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## WAUKESHA COUNTY

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# 2017 TAX LEVY SUMMARY

## Impact on Homeowners

The Waukesha County Tax Levy is comprised of two segments. The general County Tax Levy of \$101,799,099, which is levied at a rate of \$1.996 (down from \$2.042) per \$1,000 of equalized value on all eligible property in the County. The Federated Library System Levy of \$3,517,752, which is levied at a rate of \$0.280 (down from \$0.283) per \$1,000 of taxable properties in communities without a library.

Due to the varied assessment ratios of equalized values determined by the State Department of Revenue and property value changes (inflation/deflation), the tax bill impact on a specific property will vary. Waukesha County's median home value for 2016 adjusted from the 2000 census, is \$256,650. This is up about \$5,670 from the 2015 value reflecting the County-wide average residential inflation rate of 2.26%. This results in no change in the County Tax Levy on the median home value as indicated below.



## General County Tax Levy

2015 Median Home Value	2015 County Tax	Residential Inflation	2016 Median Home Value	2016 County Tax	Change Amount	Change Percent
<b>\$250,980</b>	<b>\$512</b>	<b>2.26%</b>	<b>\$256,650</b>	<b>\$512</b>	<b>\$0</b>	<b>0.0%</b>

## Homeowner County Taxes over 10 years Increase of \$1.20 (less than 1/4%) per Year

<u>Budget Year</u>	<u>Median Home Value</u>	<u>Rate / \$1,000</u>	<u>Tax</u>
2008	\$281,600	\$1.780	\$500
2017	\$256,650	\$1.996	\$512
<b>Net 10-Year \$ Increase: \$12</b>		<b>10-Year Average:</b>	<b>0.24%</b>

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## 2017 BUDGET ASSUMPTIONS

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Certain broad assumptions are determined in April through June 2017 to establish a basic foundation for building the County's budget, as the first year in the five-year budget projections. These general assumptions provide a framework to County staff, the County Executive, and the County Board of Supervisors for setting priorities, determining service levels, and allocating limited financial resources. Some adjustments have been made from updated information available during the summer months (June-August).

The following general assumptions are used in guiding the County's 2017 Budget development:

- Overall inflation factor estimates assumed for calculating the cost to continue to provide existing County services are projected to be moderate (1.8% to 2%) in 2017. Some major exceptions include cost rate increases for prescription drugs and medical services.
- Significant revenue issues linked to a slower economic recovery impact the 2017 budget including:
  - Investment Income budget is estimated to be reduced by \$400,000 to \$3,008,000 reflecting continued low rates of return on invested funds. Higher interest rates are expected to impact investment income positively later in 2017 as bond portfolios turnover. Also, the 2017 budget for estimated Delinquent Taxes Penalty and Interest (P&I) is reduced by \$63,000 to \$2,640,000 as Delinquent Taxes outstanding continued to decline during 2015.
  - The real estate market has shown increased property sales with expected increases in real estate transfer fees of \$20,000 to \$1,448,500. This is offset by a reduction of \$24,000 in document recording fees due to reductions in home mortgage refinancing.
- Major state revenue funding areas include the following:
  - The Human Services basic community aids, General Transportation Aids, and the court support grant remained stable. The state recycling grant was restored to the prior level. The Affordable Care Act funding is reduced in a second year phase out and two Economic Support positions are sunset.
  - Increased charges for service revenue in Clinical Services are due to increased Medicaid reimbursements in mental health programming and improved intake and billing procedures. The on-site pharmacy results in lower prescription medicine costs.
- Net Personnel cost appropriations are expected to be held below 2% and are being controlled with the help of lower health insurance costs based on increased participation in lower-cost health savings account plans and changes to premium cost shares. Increased retirements and entry level replacements are also a factor.
- Average fuel prices are budgeted to be conservatively reduced by 10%, with operating budget savings projected for Public Works, Parks and Land Use and the Sheriff Departments.
- Net utility costs were estimated to increase from the 2016 adopted base budget levels by \$10,000 for anticipated increases in water rates in 2016 and flat rates for natural gas and electricity. Costs are maintained through prior-year energy efficiency improvements (e.g., lighting replacement, more efficient boilers/chillers).
- The debt service tax levy increases by almost \$100,000. The increase will accommodate larger bond issues anticipated by the five-year capital plan which includes a significant courthouse project. Capital project tax levy is estimated to remain the same in 2017.

## 2017 BUDGET SUMMARY

	2016 Adopted Budget	2017 Budget	Incr/(Decr) From 2016 Adopted Budget	
			\$	%
<b>OPERATING BUDGETS</b>				
Gross Expenditures	\$264,710,001	\$267,526,585	\$2,816,584	1.06%
MEMO: Less Interdept. Charges (a)	<u>\$37,930,939</u>	<u>\$38,043,018</u>	\$112,079	0.30%
MEMO: Net Expenditures (a)	\$226,779,062	\$229,483,567	\$2,704,505	1.19%
Less: Revenues (Excl. Retained Earnings)	\$151,348,108	\$152,928,976	\$1,580,868	1.04%
Less Net Appropriated Fund Balance	<u>\$10,696,622</u>	<u>\$11,027,758</u>	<u>\$331,136</u>	
<b>TAX LEVY - OPERATING BUDGETS</b>	\$102,665,271	\$103,569,851	\$904,580	0.88%
<b>CAPITAL PROJECTS BUDGET</b>				
Expenditures	\$20,782,800	\$16,863,400	(\$3,919,400)	-18.9%
Less: Revenues	\$16,328,000	\$12,456,400	(\$3,871,600)	-23.7%
Less: Appropriated Fund Balance	<u>\$2,707,800</u>	<u>\$2,660,000</u>	<u>(\$47,800)</u>	
<b>TAX LEVY-CAPITAL PROJECTS BUDGET</b>	\$1,747,000	\$1,747,000	\$0	0.0%
<b>COUNTY TOTALS</b>				
Expenditures (a)	\$285,492,801	\$284,389,985	(\$1,102,816)	-0.4%
Less: Revenues	\$167,676,108	\$165,385,376	(\$2,290,732)	-1.4%
Less: Appropriated Fund Balance	<u>\$13,404,422</u>	<u>\$13,687,758</u>	<u>\$283,336</u>	
<b>County General Tax Levy (Excl Library)(c)</b>	<b>\$100,948,152</b>	<b>\$101,799,099</b>	<b>\$850,947</b>	<b>0.84%</b>
<b>Federated Library Tax Levy (b)</b>	\$3,464,119	\$3,517,752	\$53,633	1.5%
<b>Total County Tax Levy (c)</b>	<b>\$104,412,271</b>	<b>\$105,316,851</b>	<b>\$904,580</b>	<b>0.87%</b>

(a) 2017 operating budget net expenditures are \$229,483,567 and total County net expenditures are \$246,346,967 after eliminating interdepartmental chargeback transactions (mostly from internal service fund operations and cross charges, e.g. Sheriff Bailiff and Conveyance services), included in gross expenditures to conform with GAAP, but in effect results in double budgeting.

(b) Special County Federated Library tax applied to those communities without a library.

(c) The Tax Levy (for 2017 Budget purposes) increase is within Wisconsin's Act 55 Tax Levy limit provisions (see Planning and Budget Policy Section).

## 2017 Budget Tax Levy Breakdown

(General County and Federated Library)

	2016 Adopted Budget	2017 Budget	Incr/(Decr) From 2016 Adopted Budget	
			\$	%
General County Tax Levy	\$100,948,152	\$101,799,099	\$850,947	0.84%
General County Tax Rate	\$2.0418	\$1.9965	(\$0.0453)	-2.22%
General County Equalized Value	\$49,440,690,500	\$50,989,620,500	\$1,548,930,000	3.13%
Federated Library Tax Levy	\$3,464,119	\$3,517,752	\$53,633	1.55%
Federated Library Tax Rate	\$0.2830	\$0.2799	(\$0.0031)	-1.11%
Federated Library Equalized Value	\$12,239,774,800	\$12,568,556,000	\$328,781,200	2.69%

## 2017 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2017 ADOPTED BUDGET				Tax Levy
	EXPEND.	REVENUES	NET FUND BALANCE	TAX LEVY	\$ Change '16 - '17
<b>JUSTICE AND PUBLIC SAFETY</b>					
EMERGENCY PREPAREDNESS					
General	\$6,445,903	\$412,859	\$342,750	\$5,690,294	\$250,922
Radio Services	\$1,828,399 (a)	\$2,126,235	(\$297,836)	\$0	\$0
Radio Svcs. Rtn'd. Earn.	\$0	(\$297,836)	\$297,836	\$0	\$0
Radio Svcs. Fund Bal. Appr.	\$0	(\$753,316)	\$753,316	\$0	\$0
DISTRICT ATTORNEY	\$2,687,006	\$863,669	\$0	\$1,823,337	(\$10,000)
CIRCUIT COURT SERVICES	\$9,301,881	\$3,805,700	\$20,000	\$5,476,181	(\$64,000)
MEDICAL EXAMINER	\$2,194,809	\$1,209,199	\$0	\$985,610	\$30,000
SHERIFF	<u>\$39,725,753</u>	<u>\$11,256,020</u>	<u>\$368,252</u>	<u>\$28,101,481</u>	<u>\$329,659</u>
<b>Subtotal: Justice &amp; Public Safety</b>	<b>\$62,183,751</b>	<b>\$18,622,530</b>	<b>\$1,484,318</b>	<b>\$42,076,903</b>	<b>\$536,581</b>
<b>HEALTH AND HUMAN SERVICES</b>					
CORPORATION COUNSEL					
Child Support (General Fund)	\$2,594,591	\$2,215,716	\$0	\$378,875	\$36,692
HEALTH & HUMAN SERVICES					
Human Services (General Fund)	\$70,971,272	\$44,729,419	\$661,875	\$25,579,978	\$162,000
Aging and Disability Resource Center Contract (ADRC) Fund	<u>\$3,176,445</u>	<u>\$3,176,445</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Subtotal: Health and Human Services</b>	<b>\$76,742,308</b>	<b>\$50,121,580</b>	<b>\$661,875</b>	<b>\$25,958,853</b>	<b>\$198,692</b>
<b>PARKS, ENVIR, EDUC. &amp; LAND USE</b>					
REGISTER OF DEEDS	\$1,321,732	\$3,061,033	\$250,000	(\$1,989,301)	\$0
UW-EXTENSION: EDUCATION	\$510,473	\$163,210	\$2,500	\$344,763	(\$5,000)
FEDERATED LIBRARY					
County	\$3,517,752	\$0	\$0	\$3,517,752	\$53,633
State Aids	\$1,669,114	\$1,539,914	\$129,200	\$0	\$0
CAFÉ Shared Automation	\$431,246	\$452,346	(\$21,100)	\$0	\$0
CAFÉ Rtn'd. Fund Balance	\$0	(\$21,100)	\$21,100	\$0	\$0
PARKS & LAND USE					
General	\$11,730,550	\$4,626,540	\$70,000	\$7,034,010	(\$195,000)
Community Development	\$2,901,898	\$2,901,898	\$0	\$0	\$0
Land Information Systems	\$825,567	\$825,567	\$0	\$0	\$0
Tarmann Parkland Acquisitions	\$400,000	\$0	\$400,000	\$0	\$0
Golf Courses	\$3,237,729 (a)	\$3,250,100	(\$12,371)	\$0	\$0
Golf Course Rtn'd. Earnings	\$0	(\$12,371)	\$12,371	\$0	\$0
Golf Course Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
Ice Arenas	\$1,211,038 (a)	\$1,084,400	\$126,638	\$0	\$0
Ice Arenas Rtn'd. Earnings	\$0	\$126,638	(\$126,638)	\$0	\$0
Ice Arenas Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
Material Recycling Facility	\$4,282,232 (a)	\$4,573,450	(\$291,218)	\$0	\$0
MRF Retained Earnings	\$0	(\$291,218)	\$291,218	\$0	\$0
MRF Fund Bal. Appr.	<u>\$0</u>	<u>(\$1,230,000)</u>	<u>\$1,230,000</u>	<u>\$0</u>	<u>\$0</u>
<b>Subtotal: Parks, Env., Ed. &amp; Land Use</b>	<b>\$32,039,331</b>	<b>\$21,050,407</b>	<b>\$2,081,700</b>	<b>\$8,907,224</b>	<b>(\$146,367)</b>

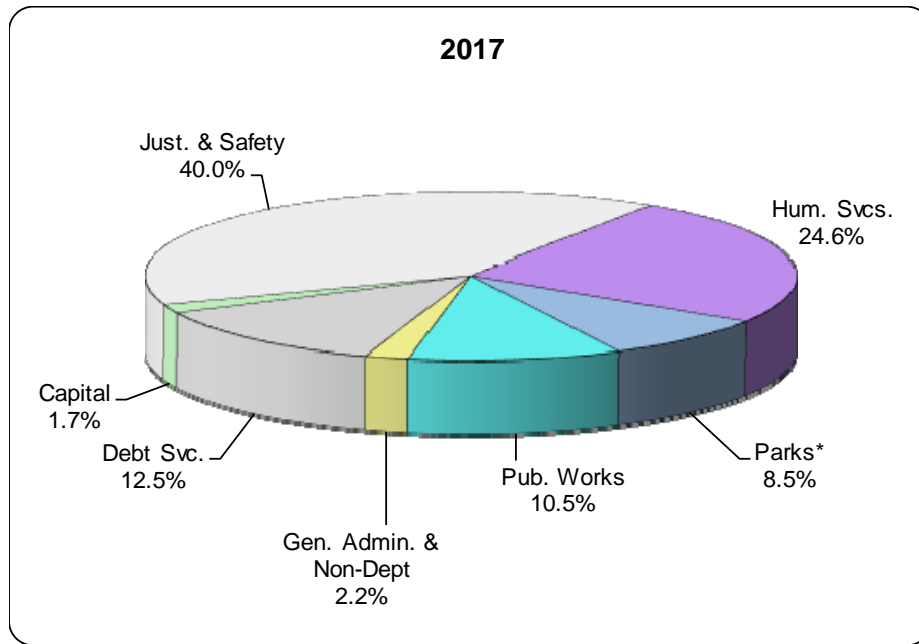
(a) Proprietary fund (Internal Service and Enterprise funds) expenditure appropriations exclude Fixed Asset and Debt Service Principal payments to conform with generally accepted accounting standards. Fixed asset purchases and Debt Service principal payments will be funded by operating revenues, tax levy, or balance appropriations and are included, as applicable, in each agency budget request.

## 2017 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2017 ADOPTED BUDGET				Tax Levy
	EXPEND.	REVENUES	NET FUND BALANCE	TAX LEVY	\$ Change '16 - '17
<b>PUBLIC WORKS</b>					
DEPARTMENT OF PUBLIC WORKS					
General	\$8,709,362	\$569,482	\$100,000	\$8,039,880	(\$73,915)
Transportation	\$15,180,366	\$12,109,381	\$124,000	\$2,946,985	\$46,915
Central Fleet Maintenance	\$4,056,610 (a)	\$4,056,888	(\$278)	\$0	\$0
Central Fleet Rtn. Earnings	\$0	(\$278)	\$278	\$0	\$0
Central Fleet Fund Bal. Appr.	\$0	(\$107,083)	\$107,083	\$0	\$0
Vehicle/Equipment Replacement	\$3,245,974 (a)	\$3,250,063	(\$4,089)	\$0	\$0
Veh. Replace Rtn. Earnings	\$0	(\$4,089)	\$4,089	\$0	\$0
Veh. Replace Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
Airport	<u>\$1,206,148 (a)</u>	<u>\$902,756</u>	<u>\$180,829</u>	<u>\$122,563</u>	<u>(\$30,000)</u>
<b>Subtotal: Public Works</b>	<b>\$32,398,460</b>	<b>\$20,777,120</b>	<b>\$511,912</b>	<b>\$11,109,428</b>	<b>(\$57,000)</b>
<b>GENERAL ADMINISTRATION</b>					
COUNTY EXECUTIVE					
General	\$580,865	\$12,000	\$0	\$568,865	(\$2,500)
COUNTY BOARD	\$1,070,592	\$0	\$0	\$1,070,592	(\$43,460)
COUNTY CLERK	\$611,380	\$230,570	\$0	\$380,810	\$25,326
TREASURER	\$678,401	\$5,987,251	\$0	(\$5,308,850)	\$405,000
ADMINISTRATION					
General	\$6,414,520	\$1,750,566	\$28,000	\$4,635,954	(\$60,000)
Risk Management	\$2,784,771 (a)	\$2,768,217	\$16,554	\$0	\$0
Collections	\$886,481 (a)	\$886,481	\$0	\$0	\$30,000
Collections Fund Bal. Appr.	\$0	(\$52,656)	\$52,656	\$0	\$0
End User Technology	\$7,577,104 (a)	\$7,577,104	\$0	\$0	\$0
End User Technology Rtn. Earn.	\$0	\$0	\$0	\$0	\$0
End User Tech. Fund Bal. Appr.	\$0	(\$779,443)	\$779,443	\$0	\$0
General	<u>\$1,437,621</u>	<u>\$523,249</u>	<u>\$0</u>	<u>\$914,372</u>	<u>(\$81,692)</u>
<b>Subtotal: General Administration</b>	<b>\$22,041,735</b>	<b>\$18,903,339</b>	<b>\$876,653</b>	<b>\$2,261,743</b>	<b>\$272,674</b>
NON DEPARTMENTAL					
GENERAL	\$2,081,600	\$1,465,000	\$570,400	\$46,200	\$0
HEALTH & DENTAL INSURANCE	\$23,928,500 (a)	\$21,989,000	\$1,939,500	\$0	\$0
CONTINGENCY	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$0</u>
<b>Subtotal: Non-Departmental</b>	<b>\$27,210,100</b>	<b>\$23,454,000</b>	<b>\$3,709,900</b>	<b>\$46,200</b>	<b>\$0</b>
<b>DEBT SERVICE--GENERAL</b>					
	<u>\$14,910,900</u>	<u>\$0</u>	<u>\$1,701,400</u>	<u>\$13,209,500</u>	<u>\$100,000</u>
<b>Subtotal: Operating Budget</b>	<b>\$267,526,585</b>	<b>\$152,928,976</b>	<b>\$11,027,758</b>	<b>\$103,569,851</b>	<b>\$904,580</b>
<b>CAPITAL PROJECTS</b>					
	<u>\$16,863,400</u>	<u>\$12,456,400</u>	<u>\$2,660,000</u>	<u>\$1,747,000</u>	<u>\$0</u>
<b>GRAND TOTAL</b>	<b>\$284,389,985</b>	<b>\$165,385,376</b>	<b>\$13,687,758</b>	<b>\$105,316,851</b>	<b>\$904,580</b>

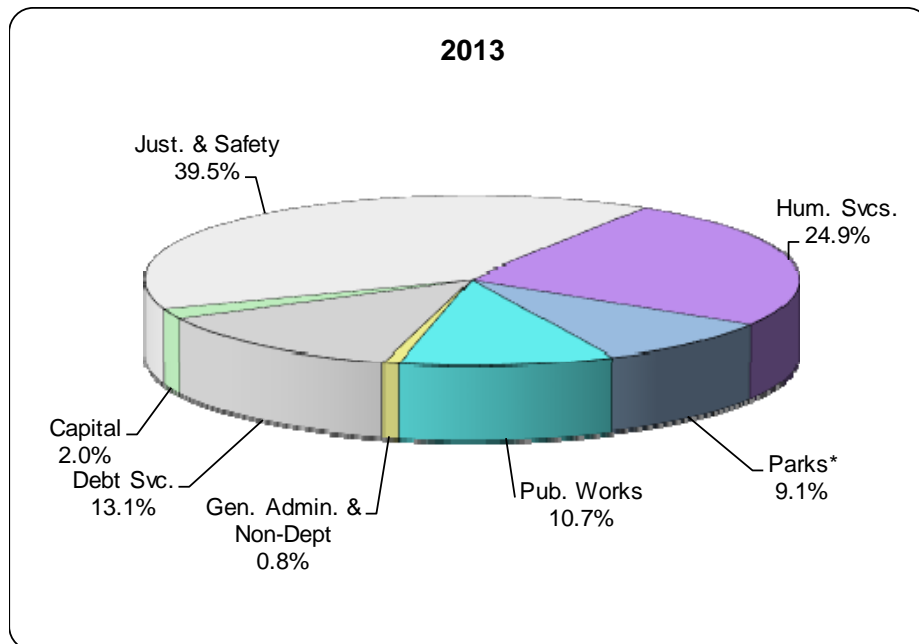
(a) Proprietary fund (Internal Service and Enterprise funds) expenditure appropriations exclude Fixed Asset and Debt Service Principal payments to conform with generally accepted accounting standards. Fixed asset purchases and Debt Service principal payments will be funded by operating revenues, tax levy, or balance appropriations and are included, as applicable, in each agency budget request.

## TAX LEVY BY FUNCTIONAL AREA



### Tax Levy Trends:

- **Justice & Safety:** The 0.5% proportionate tax levy increase (representing an increase of \$1.9 million since 2013) in this functional area is mainly due to operational costs in the Sheriff's Department and expansion (including multiple communities) in the Emergency Preparedness – Communication Center.
- **Parks:** The 0.6% Tax Levy decrease in this functional area is related to the department adjusting to tighter county tax levy targets and the need to maximize alternative funding sources.
- **General Administration:** The Tax Levy increase of 1.4% is related to an increase in county tax levy assigned to the Treasurer's budget to offset an anticipated decrease in investment income revenues.
- **Debt Service:** The Tax Levy proportionate decrease of 0.6% in Debt Service is related to lower borrowing costs in recent years during bond issues and through the refinancing of existing debt to more favorable rates.

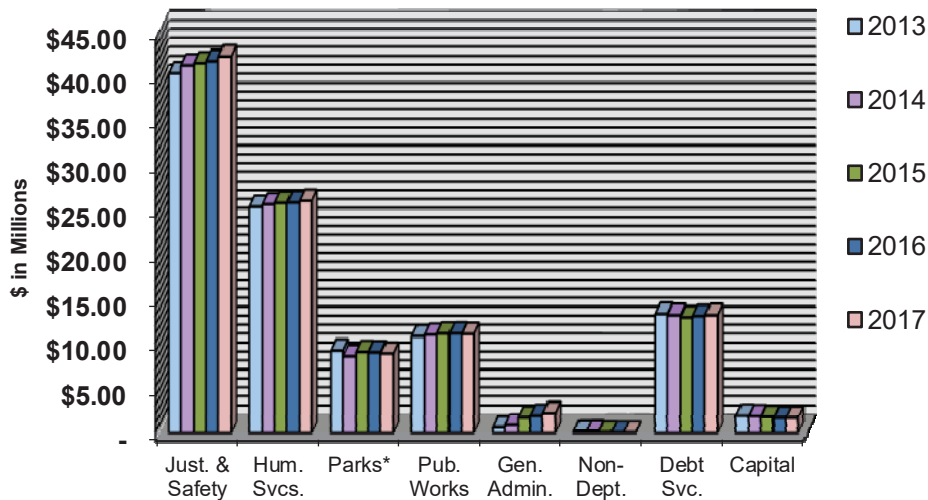


\* Includes Parks, Environment, Education, and Land Use

## 2016-2017 TAX LEVY BY FUNCTION (COMBINES ALL FUNDS)

BY FUNCTION	2016 Adopted Budget		2017 Budget	Incr/(Decr) From 2016 Adopted Budget	
				\$	%
Justice & Public Safety	\$41,540,322		\$42,076,903	\$536,581	1.3%
Health & Human Services	\$25,760,161		\$25,958,853	\$198,692	0.8%
Parks, Env., Educ. & Land Use	\$9,053,591		\$8,907,224	\$(146,367)	-1.6%
Public Works	\$11,166,428		\$11,109,428	\$(57,000)	-0.5%
General Administration	\$1,989,069		\$2,261,743	\$272,674	13.7%
Non-Departmental	\$46,200		\$46,200	-	0.0%
Debt Service	\$13,109,500		\$13,209,500	\$100,000	0.8%
Capital Projects	\$1,747,000		\$1,747,000	-	0.0%
<b>Total Tax Levy</b>	<b>\$104,412,271</b>		<b>\$105,316,851</b>	<b>\$904,580</b>	<b>0.9%</b>

**2013-2017 Budgeted Tax Levy  
by Functional Area**



The chart above shows the majority of recent tax levy growth trend to be primarily within the Justice and Public Safety and Health and Human Service Functional areas.

\* Includes Parks, Environment, Education and Land Use



## 2015 - 2017 EXPENDITURE SUMMARY

APPROPRIATION UNIT	2015 Actual	2016 Adopted Budget	2016 Estimate (a)	2017 Budget	Incr/(Decr) From 2016 Adpt. Budget
Personnel Costs	\$115,772,756	\$119,791,099	\$118,625,671	\$120,837,078	\$1,045,979
Operating Expenses	\$99,159,082	\$107,901,267	\$106,052,113	\$109,578,882	\$1,677,615
Interdepartmental Charges	\$19,594,249	\$20,513,368	\$20,024,652	\$20,960,105	\$446,737
Fixed Assets & Imprvmnts (a)(b)	\$903,763	\$1,850,650	\$1,345,609	\$1,239,620	\$(611,030)
Debt Service-Excl Proprietary (b)	\$14,435,805	\$14,653,617	\$14,353,617	\$14,910,900	\$257,283
Capital Projects	\$21,818,825	\$20,782,800	\$21,066,382	\$16,863,400	\$(3,919,400)
<b>Total Expenditures</b>	<b>\$271,684,480</b>	<b>\$285,492,801</b>	<b>\$281,468,044</b>	<b>\$284,389,985</b>	<b>\$(1,102,816)</b>

FUNCTIONAL AREA	2015 Actual	2016 Adopted Budget	2016 Estimate (a)	2017 Budget	Incr/(Decr) From 2016 Adpt. Budget
Justice & Public Safety (a)	\$58,183,633	\$61,004,702	\$60,757,445	\$62,183,751	\$1,179,049
Health & Human Services	\$73,463,286	\$75,590,187	\$76,159,471	\$76,742,308	\$1,152,121
Parks, Env., Educ. & Land Use	\$30,543,436	\$32,775,589	\$31,649,797	\$32,039,331	\$(736,258)
Public Works	\$29,663,881	\$32,144,577	\$31,150,212	\$32,398,460	\$253,883
General Administration	\$20,729,142	\$22,086,229	\$21,760,870	\$22,041,735	\$(44,494)
Non-Departmental	\$22,846,472	\$26,455,100	\$24,570,250	\$27,210,100	\$755,000
Debt Service-Excl Proprietary (b)	\$14,435,805	\$14,653,617	\$14,353,617	\$14,910,900	\$257,283
Capital Projects (a)	\$21,818,825	\$20,782,800	\$21,066,382	\$16,863,400	\$(3,919,400)
<b>Total Expenditures</b>	<b>\$271,684,480</b>	<b>\$285,492,801</b>	<b>\$281,468,044</b>	<b>\$284,389,985</b>	<b>\$(1,102,816)</b>

(a) Estimated expenditures exceed budget due to prior year appropriations carried forward and expended in current year and/or other budget modifications approved by County Board through an ordinance or fund transfer.

(b) Proprietary Fund (Internal Service and Enterprise funds) expenditure appropriations exclude fixed asset and Debt Service principal payments to conform with generally accepted accounting standards. Fixed Asset purchases and Debt Service principal payments will be funded through operating revenues, Tax Levy, or Fund Balance appropriations and are included, as applicable, in each agency budget request.

## 2017 EXPENDITURE HIGHLIGHTS

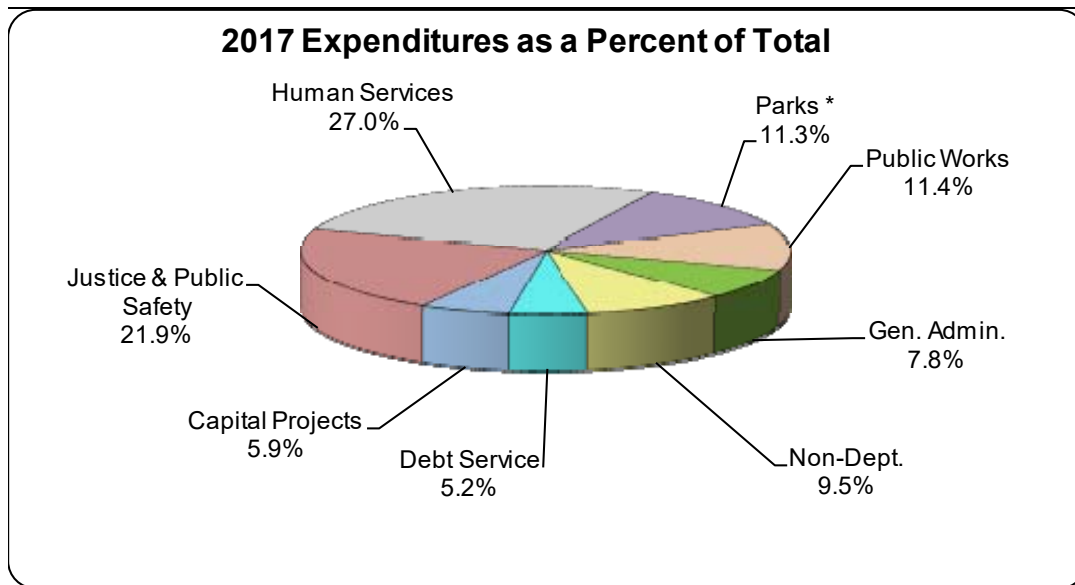
### Expenditure Budget:

The 2017 total gross expenditure budget is \$284,390,000, a decrease of \$1,102,800 or 0.4% from the 2016 adopted budget. The 2017 budget appropriations consist of departmental operating budget and debt service expenditures totaling \$267,526,600 and capital project spending of \$16,863,400. The total operating budget increases by \$2,816,600 or 1.06% from the 2016 adopted operating budget while capital project expenditures decrease by \$3,919,400 or 18.9% from the 2016 adopted budget.

The net total operating expenditure budget after excluding \$38,043,000 of interdepartmental charges, mainly from Internal Service Funds (which are double budgeted), is \$229,483,600, an increase of \$2,704,500 or 1.19%.

The budget includes net personnel costs totaling \$120.8 million or about 45% of the total operating expenditure budget. Personnel costs are budgeted to increase by about \$1,046,000, or 0.9% from the 2016 adopted budget level.

Operating expenditures (including purchased services, operating expenses and interdepartmental charges) increase by \$2.1 million or 1.7% from \$128.4 million in the 2016 budget to \$130.5 million in this budget. Fixed assets and improvement expenditures (excluding capital projects) are budgeted at \$1.2 million, a decrease of \$611,000 from the 2016 budget. Debt service payments are budgeted at \$14.9 million which is an increase of \$257,300 from the 2016 budget level or about 7% of governmental fund expenditures (and well within the County's performance measure benchmark of less than 10%).



\* Includes Parks, Environment, Education and Land Use

Functional Area	Expenditure Budget	% of Total Expenditure Budget
Justice & Public Safety	\$62,183,751	21.9%
Human Services	\$76,742,308	27.0%
Parks *	\$32,039,331	11.3%
Public Works	\$32,398,460	11.4%
Gen. Admin.	\$22,041,735	7.8%
Non-Dept.	\$27,210,100	9.5%
Debt Service	\$14,910,900	5.2%
Capital Projects	<u>\$16,863,400</u>	5.9%
<b>Total Expenditures</b>	<b>\$284,389,985</b>	<b>100.0%</b>

\* Includes Parks, Environment, Education and Land Use

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## 2017 EXPENDITURE HIGHLIGHTS

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A brief summary of the major changes in the past five adopted budgets are explained below:

The 2017 Budget expenditure level decreases by \$1.1 million to \$284.4 million. This reflects a \$3.9 million decrease in capital project expenditures, mostly due to reductions of Public Works projects which include buildings, highways and the airport. Operating expenses increase \$1.7 million or 1.6% and reflect modest increases across most functional areas. Personnel costs also increase by about \$1,046,000 or 0.9% and reflect costs to continue, net of budgeted position changes of \$389,800.

The 2016 expenditure level increases by \$8.1 million to \$285.5 million. This reflects a \$4.6 million increase in capital project expenditures, mostly due to the addition of \$2.4 million for the replacement of HVAC equipment at the Law Enforcement Center and additional expenditures for highway projects. Operating expenses increase \$2.1 million or 2% and reflect modest increases across most functional areas. Personnel costs also increase by \$879,800, or 0.7% and reflect costs to continue, net of budgeted position changes of \$287,100.

The 2015 Budget expenditure level decreases by \$4.69 million to \$277.4 million. This reflects an \$11.85 million reduction in capital project expenditures, mostly due to the removal of \$9.6 million related to the upgrade of the upgrade of the County's public safety radio technology from an analog to a digital signal and the replacement of corresponding radio console equipment at the County's Dispatch Center. This reduction is offset by a \$4.8 million increase in operating expenses, mostly related to a \$1.7 million increase for the Material Recovery Facility (MRF) budget for the implementation of the joint agreement with the City of Milwaukee. Personnel cost increases of \$1.7 million, or 1.5% reflect costs to continue (partially offset by a \$308,400 net reduction for budgeted position changes).

The 2014 Budget expenditure level increases by \$8.3 million to \$282.1 million. This reflects a \$6.65 million increase in operating expenses largely related to a \$3.25 million increase to reflect the State of Wisconsin's opinion that payments the Children with Long-Term Support Needs (CLTS) Third Party Administrator (TPA) makes to service providers must be included in the HHS budget and a \$1.4 million increase to the Health and Dental Insurance Fund budget in Non-Departmental, mainly due to the first time budgeting for a shared on-site medical/wellness center. Personnel costs also increase by \$1.5 million, with cost to continue increases being partially offset with approximately \$459,500 in savings from Sheriff's Department staff (deputies, detectives, and command staff) contributing to the Wisconsin Retirement System.

The 2013 Budget expenditure level decreases by about \$10.8 million to \$273.8 million. This decrease reflects a \$12 million decrease in capital projects budget spending and includes a \$1.4 million decrease in operating expenses. These decreases are partially offset by an increase of \$1.7 million in net personnel cost appropriations.

### **Future Projections and trends:**

External factors will continue to play a key role in significantly impacting future trends and projections including how Federal and State structural budget deficits may likely affect local funding policies and services carried out by local governments, changing the way government services are provided. Also, continued volatility of fuel, energy and commodity prices and increasing medical and health insurance costs are likely to have future budget impacts. In addition, internal factors include high costs of Jail inmates, Emergency Preparedness 9-1-1 dispatch communications, and future debt service payments as a result of infrastructure projects including the Courthouse renovation and funding of major highway projects.

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major 2017 funding changes, which impact expenditures by functional area, follows:

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## 2017 EXPENDITURE HIGHLIGHTS

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### Justice and Public Safety

- The 2017 **expenditure budget** for this functional area totals \$62,183,800, an increase of \$1,179,000 or 1.9% from the 2016 Adopted Budget.
- **Emergency Preparedness** includes 3.00 FTE Telecommunicator positions costing \$220,600 for the transfer of emergency dispatch operations from the Village of Menomonee Falls to the Waukesha County Communications Center. An additional 1.00 FTE Communications Center Supervisor costing \$94,500 is created to improve front-line supervision and training efforts. Fixed assets are reduced \$117,000 for one-time items for the Computer Aided Dispatch (CAD) upgrade completed in 2016.
- **Sheriff** expenditures increase \$709,500 or 1.8% on a base of over \$39 million. Overall net personnel costs of \$31.2 million are budgeted to increase by \$538,400 or 1.8%. Personnel cost increases are mainly due to the addition of 2.00 FTE Deputy Sheriff's for the expansion of the Town of Lisbon patrol contract, accounting for \$158,200 of the total increase, and 1.00 FTE increase of a Detective in General Investigation, accounting for \$100,000 of the total increase.. The department has increased overtime \$53,900 or 0.33 FTE for HIDTA grant funded overtime. The Department is also unfunding 0.50 FTE Administrative Assistant in General patrol for a cost savings of \$29,700.
- **Inmate medical** costs are budgeted to increase by \$65,800 or 3.6%, mostly due to the additional dental coverage, to a total cost of \$1.88 million. Inmate food services costs increase \$8,800 overall to \$639,800 and reflect the food service contracted increase of 2.9%.
- The **Sheriff's** budget includes interdepartmental vehicle costs of \$1.70 million for vehicle replacement, maintenance and fuel. These costs are increasing by approximately \$16,900, mostly due to an overall increase in maintenance costs offset by a 10% reduction in in per gallon fuel cost.
- Also included in the **Sheriff's** budget is \$176,600 in expenditures for the second-year of an equipment replacement plan for non-corrections items (a similar plan already exists for the Jail and Huber facilities).
- **Circuit Court** Services expenditures increase \$39,500 or about 0.4% to \$9.3 million. Personnel costs decrease \$88,800. This includes the unfunding of 0.50 FTE of an administrative specialist and 0.25 FTE of a social worker position reflecting workload changes. These positions were partially unfunded in 2016. Guardian ad Litem (GAL) expenses increase \$70,000 in the Family Division in an effort to pay for services promptly while pursuing recovery. The budget also includes a \$8,500 increase in interpreter services, which is also offset by increased state reimbursement of \$5,000.
- The **District Attorney's** 2017 budget reflects an expenditure increase of \$174,100, mainly for the expansion of the federally-funded Victims of Crime Act (VOCA) program. The grant expansion includes the creation of 1.0 FTE Victim Witness Specialist (a sunset position) and the increase of a Victim Witness Counselor from 0.25 FTE part time extra help to 1.0 FTE regular full time as well as additional equipment and supplies.
- The **Medical Examiner's Office** budget reduces expenditures by \$7,800 or 0.4% overall. 2017 is the third year of the regional initiative with Walworth and Washington Counties and several minor expenditure adjustments have been made to address actual experience.

### Health and Human Services

- The 2017 **expenditure budget** for this functional area totals \$76,742,300, an increase of \$1.2 million or 1.5% from the 2016 Budget.
- **Health and Human Services (HHS) department** expenditures increase \$1,031,300 to \$74,147,700 or 1.4%.
- **HHS Administrative Services** personnel costs increase \$247,400, which includes a 1.03 FTE increase in temporary extra help to provide security and reception duties after hours at the Health and Human Services Center and an increase of 1.26 FTE for practice management system assistance with the Core system project implementation. The budget also includes the transfer in of an administrative assistant position from Public Health.
- **HHS Intake and Shared Services** expenditures are budgeted to decrease \$50,400 mostly due to a \$55,000 decrease in Kinship Care benefits.
- **HHS Economic Services Administration and Support Program** expenditures decrease \$115,700 mainly related to a \$210,200 expenditure reduction in federal funding for implementation of the Patient Protection Affordable Care Act. This includes the sunset reduction of 2.0 FTE Economic Support Specialist positions. This reduction is partially offset by increases related to the cost to continue the 45.66 staff in this program.

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## 2017 EXPENDITURE HIGHLIGHTS

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- **HHS Children and Family Services** operating expenditures are budgeted to increase by about \$318,000. This is primarily due to an increase of \$264,000 for Residential Care Center expenditures and an increase of \$57,000 for Foster Care due to the continued trend of higher out of home placement needs.
- **HHS Children with Special Needs Unit - Birth to Three** program, which supports families of children with developmental delays or disabilities under the age of three, is provided through a contracted social services agency. Program costs are budgeted to increase \$140,000 to cover unanticipated higher agency staffing costs and is funded with one-time fund balance use. The department will find an alternative to more cost-effectively meet these mandated programmatic needs for 2018.
- Expenditures (and pass through revenues) for **HHS Children with Long Term Support Needs (CLTS) – Third Party Administrator (TPA)** decrease by \$317,100 related to the anticipated funding changes from the State of Wisconsin.
- The **HHS Family and Juvenile Services** operating expenditures decrease by \$224,000 to \$2,476,600 primarily due to the elimination of the contract for educational support of \$228,800. Programming may still be provided by the respective school districts.
- **HHS Juvenile Center** operating expenditures increase about \$77,000 to \$955,800 mainly due to an increase of \$38,000 for additional short-term, temporary female secure detention costs, as well as a \$16,700 annual increase related to the shelter care contract.
- **HHS Public Health Division** personnel costs are reduced by almost \$212,500 to \$2,888,300 mainly due a 2.87 FTE reduction. The reductions include the unfunding of the 1.0 FTE Health & Human Services Coordinator position and a 1.0 FTE Public Health Nurse position. The FTE reduction also includes the transfer of a 1.0 FTE Administrative Assistant position to HHS Administrative Services Admissions division.
- **HHS Aging & Disability Resource Center (ADRC) General Fund program – Adult Protective Services (APS)** expenditures decrease \$408,000. Personnel costs decrease \$168,400, which includes the transfer of 2.0 FTE Clinical Therapists to Outpatient Clinical Services. Operating expenditures decrease \$236,500 and includes a decrease of \$132,300 in anticipation of the transfer of eligible APS clients to Managed Care Organization (MCO) funding. Also, a “flat rate” reimbursement payment schedule for all volunteer and corporate guardians will be implemented in 2017 resulting in a decrease of \$83,000. In addition, payment to the Marsh Country Health Alliance for Clearview Nursing Home and Facility for Individuals with Intellectual Disabilities (IID) is estimated to decrease \$22,900 in 2017, based on fewer Waukesha County clients.
- **HHS Aging & Disability Resource Center (ADRC) General Fund – Community Services** program expenditures (and revenues) increase \$155,500. The increase includes reallocating 0.40 FTE of a Senior ADRC Specialist position to this program from the ADRC - Contract Fund. Also, food service costs for Home Delivered and Senior dining meals expenditures increases \$47,600. Other community based services, which include bathing and respite care, increase \$45,400.
- The **Aging & Disability Resource Center (ADRC) – Contract Fund** revenues and expenditures increase \$10,100. Operating expenditures increase \$126,500 including contract services by \$89,300 due to rate increases. Personnel costs are budgeted to decrease \$107,100 mostly related to cost savings from staff turnover and a 0.40 FTE transfer of a Senior ADRC Specialist to the ADRC-General Fund.
- **HHS Mental Health Outpatient – Clinical** expenditures increase nearly \$1.2 million or 15% to \$9.1 million, mainly due to a budgeted increase in State mental health institute costs of \$861,900 to \$2.25 million, to more accurately reflect prior year experience and current year projections. In addition, contracted psychiatric services increase \$337,600 and include the addition of a new children’s psychiatrist to assist with programming efforts related to the Children’s Comprehensive Community Services (CCS) program. Also, personnel costs are budgeted to increase \$169,300, and includes 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 assist with the implementation of State of Wisconsin Act 55, state mandated continuous crisis intervention services. This program, which was launched in mid-2016, requires assessment by HHS crisis staff to determine whether a person should be detained. These increases are partially offset by a decrease in medication costs of \$278,600 due to more clients presenting with health insurance and collaborations with the on-site pharmacy to find cost effective solutions (e.g. generic medications).
- **HHS Mental Health Outpatient – Intensive** expenses decrease by \$78,200. Operating expenditures are budgeted to decrease by about \$205,500 and reflect a decrease of \$105,000 in the treatment component for the CCS program and a decrease of \$271,600 in the treatment component for CRS based on lower Medicaid eligible caseloads. These decreases are partially offset by an increase of \$99,800 for specialized residential treatment costs and \$89,700 for contracted treatment services and support costs. Personnel costs are budgeted to increase by \$123,400 and reflect the transfer of a 1.00 FTE clinical therapist from the Mental Health Outpatient-Clinical program area.

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## 2017 EXPENDITURE HIGHLIGHTS

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- **HHS Mental Health Center (MHC)** expenses increase nearly \$200,000, largely from higher personnel costs by \$153,000, reflecting the incremental shifting of several positions from the outpatient program areas to more appropriately account for the services being performed at the Mental Health Center. In addition, interdepartmental charges are budgeted to increase nearly \$133,000 to \$899,000 due to various building safety upgrades of \$100,000 and the resurfacing of seclusion rooms totaling \$40,000. The budget also includes a medication dispensing machine, totaling \$75,000, which should generate efficiencies in medication administration and distribution. These increases are partially offset by a \$140,000 decrease in medication costs based on current year estimates and collaborations with the county's onsite private pharmacy provider to drive cost-effective solutions including greater usage of generic medications.
- **Criminal Justice Collaborating Council (CJCC)** expenditures increase about \$6,000 or 0.4%, and continues program levels. CJCC programs continue to be funded largely with County tax levy and grant revenues.
- **Corporation Counsel – Child Support** expenditures increase by \$120,900 mainly related to personnel costs increases, which includes a new 1.0 FTE Administrative Specialist position needed to fulfill duties created by new statewide e-filing requirements and the cost to continue existing staff.

### Parks, Environment, Education, and Land Use

- The 2017 **expenditure budget** for this functional area totals \$32,039,300, a decrease of nearly \$736,300 (after excluding proprietary fund capitalized fixed asset item purchases), or 2.2% from the 2016 adopted budget.
- The **Federated Library System State Aids Fund** budget enters the 2<sup>nd</sup> year of a two-county library system partnership with Jefferson County in 2017. Expenditures will include \$72,200 for the *Overdrive* Advantage program, which purchases extra copies of digital content in the Wisconsin Digital Library for residents of Waukesha and Jefferson Counties; \$40,000 for a pilot project to offer local, expanded Information Technology support to member libraries; and \$19,000 to for library technology pilot projects, geared towards improved service delivery in member libraries.
- **Parks and Land Use – Material Recovery Facility (MRF) Fund** budget begins to stabilize after transitional periods in 2015 and 2016 at the joint-facility located in the City of Milwaukee's Menomonee Valley. Expenditures are budgeted to decrease \$226,000 to \$4.3 million, largely due to a decrease of \$133,500 in charges paid to the county's contracted processor of recyclable materials. The number of tons is projected to reach over 60,000, thus lowering the processing fee per the sliding scale established in the MRF operations contract. In addition, community dividend payments are budgeted to decrease approximately \$93,000 to \$1.75 million, mainly due to a reduction in the recycling container credit of \$71,000, as a result of several communities waiving the option to buy new recycling bins, and instead opting to utilize existing bins within their communities.
- **Register of Deeds (ROD)** expenditures decrease \$16,100 largely due to personnel costs budgeted to decrease \$25,300 related to the unfunding of 1.00 FTE Administrative Specialist position as a result of departmental efficiencies and the cross-training of staff to handle multiple program areas.
- **Parks and Land Use Tarmann Land Acquisition Fund** expense budgets has been reduced by 60% to \$400,000. Expenditures for all costs related to land purchases are estimated to be less than \$350,000 for 2016. In the three prior years, annual costs ranged from \$210,000 to \$385,000.
- **Parks and Land Use General Fund – Parks Programs** expenditures decrease \$242,100. Personnel costs decrease \$94,800 including a slight reduction in extra help hours of 0.70 FTE. Operating expenditures increase approximately \$73,000 mainly due to \$77,400 related to additional repair and maintenance items included in the 3-year Maintenance and Major Projects Plan and a \$10,000 increase for new reservation software maintenance, which are partially offset with reductions of \$10,900 in septic tank services. Fixed asset expenditures are budgeted to decrease by \$240,000 to \$155,000 mainly due to planned changes in the 3-year maintenance plan costs.
- **Parks and Land Use - Golf Course Fund** expenditures increase \$59,200, and include the cost to continue existing staff, an additional 1.59 FTE of temporary extra help for seasonal staffing, and \$8,000 to replace patio furniture at Wanaki Golf Course.
- **Parks and Land Use – Community Development Fund** expenditures are budgeted to decrease \$47,200. Revolving Loan and Program Income expenditures for CDBG program are budgeted to decrease \$105,000 based on prior years' experience. Grant expenditures related to the Community Development Block Grant (CDBG) program are budgeted to decrease from 2016 budgeted levels by about \$12,300 to \$1,317,900. This is offset by an \$70,100 increase in the HOME program.
- **University of Wisconsin – Extension** budgeted expenditures decrease \$69,500 and include unfunding a net 0.30 FTE of a Administrative Specialist and due to some grant funding ending.

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## 2017 EXPENDITURE HIGHLIGHTS

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### Public Works

- The 2017 **expenditure budget** for this functional area totals \$32,398,500 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of \$253,900 or 0.8% from the 2016 Adopted Budget.
- **Road Salt expenditures for County Highway snow removal operations** are budgeted to decrease by about \$26,100 to \$1,018,900 in 2017. Salt rates are decreasing \$1.59 per ton or 2.5% from \$63.72 per ton to \$62.13 per ton. Estimated salt usage on County Highways is estimated to remain at the 2016 budgeted level of 16,400 tons. Road salt purchased and then sold to municipalities is budgeted to increase by \$47,800 to \$372,800 due to an increase in anticipated salt sales by 900 tons, from 5,100 tons to 6,000 tons, based on one new municipality purchasing salt in 2017 (the Town of Waukesha).
- The **County Highway Maintenance** program budgets for \$74,000 of one-time equipment purchases, including a new set of portable traffic signals (\$64,000), which is expected to be safer and free-up traffic control flagger staff to perform other tasks, and the replacement of a concrete screed (\$10,000).
- The **Transit Services** operating expense budget reflects a similar level of transit service overall. Two minor modifications are a reduction of Sunday night service on the Gold Line (Brookfield Square Extension) and eliminating two trips on route 79 (Weekdays from Menomonee Falls to Downtown Milwaukee), due to very low ridership. In particular, the service impact is expected to be minimal on route 79 due to that route providing the same service within the half-hour.
- The **Central Fleet Repair and Maintenance** budget includes an increase in parts purchases of about \$72,500 and labor of \$31,500.
- **Department of Public Works – General Fund position budget** includes the unfunding of a building Services Worker in the **Housekeeping program**, estimated to save approximately \$62,000. Existing workload is expected to be absorbed with remaining program staff.
- **Energy and Utility budget costs for County facilities** are budgeted to increase by about \$32,100, due to anticipated increases in consumption for both electricity and water and an increase in the budgeted cost per gallon of water. These increases are partially offset by anticipated lower cost per therm for natural gas. Costs are maintained through prior-year energy efficiency improvements (e.g., lighting replacement, more efficient boilers/chillers).
- The **Building Improvement Maintenance Plan** totals \$1,095,000 in the 2017 budget, which is an increase of \$145,000 from the typical base budget for this program of \$950,000. The additional \$145,000 is budgeted for one-time projects to address items identified in a state inspection report for the Mental Health Center and projects identified by staff as necessary to continue their operations.

### General Administration

The 2017 **expenditure budget** for this functional area totals \$22,041,700 (after excluding proprietary fund capitalized fixed asset item purchases), a decrease of about \$44,500 or 0.2% from the 2016 Adopted Budget.

- The **County Clerk's Office** expenditure budget decreases by \$64,900, mainly due to a decrease for election costs that occur in odd-numbered years, when there are fewer elections held.
- The **County Board** expenditures decrease by \$43,500 mostly related to the unfunding of 1.00 FTE Office Services Coordinator position as well as the full-year impact of making the County Board Chair position part-time, partially offset by an increase of a 0.50 FTE Administrative Specialist position to full-time.
- The **Department of Administration (DOA)** General Fund expenditures decrease by \$32,500 due to reduced personnel costs (mostly related to a net reduction of 0.65 FTE allocated to this budget).
- **DOA – End User Technology Internal Service Fund (EUTF)** expenditure budget appropriations increase \$142,200, largely due to the transfer of a portion of two positions from the General Fund Information Technology Solutions program (to more properly reflect staff directed and work performed) and the cost to continue existing staff. Higher expenditures also include the purchase of more copiers in 2017 that are not classified as fixed assets.

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## 2017 EXPENDITURE HIGHLIGHTS

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- **DOA – Risk Management** expenditures for 2017 increase by 0.8% or \$23,000 to \$2.8 million. This primarily reflects a change in the County's property insurance provider, which was made to limit cost increases after the State eliminated and later re-instated the Local Government Property Insurance Fund (LGPIF) with significantly higher premium rates. Risk Management Division expenditures are subsidized with General Fund Balance of \$16,600, which is a reduction of \$46,900 from the 2016 budget and is intended to be phased-out in future budgets as department charges are modified to better reflect costs.

### Non-Departmental

- The 2017 **expenditure budget** for this functional area totals \$27,210,100 an increase of \$755,000 or 2.9% from the 2016 Adopted 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. 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 study of different levels of potential collaboration among independent municipal fire departments. The first-year study (2016) focused on municipalities in and surrounding Lake Country. The 2017 budget of \$60,000 funds the follow-up analysis from the first report and 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)** – This budget is updated for 2017 after completing the first full year and a half of operation. Budgeted expenditures increase by about \$120,000, and include higher contracted clinic staffing expenses by \$58,700, based on current-year estimated staffing costs and to cover the first full-year budgeting for a physical therapist. Pharmaceutical costs increase by \$24,000 and laboratory fees increases 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.

### Debt Service

- The Debt Service expenditure budget for general governmental purposes is \$14,910,900, an increase of \$257,300 or 1.8% from the 2016 Adopted Budget. To fund the 2017 Capital Project Budget, \$10 million is planned to be borrowed, which is a decrease of \$2 million from the 2016 adopted budget level. (The 2016 budget was modified to appropriate \$500,000 of Tarmann Parkland Acquisition Fund Balance for Parks and Land Use capital projects, thereby reducing the need for debt issue proceeds from \$12,000,000 to \$11,500,000 per enrolled ordinance 170-87). Retiring approximately \$13 million of principal in 2017 will reduce the County's total debt outstanding to approximately \$75.1 million, well below the allowable levels set by State statutes.

### Capital Projects

- The 2017 **Capital Project expenditure budget** of \$16,863,400 decreases \$3,919,400 from the 2016 Adopted Budget. The 2017 Capital Budget identifies funding for existing and new projects at a net County cost of \$14.9 million (after direct project revenues of \$1,406,400 and proprietary and restricted special revenue fund balance appropriations of approximately \$575,000 are applied).



## 2015-2017 REVENUE SUMMARY

SOURCE	2015	2016	2016	2017	Incr/(Decr)
	Actual	Adopted Budget (c)	Estimate	Budget	From 2016 Adpt. Budget
Intgov't Contracts & Grants	\$54,867,297	\$56,086,793	\$56,146,129	\$54,158,180	\$(1,928,613)
State Transportation Aids	\$4,617,115	\$4,617,114	\$4,608,644	\$4,617,114	-
State Shared Revenues	\$1,177,850	\$835,000	\$835,000	\$835,000	-
Fines & Licenses	\$2,959,173	\$2,798,157	\$2,891,352	\$2,902,142	\$103,985
Charges for Services (a)(c)	\$33,996,707	\$35,896,087	\$35,310,860	\$37,720,796	\$1,824,709
Interdepartmental Revenue	\$36,158,535	\$37,930,939	\$36,258,414	\$38,043,018	\$112,079
Other Revenues (a)(c)	\$15,439,963	\$11,798,339	\$12,736,973	\$11,961,734	\$163,395
Interest/Penalty on Delinq Taxes	\$2,003,460	\$2,703,000	\$2,000,000	\$2,640,000	\$(63,000)
Investment Inc-Unrestricted Funds	\$1,437,858	\$3,407,646	\$2,100,000	\$3,007,646	\$(400,000)
Debt Borrowing	\$10,000,000	\$12,000,000	\$11,500,000	\$10,000,000	\$(2,000,000)
Appropriated Fund Balance	\$9,905,542	\$13,404,422	\$14,130,348	\$13,687,758	\$283,336
Retained Earnings (a)(b)	\$(4,795,632)	\$(396,967)	\$(1,461,947)	\$(500,254)	\$(103,287)
Tax Levy	\$103,916,612	\$104,412,271	\$104,412,271	\$105,316,851	\$904,580
<b>Total Revenues</b>	<b>\$271,684,480</b>	<b>\$285,492,801</b>	<b>\$281,468,044</b>	<b>\$284,389,985</b>	<b>\$(1,102,816)</b>

FUNCTION	2015	2016	2016	2017	Incr/(Decr)
	Actual	Adopted Budget	Estimate	Budget	From 2016 Adpt. Budget
Justice & Public Safety	\$17,746,953	\$18,367,240	\$18,423,798	\$18,920,366	\$553,126
Health & Human Services	\$49,275,532	\$49,734,885	\$49,998,185	\$50,121,580	\$386,695
Parks, Env, Educ & Land Use	\$22,112,574	\$21,175,710	\$21,014,589	\$21,248,458	\$72,748
Public Works	\$19,984,640	\$20,451,045	\$19,577,776	\$20,781,487	\$330,442
General Administration	\$16,469,386	\$19,015,895	\$17,139,124	\$18,903,339	\$(112,556)
Non-Departmental	\$22,995,044	\$23,000,300	\$22,405,900	\$23,454,000	\$453,700
Debt Borrowing	\$10,000,000	\$12,000,000	\$11,500,000	\$10,000,000	\$(2,000,000)
Capital Projects	\$4,073,829	\$4,328,000	\$4,328,000	\$2,456,400	\$(1,871,600)
Appropriated Fund Balance	\$9,905,542	\$13,404,422	\$14,130,348	\$13,687,758	\$283,336
Retained Earnings (a)(b)	\$(4,795,632)	\$(396,967)	\$(1,461,947)	\$(500,254)	\$(103,287)
Tax Levy	\$103,916,612	\$104,412,271	\$104,412,271	\$105,316,851	\$904,580
<b>Total Revenues</b>	<b>\$271,684,480</b>	<b>\$285,492,801</b>	<b>\$281,468,044</b>	<b>\$284,389,985</b>	<b>\$(1,102,816)</b>

- (a) Includes revenues from Proprietary Fund (e.g., Radio Services) user fees and other revenue which are estimated to result in retained earnings.
- (b) Revenues in excess of expenditures from enterprise funds that are retained in the appropriate fund and not used to offset the overall County Tax Levy.
- (c) The 2016 budget has been restated for comparative purposes to the 2017 budget.

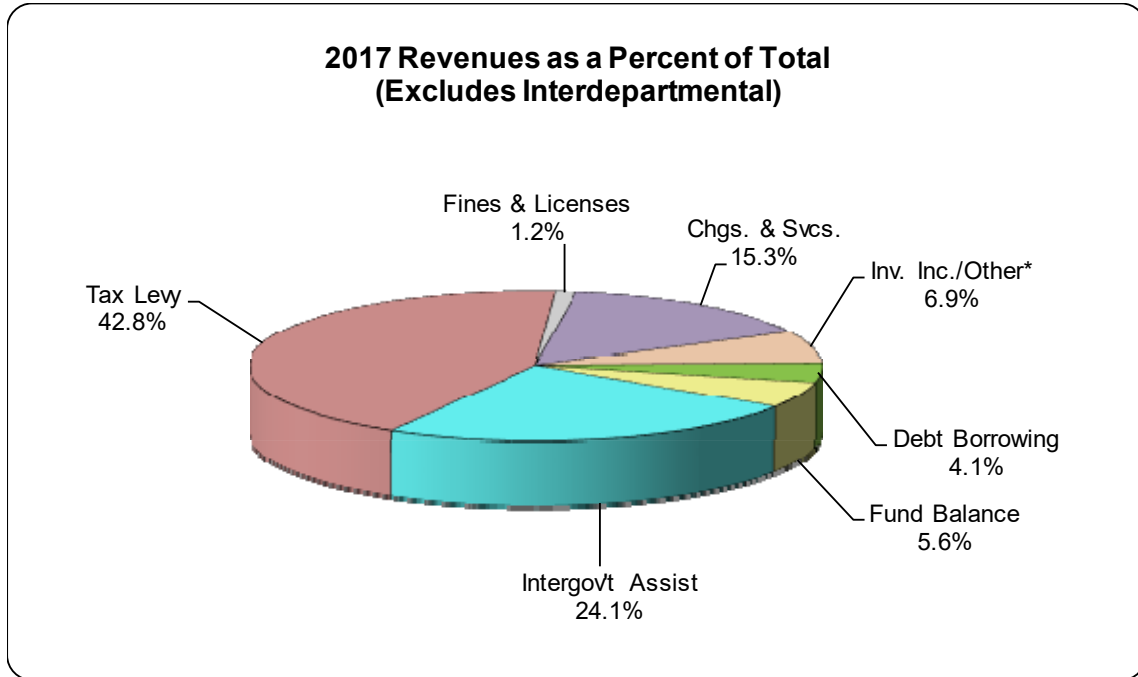
## 2017 REVENUE HIGHLIGHTS

### Revenue Budget:

The 2017 revenue budget (excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings) totals \$165,385,400, a decrease of \$2,290,700 or 1.4% from the 2016 Adopted Budget. The revenue budget includes \$38,043,000 of interdepartmental revenues (mostly from internal service funds, e.g., Health and Dental Insurance Fund and cross charges such as Sheriff Bailiff, court security, etc.).

The 2017 revenues consist of departmental operating revenues budgeted at \$152,929,000 and capital project funds at \$12,456,400 including \$10,000,000 from planned borrowing. Overall, the operating revenues increase \$1.58 million or 1.0% from the prior year budget, while capital project revenues decrease by \$3.87 million or 23.7%.

The graph below reflects the ratio of revenue sources budgeted for 2017 to all revenue sources, with tax levy of 42.8% and Intergovernmental Assistance of 24.1% (after excluding Interdepartmental revenues) as the major revenue components.



\* Excludes Retained Earnings

### **Revenue Projection Methodology**

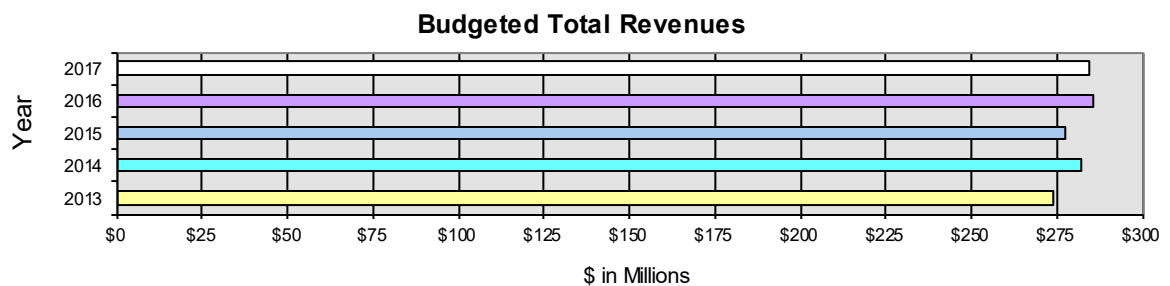
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The County combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

1. Informed and Expert Judgment (e.g., the advice of a department head).
2. Deterministic Techniques (e.g., formula based).
3. Time Series Technique (e.g., trend analysis, rolling averages).
4. Estimates from external sources or appropriated in adopted legislation (e.g., State and Federal governments).

### **Projection and Trends:**

External factors that may impact estimated future revenue trends include a continued slow economic recovery, historically low interest rates impacting County investments, moderate inflation, Federal and State budget deficits which will likely result in revenue reductions and the potential for higher future interest rates. Internal factors mainly include user fee rate increases which help cover the rising costs of services and the ability to collect on client accounts.

The graph below shows the total budgeted revenue trends from all sources for 2013-2017. Total revenues are budgeted to decrease nearly \$1.10 million or 0.4% to \$284.4 million.



## 2017 REVENUE HIGHLIGHTS

A brief summary of the major changes in the past five years to the adopted budget are briefly explained as follows:

The 2017 revenue budget decreases by \$1.10 million to \$284.4 million, largely due to decreases in Intergovernmental revenues of \$1.9 million to \$59.6 million, largely attributable to about \$2 million in municipal contributions for highway capital projects budgeted in 2016 that are not repeated in the 2017 budget. In addition, Debt Borrowing to fund capital project expenditures decreases \$2 million to \$10 million. This is partially offset by increases in Charges for Services revenues of \$1.8 million, including higher employee contributions toward health care premiums (5% point cost shift) by \$779,000, increases in HHS-Clinical Services Outpatient Mental Health client fee revenues of \$355,100 for services provided as part of the Comprehensive Community Services (CCS) program and Community Recovery Services (CRS) program, and increases in the Mental Health Center client fee revenue of \$172,300 based on prior year actuals and an intergovernmental agreement with Jefferson County to accept their clients at the facility. Fund Balance appropriations increase about \$283,300, and the County General Tax Levy (excluding the Special Library Tax) increases \$850,947 or less than 1%.

The 2016 revenue budget increases approximately \$8.11 million to \$285.5 million, mostly due to increases in Intergovernmental revenues of \$4.3 million to \$61.5 million, related to a \$2.60 million increase in capital project revenues related to local and county highway projects, as well as an increase of \$574,000 pass-through revenues related to the Children with Long Term Support Needs (CLTS) Third Party Administrator (TPA). In addition, Debt Borrowing to fund capital project expenditures increases \$2 million to \$12 million. Charges for services increase \$693,000 mainly due to increases in HHS-Mental Health Outpatient program revenues related to the Comprehensive Community Services (CCS) program. Other revenues decrease \$255,000 mostly due to reductions in investment income of \$200,000 based on low interest rates. Overall Fund Balance appropriations increase about \$500,000 and the County General Tax Levy (excluding the Special Library Tax) increases by \$455,900 or less than 0.50%.

The 2015 revenue budget decreases by nearly \$4.67 million to \$277.4 million, mainly due to decreases in appropriated Fund Balance by nearly \$10 million to \$12.9 million. Intergovernmental revenues increase \$1.4 million related to increases in state pass-through revenues related to the Children with Long Term Support Needs (CLTS) Third Party Administrator (TPA) of \$728,000 and Public Works State Highway operations funding of \$925,000 to \$5.6 million. Other revenues increase by \$920,000 mainly due to Material Recovery Facility budgetary changes related to the new joint operational agreement, resulting in an increase of \$1.45 million, partially offset by a reduction in investment income of nearly \$805,400 based on low interest rates. Charges for services increase \$798,600 and the County General Tax Levy (excluding the Special Library Tax) increases by \$987,100 or less than 1%.

The 2014 revenue budget increases nearly \$8.3 million to \$282.1 million, largely for an increase of \$10.8 million of Fund Balance appropriations to nearly \$23 million. This offsets a decrease of \$7 million of Debt Borrowing to fund capital project expenditures. Intergovernmental revenues increase by \$1.4 million mainly due to increases in the Children with Long-Term Support Needs (CLTS) Third Party Administrator (TPA) grant of \$3.25 million, partially offset by federal and state funding reductions. Charges for Services increase \$1.45 million and the County General Tax Levy (excluding the special Library tax) increases by \$706,630.

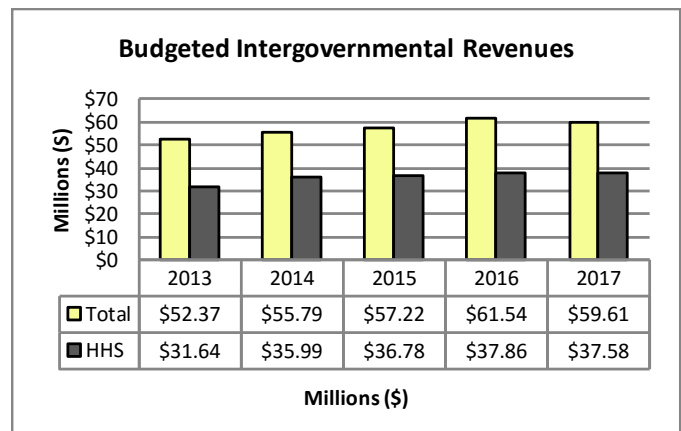
The 2013 revenue budget decreases by nearly \$10.8 million to \$273.7 million, including Debt Borrowing decreasing by \$3 million to \$17 million to fund Capital Project expenditures; Overall Fund Balance appropriation reductions of \$8.4 million, including a \$6.8 million drop in the Capital Budget and \$1.5 million less for the Operating budget. Intergovernmental Revenues decline by about \$880,000 due to federal and State funding reductions. User fee charges for services decreases by \$131,586 and the County general tax levy increases (excluding the special Library tax) by \$761,039.

Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2016 to the 2017 Revenue Budget, by source, follows.

### **Intergovernmental Contracts & Grants:**

Combined, total 2017 intergovernmental contracts, grants, state/federal aids and state shared revenues together reflect a budgeted decrease of \$1,928,600 or 3.1% from the 2016 Adopted Budget (as indicated below).

- **Capital Project** intergovernmental revenues decrease \$1.9 million to \$2.15 million mainly for decreases in local share revenue for one-time road projects and County Highway Improvement Plan (CHIP) revenues, not continued in the 2017 budget.
- **H&HS Functional Area** Intergovernmental Revenue decreases by \$281,500 to nearly \$37.6 million as follows:
  - **Department of Health and Human Services (H&HS) – Children with Special Needs Program** includes a decrease in pass-through intergovernmental State revenue reimbursements related to the Children’s Long Term Support (CLTS) Third Party Administrator (TPA) program of \$317,100 to serve children with long term support needs.
  - **H&HS – Family and Juvenile Services Program** includes a decrease of nearly \$100,000 due to a decline of \$73,000 in Youth Aids as a result of a declining trend in correctional placements, as well as a \$21,000 decrease in Independent Living revenue due to the program transition from a County allocation to a private consortium in June 2017.
  - **The H&HS Economic Support Program** includes a decrease of \$221,300 to \$138,200 in Patient Protection Affordable Care Act (PPACA) revenues, coinciding with a reduction of 2.0 FTE sunset positions. The funding will continue to be reduced as prescribed by state statute. This decrease is partially offset by an increase of \$189,200 in the Income Maintenance Contract allocation.

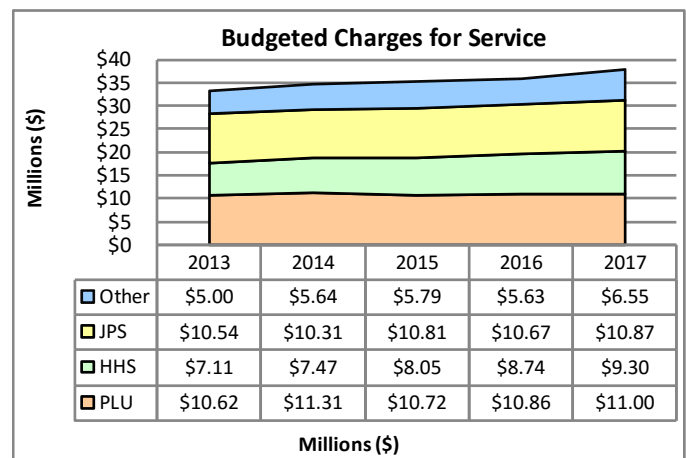


## 2017 REVENUE HIGHLIGHTS

- **Aging and Disability Resource Center (General Fund)** net General Government revenues increase nearly \$128,000, mainly due to an increase of nearly \$77,000 in Older Americans Act funding, a \$30,500 increase related to an Alzheimer grant, as well as slight increases in other grant revenues.
- **Parks and Land Use-General Fund** budgeted intergovernmental revenues include a decrease of \$100,500, related to one-time, grant funded, handicap-accessible projects around UW-Waukesha and county maintained facilities scheduled to be completed in 2016, partially offset by a \$61,000 Aquatic Invasive Species joint-program with Washington County.
- The **District Attorney's** budget includes an increase of about \$157,000, mainly due to the expansion of the federal Victims of Crime Act (VOCA), to fund a 1.00 FTE Victim Witness Specialist and increase a 0.25 FTE Victim Witness Counselor to full time.
- **Parks and Land Use-Materials Recycling Facility** budgeted State Recycling Grant revenues increase \$111,500 to \$1 million, which restores funding previously reduced in the 2016 budget due to anticipated cuts in the 2015-2017 Wisconsin State Budget.
- General Government Revenues in the **Sheriff's** budget increases \$63,600 mainly due to additional grant funds awarded to support increased drug investigation and enforcement within Waukesha County.

**Charges for Services:** User fees are budgeted to increase nearly \$1,824,700 or 5.1% to approximately \$37.7 million. User Fees are charges for specific government services to those who utilize and value certain services. They provide an equitable, proportional user-based charging method to continue service operations without relying solely on property taxes from property owners. Major User fees include document recording and real estate transfers; public admission for recreation usage, regulation enforcement and education within the Parks, Environment, Education and Land Use (PLU) functional area; client treatment, inpatient and outpatient residential services fees in the Health and Human Services (HHS) area; and inmate board, contracted Sheriff patrols, and judicial and public safety related fees (JPS).

- **Non-Departmental** functional area revenues increase \$779,000 due to a 5 percentage point increase in the employee share of all county health insurance plans.
- **Health & Human Services (HHS)** functional area Charges for Service revenues increase by about \$560,000 to nearly \$9.3 million, and includes **Clinical Services Division** increases of about \$527,400 to about \$8 million, mostly related to Mental Health Outpatient Client Fee revenue increases of nearly \$355,200 due to increased funding reimbursements for additional Comprehensive Community Services (CCS) program and Community Recovery Services program activities, to provide community living support services, including employment and peer support through psychosocial rehabilitation. In addition, Mental Health Center revenues increase \$172,300 to nearly \$3 million, partially due to \$90,000 budgeted for Jefferson County clients when the hospital has availability.



- **Parks, Environment, Education & Land use (PLU)** functional area Charges for Service revenues are budgeted to increase by nearly \$140,000 to \$11.0 million mainly due to an increase in **Parks-General Fund** revenues of \$70,100 mostly related to increases for various park fees (e.g. annual stickers, reservation fees, etc.) and the local cost-share for invasive species prevention. In addition, **UW-Extension** revenues increase about \$17,500 related to additional workshops and courses for municipal entities related to strategic planning. **Parks-Golf Course** revenues increase \$35,000, related to fee increases at all courses, reflecting market conditions and current estimates. The **Federated Library System** revenues increase \$16,100 related to charge-backs to member libraries for CAFÉ license and database-related software costs.
- **Public Works** functional area Charges for Service revenues increase \$119,700, mostly due to a \$74,700 increase in the **Airport Operations Fund**, due to a newly negotiated 22-year contract with the existing fixed-based operator, expected to generate more land lease and fuel sales revenues for the Airport.
- **Justice and Public Safety (JPS)** functional area Charges for Service revenues increase slightly by approximately \$207,600 to \$10.9 million, mainly due to an increase in **Sheriff-Municipal Patrol Contract** revenues by \$215,600, reflecting an increase in the patrol contract with the Town of Lisbon of 2.00 FTE Deputy Sheriff positions.

**Fines and Licenses:** Fine and license revenues are budgeted to increase about \$104,000, or 3.7% to \$2,902,100 in 2017, and include the following: **Parks and Land Use-General Fund** budget includes an increase of \$40,000 increase in septic permits, as well as a \$13,000 increase in restaurant and retail food licenses. The **Treasurer's** budget includes a \$50,700 increase in Agriculture Use Conversion penalties based on an increase in real estate activity, and **Public Works** includes an increase of \$20,000 in utility permits and \$13,000 in driveway permits. This is partially offset by a decrease in the **Medical Examiner's** budget of \$29,200, mostly in cremation permit revenue due to state mandates requiring a higher number of waivers to be issued.

**Interdepartmental Revenues:** 2017 Interdepartmental revenues increase approximately \$112,100, or less than 1/2%, to \$38,043,000. Interdepartmental revenues are primarily related to internal service fund charges and cross-charges for services provided by one County department to another, which are in essence double-budgeted. These charges are originally funded through an external revenue sources or tax levy in the service consumer (user) department budgets.

- Interdepartmental revenues in the **Public Works Functional Area** increase by about \$237,000 to nearly \$7.7 million. Department charges for vehicle operations increase nearly \$74,000 including an increase of vehicle repair and maintenance charges of nearly \$115,300 and vehicle replacement charges of \$112,600, partially offset by a decrease in fuel charges by \$154,000. Additional items include cross-charges for projects related to the Building Improvement Plan, which increase \$145,000 mostly for one-time projects at the Mental Health Center to address items identified in a State inspection report.

## 2017 REVENUE HIGHLIGHTS

- **DOA-End User Technology Fund** charges increase \$142,200, mainly for technology maintenance, computer replacement and records management services.
- **Sheriff** charges to HHS and Courts for transporting clients and prisoners increases by \$52,400,
- **DOA-Risk Management** interdepartmental revenue increases by about \$31,100 to \$2.18 million, reflecting an increase in property insurance charges. This fund remains subsidized by General Fund Balance, which is projected to be phased out over future years and is reduced nearly \$47,000 in 2017.
- **Non-Departmental-Health and Dental Insurance Fund** interdepartmental revenues are budgeted to decrease by \$374,000 or 2.1% to \$17.3 million, and reflects a decrease in the County's share of insurance premiums charged to operating departments.

### Other Revenues:

Other revenues from various sources decrease about \$403K or 2.3% in the 2017 Budget to a total of about \$17.1 million.

- Investment income accounted for in the **Treasurer's budget** decreases by \$400,000 to \$3 million due to estimated lower investment rates of return, and the interest and penalty on delinquent taxes decreases by \$63,000 to \$2.6 million.
- The **Community Development Block Grant (CDBG)** fund is budgeting a decrease of \$105,000 to \$355,000 in combined program income and revolving loan income revenues due to fewer loans issued.
- **Department of H&HS – Administrative Services Division** prior year revenues are budgeted to increase by about \$161,600 to \$261,200, to more accurately reflect Wisconsin Medical Assistance Cost Reporting (WIMCR) program reimbursements.

### Debt Financing:

The 2017 Budget includes borrowing of \$10 million to finance a major portion of 2016 capital projects, a decrease of \$2 million from the 2016 Adopted Budget (The 2016 budget was modified to appropriate \$500,000 of Tarmann Parkland Acquisition Fund Balance for Parks and Land use capital projects, thereby reducing the need for debt issue proceeds from \$12,000,000 to \$11,500,000 per enrolled ordinance 170-87).

### Appropriated Fund Balance:

To reduce the 2016 Tax Levy (for 2017 Budget purposes), the budget includes Fund Balance appropriations of approximately \$13.7 million for one-time projects and temporary expenditures or to phase in the impact of significant revenue losses, an increase of about \$283,300 from the previous year. This includes \$11.0 million for the operating budgets and \$2.7 million for the Capital Projects Budget, summarized below:

Fund Balance Use in Fund / Department Budgets	General Fund	Special Revenue Funds	Internal Service Funds	Enterprise Funds	Capital Fund	Debt Service Fund	Total
Administration	\$28,000						\$28,000
Administration Internal Service Funds			\$52,656				\$52,656
Admin Dept-Risk Management			\$16,554				\$16,554
End User Tech. Fund			\$779,443				\$779,443
Airport Fund				\$180,829			\$180,829
Capital Projects Budget					\$2,660,000		\$2,660,000
Circuit Court Services	\$20,000						\$20,000
Contingency Fund	\$1,200,000						\$1,200,000
Corporation Counsel Dept.							\$0
County Clerk Dept.							\$0
Debt Service Fund						\$1,701,400	\$1,701,400
District Attorney							\$0
Emergency Preparedness	\$342,750			\$753,316			\$1,096,066
Human Services Dept.	\$661,875						\$661,875
Non-Departmental	\$570,400		\$1,939,500				\$2,509,900
Federated Library Fund		\$129,200					\$129,200
Parks and Land Use Dept.	\$70,000	\$400,000		\$1,230,000			\$1,700,000
Public Works Dept	\$100,000	\$124,000	\$107,083				\$331,083
Register of Deeds	\$250,000						\$250,000
Sheriff Dept.	\$368,252						\$368,252
UW Extension Dept.	\$2,500						\$2,500
<b>Total by Fund Type</b>	<b>\$3,613,777</b>	<b>\$653,200</b>	<b>\$2,895,236</b>	<b>\$2,164,145</b>	<b>\$2,660,000</b>	<b>\$1,701,400</b>	<b>\$13,687,758</b>

**Tax Levy:** The overall 2016 Tax Levy (for 2017 Budget purposes) is \$105,316,851, which represents an increase of \$904,580 or 0.87% from the 2016 Adopted Budget. The total Tax Levy consists of General County Purpose Levy of \$101,799,099, an \$850,947 or 0.84% increase from the 2016 Adopted Budget, and the Special Federated Library Tax Levy of \$3,517,752, an increase of \$53,633 or 1.55% from the 2016 Adopted Budget, which are assessed to municipalities without Libraries.

# DECISION MAKING CRITERIA FOR NEW POSITIONS

County government has an obligation to meet the needs of its citizens in a fiscally prudent manner. One of the largest costs of government is personnel cost. Unlike capital projects that are paid for in a set period of time, position costs continue each year as long as the position exists. Therefore, before new positions are authorized, a careful review of the justification of these requests is warranted. In reviewing these requests, the following types of questions are asked.

- 1) Does the reason a position is being requested support the strategic plan for the County and the department?
- 2) Can the work be accomplished in any other way?
- 3) Does the proposed position improve customer service?
- 4) Does the proposed position provide direct services as opposed to administrative support, supervision, or management?
- 5) Will the investment in the proposed position allow the department to increase revenues or decrease expenditures beyond the cost of the position?
- 6) Is there outside (non-County Tax Levy) funding available for the proposed position, such as state or federal grants?
- 7) Can the position costs be offset by eliminating or reducing a lower priority function?
- 8) Has the organization been reviewed for efficiency? Is the organization a re-engineering candidate?
- 9) What will be the effect if the proposed position is not created?

## BUDGETED POSITIONS 2015-2017

### SUMMARY BY FUNCTIONAL AREA

\*\*\*\*\*BUDGETED POSITIONS ONLY\*\*\*\*\*

FUNCTIONAL AREAS:	2015 Year End	2016 Adopted Budget	2016 Modified Budget	2017 Adopted Budget	16-17 Change
Justice and Public Safety	548.90	547.15	547.15	554.90	7.75
Health and Human Services	418.14	415.44	415.74	411.74	(3.70)
Parks, Env., Educ., and Land Use	131.20	128.20	128.20	126.90	(1.30)
Public Works	139.60	138.60	138.60	137.60	(1.00)
General Administration	125.55	124.65	124.65	123.00	(1.65)
Non-Departmental	-	-	-	-	-
<b>Total Regular Positions Countywide</b>	<b>1,363.39</b>	<b>1,354.04</b>	<b>1,354.34</b>	<b>1,354.14</b>	<b>0.10</b>
Temporary Extra Help	111.47	112.48	112.48	118.27	5.79
Overtime	22.26	22.39	22.39	23.08	0.69
<b>Total Position Equivalents Countywide</b>	<b>1,497.12</b>	<b>1,488.91</b>	<b>1,489.21</b>	<b>1,495.49</b>	<b>6.58</b>

\* This chart includes the number of positions that are authorized and funded with the exception of position overfills.

### Significant Changes for 2017

- Budgeted Full Time Equivalents (FTEs) increases by a net of 6.58 FTE, including temporary extra help and overtime.
- There is a net increase of 0.10 FTE budgeted regular positions, mostly due to the creation of 10.0 FTE positions and a 0.20 FTE increase in a UW Extension Part-Time Administrative Specialist position. Also, 1.0 FTE that was unfunded in a prior year in the Sheriff budget is refunded. This is offset by the abolishment of 1.15 FTE (including the full year effect of the April reduction of the County Board Chair position from full-time to part-time). In addition, 2.0 FTE Economic Support Position related to the Patient Protection Affordable Care Act (PPACA) is sunset (reduced) in 2017. Also, 8.25 FTE are unfunded in 2017.
- Temporary extra help increases a net of 5.79 FTE or about 12,043 hours.
- Budgeted overtime increases a net of 0.69 hours or about 1,435 hours.

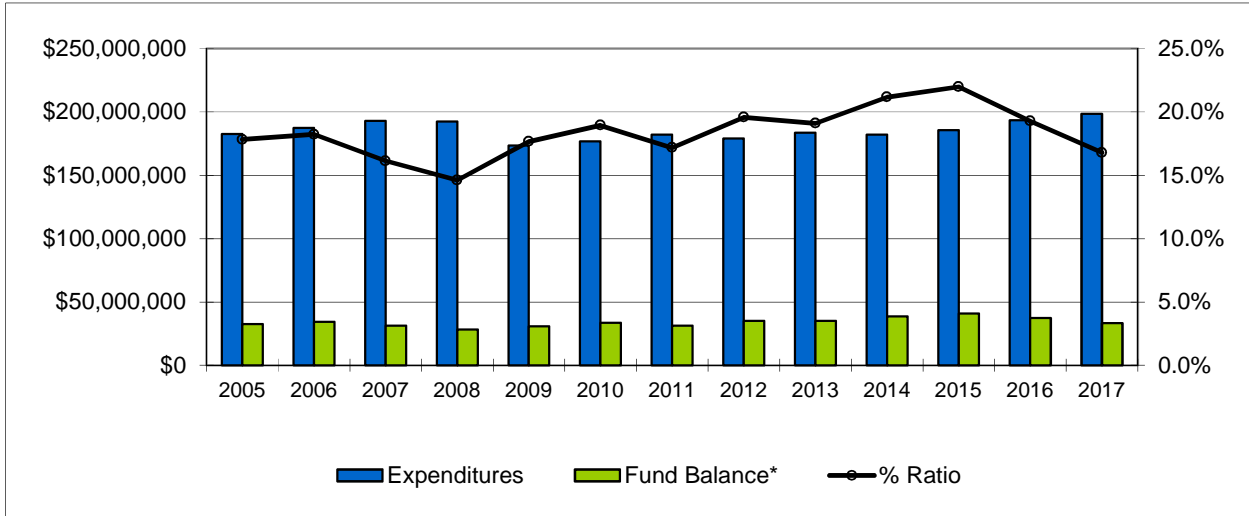
For more detail, see the Stats/Trends Section for the Regular Full-Time/Part-Time Budget Position Summary, the Summary of Net Change in Funded Regular Full-Time/Part-Time Positions and Budget Position Detail Summary for individual departments.

### Current-Year Changes in 2016

- Increase the Part-time 0.70 FTE Veteran Service Aid by 0.30 to Full-time 1.0 FTE.



**GENERAL & SPECIAL REVENUE FUNDS  
Expenditures, Unassigned Fund Balance**



Expenditures and Unassigned Fund Balance  
General and Special Revenue Funds

Year	Expenditures	Unassigned Fund Balance*	% Ratio
2005	\$182,433,309	\$32,507,004	17.8%
2006	\$187,410,318	\$34,138,957	18.2%
2007	\$192,949,494	\$31,116,045	16.1%
2008	\$192,284,111	\$28,084,566	14.6%
2009	\$173,554,267	\$30,647,610	17.7%
2010	\$176,668,309	\$33,470,181	18.9%
2011	\$182,118,157	\$31,279,803	17.2%
2012	\$178,864,749	\$35,018,044	19.6%
2013	\$183,572,744	\$35,044,540	19.1%
2014	\$182,030,739	\$38,529,672	21.2%
2015	\$185,600,393	\$40,785,044	22.0%
2016	\$193,403,740	\$37,274,420	19.3%
2017	\$198,470,699	\$33,318,194	16.8%

**Policy and Practice**

The County will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the County's Aaa/AAA bond ratings.

The unrestricted governmental (general and special revenue) fund balance to governmental expenditures ratios will be maintained at a minimum of 11%. The current target is between 15 and 16%, or about eight weeks of working capital for operations.

Fund balance reserves will not be used to offset continuous operation costs.

To the extent possible, reserves will be used to provide operating efficiencies over the long term.

\*Does not include unrealized gains or losses on investments. While the County typically holds these investments to maturity or life of the security, generally accepted accounting principles require that these investments be recorded at their fair value. Prior to the implementation of GASB 54 in 2011, unassigned fund balance was referred to as unreserved, undesignated fund balance.

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## SUMMARY OF FUND BALANCE PROJECTIONS

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Projections of fund balance are an indicator of the estimated financial condition of the County at year-end. Fund balances are projected separately for General, Special Revenue, Enterprise, Internal Service, Debt, and Capital Project Fund types. For a description of the County's financial structure see the Strategic Planning and Budget Policies Section of the 2017 Adopted Budget. For descriptions of funds see the Summary section.

### December 31, 2016 (unaudited)

The current year projection (year-end 2016) is based on year-to-date information together with departmental estimates of revenues, expenditures and net transfers for various fund types. Total combined estimates of fund balances at December 31, 2016 are projected at \$180.7 million, a decrease of \$6.7 million from December 31, 2015 year-end combined fund balances. Of the combined fund balance amount, \$143.9 million is restricted or committed (by the Grantor, State Law, County Board, etc.) or assigned for specific future use exclusively within each particular fund. A summary of projected fund balance by fund type is described below.

**General Fund Balance** - The estimated fund balance for the General Fund at December 31, 2016 is projected at \$55.2 million, a decrease of \$1.9 million from 2015. Revenues were \$1.9 million under expenditures. Net transfers into the General Fund were \$15,725. The unassigned portion of the fund balance is estimated at \$36.8 million, a \$3.5 million decrease from 2015 unassigned fund balance of \$40.3 million.

**Special Revenue Fund Balance** - The December 31, 2016 estimated fund balance is \$10.6 million, a decrease of \$468,000 from 2015. Revenues were \$571,000 over expenditures. Net transfers out of Special Revenue Funds were \$1 million, which includes a net transfer of \$627,000 of unassigned fund balance from the Transportation Fund to the General Fund, as well as a transfer of \$500,000 from the Walter Tarmann Parkland Acquisition Fund to the Capital Projects Fund.

**Working Capital** - The unassigned General Fund balance provides working capital for ten weeks of operations based on the 2017 expenditure budget. In addition, the ratio of governmental funds unassigned fund balance to governmental expenditures for year-end 2016 is estimated at 19.3%. This estimated percentage exceeds the County's goal of at least 11%, which provides sufficient cash flow for the County's operations. It also exceeds the County's target goal of 15-16%.



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## SUMMARY OF FUND BALANCE PROJECTIONS, Cont.

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**Enterprise Fund Balance** – Year-end 2016 fund balance is projected at \$58.2, a decrease of \$2.3 million from 2015. The enterprise funds include three golf courses, two indoor ice arenas, radio services, a materials recycling facility, and an airport.

**Internal Service Fund Balance** - Year-end 2016 fund balance is estimated at \$30.4 million, a decrease of \$2.7 million from 2015.

**Debt Service Fund Balance** - Year end 2016 fund balance is estimated at \$2 million, a decrease of \$154,000 from 2015.

**Capital Projects Fund Balance** – Year-end 2016 fund balance is projected at \$24.3 million, an increase of \$834,000 from 2015. The entire fund balance is reserved for existing capital projects.

### December 31, 2017

The year-end 2017 projection is based on 2017 budgeted revenues, expenditures, and estimates on completion of capital projects appropriated in prior years. At year-end 2017, total combined fund balances are estimated at \$167.4 million, a decrease of \$13.2 million from the estimated 2016 level. Of the estimated combined year end 2017 total fund balance, \$134.6 million is restricted, committed or assigned specific future use within the particular funds, and \$32.8 million is estimated to be the unassigned fund balance. This is an estimated decrease in unassigned fund balance of about \$4 million from year-end 2016.

**General Fund Balance** - The estimated fund balance for the General Fund is projected at \$49.1 million, a decrease of \$6 million from the 2016 estimate. This decrease results from the planned use of \$3.6 million in the 2017 budget and transfers out of \$2.4 million. Transfers out include \$1.1 million for capital projects, \$510,000 for debt service, \$631,500 for end user technology, \$16,500 for risk management, and \$124,000 for transportation.

The unassigned portion of the fund balance is estimated at \$32.8 million.

**Special Revenue Fund Balance** - The December 31, 2017 estimated fund balance is \$9.3 million, a decrease of \$1.3 million from 2015. This decrease results from the planned use of fund balances in the 2016 budget of \$632,100, and transfers of \$820,000 from the Walter Tarmann Parkland Acquisition Fund for capital projects.

**Working Capital** - The ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2017 is estimated at 16.8%, a decrease from the 19.3% estimate for year-end 2016.

**SUMMARY OF PROJECTED FUND BALANCE  
AS OF DECEMBER 31, 2016**

SCHEDULE 1

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
<b>Revenues:</b>							
General Intergovernmental	\$39,686,730	\$17,299,821	\$993,000	\$ 28,600	\$ -	\$4,053,000	\$62,061,151
Taxes	83,069,019	6,364,189	152,563	-	13,109,500	1,747,000	104,442,271
Fines/Licenses	2,899,982	107,000	-	-	-	-	3,006,982
Charges for Services	24,378,935	1,718,183	5,848,727	3,654,400	-	-	35,600,245
Interdepartmental Revenue	3,600,615	577,000	544,162	31,508,445	-	-	36,230,222
Interest Income	2,200,000	-	15,500	248,000	60,000	140,000	2,663,500
Other Revenue	8,814,699	1,303,646	2,065,170	2,076,513	520,000	11,500,000	26,280,028
<b>Total Revenues</b>	<b>\$164,649,980</b>	<b>\$27,369,839</b>	<b>\$9,619,122</b>	<b>\$37,515,958</b>	<b>\$13,689,500</b>	<b>\$17,440,000</b>	<b>\$270,284,399</b>
<b>Expenditures:</b>							
Personnel Costs	\$100,785,605	\$9,412,232	\$2,920,833	\$5,329,958	\$ -	\$ -	\$118,448,628
Operating Expenses	51,888,035	12,192,113	7,094,262	34,089,165	-	-	105,263,575
Interdepartmental Charges	12,910,248	4,821,143	1,458,230	606,955	-	-	19,796,576
Fixed Assets/Capital Projects	1,020,976	373,388	-	-	-	\$17,738,721	19,133,085
Debt Service	-	-	-	-	14,353,617	-	14,353,617
<b>Total Expenditures</b>	<b>\$166,604,864</b>	<b>\$26,798,876</b>	<b>\$11,473,325 (A)</b>	<b>\$40,026,078 (A)</b>	<b>\$14,353,617</b>	<b>\$17,738,721</b>	<b>\$276,995,481</b>
<b>Excess of Revenues over/(under) Expenditures (A)</b>	<b>(\$1,954,884) (B)</b>	<b>\$570,963</b>	<b>(\$1,854,203) (B)</b>	<b>(\$2,510,120) (B)</b>	<b>(\$664,117) (B)</b>	<b>(\$298,721) (B)</b>	<b>(\$6,711,082) (B)</b>

Footnotes:

(A) Net of capital projects expenditures and revenues.

(B) Negative amounts reflect planned use of restricted, committed, or assigned fund balances for one time or temporary purposes.

**SUMMARY OF PROJECTED FUND BALANCE  
AS OF DECEMBER 31, 2016**

SCHEDULE 2

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance December 31, 2015	\$57,092,309	\$11,087,987	\$60,491,264	\$33,069,466	\$2,187,701	\$23,455,434	\$187,384,161
Restricted/Committed/Assigned Fund Balance	16,787,041	11,087,987	60,491,264	33,069,466	2,187,701	23,455,434	147,078,893
Unassigned Fund Balance January 1, 2016	\$40,305,268	\$0	\$0	\$0	\$0	\$0	\$40,305,268
Excess of Revenues over (under) Expenditures (A)	(1,954,884)	570,963	(1,854,203)	(2,510,120)	(664,117)	(298,721)	(6,711,082)
Net Operating Transfers in (out)	15,725	(1,039,067)	(421,000)	(198,778)	510,000	1,133,120	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	(\$1,939,159)	(\$468,104)	(\$2,275,203)	(\$2,708,898)	(\$154,117)	\$834,399	(\$6,711,082)
Total Projected Fund Balance Dec. 31, 2016	55,153,150	10,619,883	58,216,061	30,360,568	2,033,584	24,289,833	180,673,079
Restricted/Committed/Assigned Fund Balance	18,358,506 (B)	10,619,883	58,216,061 (C)	30,360,568 (C)	2,033,584	24,289,833	143,878,435
Total Projected Unassigned Fund Balance	<u>\$36,794,644</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$36,794,644</u>

Footnotes:

- (A) Negative amounts reflect planned use of restricted, committed, or assigned fund balances for one time or temporary purposes.  
(B) Includes \$8,394,686 assigned in the 2017 Budget.  
(C) The Enterprise and Internal Service Fund balances include fixed assets and may include some unreserved funds.

**SUMMARY OF PROJECTED FUND BALANCE  
AS OF DECEMBER 31, 2017**

SCHEDULE 3

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance December 31, 2016	\$55,153,150	\$10,619,883	\$58,216,061	\$30,360,568	\$2,033,584	\$24,289,833	\$180,673,079
Restricted/Committed/Assigned Fund Balance	18,358,506	10,619,883	58,216,061	30,360,568	2,033,584	24,289,833	143,878,435
Unassigned Fund Balance January 1, 2017	\$36,794,644	\$0	\$0	\$0	\$0	\$0	\$36,794,644
Excess of Revenues over (under) Expenditures (A)	(3,613,777)	(632,100)	(1,689,358)	(2,890,869)	(1,701,400)	(2,660,000)	(13,187,504)
Net Operating Transfers in (out)	(2,400,454) (B)	(696,000)	465,000	248,054	510,000	1,873,400	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	(\$6,014,231)	(\$1,328,100)	(\$1,224,358)	(\$2,642,815)	(\$1,191,400)	(\$786,600)	(\$13,187,504)
Total Projected Fund Balance Dec. 31, 2017	49,138,919	9,291,783	56,991,703	27,717,753	842,184	23,503,233	167,485,575
Restricted/Committed/Assigned Fund Balance	16,300,501	9,291,783	56,991,703 (C)	27,717,753 (C)	842,184	23,503,233	134,647,157
Total Projected Unassigned Fund Balance	\$32,838,418	\$0	\$0	\$0	\$0	\$0	\$32,838,418

Footnotes:

(A) Budgeted fund balances are responsible for the deficit figures.

(B) Includes planned transfer out of \$1,160,000 for Capital Projects, \$510,000 for Debt Service, \$124,000 for Transportation, and \$231,500 for End User Technology

(C) The Enterprise and Internal Service Fund balances include fixed assets and may include some unreserved funds.

**FUNCTIONAL AREA SUMMARY BY FUND TYPE**

**2017 BUDGET**

<b>REVENUES</b>	<b>GENERAL FUND (a)</b>	<b>SPECIAL REVENUE</b>	<b>ENTERPRISE</b>	<b>INTERNAL SERVICE</b>	<b>DEBT</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
JUSTICE & PUBLIC SAFETY	\$17,547,447		\$1,372,919			\$708,400	\$19,628,766
HEALTH & HUMAN SERVICES	\$46,945,135	\$3,176,445					\$50,121,580
PARKS, ENV., EDUC., LAND USE	\$7,850,783	\$5,719,725	\$7,677,950			\$98,000	\$21,346,458
PUBLIC WORKS	\$569,482	\$12,109,381	\$902,756	\$7,199,868		\$600,000	\$21,381,487
GENERAL ADMINISTRATION	\$8,503,636			\$10,399,703		\$11,050,000	\$29,953,339
NON DEPARTMENTAL	\$1,465,000			\$21,989,000			\$23,454,000
FUND BALANCE APPROPRIATION	\$3,613,777	\$653,200	\$2,164,145	\$2,895,236	\$1,701,400	\$2,660,000	\$13,687,758
RETAINED EARNINGS	\$0	(\$21,100)	(\$474,787)	(\$4,367)			(\$500,254)
<b>TAX LEVY</b>	<b>\$83,773,051</b>	<b>\$6,464,737</b>	<b>\$122,563</b>	<b>\$0</b>	<b>\$13,209,500</b>	<b>\$1,747,000</b>	<b>\$105,316,851</b>
<b>TOTAL REVENUES</b>	<b>\$170,268,311</b>	<b>\$28,102,388</b>	<b>\$11,765,546</b>	<b>\$42,479,440</b>	<b>\$14,910,900</b>	<b>\$16,863,400</b>	<b>\$284,389,985</b>
<b>EXPENDITURES</b>							
JUSTICE & PUBLIC SAFETY	\$60,355,352		\$1,828,399			\$4,183,000	\$66,366,751
HEALTH & HUMAN SERVICES	\$73,565,863	\$3,176,445					\$76,742,308
PARKS, ENV., EDUC., LAND USE	\$13,562,755	\$9,745,577	\$8,730,999			\$2,372,400	\$34,411,731
PUBLIC WORKS	\$8,709,362	\$15,180,366	\$1,206,148	\$7,302,584		\$9,758,000	\$42,156,460
GENERAL ADMINISTRATION	\$10,793,379			\$11,248,356	\$14,910,900	\$400,000	\$37,352,635
NON DEPARTMENTAL (a)	\$3,281,600			\$23,928,500		\$150,000	\$27,360,100
<b>TOTAL EXPENDITURES</b>	<b>\$170,268,311</b>	<b>\$28,102,388</b>	<b>\$11,765,546</b>	<b>\$42,479,440</b>	<b>\$14,910,900</b>	<b>\$16,863,400</b>	<b>\$284,389,985</b>

(a) Includes Contingency Fund.

**APPROPRIATION UNIT SUMMARY BY FUND TYPE**

**2017 BUDGET**

<b>REVENUES</b>	<b>GENERAL FUND (a)</b>	<b>SPECIAL REVENUE</b>	<b>ENTERPRISE</b>	<b>INTERNAL SERVICE</b>	<b>DEBT</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
INTERGOVT. CONTRACTS/GRANTS	\$39,234,993	\$17,185,901	\$1,000,000	\$33,000		\$2,156,400	\$59,610,294
FINES & LICENSES	\$2,767,142	\$135,000	\$0	\$0			\$2,902,142
CHARGES FOR SERVICES	\$25,079,117	\$1,904,750	\$6,021,528	\$4,715,401			\$37,720,796
INTERDEPART. REVENUES	\$3,770,691	\$628,156	\$551,747	\$33,092,424			\$38,043,018
OTHER REVENUES	\$12,029,540	\$1,151,744	\$2,380,350	\$1,747,746		\$10,300,000	\$27,609,380
FUND BALANCE APPROPRIATION	\$3,613,777	\$653,200	\$2,164,145	\$2,895,236	\$1,701,400	\$2,660,000	\$13,687,758
RETAINED EARNINGS	\$0	(\$21,100)	(\$474,787)	(\$4,367)			(\$500,254)
<b>TAX LEVY</b>	<b>\$83,773,051</b>	<b>\$6,464,737</b>	<b>\$122,563</b>	<b>\$0</b>	<b>\$13,209,500</b>	<b>\$1,747,000</b>	<b>\$105,316,851</b>
<b>TOTAL REVENUES</b>	<b>\$170,268,311</b>	<b>\$28,102,388</b>	<b>\$11,765,546</b>	<b>\$42,479,440</b>	<b>\$14,910,900</b>	<b>\$16,863,400</b>	<b>\$284,389,985</b>
<b>EXPENDITURES</b>							
PERSONNEL COSTS	\$102,703,254	\$9,591,046	\$3,063,841	\$5,478,937			\$120,837,078
OPERATING EXPENSES	\$53,107,663	\$12,905,743	\$7,189,787	\$36,375,689			\$109,578,882
INTERDEPARTMENTAL CHARGES	\$13,670,094	\$5,153,279	\$1,511,918	\$624,814			\$20,960,105
FIXED ASSETS & IMPROVEMENTS	\$787,300	\$452,320	\$0	\$0		\$16,863,400	\$18,103,020
DEBT SERVICE	\$0	\$0	\$0	\$0	\$14,910,900		\$14,910,900
<b>TOTAL EXPENDITURES</b>	<b>\$170,268,311</b>	<b>\$28,102,388</b>	<b>\$11,765,546</b>	<b>\$42,479,440</b>	<b>\$14,910,900</b>	<b>\$16,863,400</b>	<b>\$284,389,985</b>

(a) Includes Contingency Fund.

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