



Waukesha County

Department of Administration

December 15, 2016

Dear Honorable County Board Supervisors:

The 2017 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 \$284.4 million, a reduction of \$1.1 million from the prior year. Operating budget expenditures increase \$2.8 million or 1.06%. Capital budget expenditures decrease almost \$4 million for a total capital budget of \$16.9 million. This reduction reflects priority capital projects in the five-year capital plan for infrastructure investments.

This budget continues careful management of personnel to control cost increases to 0.9% for 2017. The County continues to experience increased retirements and entry level replacements with lower personnel costs. Benefit costs include lower health insurance costs based on increased participation in lower-cost health savings account plans and changes to premium cost shares. The 2017 budget funds nearly the same level of regular full-time equivalent (FTE) positions at 1,354 FTEs; however, this budget prioritizes justice and public safety services with an increase in net funded positions by 7.75. This is largely for expanding countywide dispatch to another community (Village of Menomonee Falls). While the County's population continues to grow, along with needs for services, budgeted positions per 1,000 residents, declines from 3.5 to 3.4. This is possible because County Departments have worked diligently to review and adjust positions to meet service demand in innovative ways to use technology and seek collaborative partners.

The 2017 budget includes changes in key revenue sources.

- Investment income is decreased \$400,000 to \$3,008,000 reflecting continued historically low rates. The prior budget reduced investment income \$200,000.
- Delinquent Taxes Penalty and Interest is also reduced by \$63,000 as outstanding Delinquent Taxes declined during 2015. From 2010 to 2015 total delinquent taxes, which the County pays other taxing jurisdiction to make them whole, has decreased from a high of \$11.0 million to \$5.2 million in 2015. The prior year budget reduced delinquent tax penalty and interest revenue by \$55,000.
- State revenues include stable revenue sources for Human Services basic community aids, Shared Revenue and the Circuit Court support grant funding. Youth aids is reduced \$73,000 to \$3.36 million.

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The 2017 budget also includes targeted resource allocations to mental health and substance abuse services in the Health and Human Services (HHS) Department.

- The Department adds 2.04 FTE new temporary extra help Clinical Therapists and 2.00 FTE Clinical Therapists (transferred from the Aging and Disability Resource Center division) to provide State mandated 24/7 crisis intervention services which requires HHS staff to conduct assessments on whether a person should be detained. Additional extra help of 1.03 FTE positions are also added to provide after-hours building safety duties and after-hours reception duties as service hours are expanded. The Department will also implement a same-day scheduling model.
- Contracted psychiatric services include the addition of a new children's psychiatrist to assist with programming efforts related to the Children's Comprehensive Community Services (CCS) program. The budget also includes increases in revenues of \$303,500 over all, associated with new State rules that raise reimbursement rates and combine State grant funds for greater flexibility in serving clients with community based mental health services.
- State mental health institute costs increase nearly \$862,000 in the 2017 budget for adults and children. A portion of this increase (\$260,000) is associated with one placement awaiting court decisions and is funded with fund balance.
- The budget includes a \$424,000 reduction in medication costs due to collaborations with the on-site pharmacy. This includes greater usage of generic medications and greater coordination with clients' insurance and medication coverage. A new medication dispensing machine, funded with one-time fund balance use, is anticipated to incorporate more efficient inventory control procedures.
- The Mental Health Center will utilize fund balance of \$149,000 for facility improvements to comply with Medicare regulatory facility requirements.
- Alcohol and drug treatment programs under the Criminal Justice Collaborating Council (CJCC) are maintained with new grant awards and increased tax levy.

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 \$10 million, a reduction of \$2.0 million from the 2016 budget. Property tax levy support for the capital budget remains at \$1,747,000. The tax levy and the use of governmental fund balances of \$2.1 million and other revenues of \$750,000 maintains the County's "down payment" at 31% of net capital expenditures, well above the target of 20%.

The County's 2017 debt service payment is budgeted at \$14.9 million, which is well within the County's key benchmark ratio of debt service expenditure budget to the 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 2017 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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