

## 2016 EXPENDITURE HIGHLIGHTS

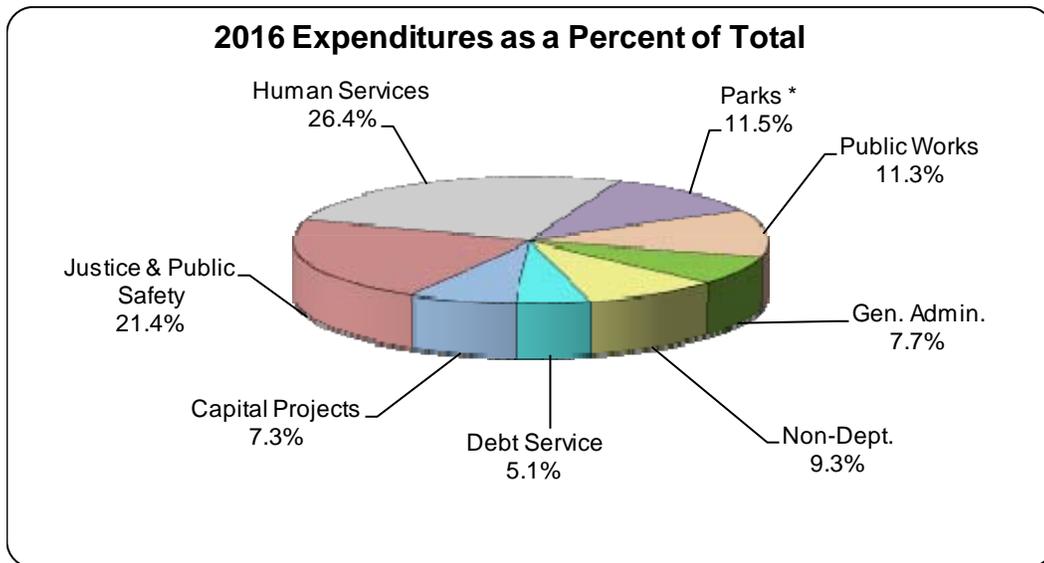
### **Expenditure Budget:**

The 2016 total gross expenditure budget is \$285,396,200, an increase of \$8,017,100 or 2.9% from the 2015 Adopted Budget. 2016 Budget appropriations consist of departmental operating budget and debt service expenditures totaling \$264,613,400 and capital project spending of \$20,782,800. The total Operating Budget increases by \$3,375,700 or 1.3% from the 2015 Adopted Operating Budget while capital project expenditures increase by \$4,641,400 or 28.8% from the 2015 Adopted Budget.

The net total operating expenditure budget after excluding \$37,930,900 of interdepartmental charges, mainly from Internal Service Funds (which are double budgeted) is \$226,682,500, an increase of \$3,072,000 or 1.4%.

The budget includes net personnel costs totaling \$119.8 million or about 42% of the total expenditure budget. Personnel costs are budgeted to increase by about \$879,800, or 0.7% from the 2015 Adopted Budget level.

Operating expenditures (including purchased services, operating expenses and interdepartmental charges) increase by about \$2.18 million or 1.7% from \$126.1 million in the 2015 budget to \$128.3 million in this budget. Fixed Assets and improvement (excluding capital projects) expenditures are budgeted at \$1.85 million, an increase of \$285,900 from the 2016 budget. Debt service payments are budgeted at \$14.65 million which is an increase of \$34,300 from the 2015 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	\$61,004,702	21.4%
Human Services	\$75,493,587	26.4%
Parks *	\$32,775,589	11.5%
Public Works	\$32,144,577	11.3%
Gen. Admin.	\$22,086,229	7.7%
Non-Dept.	\$26,455,100	9.3%
Debt Service	\$14,653,617	5.1%
Capital Projects	<u>\$20,782,800</u>	<u>7.3%</u>
<b>Total Expenditures</b>	<b>\$285,396,201</b>	<b>100.0%</b>

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

The 2016 expenditure level increases by \$8.02 million to \$285.4 million. This reflects a \$4.64 million increase in capital project expenditures, mostly due to the addition of \$2.38 million for the replacement of HVAC equipment at the Law Enforcement Center and additional expenditures for highway projects. Operating expenses increase \$2.02 million or 1.9% and reflect modest increases across most functional areas. Personnel costs also increase by \$879,800, or 0.7% and reflect costs to continue, partially offset by a \$426,100 net reduction for budgeted position changes.

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.

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.

### **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 include high costs of Jail inmates, Emergency Preparedness emergency 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 infrastructure projects.

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major 2016 funding changes, which impact expenditures by functional area, follows:

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## 2016 EXPENDITURE HIGHLIGHTS

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### Justice and Public Safety:

- The 2016 **expenditure budget** for this functional area totals \$61,004,700, an increase of \$702,600 or 1.2% from the 2015 Adopted Budget.
- **Sheriff** expenditures increase \$450,200 or 1.2% on a base of nearly \$39 million. Overall net personnel costs of \$30.6 million are budgeted to increase by \$105,100 or 0.3%. Personnel costs were held to modest increases mostly due to cost to continue existing staff being offset with: staff turnover, a reduction in insurance costs due to turnover and changes in benefit selection, and \$79,200 in cost savings associated with an unfunded deputy sheriff position.
- **Inmate medical** costs are budgeted to increase by \$140,600 or 8.4% to a total cost of \$1.81 million. While the base medical care contract was held to a 2.5% increase, an additional \$103,000 in medical coverage was added to address the needs of the inmate population. **Inmate food** services costs decrease \$4,500 overall to \$631,000 and reflect a reduction to the assumed number of meals (due to a reduced inmate population), partially offset by a slight increase in the cost per meal.
- The **Sheriff's** budget includes interdepartmental **vehicle costs** of \$1.69 million for vehicle replacement, maintenance and fuel. These costs are increasing by approximately \$33,600, mostly due to an overall increase in maintenance costs.
- Also included in the **Sheriff's** budget is \$130,000 in expenditures for the first-year of an equipment replacement plan for non-corrections items (a similar plan already exists for the Jail and Huber facilities). This plan is funded with \$65,000 of prior year seized funds revenues (reserved General Fund balance) and \$65,000 of General Fund balance.
- Expenditures in the **District Attorney's** budget increase \$115,000 to recognize the receipt of a Violence Against Women Act STOP grant in the Prosecution Division, which will fund a State contracted special prosecutor dedicated to cases of violence against women.
- **Emergency Preparedness** General Fund 2016 Budget total expenditures are increased by \$111,500, including personnel cost increases of \$147,600 to reflect cost to continue at the Communications Center. Expenditure increases are partially offset by reduced operating costs to reflect the removal of \$50,000 in one-time funding for a required update to the Pre-disaster Hazard Mitigation Plan. The budget also includes fixed asset costs of \$165,000, mostly for one-time costs associated with a planned upgrade to the CAD system.
- **Radio Services** expenditures increase \$12,800 for cost to continue existing employees and a contractual increase in Radio System maintenance charges.
- The **Medical Examiner's Office** budget increases expenditures \$74,100 for the creation of 1.0 FTE Deputy Medical Examiner (Pathology Assistant) position. Expenditures for extra help, overtime, and third party extra help (in the operating appropriation unit), were reduced to offset the costs of the position.
- **Circuit Court Services** expenditures increase \$17,100 or about 0.2% to \$9.3 million. Personnel costs are held nearly flat, mostly due to cost to continue existing personnel, partially offset by the unfunding of 1.75 FTE positions (resulting in savings of \$120,900). Two administrative specialist positions were unfunded by 0.5 FTE, making each position part-time beginning in 2016. Also, 0.75 FTE of a social worker position was unfunded in response to the decrease in custody and visitation studies. The department has budgeted \$20,000 in contracted services to meet unanticipated volume increases or service needs. Department-wide operating are held to an increase of \$12,400, or 0.8% overall, as efforts to incorporate Lean practices and lower case filing volume have contributed to lower operating costs in areas like medical services, court appointed counsel, and jury expenses.

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## 2016 EXPENDITURE HIGHLIGHTS

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### Health and Human Services

- The 2016 **expenditure budget** for this functional area totals \$75,493,600, an increase of \$1,203,300 or 1.6% from the 2015 Budget.
- Health and Human Services will implement a new **Core system** (Netsmart) that will include electronic case files and medical records across the department. This implementation will include increased software maintenance fees, licenses and additional equipment costs by \$312,400.
- **Economic Services Administration and Support Program** expenditures include the addition of two Economic Support Specialist positions utilizing the additional IM Allocation funds from the state for Food Share Employment and Training (FSET) for able-bodied adults without dependents (ABAWD). In addition, a 1.0 FTE Economic Support Specialist position in the PPACA program is reduced or sunset and is replaced by a 1.0 FTE Extra Help in the PPACA program as the funding is being decreased.
- Expenditures (and pass through revenues) for **Children with Long Term Support Needs (CLTS) – Third Party Administrator (TPA)** increase by \$573,900 related to the additional funding from the State of Wisconsin to serve additional children with long term support needs.
- **Juvenile Center** budget includes the full year impact of the transition of Shelter Care services to Lad Lake. This transition includes the reduction of 6.49 FTE (half-year) and reductions in food, medical service and other costs at the Juvenile Center, reflecting fewer youths housed at the facility. The facility continues to hold male secure youth. The new contract with Lad Lake is budgeted for a full-year at nearly \$814,000 (as opposed to only a half year for 2015). The Juvenile Center budget also includes an increase of about \$13,000 for additional short-term, temporary female secure detention costs (up to approximately \$30,000 in total funded with Fund Balance).
- **Aging & Disability Resource Center (ADRC) General Fund – Community Services** program expenditures (and revenues) increase \$432,000. \$319,000 of the increase mostly reflects the reallocation of 2.66 FTE ADRC administration staff to the ADRC – General fund from the ADRC - Contract Fund. Personnel costs increase nearly \$324,000. Also, food service costs for Home Delivered and Senior dining meals expenditures increases \$70,300.
- **Mental Health Outpatient-Clinical** expenditures decrease nearly \$144,700 or 1.8%, mainly due to a budgeted reduction in State mental health institute costs of \$184,000 to \$1.38 million as the department attempts to implement alternative forms of treatment for clients. In addition, pharmaceutical costs decrease \$62,900 due to more clients presenting with health insurance. This decrease is partially offset by an increase in Personnel Costs of \$98,300, and includes 2.00 FTE new Clinical Therapists as a result of the reclassification of 2.00 FTE Senior Substance Abuse Counselors. These position classifications may claim a higher Medicaid reimbursement rate, and perform cross-program treatments for clients seeking treatment for mental health and substance abuse problems.
- **Mental Health Center (MHC)** expenses increase \$361,300 mainly due to 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, prescription medications are increased \$47,800 due to the increased use of long-acting formulations and newly released treatments. Building maintenance charges decrease \$67,900 related to less need for building repairs and maintenance projects than the previous year.
- **Criminal Justice Collaborating Council (CJCC)** expenditures decrease about \$63,800, reflecting the end of the federally funded drug court grant in June 2015 of \$65,700 and a decrease of about \$28,900 related to one-time funds used to maintain the capacity of the drug court program for the 3<sup>rd</sup> quarter of 2015. Drug court programming will continue in 2016 with \$142,900 in funds from the state Treatment Alternatives and Diversion (TAD) grant. The TAD grant provides case management, drug testing, and medication-assisted treatment to participants enrolled in the drug court program. CJCC applied for a federal enhancement grant to increase the budgeted client capacity of the drug court program from 40 to 50 clients. If awarded, the 2-year grant would be effective from October 2015 – September 2017.

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## 2016 EXPENDITURE HIGHLIGHTS

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

- The 2016 **expenditure budget** for this functional area totals \$32,775,600, an increase of nearly \$479,800 (after excluding proprietary fund capitalized fixed asset item purchases), or 1.5% from the 2015 Adopted Budget.
- The **Federated Library System State Aids Fund** budget will implement a two-county library system with Jefferson County. State Aid-funded expenditures (and offsetting revenues) increase \$258,108 due to increased costs related to courier delivery services as well as the addition of a 1.00 FTE Librarian responsible for the central cataloging of library books and materials. In addition, as a result of increased efficiencies and greater use of technology, the department is reducing a full-time Administrative Specialist to a part-time (0.50 FTE) position.
- **Parks and Land Use – Material Recovery Facility (MRF) Fund** budget will undergo another year of transition in 2016, as it reflects a full year of operations to process single-stream recyclable materials in the newly remodeled joint-facility located in the City of Milwaukee’s Menomonee Valley. Expenditures are budgeted to increase \$171K to \$4.5 million, largely due to an increase of \$110,500 in depreciation due to 2016 being the first full year of depreciation on the county’s share of equipment at the facility, as well as a \$77,500 increase in repair and maintenance costs related to scheduled maintenance and repair of items at the joint facility. Community dividend payments are budgeted to increase approximately \$43K to \$1.84 million, largely due to the potential addition of three new municipalities that may join the Waukesha County Recycling Program.
- The **Register of Deeds (ROD)** budget includes a reduction in personnel costs of \$80,100, mostly related to the unfunding of 1.00 FTE Administrative Assistant as a result of departmental efficiencies and the cross-training of staff to handle multiple program areas.
- **Parks and Land Use General Fund** Personnel budget increases \$73,500 or less than 1% and includes a 0.75 regular FTE reduction related to the unfunding of a vacant 1.00 FTE Administrative Assistant offset with the refunding of a 0.50 FTE Senior Land Use Specialist to more appropriately address programmatic needs. In addition, to better manage costs without making significant impacts to program coverage and oversight, the budget reclassifies a 1.00 FTE Groundwater Program Coordinator to a 1.00 FTE Lead Environmental Health Sanitarian, reclassifies a 1.00 FTE Senior Land Use Specialist to a 1.00 FTE Land Use Specialist, and unfunds a 0.25 FTE Park Maintenance Worker.
- **Parks and Land Use General Fund** 3 Year Maintenance and Projects are budgeted to increase \$160,900 to \$493,000 and includes: \$70,000 for a fertilizer storage facility at Menomonee Park, \$65,000 to construct Americans with Disability Act (ADA) compliant walkways, ramps and parking lot improvements at UW-Waukesha, \$59,500 to build an accessible fishing pier at Fox Brook Park, \$57,000 for fire hydrant, irrigation system and meter pit repairs and improvements, \$45,000 to demolish the Berg Property and Mukwonago Park, and \$30,000 to install a storm water pond at Fox Brook Park, in addition to several smaller projects.
- **Golf Course** expenditures are reduced \$46,700 overall, including \$134,000 at Moor Downs to reduce annual operating losses and impact on golf course fund balance. Personnel Costs decrease about \$58,400 or 4.3% and reflect the unfunding of 1.00 FTE Golf Supervisor position and 0.75 FTE Park Maintenance Worker at Moor Downs Golf Course, partially offset by an increase of 2.03 FTE temporary extra help and the cost to continue remaining staff.
- **Community Development Block Grant (CDBG)** expenditures for grants to communities through the HOME Investment Partnership Program decrease \$111,600 reflecting a reduction in Department of Housing and Urban Development (HUD) funding.

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## 2016 EXPENDITURE HIGHLIGHTS

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### Public Works

- The 2016 **expenditure budget** for this functional area totals \$32,144,600 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of \$265,800 or 0.8% from the 2015 Adopted Budget.
- **Road Salt expenditures for County Highway snow removal operations** are budgeted to decrease by about \$21,500 in 2016. Salt rates are increasing \$1.31 per ton or 2.1% from \$62.41 per ton to \$63.72 per ton. Estimated salt usage on County Highways is estimated to remain at the 2015 budgeted level of 16,400 tons. Road salt purchased and then sold to municipalities is budgeted to decrease by about \$112,000 based on a decrease in estimated municipal salt sales by 1,900 tons, from 7,000 tons to 5,100 tons.
- **The State Highway Maintenance** program eliminates nearly 2.0 FTE of temporary seasonal patrol worker assistance, budgeted at about \$95,000 in 2015. This workload, used to provide second-shift highway maintenance during the winter, is expected to be absorbed by additional patrol worker staff added in the current-year 2015 budget. This is partially offset by an increase in budgeted overtime by \$19,000 for an additional 0.23 FTE about 480 hours).
- The **Central fleet Vehicle Fuel** budget assumes no change in fuel price from the 2015 budget at \$3.80 per gallon.
- **State Highway Maintenance operations** work on State roads as directed by as directed by Department of Transportation are budgeted to increase by nearly \$151,000 to about \$5.8 million. This includes \$163,000 of anticipated higher State Routine Maintenance Agreement (RMA) reimbursements. This is partially offset by a \$12,000 decrease in reimbursements for Performance-Based Maintenance (PbM) work.
- **The building improvement maintenance plan** totals \$950,000, which is unchanged from the 2015 budget. The maintenance plan for 2016 is funded with \$850,000 of County Tax Levy and \$100,000 of General Fund Balance, which is a decrease of \$50,000 from the 2015 budget. The goal is to gradually phase out General Fund Balance use in the plan.
- **Energy and Utility budget costs for County facilities** are budgeted to decrease by about \$24,000, mainly due to not budgeting for utility costs at the vacant former Health and Human Services Buildings in 2016. In addition, utility costs at the new Waukesha Employee Health and Wellness center will now be accounted for directly in that budget (Health Insurance Internal Service Fund). Excluding those two facilities, utility costs are budgeted to increase about \$44,200, including natural gas by about \$30,600 and electricity by \$13,600, in anticipation of higher utility rates. Costs are maintained through prior-year energy efficiency improvements (e.g., lighting replacement, more efficient boilers chillers).

### General Administration

- The 2016 **expenditure budget** for this functional area totals \$22,086,200 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of about \$273,900 or 1.3% from the 2015 Adopted Budget.
- The **County Clerk's Office** expenditure budget increases by \$129,200, mainly due to an increase for election costs that occur in even-numbered years, when more elections are held.
- The **County Board** budgets expenses to decrease by \$62,700 mostly related to a reduction in the County Board chair position from full time (1.0 FTE) to part time (0.50 FTE) as of the third Tuesday in April of 2016. Also, the County Board office expenditures and tax levy decreases \$28,100 for an administrative position that will be shared with the County Clerk's Office in the 2016 budget
- The **Department of Administration (DOA) End User Technology Fund (EUTF)** expenditure increase of \$170,300 includes \$265,000 to replace high-end laptops in the Sheriff's Department squad cars, partially offset by a \$123,000 reduction in depreciation costs reflecting the overall decline in equipment costs over time leading to a lower asset base being depreciated.
- **DOA-Risk Management** expenditures for 2016 increase by 2.4% or \$65,700 to \$2.8 million. This primarily reflects a change in the County's property insurance provider, which was related to changes set off by a proposed (but later removed) change in the State Budget.

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## 2016 EXPENDITURE HIGHLIGHTS

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### Non-Departmental

- The 2016 **expenditure budget** for this functional area totals \$26,455,100, an increase of \$416,100 or 1.6% from the 2015 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 will seek proposals from organizations to serve as the economic development organization for Waukesha County and implement the objectives in the business growth strategy. Waukesha County funds will be leveraged with funds from the City of Waukesha and the Wisconsin Small Business Development Center. The County's budgeted support for an economic development organization increases by \$55,000, from \$95,000 to \$150,000.
- **The Non-Departmental General Fund** also budgets \$50,000 to fund an initial study of different levels of collaboration between independent municipal fire departments. This first study will include municipalities in Lake Country and surrounding municipalities participating and contributing in part to the County's appropriation.
- **The Waukesha Employee Health and Wellness Center (Health and Dental Insurance Fund)** budget decreases by \$22,000 to \$858,600. The budget includes include contracted staffing, estimated at \$496,400; contractor management and consulting fees, estimated at \$200,800; laboratory fees, estimated at \$60,800; facility-related expenses, estimated at \$55,500; \$8,000 for furniture and equipment; and supply and other operational costs, estimated at \$37,100.
- **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 \$14,653,600, an increase of \$34,300 or 0.2% from the 2015 Adopted Budget. To fund the 2016 Capital Project Budget, \$12 million is planned to be borrowed, which is an increase of \$2 million from the 2015 level. Retiring approximately \$12.71 million of principle in 2016 will reduce the County's total debt outstanding to approximately \$78.6 million, well below the allowable levels set by State statutes.

### Capital Projects

- The 2016 **Capital Project expenditure budget** of \$20,782,800 increases \$4,641,400 from the 2015 Adopted Budget. The 2016 Capital Budget identifies funding for existing and new projects at a net County cost of \$16.8 million (after direct project revenues of \$3,353,000 and proprietary fund balance appropriations of approximately \$637,800 are applied).