$61,200	\$46,200	\$46,200	\$46,200	\$0	0.0%
Total Revenues		\$2,207,010	\$1,906,600	\$2,071,088	\$2,081,600	\$175,000	9.2%
Revenues Over/(Under) Expenditures		\$876,297	\$0	\$169,488	\$0	\$0	N/A

* See Footnote (c) to the financial summary table on first page of this budget.

- (a) Appropriated General Fund Balance for the **2017 Budget** includes \$140,000 for retirement payouts from reserves for this purpose; \$40,000 toward one-time employee severance/retention payments; \$57,900 from prior-year unclaimed funds revenues; \$150,000 from prior-year Tax Increment District (TID) revenues returned to the county; \$50,000 (with a \$10,000 contribution from municipal partners) for a study of local fire departments' potential collaborations; \$12,500 for a continuation to the County's contribution to the Milwaukee 7 Regional Economic Development Campaign (or the alternative option, if pursued); \$95,000 for the Waukesha County Business Alliance; and \$25,000 for the County's periodic Strategic Planning update. The **2016 Estimate** includes \$95,000 carried over for startup costs related to the new economic development organization and \$27,500 in carried over open purchase orders (and related expenditure authority) from 2015. The **2016 Budget** includes \$140,000 for retirement payouts from reserves for this purpose; \$40,000 toward one-time employee severance/retention payments; \$51,600 from prior-year unclaimed funds revenues; \$12,500 for a contribution to the Milwaukee 7 Regional Economic Development Campaign; \$100,000 from prior-year Tax Increment District (TID) revenues returned to the county; and \$40,000 (with a \$10,000 contribution from municipal partners) for a study of local fire departments' potential collaborations.
- (b) Other Revenue includes offsetting revenue to pay for the Deferred Compensation Plan consulting of \$25,000 in the 2016 and 2017 Budgets. No County tax levy is used to fund this expenditure.
- (c) Other General Government revenue includes indirect cost recovery in excess of the amounts budgeted in the (Department of Administration) received from state funding sources mostly the Aging and Disability Resource Center Contract and contributions from municipalities for the fire study.
- (d) Other Revenues include \$190,000 for the repayment of loans to municipal fire, police and emergency response units for the new Countywide digital radio system; \$80,000 for the second year of repayment of election system costs by municipalities (\$120,000 in the 2016 budget); repayments of principal and interest from the Waukesha County Small Business Leverage Loan Program, estimated at \$150,000 in 2017 (\$100,000 in the 2016 Budget); procurement card rebate revenue in excess of what is budgeted in the Department of Administration (\$20,000 in the 2017 and \$15,000 2016 Budgets); and miscellaneous recoveries (\$50,000 in 2017 and 2016 Budgets).



Fund Purpose

The Health and Dental Insurance Fund is an Internal Service Fund established to provide for and effectively manage the health benefits for County employees, elected officials, retirees, and dependents. This Fund consists of a self-funded active employee health insurance plan, a self-funded retired employee health insurance plan, a self-funded dental insurance plan, an employee wellness program, and the Waukesha Employee Health and Wellness Center. The Health and Dental Insurance Fund is used to account for all claims and costs filed against and paid by the County's self-funded insurance, the premiums paid for these plans, and costs associated with the wellness programs. This Fund recovers its costs through charges to County departments, employees, retirees, and qualifying former employees for COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) benefits. This Fund provides budgetary protection by purchasing stop loss insurance coverage. A health insurance actuary is retained to assist with the determination of premium rates, insurance reserve levels and analyze effectiveness of wellness and health benefit changes to the total cost of the program.

Financial Summary	2015	2016	2016	2017	Change From 2016	
	Actual	Adopted Budget (a)	Estimate (b)	Budget (a)	Adopted Budget \$	%
Revenues						
General Government	\$22,424	\$33,000	\$28,600	\$33,000	\$0	0.0%
Fine/Licenses	\$0	\$0	\$0	\$0	\$0	N/A
Charges for Services	\$3,183,186	\$3,476,000	\$3,201,000	\$4,255,000	\$779,000	22.4%
Interdepartmental	\$16,596,501	\$17,657,000	\$16,665,000	\$17,283,000	(\$374,000)	-2.1%
Other Revenue (b)	\$1,356,664	\$358,000	\$993,000	\$418,000	\$60,000	16.8%
Appr. Fund Balance (a)	\$789,428	\$1,824,500	\$1,708,250	\$1,939,500	\$115,000	6.3%
Memo: Reimb. For Facility Improvements (c)	\$36,440	\$36,440	\$36,440	\$36,440	\$0	0.0%
County Tax Levy (Credit)	\$0	\$0	\$0	\$0	\$0	N/A
Total Revenue Sources	\$21,948,203	\$23,348,500	\$22,595,850	\$23,928,500	\$580,000	2.5%
Expenditures						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	N/A
Operating Expenses	\$21,509,882	\$23,326,300	\$22,392,750	\$23,907,500	\$581,200	2.5%
Interdept. Charges	\$5,877	\$22,200	\$15,900	\$21,000	(\$1,200)	-5.4%
Fixed Assets	\$0	\$0	\$0	\$0	\$0	N/A
Total Expenditures	\$21,515,759	\$23,348,500	\$22,408,650	\$23,928,500	\$580,000	2.5%
Rev. Over (Under) Exp.	\$432,444	\$0	\$187,200	\$0	\$0	N/A

- (a) Appropriated Fund Balance from Health and Dental Insurance Fund Reserves for the **2017 Budget** includes \$80,000 to cover temporary payments (annual for three years, beginning in 2015) required under the Federal Affordable Care Act (ACA). In addition, \$655,000 is budgeted to cover estimated stop loss insurance coverage for high-cost claims in the Active Employee Health program and \$35,000 in the Retiree Health program, to partially reflect premiums in excess of costs in previous years. Fund Balance of \$254,400 is budgeted to fund the Wellness Initiative Program, and \$932,000 is budgeted to fund a portion of the Waukesha Employee Health and Wellness Center. The **2016 Budget** includes \$110,000 to cover to temporary payments required under the Federal Affordable Care Act (ACA). In addition, \$625,000 is budgeted to cover estimated stop loss insurance coverage in the Active Employee Health program and \$30,000 in the Retiree Health program, to partially reflect premiums in excess of costs in previous years. Fund Balance of \$263,900 is budgeted to fund the Wellness Initiative program and \$795,600 to fund a portion of the Waukesha Employee Health and Wellness Center.
- (b) Other Revenues estimated for 2016 include one-time reimbursements from the County's stop loss insurer of about \$400,000 for high-cost claims. The remainder is primarily prescription drug rebates.
- (c) Beginning in 2015, the County receives a reimbursement of \$36,440 from the City and School District of Waukesha for their share of one-time facility improvement costs for the Waukesha Employee Health and Wellness Center, as specified in the signed intergovernmental agreement, spread evenly over four years.

Active Employee Health Insurance

Program Description

This program area accounts for all costs associated with the operation of the Active Employee Health Insurance program. This includes medical, pharmacy, and claims payments. The program also accounts for administrative expenses, stop loss insurance premiums, consulting fees and other program-related services/expenses that may arise. This program area recovers its costs through premium charges to internal departments, employees, and COBRA participants. This program area also carries an actuarially determined Incurred But Not Reported reserve balance (outstanding claims paid in next fiscal year) as required for internal service fund accounting. Two health plans are offered to employees: (1) a self-funded Point of Service (POS) plan (Choice Plus) and (2) a self-funded Consumer Driven health plan with a Health Savings Account (HSA) feature. Beginning in 2017, newly-hired employees will be limited to enrollment in the HSA plan. Both plans offer an incentive to employees for participating in the Health Risk Assessment Program, designed to help reduce the County's health insurance costs (see Wellness Initiative Program). The 2017 Budget assumes County Board approval* establishing that program participants in the POS plan will pay a lower premium costs share at 20% (vs. 25% for non-participants). Participants in the HSA plan receive a higher employer HSA contribution at \$1,125/\$2,250 for single/family plans (vs. \$500/\$1,000 for non-participants).

	2015 Actual	2016 Budget	2016 Estimate (a)	2017 Budget	Budget Change
Staffing (FTE)	0.00	0.00	0.00	0.00	0.00
General Government	\$0	\$0	\$0	\$0	\$0
Fine/Licenses	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$2,433,138	\$2,674,000	\$2,392,000	\$3,453,000	\$779,000
Interdepartmental	\$15,905,935	\$16,930,000	\$15,942,000	\$16,556,000	(\$374,000)
Other Revenue (a)	\$1,326,496	\$340,000	\$975,000	\$400,000	\$60,000
Appr. Fund Balance	\$0	\$735,000	\$735,000	\$735,000	\$0
County Tax Levy (Credit)	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$19,665,569	\$20,679,000	\$20,044,000	\$21,144,000	\$465,000
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$19,616,258	\$20,676,000	\$20,032,500	\$21,141,000	\$465,000
Interdept. Charges	\$0	\$3,000	\$1,500	\$3,000	\$0
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$19,616,258	\$20,679,000	\$20,034,000	\$21,144,000	\$465,000
Rev. Over (Under) Exp.	\$49,311	\$0	\$10,000	\$0	\$0

(a) Other Revenues for 2015 actuals include one-time reimbursements received by the County's stop loss insurance provider of approximately \$712,000. Stop loss reimbursements for 2016 are estimated at \$400,000. Remaining Other Revenues consist of prescription drug rebates.

 **Program Highlights**

Based on actuarial recommendations, this fund estimates necessary premiums to cover associated costs with anticipated claims to be paid in 2017 (described below). Charges for Service revenues include the employees' share of estimated premiums and are expected to increase with the employee share increasing in the POS plan from 15%/20% to 20%/25%* (depending on participation in the County's Health Risk Assessment Program) and in the HSA plan from 10% to 15%.* Interdepartmental Charge revenues include the County's Share of estimated premiums and contributions to employee HSA accounts charged to County departments, and decrease due to the change in premium cost share described above. Other revenues consist of prescription drug rebates and increase \$60,000 based on experience. Appropriated Health Insurance Fund Balance includes \$80,000 to cover temporary payments (for three years, beginning in the 2015 budget) required under the Federal Affordable Care Act (ACA). In addition, fund balance of \$655,000 is budgeted to cover estimated stop loss insurance coverage for higher-cost claims, to partially reflect premiums in excess of costs in previous years.

Operating expenditures consist mostly of estimated claims costs for the County's self-insured health plans, which are budgeted to increase by about \$294,000 or 1.6% from about \$17.9 million in the 2016 budget to \$18.2 million in the 2017 budget. County contributions to employee HSA accounts are budgeted to increase by \$155,000 to about \$1.2 million, due to increased participation in that plan. (Note: Family HSA plans are estimated to cost the county \$1,170 less than the comparable family POS plan.) Stop loss insurance coverage is budgeted to increase by \$30,000 or 5%, from \$625,000 to \$655,000. Operating expense increases are partially offset by a decrease in ACA-related payments (described above) by \$30,000, from \$110,000 to \$80,000.

Active Employee Health Insurance (Continued)

Major Departmental Strategic Outcomes and Objectives for 2017

County-Wide Key Strategic Outcomes: Cost effective services delivered with competence and skill

Objective 1: Control Health Plan rate of cost increase (or reduce costs). Contain health insurance cost trends, and/or the rate of premium increases through effective design changes, education, wellness initiatives and data management.

Key Outcome Indicator: The increase in plan costs from the prior year actual/estimate for the Choice Plus (Point of Service – POS) and Consumer Driven Health (with Health Savings Account feature – HSA) Plans. Keep health insurance plan increases from prior year estimate/actual lower than medical inflation rate.

Performance Measures:

Choice Plus Plan	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Average Plan % Premium Increase	1%	2.5%	2.5%	5%
Average Monthly Plan Cost: Single	\$658	\$660	\$660	\$693
Family	\$1,738	\$1,782	\$1,782	\$1,871
HSA Plan	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Average Plan % Premium Increase	1.4%	2.3%	2.3%	5%
Average Full Monthly Plan Cost: Single*	\$595	\$597	\$597	\$622
Family*	\$1,516	\$1,546	\$1,546	\$1,614

*County contribution to employee health savings accounts is included in monthly figures (added to premium).

Performance Measure:	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Medical Inflation Rate**	8%	9%	9%	9%

**Milliman's (County Health Insurance Actuary) expected annual trend assumptions



Activity	2015 Actual (a)	2016 Budget (b)	2016 Estimate (c)	2017 Budget (b)	Budget Chng
# of Health Ins. Contracts					
POS Single	203	223	196	178	(45)
Family	393	447	364	350	(97)
Subtotal	596	670	560	528	(142)
H.S.A. Single	171	149	192	205	56
Family	393	396	409	478	82
Subtotal	564	545	601	683	138
Total	1,160	1,215	1,161	1,211	(4)

(a) Enrollment as of 12/31/2015.

(b) The 2016 and 2017 budget figures are based on enrollment counts obtained during mid-summer budget development, with adjustments made for vacant positions. Beginning in 2017, all new hires will be limited to enrollment in the HSA plan.

(c) Enrollment as of 8/1/2016.

Retired Employee Health Insurance

Program Description

This program area accounts for all costs associated with the operation of the Retired Employee Health Insurance program. This includes medical and pharmacy claims payments. This program also accounts for administrative expenses, stop loss insurance premiums, consulting fees and other program-related services/expenses that may arise. This program area recovers its costs through premium charges to retirees. Retirees pay 100% of the premium cost. Actuarial consultants rate the retiree health insurance plan separately from the active employee health insurance plans.

	2015 Actual	2016 Budget	2016 Estimate	2017 Budget	Budget Change
Staffing (FTE)	0.00	0.00	0.00	0.00	0.00
General Government	\$0	\$0	\$0	\$0	\$0
Fine/Licenses	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$613,139	\$692,000	\$700,000	\$692,000	\$0
Interdepartmental	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$26,463	\$15,000	\$15,000	\$15,000	\$0
Appr. Fund Balance	\$0	\$30,000	\$0	\$35,000	\$5,000
County Tax Levy (Credit)	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$639,602	\$737,000	\$715,000	\$742,000	\$5,000
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$324,679	\$736,100	\$566,900	\$741,100	\$5,000
Interdept. Charges	\$131	\$900	\$900	\$900	\$0
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$324,810	\$737,000	\$567,800	\$742,000	\$5,000
Rev. Over (Under) Exp.	\$314,792	\$0	\$147,200	\$0	\$0



Program Highlights

Based on actuarial recommendation, which is separately rated from the active employee health plans, this program estimates necessary premiums to cover the costs associated with anticipated claims to be paid in 2017 (described below). Charges for Service revenues consist of the health insurance premiums paid by retirees (retirees pay 100% of premium costs). Premium revenues and claims costs (included in operating expenses) are budgeted to remain at the 2016 budgeted level. Other Revenues consist of anticipated prescription drug rebate revenues. Appropriated Health Insurance Fund Balance is budgeted to cover stop loss coverage for higher-cost claims, more than offset by premiums in excess of costs in previous years.

Operating expenses consist mostly of estimated claims expenses budgeted at about \$650,000. Stop loss insurance coverage is budgeted to increase \$5,000, from \$30,000 to \$35,000.



Activity	2015 Actuals (b)	2016 Budget	2016 Estimate (c)	2017 Budget	Budget Change
# of POS Retiree Health Ins. Contracts (a)					
Pre-Medicare					
Single	36	40	43	45	5
Family	12	10	13	15	5
Subtotal	48	50	56	60	10
Medicare					
Single	7	7	8	7	0
Family	2	3	1	3	0
Subtotal	9	10	9	10	0
Total	57	60	65	70	10

(a) Contract figures and the budget exclude retiree enrollment in the Medicare Advantage healthcare plan, which had 344 participants (as of August 2016), and is not accounted for in the County Budget.

(b) Enrollment as of 12/31/2015.

(c) Enrollment as of 8/1/2016.

Employee Dental Insurance

Program Description

This program area accounts for all costs associated with the operation of the self-funded Employee Dental Insurance program. This includes dental claims payments, administrative expenses and other program-related services/expenses that may arise. This program area recovers its costs through premium charges to internal departments, employees and COBRA participants.

	2015 Actual	2016 Budget	2016 Estimate	2017 Budget	Budget Change
Staffing (FTE)	0.00	0.00	0.00	0.00	0.00
General Government	\$0	\$0	\$0	\$0	\$0
Fine/Licenses	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$109,336	\$80,000	\$79,000	\$80,000	\$0
Interdepartmental	\$690,566	\$727,000	\$723,000	\$727,000	\$0
Other Revenue	\$3,705	\$3,000	\$3,000	\$3,000	\$0
Appr. Fund Balance	\$0	\$0	\$0	\$0	\$0
County Tax Levy (Credit)	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$803,607	\$810,000	\$805,000	\$810,000	\$0
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$735,266	\$808,400	\$774,200	\$808,400	\$0
Interdept. Charges	\$0	\$1,600	\$800	\$1,600	\$0
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$735,266	\$810,000	\$775,000	\$810,000	\$0

Rev. Over (Under) Exp.	\$68,341	\$0	\$30,000	\$0	\$0
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Program Highlights

Charges for Service revenues consist of the employees' share (10%) of dental premiums, and the County's share (90%) is in Interdepartmental Revenues, which remain at the 2016 budget level. Premium rates are not changing for the 2017 budget.

Operating expenses consist mostly of dental claims costs of \$750,000 and are also budgeted to remain at the 2016 budgeted level.



Activity	2015 Actual (a)	2016 Budget (b)	2016 Est. (c)	2017 Budget (b)	Budget Change
Self-Funded					
Single	229	230	239	230	0
Family	555	565	555	565	0
Subtotal	784	795	794	795	0
DentaCare ❖					
Single	102	115	97	115	0
Family	263	275	255	275	0
Subtotal	365	390	352	390	0
Total	1,149	1,185	1,146	1,185	0

❖ DentaCare is a fully-insured dental insurance plan and is not budgeted in this Fund. This plan is budgeted in departmental budgets and accounted for in General Fund Balance Sheet Accounts (directly paid to insurer).

(a) Enrollment as of 12/31/2015

(b) The 2016 and 2017 budget figures are based on enrollment counts obtained during prior-year mid-summer budget development, with adjustments made for vacant positions.

(c) Enrollment as of 8/1/2016.

Wellness Initiative

Program Description

This program area accounts for all costs associated with the operation of the Wellness Initiative program. This program is designed to improve the health and well-being of County employees' lives through health education and activities that will assist health plan members in understanding disease management and prevention along with programming. This is designed to support positive lifestyle change, thereby resulting in improved employee productivity, morale and healthcare cost savings for the County and the employees. Program components include biometric screenings, health risk assessments, health coaching, program marketing and communications, and participation incentives.

Approximately 70% of the County's health plan contracts are family coverage. In an effort to increase employee participation in Wellness related activities, both employees and spouses are required to participate in the County's Health Risk Assessment program (biometric screening; health risk questionnaire; and based on certain thresholds, a review of health risks with a health coach) in order to qualify for the following incentives: For 2017, program participants in the POS plan pay a lower premium cost share at 20% (vs. 25% for non-participants), and participants in the HSA plan receive a higher HSA contribution at \$1,125/\$2,250 for single/family plans (vs. \$500/\$1,000 for non-participants). In addition to the biometrics, any employee or spouse who has four or more risk factors must meet with the health coach, one of the providers or their own physician in order to receive the health plan incentives.

	2015 Actual	2016 Budget	2016 Estimate	2017 Budget	Budget Change
Staffing (FTE)	0.00	0.00	0.00	0.00	0.00
General Government	\$0	\$0	\$0	\$0	\$0
Fine/Licenses	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$0	\$0	\$0	\$0	\$0
Interdepartmental	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0
Appr. Fund Balance	\$197,133	\$263,900	\$204,850	\$254,400	(\$9,500)
County Tax Levy (Credit)	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$197,133	\$263,900	\$204,850	\$254,400	(\$9,500)
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$197,133	\$261,400	\$204,350	\$251,900	(\$9,500)
Interdept. Charges	\$0	\$2,500	\$500	\$2,500	\$0
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$197,133	\$263,900	\$204,850	\$254,400	(\$9,500)
Rev. Over (Under) Exp.	\$0	\$0	\$0	\$0	\$0



Program Highlights

Appropriated Health Insurance Fund Balance from reserves is budgeted to cover program expenditures. Operating expenditures mostly include biometric screening costs, and are budgeted at \$152,000, a decrease of \$9,500. Other expenses are budgeted to remain at the 2016 budget level and include program incentives, budgeted at \$36,000, and employee assistance program costs, budgeted at \$31,400.



Activity	2015 Actual	2016 Budget	2016 Estimate	2017 Budget	Budget Change
Health Assessment Participation					
# Participating*	1,557	1,700	1,510	1,600	(100)
% of Work Force + Spouses	89%	95%	87%	92%	-3%

*Figures reflect participation in the annual Health Risk Assessment (HRA) event and exclude new hires during the year who complete the health risk assessment.

Waukesha Employee Health and Wellness Center

Program Description

This program area accounts for all the costs and revenues associated with the on-site Waukesha Employee Health and Wellness Center. The Center has been established through an inter-governmental agreement between the County, City and School District of Waukesha. The Center is managed by a private sector organization whose primary focus and business objectives are the development, implementation, and management of employer-sponsored on-site medical clinics. The Center began operation in November of 2014. Based on the results of a feasibility study and a comprehensive request for proposal process, it is projected that the combined organizations will generate a positive return on investment of \$7.7 million over a five-year period. The County is estimated to save \$3.1 million, the School District \$3.4 million, and the City \$1.2 million over this five-year period.

	2015 Actual	2016 Budget	2016 Estimate	2017 Budget	Budget Change
Staffing (FTE)	0.00	0.00	0.00	0.00	0.00
General Government	\$22,424	\$33,000	\$28,600	\$33,000	\$0
Fine/Licenses	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$27,573	\$30,000	\$30,000	\$30,000	\$0
Interdepartmental	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0
Appr. Fund Balance	\$592,295	\$795,600	\$768,400	\$915,100	\$119,500
Memo: Reimb. For Facility Imprvmnts. (a)	\$36,440	\$36,440	\$36,440	\$36,440	\$0
County Tax Levy (Credit)	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$642,292	\$858,600	\$827,000	\$978,100	\$119,500
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$636,546	\$844,400	\$814,800	\$965,100	\$120,700
Interdept. Charges	\$5,746	\$14,200	\$12,200	\$13,000	(\$1,200)
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$642,292	\$858,600	\$827,000	\$978,100	\$119,500
Rev. Over (Under) Exp.	\$0	\$0	\$0	\$0	\$0

(a) Beginning in 2015, the County receives a reimbursement from the City and School District of Waukesha for their share of one-time facility improvement costs for the Waukesha Employee Health and Wellness Center, as specified in the signed intergovernmental agreement, spread evenly over four years. This annual reimbursement is currently estimated at \$36,440.



Program Highlights

General Government revenues consist of the City and School District's estimated share of facility-related costs. Charges for Service revenues consist of estimated office visit revenues from County employees and dependents enrolled in the County's health plans. Appropriated Health Insurance Fund Balance is budgeted to cover remaining program expenditures.

The program budget is updated for 2017 after completing the first full year and a half of operation. Operating expenses include contract clinic staffing, increasing \$58,700 to \$555,100, based on current-year estimated staffing costs and to cover the first full-year budgeting for a physical therapist. Pharmaceutical costs are budgeted at \$48,000, an increase of \$24,000, and laboratory fees are budgeted at \$80,000, an increase of \$19,200. Other program expenses include contractor management and consulting fees, budgeted at \$199,800; facility-related expenses, budgeted at \$55,500; and occupational medicine (e.g., employment and pre-employment drug testing), budgeted at \$12,000.

Contingency Fund

Non-Departmental



Statement of Purpose

To provide funds only for emergency and other situations which could not be anticipated or adequately planned for during the budget development and review process. In preparing agency budget requests, departments are required to identify all anticipated expenditures for projects and programs. The need for Contingency Fund transfer requests are determined by the County Executive and authorized by the Finance Committee in accordance with statutory authority and the County Board if requests exceed the statutory authority of the Finance Committee.

Financial Summary	2015 Actual (a)	2016 Adopted Budget	2016 Estimate	2017 Budget	Change From 2016 Adopted Budget	
					\$	%
Revenues						
General Government	\$0	\$0	\$0	\$0	\$0	N/A
Fine/Licenses	\$0	\$0	\$0	\$0	\$0	N/A
Charges for Services	\$0	\$0	\$0	\$0	\$0	N/A
Interdepartmental	\$0	\$0	\$0	\$0	\$0	N/A
Other Revenue	\$0	\$0	\$0	\$0	\$0	N/A
Appr. Fund Balance (a)	\$0	\$1,200,000	\$260,000	\$1,200,000	\$0	0.0%
County Tax Levy (Credit)	\$0	\$0	\$0	\$0	\$0	N/A
Total Revenue Sources	\$0	\$1,200,000	\$260,000	\$1,200,000	\$0	0.0%
Expenditures						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	N/A
Operating Expenses (a)	\$0	\$1,200,000	\$260,000	\$1,200,000	\$0	0.0%
Interdept. Charges	\$0	\$0	\$0	\$0	\$0	N/A
Fixed Assets	\$0	\$0	\$0	\$0	\$0	N/A
Total Expenditures	\$0	\$1,200,000	\$260,000	\$1,200,000	\$0	0.0%
Rev. Over (Under) Exp.	\$0	\$0	\$0	\$0	\$0	N/A

(a) In 2015 there was no Contingency Fund use.

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