



Waukesha County

Department of Administration

December 15, 2017

Dear Honorable County Board Supervisors:

The 2018 Adopted County Budget continues a commitment to provide high-quality services in our growing county through strategic planning, identifying opportunities for sharing services, creating public partnerships and investing in key technologies to improve how the county does business.

Budgeted expenditures total \$293.6 million, an increase of \$9.2 million from the prior year. Operating budget expenditures increase \$7.3 million or 2.7%. This includes an increase of \$2.1 million for children with special needs to address waiting lists. Capital project expenditures increase \$1.9 million for a total capital budget of \$18.8 million. The capital budget is \$2 million less than was anticipated for 2018 in the previously adopted five-year plan. This has also resulted in \$2 million less in borrowed funds.

This budget continues careful management of personnel with cost increases of 2.8% for 2018. Overall, funded regular positions in 2018 remain at 3.4 employees per 1,000 residents, after a net increase in budgeted positions of 4.5 (full time equivalent) FTE. The change for 2018 includes 11.5 new positions offset by 5.0 position abolishments, and a net of 3 unfunded positions (5 unfunded and 2 refunded). In addition, one grant-funded position was created in 2017 after the budget was adopted. County departments have worked diligently to review and adjust positions to meet service demand, use technology in innovative ways, and seek collaborative partners.

The 2018 budget includes changes in key revenue sources.

- Delinquent tax penalty and interest is reduced by \$350,000 as outstanding delinquent taxes continued to decline in 2017. Investment income is decreased \$500,000 to \$2,507,600. The prior budget reduced investment income \$400,000. Higher interest rates are expected to impact investment income positively in 2018 as bond portfolios turnover; therefore, it is anticipated future investment income results should begin to reverse the trend by 2019.
- The real estate market has shown increased property sales through the summer with expected increases in real estate transfer fees of \$345,000 to \$1,794,000. This is offset by a reduction of \$37,000 in document recording fees due to reductions in home mortgage refinancing.

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- State revenues include stable revenue sources for Human Services basic community aids, General Transportation Aids, Youth Aids, and the Circuit Court support grant funding.

The 2018 budget continues to address increasing mental health service needs in the Health and Human Services (HSS) Department.

- The department adds 2.0 FTE clinical therapists, a human services supervisor, a program and projects analyst, and a human services coordinator to provide State-mandated 24/7 crisis intervention services. These positions are offset with a reduction in the use of extra help and position changes.
- State mental health institute costs increase nearly \$640,000 in the 2018 budget for adults and children. The 2018 budget also includes additional clinical therapists to support the multi-year expansion of two state-certified programs to provide mental health services to residents. Revenues increase \$810,000 with the implementation of full-cost reimbursement reporting requirements.

PROJECT FUNDING AND DEBT MANAGEMENT

The county values strategic, long-range capital planning, budgeting and debt management policies and practices. Borrowed funds are budgeted at \$12.5 million, an increase of \$2.5 million from the 2017 budget. Property tax levy support for the capital budget remains at \$1,747,000. The tax levy and the use of governmental fund balance of \$955,000, internal service fund balance of \$1.2 million and other revenues of \$905,000 maintains the county’s “down payment” with current funds at 28% of net capital expenditures, well above the target policy of 20%.

The county’s 2018 debt service payment is budgeted at \$14.9 million, which is well within the county’s key benchmark of keeping debt service payments to less than 10% of governmental operating expenditures. Maintaining debt service on borrowing at a lower level in the range of 6.5% to 7.5% assures the County will be able to maintain its infrastructure without diminishing funding needed for direct services for future generations.

ACKNOWLEDGEMENTS

We take this opportunity to thank the County Board for its very thorough review and continued support. Certainly, this budget could not be accomplished without the cooperation of department administrators and their hard working, dedicated staff making decision that reflect the County’s standards of service excellence.

Sincerely,


 Norman A. Cummings,
 Director of Administration


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 Budget Manager

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