

2014 EXPENDITURE HIGHLIGHTS

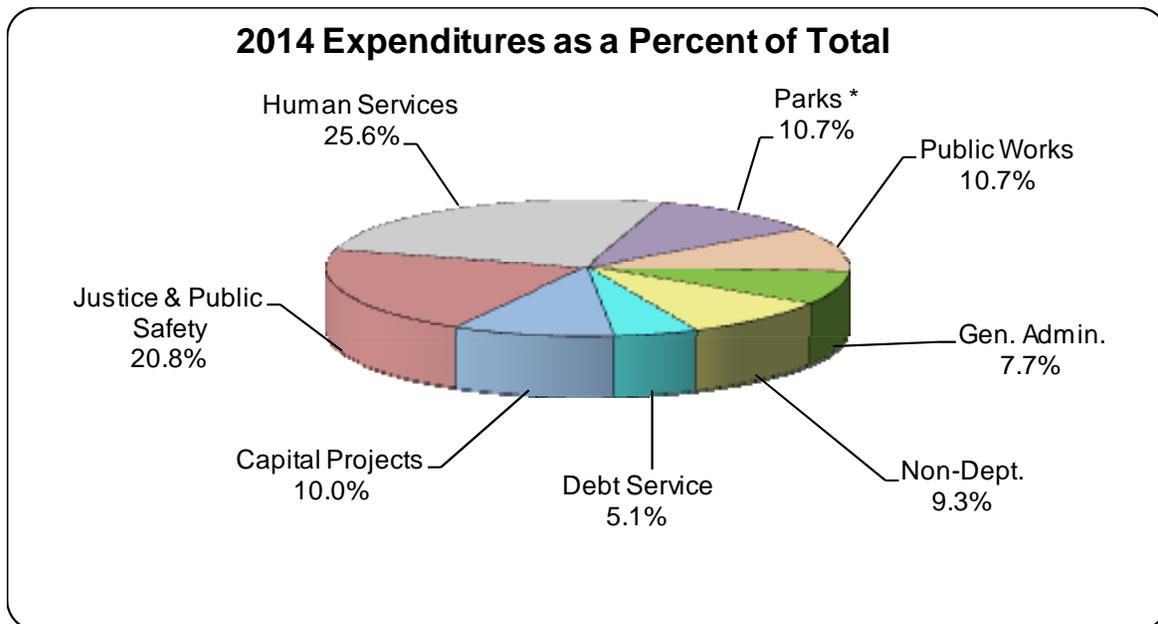
Expenditure Budget:

The 2014 total gross expenditure budget is \$282,169,379, an increase of \$8,397,083 or 3.1% from the 2013 Adopted Budget. 2014 Budget appropriations consist of departmental operating budget and debt service expenditures totaling \$254,076,679 and capital project spending of \$28,092,700. The total operating budget increases by \$8,174,383 or 3.3% from the 2013 adopted operating budget while capital project expenditures increase by \$222,700 or 0.8% from the 2013 Adopted Budget.

The net total operating expenditure budget after excluding \$37,223,385 of interdepartmental charges, mainly from Internal Service Funds (which are double budgeted) is \$216,853,294, an increase of \$7,659,565 or 3.7%.

The budget includes net personnel costs totaling \$117.2 million or about 41.5% of the total expenditure budget. Personnel costs are budgeted to increase by about \$1.46 million, or 1.25% from the 2013 Adopted budget level.

Operating expenditures (including purchased services, operating expenses and interdepartmental charges appropriations) increase by about \$7.2 million or 6.3% from \$113.6 million in the 2013 budget to \$120.8 million in this budget. Fixed Assets and improvements (excluding capital projects) expenditures are budgeted at \$1.63 million, a reduction of \$129,350 from the 2013 budget. Debt service payments are budgeted at \$14.42 million which is a decrease of \$360,200 from the 2013 budget level or about 5.1% 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	\$58,617,579	20.8%
Human Services	\$72,331,404	25.6%
Parks *	\$30,233,247	10.7%
Public Works	\$30,294,985	10.7%
Gen. Admin.	\$21,809,410	7.7%
Non-Dept.	\$26,366,900	9.3%
Debt Service	\$14,423,154	5.1%
Capital Projects	<u>\$28,092,700</u>	<u>10.0%</u>
Total Expenditures	\$282,169,379	100.0%

* Includes Parks, Environment, Education and Land Use

2014 EXPENDITURE HIGHLIGHTS

A brief summary of the past five years of adopted budget major changes are explained below:

The 2014 Budget expenditure level increases by \$8.5 million to \$282.3 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.

The 2012 Budget expenditure level increased by \$16.5 million to \$284.6 million. This increase reflects a nearly \$20 million increase in capital projects budget spending partly offset by lower operating budget expenditures including a \$1.9 million decrease in net personnel costs and a net \$2.3 million decrease in operating expenditures appropriations. A major operating expenditure change mainly related to an Act 32 (State's 2011-13 Biennial Budget) provision, which shifts responsibility for administration of the Health & Human Services (HHS) Children Long Term Support (CLTS) program to a third-party administrator and no longer part of the County budget. The County will no longer make payments to CLTS service provider agencies thus decreasing budgeted expenditures by nearly \$3.5 million. Also, State budget funding reductions of over \$2.75 million require further efforts to reduce County spending appropriations. Federal Community Development funding reductions also resulted in expenditures reductions by nearly \$1.0 million.

The 2011 Adopted Budget expenditures increased by \$6.5 million to \$268.0 million. This increase reflects a \$1.5 million increase in debt service and capital project expenditure levels; \$2.4 million increase for net personnel costs; and \$2.2 million increase in operating expenditures largely due to HHS Children's Long Term Support MA Waiver funded services, which increases by about \$930,600; Health and Human Services Mental Health Outpatient program budgeting a \$637,250 increase in operating expenses; and the Criminal Justice Collaborating Council (CJCC) 2011 budget increases by \$583,600 related to the expansion of the Day Report Center and also the Alcohol Treatment Court program being funded by a three-year grant ending in 2013. Also, the Federated Library System expenditures increase \$192,900 related to transferring in of the CAFÉ Shared Automation program from the City of Waukesha.

The 2010 Adopted Budget expenditure level increased \$5.3 million to \$261.8 million. The increase reflects \$222,700 increase in debt service and capital project expenditure levels; \$2.8 million increase for net personnel costs including \$1.2 million for costs to continue and \$1.6 million for 18 positions associated with a new police patrol service contract with the City of Pewaukee; and \$1.2 million increase in operating expenditures largely due to \$503,700 increase in salt expenses for snow removal, \$981,700 increase in mental health outpatient expenditures and \$365,500 increase in both revenues and expenditures to provide more funding opportunities for children with Autism and other special needs.

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 budget deficits may likely impact 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 includes continue high costs of Jail inmates, Emergency Preparedness emergency 9-1-1 dispatch communications, the State Circuit Court system with the lack of State funding support and future increases in the debt service payments as a result of infrastructure projects including the new Health & Human Services building and funding of major Highway infrastructure projects.

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major 2014 funding changes, which impact expenditures by functional area, follows:

2014 EXPENDITURE HIGHLIGHTS

Justice and Public Safety:

- The 2014 **expenditure budget** for this functional area totals \$58,617,579, an increase of \$689,308 or 1.2% from the 2013 Budget.
- **Sheriff** expenditures increase \$194,016 or 0.5% on a base of over \$38 million. Overall net personnel costs of \$30.4 million are budgeted to decrease by \$14,563. This is mostly due to approximately \$459,500 in savings from deputies, detectives, and command staff contributing to the Wisconsin Retirement System. Budgeted position changes include the creation of a Financial Analyst position for \$69,600 and the creation of a Support Staff Supervisor position and abolishment of a Clerk III position, resulting in a net cost of \$5,603.
- The **Sheriff's** budget also includes \$81,253 to fund the replacement of vehicle equipment to retro fit new police patrol vehicles. Interdepartmental vehicle costs including replacement, maintenance and fuel are increasing a total of \$73,900 to \$1.5 million, mostly due to an increase of \$36,150 in fuel costs.
- **Jail Inmate** medical costs are budgeted to increase by about \$45,000 to a total cost of over \$1.6 million, and include a 4% increase for the medical care contract and about \$147,500 for medical care for inmates provided outside the contract. Expenditures for inmate commissary increase about \$70,000 to \$520,000 based on anticipated expenditure levels and the addition of commissary at the Huber Facility. Related commissary revenues are increased by \$78,100 as a result.
- **Emergency Preparedness** General Fund 2014 Budget total expenditures are increased by \$271,463, including personnel cost increases of \$96,100 to accommodate and adjust for New Berlin dispatch activity in the Communications Center. Increased operating costs of \$65,516 are associated with full year software licensing costs for the new Computer Aided Dispatch (CAD) system. The budget also includes increased interdepartmental charges of \$76,847, mostly due to increased EUTF charges associated with the CAD system.
- **Radio Services** expenditures increase \$137,664 and include one-time depreciation charges of \$173,746 related to the write-off of the Mobile Data System, which will be taken offline in 2014. Users have transitioned from the Mobile Data System to other solutions that offer increased speed and performance. **Radio Services** also identifies a loan program for municipalities to purchase radio for use with the new digital system (Capital Project 200815) utilizing \$2 million of general fund balance.
- **Circuit Court Services** expenditures decrease \$15,500 to \$9.4 million. Personnel cost reductions of \$60,600 are due to the unfunding of a 1.0 FTE Clerk I-II position, a reduction in temporary/extra help of over \$18,000, and favorable costs to continue of existing employees. Net operating costs are increased nearly \$29,700, mostly due to a \$35,000 expenditure increase for a new service contract for the technology components recently installed in all court rooms and a \$12,500 increase in costs for interpretation services. These increases are partially offset with a \$36,600 reduction in expenditures for court appointed counsel and legal services. Interdepartmental charges are increased \$25,500 mostly due to bailiff (Sheriff) charges for in-courtroom deputy security, which are estimated to increase \$69,600 and an increase in collection services charges from the County Collection unit of \$13,300. These cost increases are partially offset by a \$67,500 reduction in prisoner transportation service charges (Sheriff).
- Modest expenditure increases in the **District Attorney's** budget reflect the creation of a 1.0 FTE paralegal position and costs to continue existing staff, partially offset with the abolishment of a 1.0 FTE legal clerk position. Interdepartmental charges increase about \$13,100, mostly due to an increase in imaging costs to fund the scanning of case documents in an effort to avoid a file backlog.
- The **Medical Examiner's Office** budget increases expenditures \$78,200. This includes increasing overtime by about 300 hours, or \$10,600 to reflect historical and anticipated actuals. Increased costs associated with higher case activity include \$3,500 for medical testing and \$17,100 for medical supplies. Also included in the 2014 budget is \$15,000 for the purchase of laptop/tablet devices for employees to use in the field, based on a technology review conducted by IT.

2014 EXPENDITURE HIGHLIGHTS

Health and Human Services

- The 2014 **expenditure budget** for this functional area totals \$72,331,404, an increase of \$5,139,807 or 7.6% from the 2013 Budget.
- Operating expenses (and General Government revenues) are budgeted to increase by \$3,248,300 as a result of the State of Wisconsin issuing an opinion that payments the **Children with Long-Term Support Needs (CLTS) Third Party Administrator (TPA)**) makes to service providers are grant expenditures. These expenditures had been removed from the County budget in a prior year when the State had implemented the change to a TPA.
- **Economic Services Administration and Support Program** revenue and expenditures increase \$667,000, related to the 2013-2015 State biennial budget allocation of federal and state funding to the Moraine Lake Consortium for the period of July 1, 2013 – June 30, 2015. Funding will provide for 10 additional Economic Support Services positions to assist in the implementation of the Patient Protection and Affordable Care Act (PPACA). The bill requires the state Medicaid Income Maintenance program and the Federal Health Insurance Plan Marketplace to be transparent and integrated to create a “no wrong door” for applying for health insurance for those individuals with income up to 400% of the Federal Poverty Level (FPL). The 2014 cost associated with the hiring of the 10 FTE PPACA positions is about \$599,300.
- **Family Services & Juvenile Services Division’s** operating expenditures are budgeted to decrease by about \$161,000 due to the termination of the contracted Community Day Treatment Program.
- The 2014 budget includes \$838,300 budgeted for in the **Aging & Disability Resource Center (ADRC) – Adult Protective Services program**. This reflects a \$223,800 or 36% increase in the payment to the Marsh County Health Alliance for Clearview **Nursing Home and facility for Individuals with Intellectual Disabilities (IID)** in Dodge County for 26 Waukesha County residents who reside at Clearview.
- **Mental Health Outpatient-Clinical expenditures** increase \$233,726 or 3.2%, mainly due to personnel cost increases of \$193,300 or 6.2% to \$3,317,070. The budget reflects a transfer of 1.0 FTE Clinical Therapist from the Intake and Access division as well as overtime cost increases of about \$35,700. **Operating expenses** include an increase in contracted doctor staff of \$79,100 to \$424,353 to alleviate the 3 month wait time for initial psychiatric services and to allow consistent year-round scheduling. This is partially offset by a reduction in State mental health institute placement costs, which are budgeted to decrease by nearly \$56,700 to nearly \$1.5 million or 1,413 total days of care.
- **Mental Health Outpatient-Intensive** program operating expenditures are budgeted to include an anticipated increase in room, board and treatment costs by about \$412,800 to over \$6.0 million. This is mainly due to anticipated increases for the Community Recovery Services (CRS) program of \$312,800. Costs in the CRS program are partially offset by increased client fee revenues in the CRS program of nearly \$101,600.
- **Public Health Division** budgeted expenditures increase by about \$11,400 to \$3.7 million. This funding level is expected to provide the resources necessary to keep Public Health at least at Level II Status. The Budget includes the unfunding of 1.0 FTE Community Health Educator at an approximate cost of \$74,000, offset by an increase in operating expenditures of about \$27,000 mainly due to an increase in medical supply costs.
- **Corporation Counsel-Child Support** expenditures are reduced by almost \$4,000 due to flat personnel costs associated with employee turnover and reduced operating costs of almost \$6,000 due to lower paralegal/legal and court/paternity costs.

2014 EXPENDITURE HIGHLIGHTS

Parks, Environment, Education, and Land Use

- The 2014 **expenditure budget** for this functional area totals \$30,223,247 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of \$162,629 or 0.5% from the 2013 Adopted Budget.
- **Park and Land Use – General Fund** expenditures are budgeted to increase \$47,427 to over \$11,550,000 in 2014. Personnel costs increase by \$94,800 to reflect the cost to continue existing staff levels and a 0.21 FTE increase in extra help at the Retzer Nature Center, partially offset by the unfunding of a 0.5 FTE Account Clerk I position. Fixed Assets are budgeted to decrease \$88,000 to \$318,500 and include: LED signage at the Exposition Center of \$76,000, the removal of barns at Eble and Ryan Park of \$53,500, parking lot improvements at Mukwonago dog park of \$50,000 and \$45,000 for the replacement of the parks reservation computer system to be done as a joint effort with UW-Extension. In addition, a program operations grant of \$215,000 to the Waukesha County Historical Society Museum is discontinued in 2014.
- **Parks and Land Use – Material Recovery Facility (MRF) Fund Fund** includes an increase of \$63,400 for education and promotion of a new single stream recycling system, to be implemented with capital project 201419 Collaborative Materials Recycling Facility. The capital project assumes a joint venture with the City of Milwaukee to add processing equipment to the existing Milwaukee Material Recovery Facility in the Menomonee Valley. A request for proposals was conducted in the summer of and a decision is expected in the fourth quarter of 2013.
- **University of Wisconsin – Extension** budgeted expenditures decrease about \$19,400 to \$662,600, mostly due to the discontinuation of the Drug Free Communities grant, partially offset by several new programming expenditures not introduced in the 2013 budget process. These new grants include \$55,000 due to donations from ProHealth Care and the Greater Milwaukee Foundation for neighborhood revitalization efforts in the TowerHill neighborhood, the On Farm Food Safety grant of \$15,300, and increases of about \$15,000 in 4-H programming mainly due to increased contracted services costs offset by program revenue. The elimination of the Drug Free Communities grant also results in a reduction in temporary extra help of 0.43 FTE.
- **Parks and Land Use – Community Development Fund** utilizes federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) grants to fund related expenditures in a collaborative, coordinated manner to meet identified housing and community needs. Expenditures are estimated to increase in total by \$14,990, which mainly includes a new 0.50 FTE Program Assistant of approximately \$31,200 and an increase of \$20,000 for an update of the 5-year Consolidated Plan to identify community needs of low and moderate income residents, partially offset by a reduction in grants to communities.

Public Works

- The 2014 **expenditure budget** for this functional area totals \$30,294,985 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of \$629,618 or 2.1% from the 2013 Adopted Budget.
- **Road Salt expenditures for County Highway snow removal operations** are budgeted to increase \$182,200 or 18% to nearly \$1.2 million in the 2014 budget. Salt rates are estimated to increase \$1.51 to \$54.27 per ton based on the current State Contract and 16,400 tons of salt (820 more tons than budgeted in 2013) are expected to be purchased for County roads snow and ice removal usage. In addition, 5,000 tons are budgeted to be sold to municipalities, which is 2,000 more than the 2013 Budget.
- The Central fleet **vehicle fuel** budget includes an increase in fuel costs of \$0.10 to \$3.75 in 2014 compared to \$3.65 in 2013, resulting in a county wide increase of about \$40,000. Highway maintenance operations, both State and County, include about \$22,000 of that increase.
- **State Highway Maintenance operations** work on State roads as directed by DOT are budgeted to increase by nearly \$167,800 to over \$4.7 million based on the current (2013) State's Routine Maintenance Agreement (RMA) and State Department of Transportation levels of services being requested. This agreement amount allows for funding of 23.0 FTE Patrol Workers, allocated to State highway maintenance work, which is the same as 2013. Budgeted extra help for seasonal work for the winter second shift is being increased slightly by \$2,589 for 1.96 FTE which is about 4,077 hours and overtime is increased by \$26,700 or 0.33 FTE (approx. 686 hours).

2014 EXPENDITURE HIGHLIGHTS

Public Works (Continued)

- **The building improvement maintenance plan** totals \$1,018,000, which is an increase of \$115,000 from the 2013 Budget. The plan is funded with \$775,000 of County Tax Levy and \$243,000 of General Fund Balance. Plan dollars overall for 2014 are consistent with the plan presented in the 2013 budget, plus an additional project to improve staff efficiency at the jail. This project, estimated to cost \$68,000, and to be funded with prior-year jail assessment fee revenue (appropriated as General Fund Balance), will make modifications to inmate medical and professional visitation and inmate bathroom areas, allowing fewer staff to temporarily supervise these areas.
- **Energy and Utility budget costs for County facilities** are budgeted to decrease about \$38,600 overall from the 2013 budget, mainly due to savings resulting from energy efficiency projects (e.g., lighting replacement, more efficient boilers/chillers). The utility budget also includes the full year impact of the energy efficient new Health and Human Services building, offset with reductions for the old building while it is in “mothball” status.
- The **Vehicle Replacement Fund** includes a \$65,100 increase for the purchase of replacement vehicles. The major participating departments include: Public Works, Parks and Land Use and the Sheriff’s Department.

General Administration

- The 2014 **expenditure budget** for this functional area totals \$21,809,410 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of \$326,982 or 1.5% from the 2013 Adopted Budget.
- The **County Clerk’s Office** 2014 budget includes non-reoccurring election costs for the higher number elections held in even-numbered years, estimated at \$110,000, and increases the corresponding general fund balance which is appropriated to fund the higher number of elections.
- The **Department of Administration (DOA) General Fund** cost to continue expenditures increase by about \$27,600, or less than 1%, mostly due to increased personnel costs (extra help), offset with reduced operating and interdepartmental expenditures.
- **DOA-Risk Management** expenditures for 2014 increase by 1.9% or \$47,900 to \$2.61 million. This primarily reflects an increase in Worker’s Compensation self-insured claims costs based on historical trends.

Non-Departmental

- The 2014 **expenditure budget** for this functional area totals \$26,366,900, an increase of \$1,586,250 or 6.4% from the 2013 Adopted Budget.
- **Non-Departmental - General Fund** expenditures include an increase in the Waukesha County Small Business Leverage Loan program by \$192,000, from \$108,000 to \$300,000, based on higher levels of program participation in 2012 and estimated for 2013. The program is intended to provide “gap” loan funding for small, established businesses in Waukesha County to promote economic growth. The program is funded with prior-year Tax Increment District dissolution dollars returned to the County.

2014 EXPENDITURE HIGHLIGHTS

Non-Departmental (Continued)

- **Non-Departmental** expenditures also include a grant to the Waukesha County Historical Society Museum, to help cover operating costs, as a second-year grant extension past the 10-year obligation of county support. A program operations grant, which was previously funded with \$215,000 annually from the Parks and Land Use Budget, is discontinued in 2014. The county's total grant support to the Museum in the 2013 budget was \$300,000, and is reduced to \$150,000 in 2014.
- **Health and Dental Insurance Fund** budget increases about \$1.4 million, mainly due to the first time budgeting for a shared on-site medical/wellness center, to be operated through a partnership with the School District of Waukesha and the City of Waukesha. The goal of the center is to lower employee health care and prescription drug costs as a result of managing and reducing emergency care, urgent care and higher cost physician and other medical services. A joint feasibility study projected that the center will generate a positive return on investment of approximately \$6.9 million over a five-year period, with the County's share of savings estimated at \$2.4 million. The center is budgeted at \$1.1 million in 2014 to cover a partial year of operation (estimated to begin in August) and one-time start-up costs. The School District and City will fund their share of center operating costs beginning in 2014, and repay the County for one-time start-up costs over the next five years.

Debt Service

The **Debt Service expenditure budget** for general governmental purposes is \$14,423,154, a decrease of \$360,211 from the 2013 Adopted Budget or 2.4%. To fund the 2014 Capital Project's Budget, \$10 million is planned to be borrowed, which is \$7 million below last year's level. This, along with planned debt refunding, will reduce the County's total debt outstanding to approximately \$94.2 million, well below the allowable levels set by State statutes.

Capital Projects

The 2014 **Capital Project expenditure budget** of \$28.09 million increases \$222,700 from the 2013 Adopted Budget. The 2014 Capital Budget identifies funding for existing and new projects at a net County cost of \$19 million (after direct project revenues of \$1 million and proprietary fund balance appropriation totaling approximately \$8.1 million are applied). For 2014, borrowed funds total \$10 million (mentioned above) and investment income is at \$250,000. Project funding also includes \$1.95 million in County tax levy, a \$50,000 decrease from the 2013 Adopted Budget, and cash balances of General Fund balance of \$6.2 million and \$650,000 of general State revenues.