



Waukesha County

Department of Administration

December 13, 2019

Dear Honorable County Board Supervisors:

The 2020 Adopted County Budget meets the needs of a growing county while keeping taxes low. This is accomplished through the County's commitment to continuous improvement, strategic planning and adherence to sound fiscal management policy. The budget innovates, supports collaboration and makes investments to support growth and provide high quality services.

COUNTY EXPENDITURES AND REVENUES

Proposed expenditures in the budget total \$320.3 million, an increase of \$13.0 million from the prior year. Operating budget expenditures increase \$9.0 million or 3.7%. This includes an increase of \$3.1 million of State funding for children with long-term support needs to eliminate the waiting list. Capital project expenditures increase \$2.8 million for a total capital budget of \$27.8 million. The capital budget includes second year funding of \$13.7 million for the expansion, renovation, and operations of the Waukesha County Courthouse. This is \$1.3 million less than the prior year but offset with \$4.4 million for the reconstruction and widening of about three miles of CTH M (North Avenue).

This budget continues careful management of personnel with cost increases of 3.3% for 2020. After a net decrease in budgeted positions of 2.41 (full-time equivalent) FTE, the number of positions per 1,000 residents are expected to remain at 3.4 employees, unchanged from 2019. The change for 2020 includes 16.8 new positions offset by 9.25 position abolishments, and 4.5 unfunded positions. In addition, 1.0 position was created in 2019 after the budget was adopted in the Sheriff's Department under a contract with Pewaukee and two positions in the Medical Examiner's Office will sunset at the end of 2019 due to the loss of the Walworth contract. County departments have worked diligently to review and adjust positions to meet service demand, use technology in innovative ways and seek collaborative partners.

The 2020 budget includes changes in key revenue sources.

- Investment income is increased \$350,000 to \$3,398,000. This is approximately \$100,000 below the 2019 estimate and reflects 2019 Federal Reserve short-term rates reductions to stimulate the economy. Delinquent tax penalty and interest is reduced by \$140,000 as outstanding delinquent taxes continued to decline.

515 W. Moreland Blvd.
Administration Center, Room 310
Waukesha, Wisconsin 53188
Phone: (262)548-7020
Fax: (262)548-7913
www.waukeshacounty.gov

- The real estate market has shown some increased property sales resulting in an increase of almost \$161,000 in real estate transfer fees to \$1,994,000. This is offset by a reduction of \$84,000 in document recording fees due to reductions in home mortgage refinancing.
- The State budget provided increases in intergovernmental revenues including a Human Services community aids increase of \$762,000; Children with Special Needs funding of \$3.6 million; Aging and Disability Federal funding of \$361,000 for transportation, meals and other services; and Circuit Court support grant funding of \$100,000. General Transportation Aids increase \$263,000, which will benefit highway operations and capital projects in this budget. Federal Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funding decreases \$137,000.

PROJECT FUNDING AND DEBT MANAGEMENT

The County values strategic, long-range capital planning, budgeting and debt management policies and practices.

Property tax levy support for the capital budget increases \$300,000 to nearly \$1.4 million. The tax levy and the use of governmental fund balance of \$3.7 million and other revenues of \$1.9 million maintains the County's "down payment" at 27% of net capital expenditures, above the target policy of 20%. The additional use of \$2.6 million of capital project fund balance allows the management of debt issues while the capital expenditures increase for the Courthouse renovation.

Borrowed funds are budgeted at \$18.0 million, an increase of \$500,000 from the 2019 budget. Borrowing and financial planning have been adjusted in recent years to build capacity to take on borrowing for the crucial courthouse project. From 2014 through 2018, we have retired nearly \$10 million more in debt than we have taken on. The County's 2020 debt service payment is budgeted at \$14.9 million, which is well within the County's key benchmark ratio of debt service expenditure budget to the total governmental operating expenditures of less than 10%. Maintaining debt service on borrowing at a lower level in the range of 6.5% to 7.5% assures the County will be able to maintain its infrastructure without diminishing funding needed for direct services for future generations.

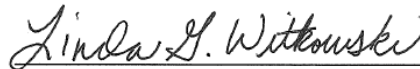
ACKNOWLEDGEMENTS

We take this opportunity to thank the County Board for their continued support and detailed review of programs and initiatives. The development of this budget reflects the tremendous dedication and hard work of department administrators and their staff in making the decisions that truly reflect the County's standards of service excellence.

Sincerely,



Andrew Thelke
Director



Linda G. Witkowski
Budget Manager

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Fax: (262)548-7913
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