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Budget Task Force





Session 2

- 1 Welcome
- 2 Recap of Session 1
- 3 Service Level Reduction Framework
- 4 Group Exercises & Discussion
- 5 Revenue Generating Options
- 6 Session 3 Preview
- 7 Adjourn

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Waukesha County

2024 BUDGET TASK FORCE TIMELINE

 DEVELOP VALUES AND PRIORITIES	 SERVICE LEVEL REDUCTION SCENARIOS	 REVENUE GENERATING SCENARIOS	 PRESENT TASK FORCE RECOMMENDATIONS
<p>Major Activities</p> <ul style="list-style-type: none"> • Share fiscal context and build mutual understanding • Work together to set values that will guide decision-making • Understand Task Force priorities as it relates to core services provided by the County 	<p>Major Activities</p> <ul style="list-style-type: none"> • Connect values and priorities to County resource allocation • Share service level reductions that address the budget gap • Work together to prioritize reductions 	<p>Major Activities</p> <ul style="list-style-type: none"> • Recap service level reduction prioritization • Present revenue-generating scenarios • Work together to prioritize optimal scenario(s) that address the budget gap 	<p>Major Activities</p> <ul style="list-style-type: none"> • Recap results of Task Force sessions that led to recommended scenario(s) to address the budget gap • Present what Raftelis will share with the County Board of Supervisors
Tuesday May 14	Wednesday May 29	Tuesday June 4	TBD - June

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Session 1 Recap



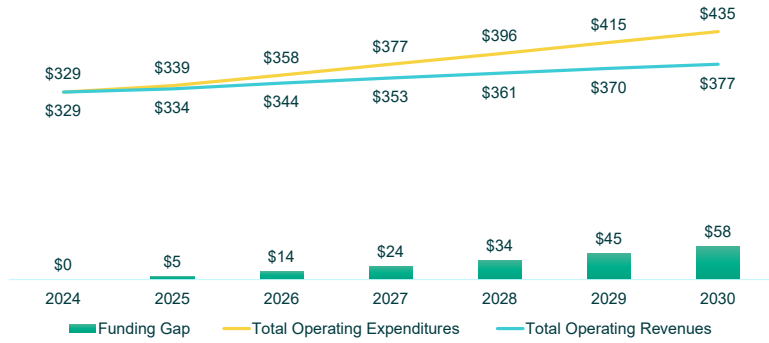
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Operating Budget Outlook

Absent policy action, the budget gap is expected to be \$5 million in 2025 and grow significantly thereafter.

Total Projected Operating Revenues and Expenditures Base Scenario (\$ Millions)



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Task Force Goal

\$30 million of ongoing expenditure reductions or revenue additions



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VALUES

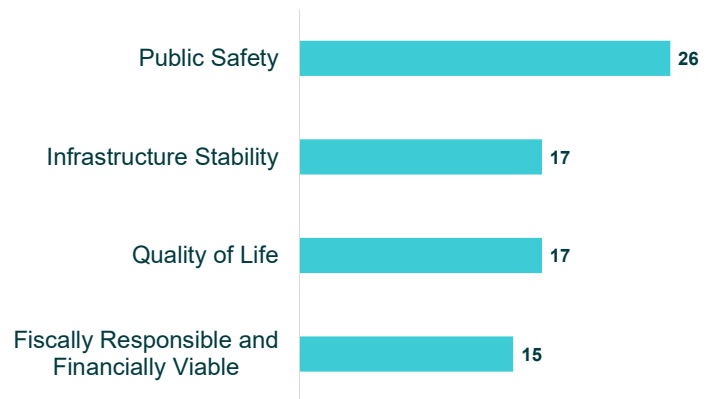
*Fundamental principles that guide decision-making
Inform the “why” behind decision-making*

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Task Force Values

Four values stood out as the Task Force principles for decision-making, earning double-digit vote counts



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Priorities



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Service Level Adjustments

Required vs. Desired Service Level

Supplementary services provided in addition to core functions, designed to enhance quality of life, improve efficiency, and support economic development

Value-added

Essential functions and services provided to ensure well-being, safety, and effective functioning of the community

Core

Legally required to provide, established through law, regulations, or directives from higher levels of government

Mandated

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Service Areas



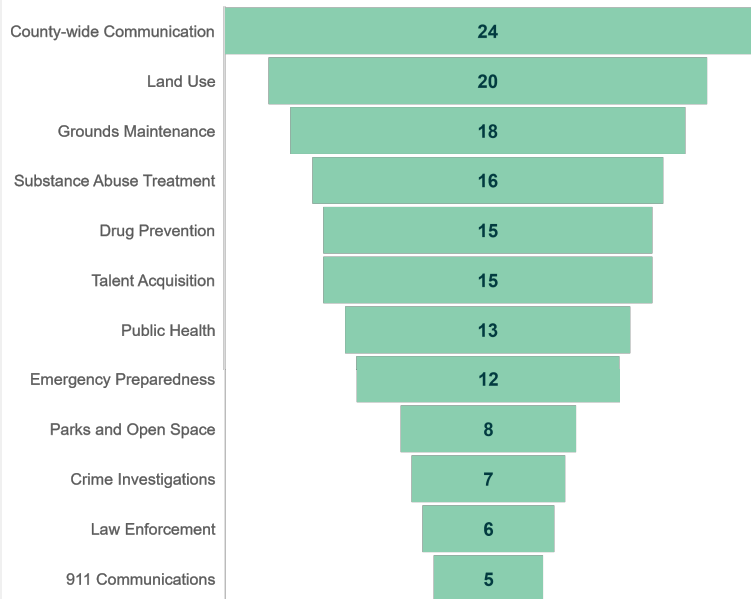
- Infrastructure Development
- Corrections (Jail)
- Law Enforcement (Patrol Operations)
- Emergency Preparedness
- Economic Development
- Talent Acquisition (recruiting)
- Traffic Safety
- Well-maintained Roads (including in the winter)
- Support for Vulnerable Populations (elderly, disabled)
- Mental Health Support
- Substance Abuse Treatment
- Court Operations
- Environmental Protection
- Parks and Open Space
- Land Use
- Debt Borrowing
- Maintaining County Facilities
- Employee Benefits
- County-wide Communication
- 911 Communications
- Public Health
- Crime Investigations
- Drug Prevention
- Grounds Maintenance

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Service Level Reductions

Of the 24 County services presented, half received at least 5 votes for service level reductions



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Value-added Service Reduction Impact

Service Reduction	Net Score	Service Level Impact	Estimated Savings
County-wide Communication	(21)	Messaging, lack of coordination, reactive communication, minimal community engagement, emergency comms	\$270,000
Land Use	(18)	Delayed development permitting and customer satisfaction & increased cost to applicants	\$415,000
Grounds Maintenance	(17)	Muskego park closure, aesthetic decline, health hazards, decreased property values	\$370,000
Drug Prevention / Substance Abuse Treatment*	(14)	Higher healthcare costs, overcrowded treatment facilities, public safety impacts	\$220,000
Talent Acquisition	(12)	Longer vacancies, poor candidate quality, broad decline in public service delivery	\$100,000
Public Health	(11)	Health disparities for vulnerable populations, inadequate health surveillance and emergency response	\$1,000,000

*Where services were combined, scores were averaged.

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Value-added Service Reduction Impact (Continued)

Service Reduction	Net Score	Service Level Impact	Estimated Savings
Emergency Preparedness	(9)	Delayed crisis management response, prolonged recovery	\$160,000
Parks and Open Space	(4)	Limited access, lower quality of life, reduced air quality, removes community meeting space	\$110,000
911 Communications	(3)	Higher overall cost to taxpayers due to loss of economies of scale and duplication at municipal level.	\$4,800,000
Public Safety Staffing*	(1)	Fewer sworn staff resulting in less traffic enforcement and investigation, decreased quality of life, reduced deterrent, increased OT, deputy quality of life decline	\$2,000,000
Infrastructure Maintenance and Development*	5	Higher taxes due to interest expense on higher debt levels & significant increases in asset life cycle cost	\$3,000,000
Economic Development	13	Business growth stagnates, fewer job creation and business retention initiatives	\$250,000

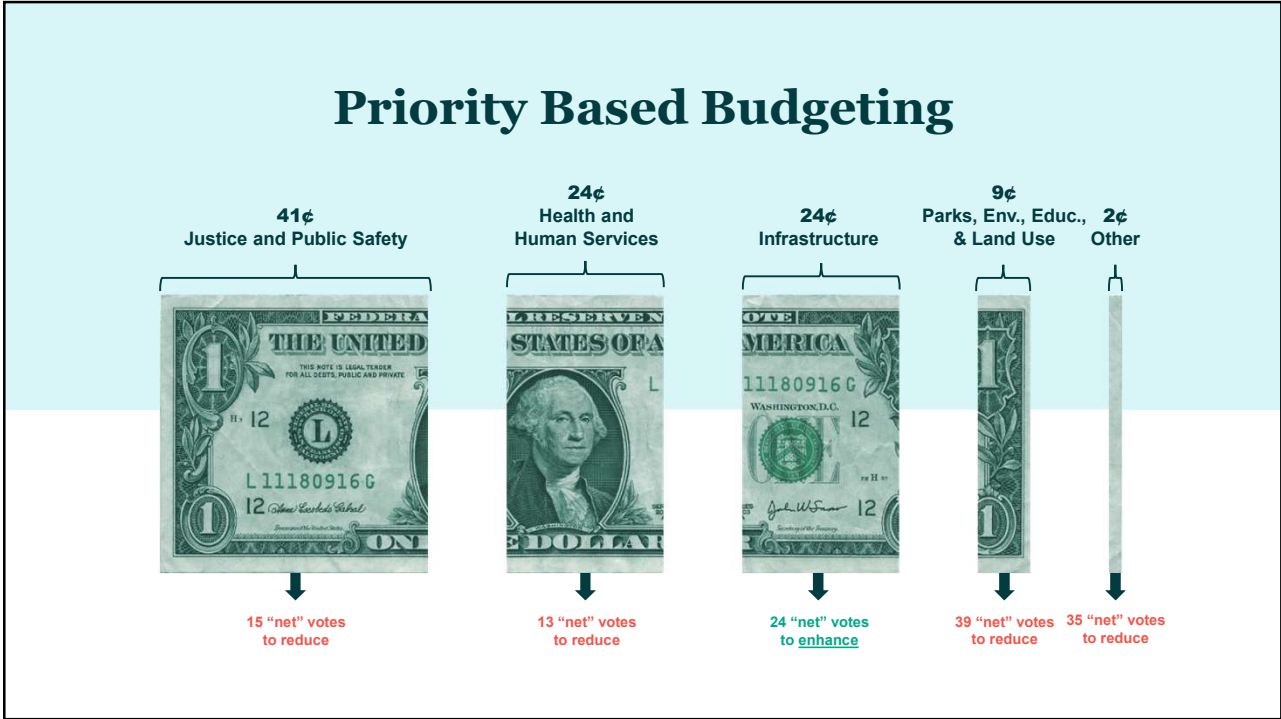
*Where services were combined, scores were averaged.

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Discussion



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Service Level Reductions

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Group Exercise



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Value-added Reductions Handout



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Score Card

Service	Public Safety	Infrastructure Stability	Quality of Life	Total Score

- Rank each service from 1 to 3, based on that value lens
 - › 1 – Low impact to established Task Force value
 - › 2 – Neutral impact to established Task Force value
 - › 3 – High impact to established Task Force value
- Total values score for each service
 - › Higher score indicates greater difficulty “accepting” service reduction based on Task Force values

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Score Card – Raftelis Example

Service	Public Safety	Infrastructure Stability	Quality of Life	Total Service Score
County-wide Communication				
Grounds Maintenance				

- Rank each service from 1 to 3, based on that value lens
 - › 1 – Low impact to established Task Force value
 - › 2 – Neutral impact to established Task Force value
 - › 3 – High impact to established Task Force value
- Total values score for each service
 - › Higher score indicates greater difficulty “accepting” service reduction based on Task Force values

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Instructions

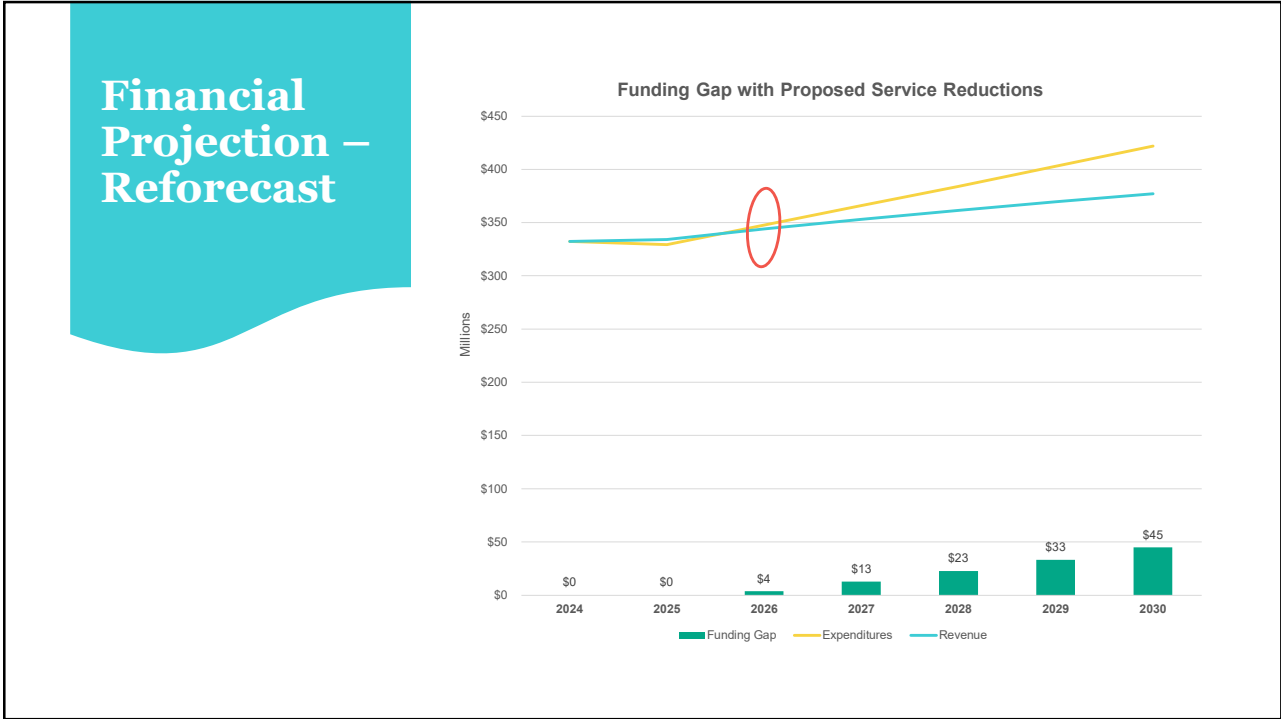
- 1) Individually review the handout and consider your scoring
- 2) Join assigned group and discuss
- 3) Record group values score for each service
- 4) Tally scores
- 5) Discuss what reductions as a group you are willing to accept toward target
- 6) Nominate a group representative to summarize the discussion and results

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Value-added Services Report Out

Group	Summary	Estimated Savings (\$)
	Average Total Savings	

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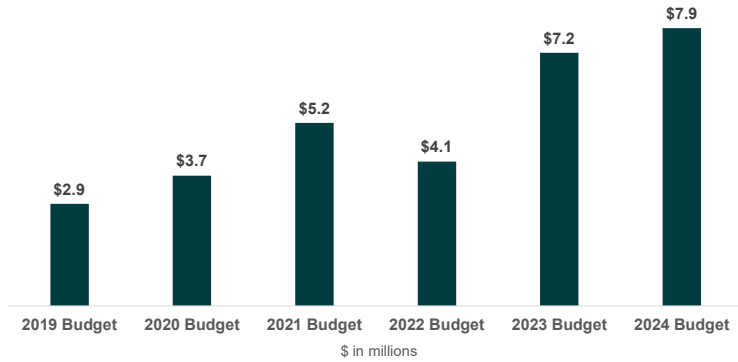
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Preliminary Budget Gap

The County has faced a preliminary budget gap of \$3 to \$7 million each year as the cost to continue has outpaced revenue growth



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Core Services Staffing Reductions

Recent staffing adjustments to address budget gap

1 Public Safety

Reduced staffing by 10 positions to offset rising salary and contract costs. Sheriff's Office is continuing to deal with resulting staff shortage and higher overtime costs for coverage.

2 Highway Operations

Reduced staffing by 5 highway operations patrol workers, who perform maintenance and snow removal services.

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One-time funds used to support ongoing costs

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\$2.0 Million*

ARPA funding to support salary adjustments to maintain competitive pay as recommended by the compensation study and market analysis

\$881K

Subsidized charges for technology and internal services to departments

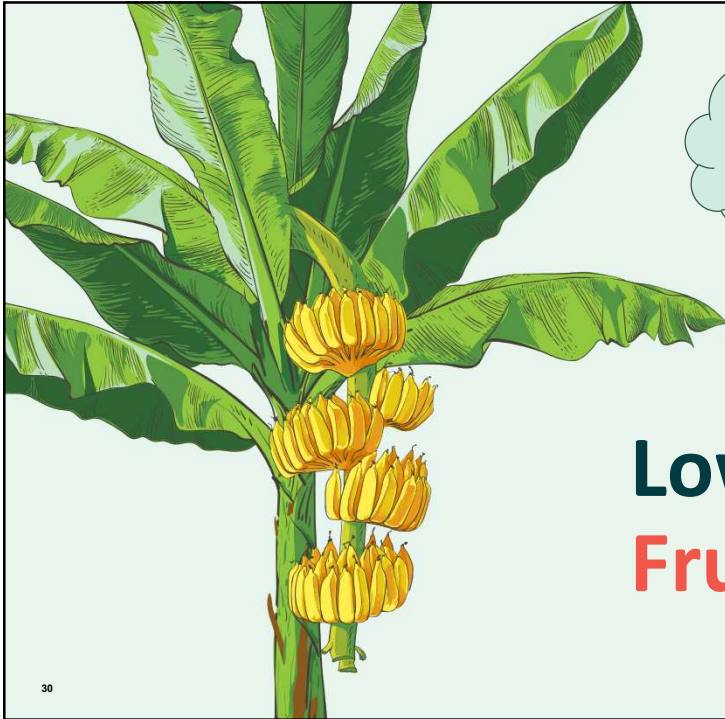
\$637K

Support for higher cost to continue (utility rates and ballots)

\$331K

Funds to maintain building improvement and public safety equipment needs

*The County has developed a plan to phase out this support over multiple years

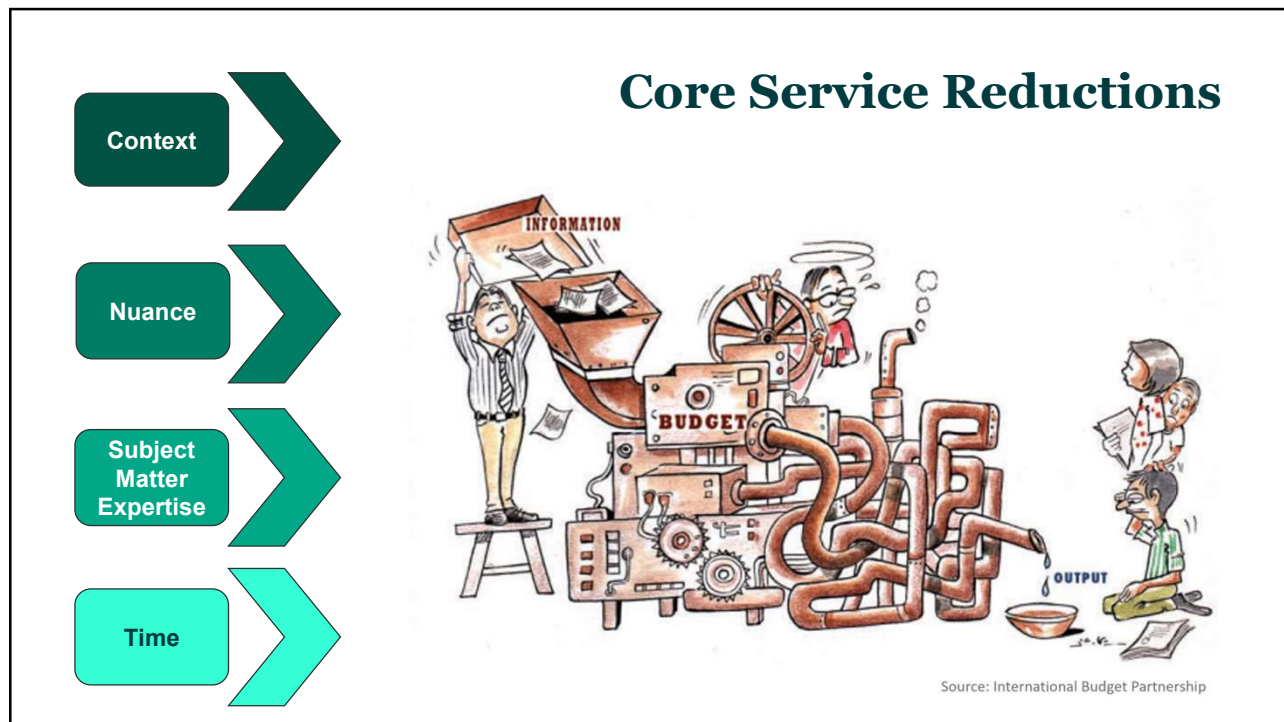


Do More with Less

Achieve Efficiencies

Low-Hanging Fruit

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“ Discussion

Can the County's budget challenges be solved with expenditure reductions?

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Revenue Generating Options



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Exceed Allowable Levy Limit

Increase tax levy above state-authorized allowable limits following an agreed-upon process outlined under state law.

Considerations



- Next fiscal year only?
- Should it be a set number of years?
- Allowable on an ongoing basis?

Fiscal Impact



- Set tax levy to match cost to continue growth levels
- Increases property taxpayer burden

Requirements



1. Adopt a resolution to exceed levy limit
2. Voters approve resolution in a referendum
3. Referendum language must include:
 - A. The purpose for the increase
 - B. The percentage % increase in the levy due to referendum increase
 - C. The dollar amount (\$) of the increase

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Vehicle Registration Fee

local vehicle registration fee (aka “Wheel Tax”) that counties can impose on motor vehicles registered within their jurisdiction. This would be an additional fee on top of the state vehicle registration fee.

Considerations



- What should the fee be?
- Should certain vehicles be exempt from the fee?

Fiscal Impact



- Generates new, ongoing tax revenue
- In addition to state vehicle tax residents already pay

Requirements



1. County Board of Supervisors approves ordinance
2. Ordinance must specify fee amount and types of vehicles
3. Funds collected from the wheel tax must be used for transportation-related purposes within the county. This includes road and bridge maintenance, public transportation, and other infrastructure projects.

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County Sales and Use Tax

County governments in Wisconsin are authorized by statute to impose a sales and use tax of 0.5% on the same goods and services that are taxable under the State’s general sales tax

Considerations



- How should levy relief be structured for residents and businesses?
- Should local jurisdictions receive some benefit?

Fiscal Impact



- Generates new, ongoing tax revenue
- Impacts residents and **visitors** of Waukesha County

Requirements



1. County Board of Supervisors approves ordinance
2. County notifies the Department of Revenue (DOR)
3. DOR approves, administers, and collects sales tax on behalf of County
4. Revenue distributed back to County as specified in the ordinance
5. To be used for property tax relief or for any purpose for which counties are authorized to levy a property tax

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Other Non-Tax Revenue Options

- Develop a regional 911 communications fee-for-service
- Offer naming rights for County facilities (Task-Force member suggestion)
- Increase park user fees
- Others?

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Wrap Up



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Session 3 Preview



Present revenue-generating analysis



**Discuss willingness and
prioritization of revenue-generating
options**



Craft optimal recommendation(s)