



# Waukesha County

## Office of the County Executive

To: Honorable County Board Members  
From: Paul Farrow, County Executive  
Date: September 27, 2016

Dear Honorable County Board Supervisors:

As you know, every year we begin the budget process in late spring. Working together with members of the County Board, the budget team, and department heads, I created an Executive Budget with the same two key goals I had in mind last year: maintain the outstanding services we provide to the citizens of Waukesha County and continue to hold the line on taxes. This process requires strategic thinking and making difficult decisions, but also provides the opportunity to examine new and innovative ways to save tax dollars. I am proud of the strategic decisions made throughout the budget; which, if approved by the County Board, will continue our commitment to maintaining a low tax climate. In fact, a **County homeowner, with a median valued home estimated at about \$256,650, will see no change from last year on the county portion of their property tax bill.**

I appreciate the willingness of the County Board to work with me throughout the budget process. Your input, sitting side by side with me as the budget is developed, is a unique and refreshing way for the Executive and Legislative Branches to work together and determine what is best for the citizens of our county. I look forward to building upon our strong relationship as you deliberate on the passage of the 2017 Budget.

### **TAX IMPACT ON HOMEOWNERS**

The proposed 2017 County general property tax levy totals \$101.8 million, an increase of 0.84% or \$850,950. This increase in levy is against an equalized property tax base of \$51.0 billion, which experienced a 3.1% increase. This increase includes a net new construction growth rate of 1.63% as compared to 1.07% in the prior year. This results in a levy rate per \$1,000 value reduction of 2.2% from \$2.04 in 2016 to \$1.9965. The median home value in Waukesha County increased by 2.26% from \$250,980 to \$256,650 in 2016. The reduced rate applied to an increased home value results in no change from last year's bill of \$512 for the county portion of the property tax bill.

### **COUNTY EXPENDITURES AND REVENUES**

Proposed expenditures in the budget total \$284.2 million, a reduction of \$1.3 million from the prior year. Operating budget expenditures increase \$2.7 million or 1.01%. The Capital expenditures decrease almost \$4 million for a total capital budget of \$16.8 million. This reduction reflects priority capital projects in the five-year capital plan for infrastructure investments.

This budget continues careful management of personnel to control cost increases to 0.8% for 2017. The County continues to experience increased retirements and entry level replacements. Benefit costs also include lower health insurance costs based on increased participation in lower-cost health savings account plans and changes to premium cost shares. Overall, funded regular positions in 2017 result in a reduction in the employee per capita ratio to 3.4 employees to 1,000 residents. The change for 2017 includes 10 new positions offset by 8.25 unfunded positions, 2 positions sun setting (as a result of State funding reductions), and a position abolishment. County Departments have worked diligently to review and adjust positions to meet service demand in innovative ways to use technology and seek collaborative partners.

The 2017 budget includes changes in key revenue sources.

- Investment income is decreased \$400,000 to \$3,008,000 reflecting continued historically low rates. Delinquent Taxes Penalty and Interest is also reduced by \$63,000 as outstanding Delinquent Taxes declined during 2015. The prior budget reduced investment income \$200,000 and delinquent tax revenue by \$55,000.
- An increase in property sales and a continuing trend in reductions in home mortgage refinancing results in offsetting changes to real estate related fees budgeted at \$2.6 million.
- State revenues include stable revenue sources for Human Services basic community aids, General Transportation Aids and the Circuit Court support grant funding. Youth aids is reduced \$73,000 to \$3.36 million.

## **TARGETED SERVICE LEVEL INCREASES**

This budget includes targeted increases in Justice and Law Enforcement program areas. This includes increased expenditures of \$1,080,000, 6.75 additional positions and revenue increases of over \$550,000.

- Emergency Preparedness will add 3.00 FTE telecommunicator positions to cover call center activity associated with a new community joining as a partner municipality in 2017. Moving to a regional model gives 911 dispatchers access to more resources and enhances emergency services.
- Emergency Preparedness will also improve existing front-line supervision and training efforts with the addition of 1.00 FTE Communication Center Supervisor.
- The Sheriff's Department will add 2 FTE Deputy positions for expansion of a third shift to the Town of Lisbon patrol contract. New municipal revenue of \$178,000 will fund all costs associated with this service expansion.
- High Intensity Drug Trafficking (HIDTA) grant funding of \$66,000 will increase overtime resources by 0.33 FTE and fund an additional vehicle purchase. The Special Investigations program which provides narcotics investigative services will also benefit from an internal transfer of 1.0 FTE Detective.
- Sheriff equipment replacement needs for both jail and non-corrections equipment replacement plans are funded at \$331,600, an increase of \$68,600.
- The District Attorney's office will use additional VOCA grant funding of \$132,000 to create a Mobile Victim Assistance Counselor and provide emergency funds for victims, as well as gear, supplies, training and other operating expenses. The new funding will also provide a Restitution Specialist to focus on increasing the collection of restitution for crime victims and stream-lining the efforts of many departments regarding the process of restitution determination.

The 2017 budget also includes targeted resource allocations to mental health and substance abuse services in the Health and Human Services (HHS) Department.

- The Department adds 2.04 FTE new temporary extra help Clinical Therapists and 2.00 FTE Clinical Therapists (transferred from the Aging and Disability Resource Center division) to provide State mandated 24/7 crisis intervention services which requires HHS staff to conduct assessments on whether a person should be detained. Additional extra help of 1.03 positions are also added to provide after-hours building safety duties and after-hours reception duties as service hours are expanded. The Department will also implement a same day scheduling model.
- Contracted psychiatric services include the addition of a new children's psychiatrist to assist with programming efforts related to the Children's Comprehensive Community Services (CCS) program. The budget also includes increases in revenues of \$303,500 over all, associated with new State rules that raise reimbursement rates and combine State grant funds for greater flexibility in serving clients with community based mental health services.
- State mental health institute costs increase nearly \$862,000 in the 2017 budget for adults and children. A portion of this increase (\$260,000) is associated with one placement awaiting court decisions and is funded with fund balance.

- The budget includes a \$424,000 reduction in medication costs due to collaborations with the on-site pharmacy. This includes greater usage of generic medications and greater coordination with clients' insurance and medication coverage. A new medication dispensing machine, funded with fund balance, is anticipated to incorporate more efficient inventory control procedures.
- The Mental Health Center will utilize fund balance of \$149,000 for facility improvements to comply with Medicare regulatory facility requirements and other maintenance.
- Alcohol and drug treatment programs under the Criminal Justice Collaborating Council (CJCC) are maintained with new grant awards and increased tax levy.

#### Collaborative Initiatives Continue

- Budgeted support for an economic development organization increases by \$95,000, from \$150,000 to \$245,000 to implement objectives in the business growth strategy.
- The budget includes \$60,000 to fund a follow-up analysis of the 2016 study report of potential collaborations between independent municipal fire departments and includes newly-participating municipalities.
- Recyclables processed at the joint Material Recovery Facility (MRF) will reach over 60,000 tons to lower the processing fee per the sliding fee scale, resulting in reduced charges of \$133,500 and contributes to a budgeted positive operating income increase in 2017, the second full year of operation.

### **INVESTING IN INFRASTRUCTURE**

The 2017 Capital budget, with total expenditures of \$16.8 million, identifies projects that maintain existing infrastructure and facilities which support high quality services and provide for future economic development.

#### **Justice and Public Safety**

The Waukesha County Communication Center (WCC) will be expanded with capital funding of \$3.5 million in the 2017 Budget. The WCC is the home to our County emergency 911 operations and houses our Emergency Operations Center (EOC). The WCC expansion will allow for additional municipal police and fire agencies to join County dispatch and provide new, expanded space for handling large-scale emergency events.

Following a 2013 Courthouse Future Study, the County continues to plan for a two-phase project to modernize and expand the courthouse (constructed in 1959) to meet current and future needs. The first phase is to construct a new secure courtroom facility to be located adjacent to jail facilities and will feature improved security, prisoner transport and public access. Design for this first phase begins in 2017 with construction in 2018-2020.

#### **Transportation**

The proposed 2017 capital budget devotes about \$8.3 million to maintain Waukesha County's existing County Trunk Highway (CTH) infrastructure. Maintaining our roads is key to providing safe transportation for our constituents, as well as offer business consistency in their transportation system fostering greater economic development. Maintenance of existing infrastructure continues with \$4.5 million for road surface repaving and intersection signal and safety improvements. Bridge maintenance work includes funding of \$382,000 for three area bridges. The rehabilitation of three miles CTH D, Calhoun Rd to 124<sup>th</sup> St in New Berlin begins with design of \$66,000.

Construction of Waukesha County's portion of the Waukesha West Bypass happens in 2017 with additional funding in the budget of \$660,000. The State's portion of construction is scheduled for 2018. This project will relieve the congestion on nearby roads that has resulted from the continued growth and development in the area.

A 1.8-mile stretch of CTH I (Beloit Road), between CTH ES (National Avenue) and CTH O (Moorland Road) will be reconstructed with County funding of \$381,000 and Federal funds of \$2.7 million to accommodate new medical services and retail development at the corner of Moorland Road and CTH I. This intersection will also be reconstructed in a separate project with design beginning in 2017.

Land acquisition for the expansion of CTH M (North Avenue), Calhoun Road to 124<sup>th</sup> Street continues in the 2017 budget with funding of \$2.1 million. Construction is planned for 2020-2021. The project will proceed as a single phase project estimated to total \$25.8 million, with federal aid covering \$16.1 million, the City of Brookfield and

Village of Elm Grove contributing \$445,000 for local street amenities, and the County's share at about \$9.3 million over the life of the project.

The Airport multi-year ramp expansion project for \$110,000 is expected to improve capacity and safety at the airport, while generating additional revenues through new land lease agreements and increasing fuel sales.

### **Parks and Land Use**

Projects in this functional area total \$2.3 million. Maintenance of existing facilities includes \$600,000 for the Parks pavement management plan, \$182,000 for a multi-year plan to address University of Wisconsin Waukesha site work including concrete walk, terrace and stairway segments and \$260,000 for energy-saving lighting upgrades at park facilities and parking lots. The lighting projects are expected to have a 5-year payback due to lower electrical utility costs. Design of an underpass for the Lake Country Trail as it crosses State Highway 67 in Oconomowoc is budgeted along with design for the renovation and upgrade of the Menomonee Park Beach House. The budget includes construction funding of \$634,000 for a new shelter and restroom at Minooka Park will complete a multi-year effort to meet needs and expectation of park patrons throughout the park system. The remaining bridges at Wanaki Golf course are replaced in 2017 to improve safety, reduce on-going structure maintenance and improve golf course playability.

### **Other Capital Budget Items**

Technology funding of \$400,000 will involve first year implementation of a replacement system for human resource management and payroll. Building projects include design for roof replacement at the Mental Health Center, new parking lot construction at the Human Services Center and building mechanical systems upgrades at the highway substations, highway operations and fleet facilities.

### **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 \$10 million, a reduction of \$2.0 million from the 2016 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 \$2.0 million and other revenues of \$750,000 maintains the County's "down payment" at 31% of net capital expenditures, well above the target of 20%.

The County's 2017 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**

I would like to thank the Waukesha County staff that helped prepare the 2017 County Executive's Budget and the County Board Supervisors that 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,



PAUL FARROW  
County Executive