



Waukesha County

Office of the County Executive

To: Honorable County Board Members
From: Paul Farrow, County Executive
Date: September 22, 2020

Dear Honorable County Board Supervisors:

Today I present to you the 2021 Executive Budget. Every year our budget reflects the dedication of a team committed to serving Waukesha County residents. This year is exceptional because it also demonstrates how those years of sound fiscal planning have positioned the County to weather one of the most challenging times in recent memory.

Tremendous collaboration is a major factor in our fiscal resilience to the COVID-19 pandemic. Members of the County Board, budget team, department heads and their staff went to great lengths to mobilize and adopt new technology to ensure county operations could continue with minimal disruption to services while managing the budget process.

You will see that my 2021 budget leverages this collaborative spirit while focusing on stable funding sources and strong management practices that prioritize planning, monitoring and fiscal prudence. These efforts help us maintain a strong fiscal position in the year ahead.

This budget advances Waukesha County's proactive approach to mitigating the COVID-19 pandemic through strategic use of federal funds. Other public health and safety improvements will focus on long-term investments to make neighborhoods safer, ensure access to reliable infrastructure, and improve economic development in our communities while keeping taxes low. You will also notice that, as in other years, this budget is under the conservative state revenue cap, a target that we were able to reach through innovation, strategic planning and collaboration.

In 2020, Waukesha County elected officials worked side-by-side to meet the pandemic head-on, and to serve all Waukesha County residents while doing so. This budget is a direct result of how County Board members have represented the needs of their constituents during this pressing time. I look forward to continuing to work with you as the Board deliberates the passage of the 2021 Executive Budget.

The proposed 2021 County general property tax levy totals \$107.8 million, an increase of 1.52% or \$1,610,912. The increase includes a portion of unused, prior-year levy capacity and a net new construction growth rate of 1.64% as compared to 1.47% in the prior year. This growth in levy is against an equalized property tax base of \$61.1 billion, which experienced a 4.75% increase. Once again, we are holding tax levy growth within statutory limits to minimize impacts to homeowners and businesses in order to sustain services required in a growing county with increased development and a growing population.

COUNTY EXPENDITURES AND REVENUES

Proposed expenditures in the budget total \$312.7 million, a decrease of \$7.6 million from the prior year. Operating budget expenditures increase \$1.0 million or 0.4%. Capital project expenditures decrease \$8.6

million for a total capital budget of \$19.2 million. The capital budget decreases as the first phase of a two-phase project to modernize the courthouse nears completion, with construction spending for this project decreasing \$12.1 million. This is partially offset by an increase in highway project funding of \$1.7 million, including finishing the reconstruction and widening of about three miles of CTH M (North Avenue) and additional repaving funding. Capital improvement funding for Parks and Land Use projects increases \$1.3 million and includes the construction of new multi-use trail between the City of Pewaukee and City of Brookfield.

This budget continues careful management of personnel with cost increases of 2.2% for 2021. After a net decrease in budgeted positions of 0.11 (full-time equivalent) FTEs, the number of positions per 1,000 residents are expected to remain at 3.4 employees, unchanged from 2020. The change for 2021 includes 13.5 new positions, offset by 6.60 position abolishments and 11.62 unfunded positions. In addition, 5.0 positions were created in 2020 after the budget was adopted, including 3.0 positions in Health and Human Services, funded with increased state Children and Family Services revenues, and 2.0 positions in the Sheriff's Department under a contract with the City of Pewaukee. Three temporary correctional officer positions will sunset mid-year 2021 when the Courthouse Tower project is completed, resulting in a partial-year decrease of 1.5 FTE. All other position funding changes result in a net increase of 1.11 FTE. County departments have worked diligently to review and adjust positions to meet service demand, use technology in innovative ways, and seek collaboration.

The 2021 budget includes changes in key revenue sources.

- Reflecting recent favorable trends in real estate market activity and valuation, real estate transfer fee revenues in the Register of Deeds Office increases \$90,000. Also, increasing online requests for records and data access generates an additional \$45,400 of revenue.
- Investment income is budgeted to decrease \$500,000 in 2021 based on interest rate reductions instituted by the Federal Reserve at the outset of the COVID-19 pandemic. This temporary revenue reduction is offset with \$500,000 of General Fund balance in 2021.
- Additional grant funding for the Criminal Justice Collaborating Council (CJCC) include \$98,600 for continuation of the Pretrial Pilot program, to implement the Public Safety Assessment tool to assist court commissioners in making more informed, risk-based release and detention decisions for pretrial defendants. The budget also continues the Drug Court program. The Wisconsin Department of Corrections will continue funding the program through 2021 with \$192,700 after funding from the federal Substance Abuse and Mental Health Service Administration (SAMSHA) ends in the third quarter of 2020.

The Justice and Law Enforcement program areas remain a priority requiring increased tax levy of \$931,000 or more than half of new tax levy.

- The Sheriff's Department tax levy will increase \$600,000 including the phasing in of tax levy support for another correctional officer, the last of three permanent positions as part of a three-year plan to prepare for new Courthouse Tower operations in 2021. Sheriff equipment needs for both jail and non-corrections equipment replacement plans are funded at \$380,600 in 2021.
- Emergency Preparedness includes a tax levy increase of \$100,000, helping cover the costs of existing staff and the phasing in new software charges related to the replacement of dispatch consoles.

- A tax levy increase of \$162,000 will fund the cost to continue for Courts and the District Attorney and help offset revenues that have minimal growth or are decreasing. Non-levy revenues in the Courts budget decrease \$125,900 or 2.9%, partly due to lower trends in fine and forfeiture revenues and decreasing investment income.

SERVICE LEVEL ADJUSTMENTS

The 2021 budget includes changes in service levels in several areas.

- The Department of Emergency Preparedness is budgeting \$203,800 for an upgrade to its 911 dispatch network (Next Generation, or NG911). The upgrade will help create a faster, more resilient network and will improve the ability to help manage call overload, natural disasters, and transferring of 911 calls based on location tracking. This project is funded mostly with \$122,300 of federal grant revenues.
- The Department of Health and Human Services anticipates receiving an additional \$925,500 of funding as part of an ongoing effort to eliminate the wait list for the Children with Long-Term Support (CLTS) needs program. This funding will cover case management and contracted support services to help ensure children with severe and chronic disabilities can remain safely at home. Similarly, the budget includes an increase of \$155,000 in Children’s Community Option Program funding to further supplement the needs of CLTS clients.
- The budget incorporates additional state revenues that were received during 2020 for Children and Family Services. The additional revenues of \$772,000 funds county staff and contracted resources to support services for child protective and juvenile justice cases.
- Ownership of Wanaki Golf Course will transfer from the County to a private operator following the 2020 golf season, and results in a reduction of revenues and budgeted fund balance by \$1.4 million and expenditures by \$1.3 million. The sale of Wanaki Golf Course represents a solution reached by stakeholders to continue golf operations at the course while allowing the county to focus efforts on sustaining operations at the remaining two County-run golf courses (Naga-Waukee and Moor Downs).

INVESTING IN INFRASTRUCTURE

The 2021 Capital budget, with total expenditures of \$19.2 million decreases by \$8.6 million from the 2020 budget as major construction for the first phase of a two-phase project to modernize the courthouse nears completion. In order to perform the necessary upgrades to the existing courthouse, the new court tower must first be built, to allow portions of the current courthouse to be vacated. Completion of the new 62,000 square foot, four-story, eight-courtroom tower is anticipated in June 2021 with \$1.6 million of funding to finish the project. The initial budget and concept for phase two, renovation of the existing courthouse, begins in 2021 with \$1.2 million (major construction planned for 2023-2026).

The 2021 capital budget also includes \$4.9 million to complete the expansion of three miles of CTH M (North Avenue) from two to four lanes to accommodate traffic volumes in this priority corridor. Another \$4.7 million is budgeted to maintain existing infrastructure through the County’s Highway Repaving Program. In the Parks and Land Use area, the budget includes \$1.9 million to build a 3.5-mile multi-use trail from the City of Pewaukee to the City of Brookfield. This project leverages significant state and federal revenues to cover nearly 90% of costs.

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 \$160,000 to \$1.5 million. The tax levy and the use of governmental fund balance of \$474,000 and other revenues of \$1.6 million maintains the County's "down payment" at 23% of net capital expenditures, above the target policy of 20%.

Borrowed funds are budgeted at \$12.0 million, a decrease of \$6 million from the 2020 budget largely due to the anticipated completion of the first phase courthouse project in June 2021. The County's 2021 debt service payment is budgeted at \$14.9, which is well within the County's key benchmark ratio of debt service expenditures to the total governmental operating expenditures of less than 10%. Maintaining debt service on borrowing at a lower level in the range of 6.0% to 7.5% assures the county will be able to maintain its infrastructure without diminishing funding needed for direct services for future generations.

ACKNOWLEDGEMENTS

I would like to thank the Waukesha County staff that helped prepare the 2021 County Executive's Budget and the County Board Supervisors who sat beside me in countless meetings in preparation of this budget. As you, the County Board, begin your budget review process, I ask that you support the presented budget that will continue our commitment to the taxpayers of Waukesha County to remain a low-tax leader.

Sincerely,

A handwritten signature in black ink that reads "Paul Farrow". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

PAUL FARROW
County Executive