

2015 EXPENDITURE HIGHLIGHTS

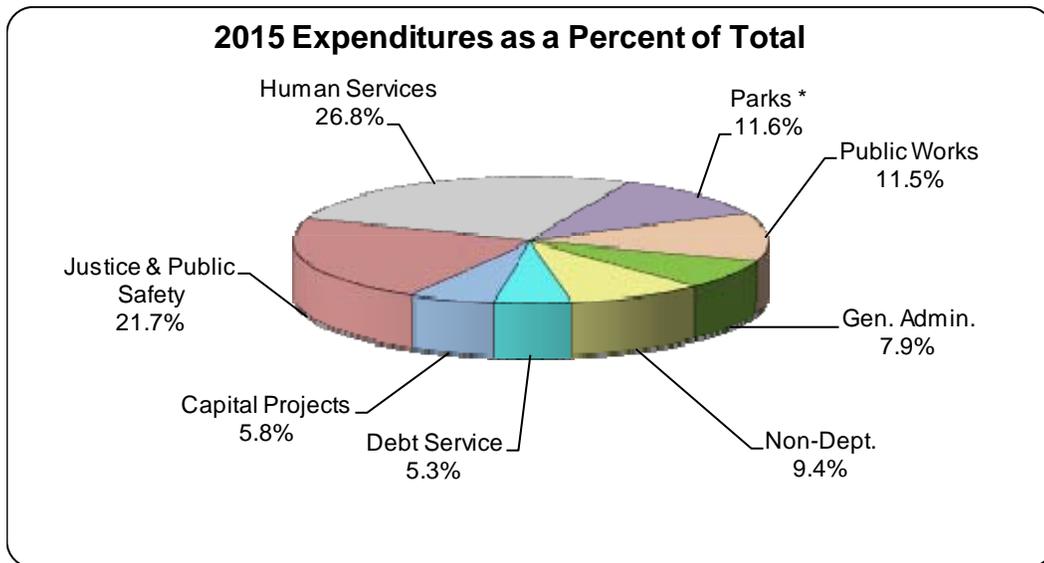
Expenditure Budget:

The 2015 total gross expenditure budget is \$277,379,132, a reduction of \$4,690,247 or 1.7% from the 2014 Adopted Budget. 2015 Budget appropriations consist of departmental operating budget and debt service expenditures totaling \$261,237,732 and capital project spending of \$16,141,400. The total operating budget increases by \$7,161,053 or 2.8% from the 2014 Adopted Operating Budget while capital project expenditures decrease by \$11,851,300 or 42% from the 2014 Adopted Budget.

The net total operating expenditure budget after excluding \$37,627,250 of interdepartmental charges, mainly from Internal Service Funds (which are double budgeted) is \$223,610,482, an increase of \$6,757,188 or 3.1%.

The budget includes net personnel costs totaling \$118.9 million or about 42.9% of the total expenditure budget. Personnel costs are budgeted to increase by about \$1.7 million, or 1.5% from the 2014 Adopted Budget level.

Operating expenditures (including purchased services, operating expenses and interdepartmental charges) increase by about \$5.33 million or 4.4% from \$120.8 million in the 2014 budget to \$126.1 million in this budget. Fixed Assets and improvement (excluding capital projects) expenditures are budgeted at \$1.56 million, a reduction of \$63,700 from the 2014 budget. Debt service payments are budgeted at \$14.62 million which is an increase of \$196,200 from the 2014 budget level or about 5.2% 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	\$60,302,142	21.7%
Human Services	\$74,290,321	26.8%
Parks *	\$32,295,829	11.6%
Public Works	\$31,878,744	11.5%
Gen. Admin.	\$21,812,379	7.9%
Non-Dept.	\$26,039,000	9.4%
Debt Service	\$14,619,317	5.3%
Capital Projects	<u>\$16,141,400</u>	<u>5.8%</u>
Total Expenditures	\$277,379,132	100.0%

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2015 EXPENDITURE HIGHLIGHTS

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

The 2015 Budget expenditure level decreases by \$4.69 million to \$277.4 million. This reflects a \$11.85 million reduction in capital project expenditures, mostly due to the removal of \$9.6 million related to 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.

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.

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 2015 funding changes, which impact expenditures by functional area, follows:

2015 EXPENDITURE HIGHLIGHTS

Justice and Public Safety:

- The 2015 **expenditure budget** for this functional area totals \$60,302,200, an increase of \$1,684,600 or 2.9% from the 2014 Adopted Budget.
- The **Medical Examiner's Office** budget increases expenditures \$581,200 to reflect costs related to increased Waukesha County case volume as well as a new regional initiative in which the Waukesha County Medical Examiner will be taking on the medical examiner responsibilities for Walworth and Washington Counties. Prior to this agreement, Waukesha provided autopsy services only to both counties. The new agreement provides stability to all three counties, while providing enhanced services, oversight by forensic medical professionals, and enhanced policies and procedures to the medical examiner offices of the contract counties. Personnel expenditures increase by \$360,700 for the addition of 1.0 FTE Pathologist, 1.0 FTE Deputy Medical Examiner Supervisor, and an increase in extra help funding for pathology assistance – related to the regional initiative and by \$131,800 for the creation of 1.0 FTE Deputy Medical Examiner and 1.0 FTE Administrative Assistant – related to increased Waukesha County case volume. Other expenditure increases are mostly for medical services and supply costs related to the anticipated overall increase in case volume.
- **Radio Services** expenditures increase \$734,700, primarily due to a \$531,100 increase in depreciation charges and a \$189,400 increase in system maintenance charges – both related to the new digital trunked radio system. Depreciation charges are offset with Radio Services fund balance.
- **Emergency Preparedness** General Fund 2015 Budget total expenditures are increased by \$258,800, including personnel cost increases of \$115,000 to reflect the addition of 2.0 FTE Telecommunicator positions at the Communications Center to allow the department to meet industry benchmarks and recommendations and to avoid overtime costs incurred when new employees are being trained. Increased operating costs of \$76,300 are primarily due to the addition of system maintenance costs for the new dispatching consoles software/equipment associated with the new digital trunked radio system. The budget also includes fixed asset costs of \$157,000, mostly for one-time costs associated with the purchase of fire emergency dispatch software.
- **Sheriff** expenditures increase \$187,500 or 0.5% on a base of over \$38 million. Overall net personnel costs of \$30.5 million are budgeted to increase by \$129,700 or 0.4%, with no budgeted regular position changes and minimal increases for extra help and overtime. Cost increases are mostly due to cost to continue 354.0 FTE staff and is partially offset by reductions in health insurance costs and \$267,100 in Wisconsin Retirement Contributions for deputies, detectives, and command staff.
- Variable costs associated with the **inmate population** in the Jail and Huber facilities are contained in this budget. Inmate medical costs are budgeted to increase by \$35,800 or 2.2% to a total cost of \$1.67 million, and include a 3% increase for the medical care contract, partially offset by a reduction in anticipated medical care for inmates provided outside the contract. Inmate food services costs decrease \$23,200 to \$635,500 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 \$1.65 million for vehicle replacement, maintenance and fuel. These costs are increasing by approximately \$105,500, mostly due to an overall increase in replacement costs for the new patrol vehicle (Tahoe). The budget also includes one-time fixed asset costs of \$32,200 for the purchase of an additional vehicle for the Pewaukee patrol contract. The costs for the additional vehicle (and associated equipment) are addressed with fund balance and will be paid back by the City over the life of the contract
- **Circuit Court Services** expenditures decrease \$118,900 to \$9.2 million. Personnel costs reductions are mostly due to the unfunding of a 2.0 FTE Administrative Specialist positions (resulting in savings of \$114,000) and reductions of \$10,000 and \$5,600 in extra help and overtime respectively. These reductions are partially offset by costs to continue existing employees and result in a net reduction of \$10,300 overall. The department also reduced expenditures for court appointed counsel and legal services by \$72,500 and reduced various supply accounts by \$22,460, which reflect an effort to use technology and standardize supply orders to reduce costs
- Modest expenditure increases in the **District Attorney's** budget reflect the reclassification of 1.0 FTE Victim/Witness Specialist to Victim/Witness Counselor.

2015 EXPENDITURE HIGHLIGHTS

Health and Human Services

- The 2015 **expenditure budget** for this functional area totals \$74,290,300, an increase of \$1,958,900 or 2.7% from the 2014 Budget.
- **Children's Long Term Support Waiver (CLTS)** expenditures (and revenue) increase by \$697,900 to \$5.1 million mostly related to additional funding provided from the State of Wisconsin to serve additional children with long term support needs. Ordinance 169-21 approved in 2014 accepted \$1,612,275 to remove children with special needs from the wait list and approved adding the two additional service coordinator/ social worker positions which continue in the 2015 budget. This program includes Autism services, Asperger's, Developmentally Disabled, Severely Emotionally Disturbed and Pervasive Developmental Disorder not otherwise specified.
- **Juvenile Center 2015 budget** implements a more cost-effective alternative of a third-party social services provider for juvenile male and female shelter care services. This includes a partial year reduction in 13 positions (6.48 FTE) and food and medical service costs reductions. These expenditure reductions are offset with a partial year contract with Lad Lake \$390,000 and additional Sheriff charges of \$15,800 to transporting juveniles to the Lad Lake's facility in Dousman. Overall, this change accounts for approximately \$38,000 of the expenditure decrease from the 2014 budget, but if the Department were to continue providing these services in-house, it is estimated that inflationary and staffing cost increases would have generated an additional \$52,000 in expenses, for a total savings in 2015 dollars of about \$90,000. Annualized savings are estimated at about \$130,000.
- The 2015 budget for the **Aging & Disability Resource Center (ADRC) – Adult Protective Services** program includes a \$336,000 or 40% decrease to \$502,200 in the payment to the Marsh Country Health Alliance for Clearview Nursing Home and facility for Individuals with Intellectual Disabilities (IID) in Dodge County mainly for the 24 Waukesha County residents who reside at Clearview. The decrease is based on Waukesha County's Assessment Rate of the Alliance "certified loss" as listed in the 2013 filed Clearview Medicaid nursing home cost report. Also, contracted services in the Adult Protective Services (APS) increases by \$69,800 to \$621,100 based on current trends of elderly clients needing to go to the hospital for medical clearance in addition to increased costs budgeted for higher cost corporate guardianship services for an increasing number of clients.
- **Economic Services Administration and Support Program** expenditures (and revenues) include a decrease of \$236,500 to \$430,500 for the sunset of ten (5.0 FTE) Economic Support Services positions created to assist in the implementation of the Patient Protection and Affordable Care Act (PPACA). The state and federal funding will end June 30, 2015.
- Operating expenses and related revenues for the **Aging & Disability Resource Center (ADRC) Contract Fund** increase by \$401,400. Operating expenses increase by \$417,100 related to the addition of four contracted ADRC specialists and one dementia care specialist. The contracted dementia care specialist was approved in Ordinance 169-20 during 2014 with the acceptance of the state Dementia grant funding which awarded a prorated amount of \$53,335 in 2014 and awards \$80,000 in 2015.
- **Mental Health Outpatient-Clinical** expenditures increase nearly \$636,300 or 8.6%, partially due to personnel cost increases of \$295,100 or 8.9% to about \$3,612,200. This increase includes 5.00 FTE new Clinical Therapists as a result of the reclassification of 3.00 FTE Senior Substance Abuse Counselor, the transferring of 1.00 FTE from the Children and Family Division, and 1.00 FTE created from a limited term employee. Operating expenses are budgeted to increase nearly \$368K related to an increase in prescription drug costs and medical supplies of nearly \$124,700 due to an increase in the use of long-acting injectable formulations and newly released treatments. State mental health institute placement costs are budgeted to increase by nearly \$108,200 to nearly \$1.6 million or 1,385 total days of care.
- **Criminal Justice Collaborating Council (CJCC)** 2015 budget includes an additional \$142,900 of expenditures and revenues related to 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. The acceptance of this grant was approved in 2014 with enrolled ordinance 168-O-081, which allowed the CJCC to accept \$142,000 for the 1-year period of January 1 through December 31, 2014, with the same level of continuation funding available in 2015 and 2016.

2015 EXPENDITURE HIGHLIGHTS

Parks, Environment, Education, and Land Use

- The 2015 **expenditure budget** for this functional area totals \$32,295,800, an increase of nearly \$2,062,600 (after excluding proprietary fund capitalized fixed asset item purchases), or 6.8% from the 2014 Adopted Budget.
- **Parks and Land Use – Material Recovery Facility (MRF) Fund** budget will experience a significant year of transition in 2015, implementing a joint agreement with the City of Milwaukee to process single-stream recyclable materials in a facility remodeled funded through Capital Project 201409 for \$7.7 million. Expenditures are budgeted to increase \$1.7 million to \$4.34 million, mainly due to the per-ton fee paid to the County's vendor to process recyclable materials under the new contract, budgeted at \$1.04 million, as well as an increase in the community dividend payments that are budgeted to increase approximately \$580K to \$1.8 million. The increase in dividend payments is to assist communities with obtaining new recycling bins that are more conducive to single stream recycling efforts, and assist municipal efforts in direct hauling recyclable materials to the joint MRF in the City of Milwaukee and away from the previous MRF located in the City of Waukesha.
- The **Federated Library System** distribution expenditures (and related County Library Tax Levy) increases by about \$458,700 or 15.5% to \$3,424,360 in 2015. The increase is primarily due to a one-time modification to the formula as a result of the dissolution of the Sussex-Lisbon joint library. This modification will count the Town of Lisbon as a TNR community, and relax the distribution caps to provide additional funding to libraries based on their net lending effort to the Town of Lisbon, resulting in an increase of approximately \$453,400.
- **The Federated Library System State Aids Fund** expenditures decrease approximately \$36,400 or 2.7% to \$1.33 million, mainly due to reductions in personnel costs of \$75,200 due to the unfunding of a 1.00 FTE Administrative Assistant position at a total cost of approximately \$61,700 and the reclassification of 1.00 FTE Library Services Specialist to a 1.00 FTE Librarian at a budgeted cost savings of \$42,400. These decreases are partially offset by the cost to continue remaining library staff. In addition, Operating expenditures increase \$54K, related to the Federated Library System budgeting for e-magazine subscription service of \$35,000 and a one-year pilot project subscription to Gale Courses for \$40,000, allowing member libraries to offer instructor led, self-paced online classes in various subject areas to Waukesha County citizens. This is partially offset by a decrease in building rent costs of \$24,200 as staff will be relocating to a new office space in downtown Waukesha in fall 2014.
- **Parks and Land Use General Fund Personnel** budget increases \$72,200 or less than 1% and includes a 1.00 FTE reduction for an Environmental Health Sanitarian position of approximately \$73,000, a 2.09 FTE decrease in Extra Help mainly at various County Parks partially due to a shift in budgeting fewer position classifications at an increased rate, and a slight reduction of 0.08 FTE overtime, offset by the cost to continue remaining staff levels.
- Also, **Parks and Land Use General Fund Fixed Assets** are budgeted to decrease \$74,400 to \$244,100 and include: signage updates at various County facilities of \$30,000, the removal of the barn Ryan Park of \$28,000, updated signage, lighting and landscaping at Naga-Waukee Park of \$22,000, \$24,000 for the painting of offices at Minooka and Mukwonago Parks, \$15,000 for new waterlines and a meter pit at Muskego Park, \$16,850 for painting and weatherproofing the Northview Shed, in addition to several smaller projects.
- **University of Wisconsin – Extension** budgeted expenditures decrease by about \$104,100 or 15.7%. This is mainly due to several funding sources from 2014 related to grants and donations for program projects that are completed or not continued in 2015, totaling nearly \$126,000. This decrease is partially offset by the department budgeting \$30,000 in grant funding to provide business education and technical assistance training to clients at the Wisconsin Women's Business Initiative Center (WWBIC). In addition, 1.00 FTE Office Services Coordinator is reclassified to a Programs and Projects Analyst. This position will be assuming some of the duties previously assigned to the 0.25 FTE 133 Contract Educator & Co-Director position, removed in 2015.

2015 EXPENDITURE HIGHLIGHTS

Public Works

- The 2015 **expenditure budget** for this functional area totals \$31,878,700 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of \$1,583,800 or 5.2% from the 2014 Adopted Budget.
- **Road Salt expenditures for County Highway snow removal** operations are budgeted to increase about \$311,000 to \$1,510,300 in the 2015 budget. Salt rates are increasing by \$8.14 or 15%, from \$54.27 per ton to \$62.41 per ton based on the current 16,400 tons of salt for use on County roads resulting in an increase of \$134,000. An additional \$165,000 of salt expenditures are anticipated to be purchased by municipalities with offsetting sales revenue of \$180,000 (including a handling fee of \$7.00). The remaining \$12,000 increase is anticipated to be used by Parks.
- The **Central fleet Vehicle Fuel** budget includes an increase in fuel costs of \$0.05 to \$3.80 in 2015 compared to \$3.75 in 2014, resulting in a county wide increase of about \$26,000. The **Central Fleet Repair and Maintenance** budget includes the abolishment of a mechanic position, partially offset by the creation of an administrative assistant position, estimated to reduce costs from the 2014 budget by about \$27,000.
- **State Highway Maintenance operations** work on State roads as directed by DOT are budgeted to increase by nearly \$925,000 to over \$5.6 million. This includes \$325,000 of additional work based on an anticipated higher State Routine Maintenance Agreement (RMA). An additional \$600,000 is budgeted for continuation of a pilot Performance-Based Maintenance (PBM) project authorized in 2014. This additional state funding is budgeted to cover \$372,000 in additional vehicle related costs; \$321,000 of additional labor costs, including 4.0 FTE patrol workers and 0.22 FTE (about 460 hours) for more overtime expenses; \$115,000 in materials, such as gravel and crack filler; and other related expenses.
- **The building improvement maintenance** plan totals \$950,000, which includes a decrease of \$68,000 for a one-time project in 2014 to improve staff efficiency at the Jail (funded with prior-year jail assessment fee revenue appropriated as General Fund Balance).
- **Energy and Utility budget costs for County facilities** are budgeted to increase by \$64,100 or 3.1%, partly due to anticipated increases in natural gas costs. The increase also includes \$34,000 for one additional year of utility costs to maintain the former Health and Human Services Buildings (constructed in 1911 and 1921) while it is determined what to do with the vacant facility. Costs are maintained through prior-year energy efficiency improvements (e.g., lighting replacement, more efficient boilers chillers).

General Administration

- The 2015 **expenditure budget** for this functional area totals \$21,812,400 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of about \$3,000 or less than 1% from the 2014 Adopted Budget.
- The **County Clerk's Office** expenditure budget decreases by \$125,200, mainly due to a reduction for election costs that occur in odd-numbered years, when there are fewer elections held.
- The **Department of Administration (DOA) General Fund** expenditures increase by \$19,800, or less than 1%, due to increased personnel costs (mostly related to cost to continue existing positions), offset with reduced operating and interdepartmental expenditures.
- **DOA-Risk Management** expenditures for 2015 increase by 3.2% or \$82,700 to \$2.7 million. This primarily reflects an increase self-insured claims costs based on historical trends.

2015 EXPENDITURE HIGHLIGHTS

Non-Departmental

- The 2015 **expenditure budget** for this functional area totals \$26,039,000, a decrease of \$327,900 or 1.2% from the 2014 Adopted Budget.
- **Non-Departmental General Fund – The Waukesha County Small Business Leverage Loan** program is budgeted to decrease by \$100,000, from \$300,000 to \$200,000, and will be funded by first-time repayments of loans made in prior-years. Initial loans were funded using prior-year Tax Increment District (TID) revenues returned to the County. The program is intended to provide “gap” loan funding for small, established businesses in Waukesha County to promote economic growth.
- **Health and Dental Insurance Fund – Waukesha Employee Health and Wellness Center** budget decreases by \$159,200 and reflects budgeting for the first full-year of operations (estimated to start operations in November 2014.) The overall decrease is largely due to the 2014 budget originally assuming that the partner agencies’ (City and School District of Waukesha) share of program costs and related reimbursements would be paid through this program. Based on the approved intergovernmental agreement signed in 2014, the City and School District will pay for their share of program costs directly, except for one-time start-up and facility-related costs (e.g., utilities, housekeeping), which will be reimbursed to the County. Expenditures include contract staffing estimated at \$446,200, contractor management and consultant fees at \$209,300, facility-related expenses at \$74,300, laboratory fees at \$60,500, depreciation at \$48,600, and supply and other operation costs estimated at \$41,700.

Debt Service

- The **Debt Service expenditure budget** for general governmental purposes is \$14,619,300, an increase of \$196,200 from the 2014 Adopted Budget or 1.4%. To fund the 2015 Capital Project’s Budget, \$10 million is planned to be borrowed, which is no change from the 2014 level. This, along with planned debt refunding, will reduce the County’s total debt outstanding to approximately \$91.97 million, well below the allowable levels set by State statutes.

Capital Projects

- The 2015 **Capital Project expenditure budget** of \$16,141,400 decreases \$11,851,300 from the 2014 Adopted Budget. The 2015 Capital Budget identifies funding for existing and new projects at a net County cost of \$14.1 million (after direct project revenues of \$767,500, special revenue fund balance appropriations of \$195,500, and proprietary fund balance appropriations totaling approximately \$1.1 million are applied).