







1

Budget Task Force

Session 3

- 1 Welcome
- 2 Recap of Session 2
- 3 Revenue Generating Options
- 4 Group Discussion & Exercises
- 5 Wrap Up / Next Steps
- 6 Adjourn


2

<h1>Waukesha County</h1> <h2>2024 BUDGET TASK FORCE TIMELINE</h2>			
 DEVELOP VALUES AND PRIORITIES	 SERVICE LEVEL REDUCTION SCENARIOS	 REVENUE GENERATING SCENARIOS	 PRESENT TASK FORCE RECOMMENDATIONS
Major Activities <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	Major Activities <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	Major Activities <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	Major Activities <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

3

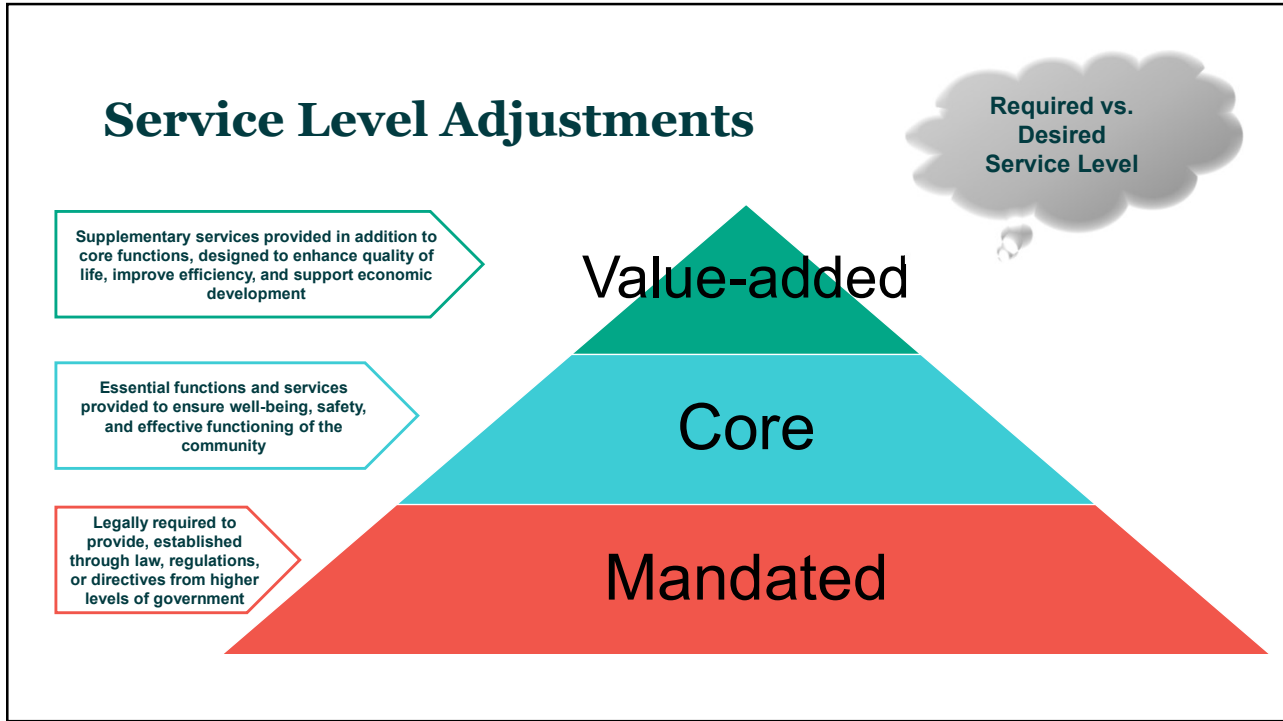
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Recap Session 2



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5

Task Force Goal

Identify **\$30 million** of ongoing expenditure reductions to address the projected budget gap over the next several years.

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6

What We Heard



There are low-priority service areas that could be reduced



Routinely prioritized service areas by the Task Force align with how the County allocates most tax levy dollars



Some cuts merely shift costs elsewhere



Consider opportunities for consolidation or partnerships - reimagine service delivery

7

Revenue Generating Options



8

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

9

9

Benchmarking Analysis- Recent Referendum Examples

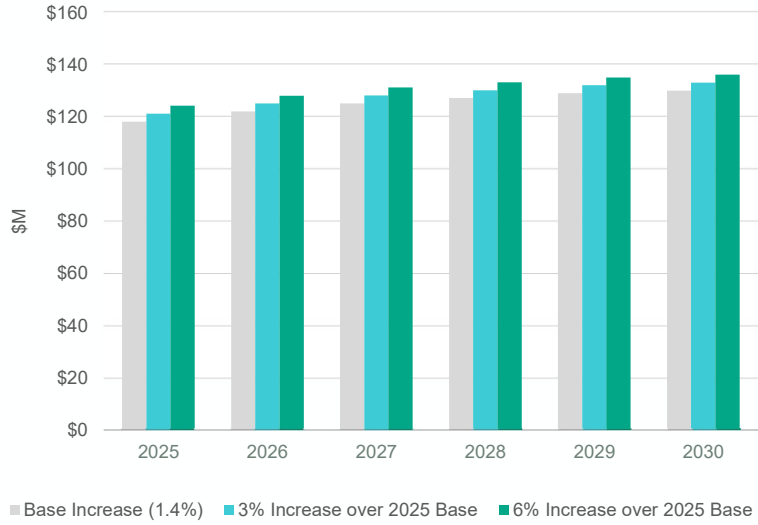
County	Funding Increase	Duration	Purpose	Adopted?
St. Croix	\$900,000 (2%)	Ongoing	Fund public safety positions	YES ; passed 54/46
Green	\$800,000 (5%)	Through 2030	Fund County-owned nursing home	YES ; passed 65/35
Forest	\$2 million (32%)	Ongoing	Fund ongoing operations	NO ; failed 70/30
Washington	\$4 million (10%)	Ongoing	Fund Anti-Crime Plan	NO ; failed 56/44

10

10

Fiscal Impact Analysis- County

An annual levy increase of approximately \$28.2 million would be needed to fully address the funding gap through 2030 - equivalent to a 28% increase in property tax



11

11

Fiscal Impact Analysis- Comparison of Levy Revenue at Different Lump Sum Increases

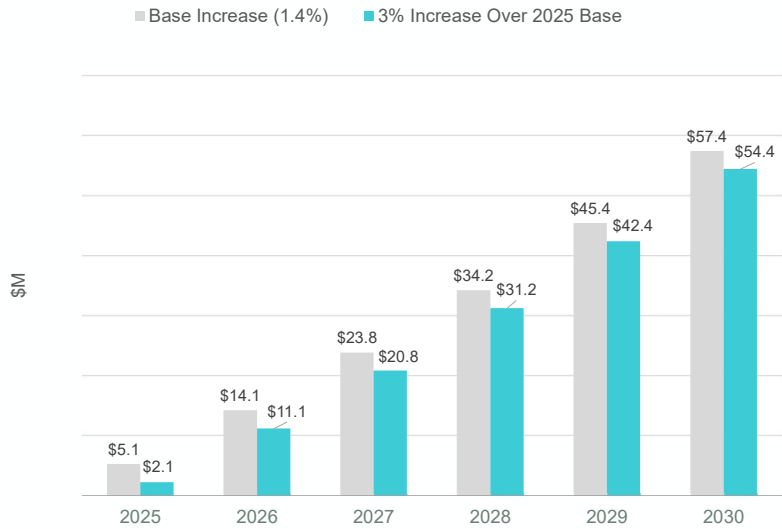
Levy Increase	Annual Increase Over Base (1.4%)
1.4% + 2.0%	\$2.0 million
1.4% + 3.0%	\$3.0 million
1.4% + 4.0%	\$4.0 million
1.4% + 5.0%	\$5.0 million
1.4% + 6.0%	\$6.0 million

12

12

Fiscal Impact Analysis-County

Funding gap under a 3% increase compared to base

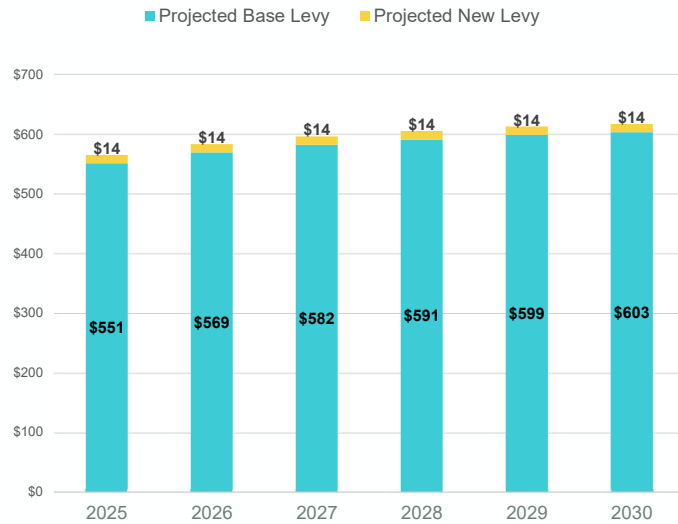


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Fiscal Impact Analysis-Taxpayers

Estimated net annual impact for the median value house (\$386K as of 2024) for a 3% annual levy increase.



14

14

Vehicle Registration Fee

Local vehicle registration fee (“wheel tax”) that counties can impose on motor vehicles registered within their jurisdiction. The wheel tax is an additional fee on top of the state vehicle registration fee.

Considerations



- What should the fee be?

Fiscal Impact



- Generates new, ongoing revenue
- In addition to state vehicle fee 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.
 - Total Waukesha County Transportation Fund budget in 2024: **\$18.1 million** (\$3.6 million funded through levy)

15

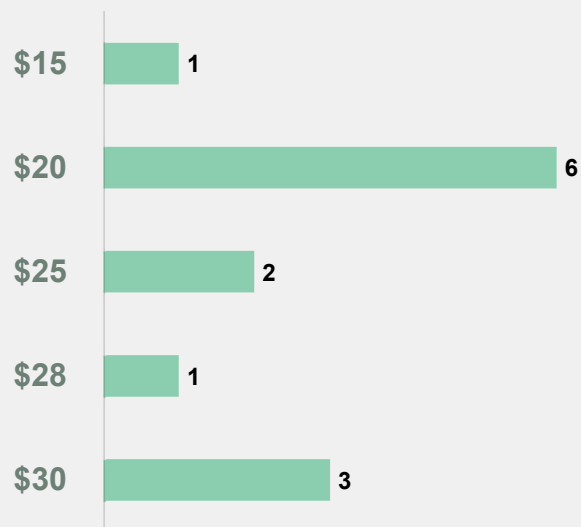
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Benchmarking Analysis

13 counties collect fees between \$15 and \$30, with an average fee of \$23 per vehicle.

41 municipalities also collect a fee (none in Waukesha County*).

Counties by Wheel Tax Amount



*City of Pewaukee currently charges a utility transportation fee that is being legally challenged.

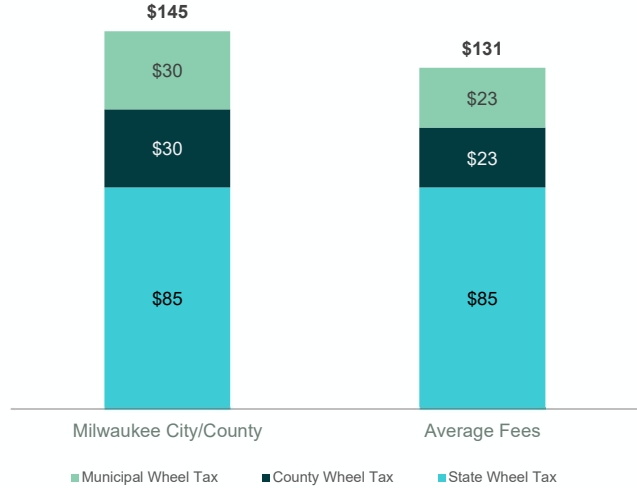
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16

Wheel Tax Comparison

Milwaukee County versus county and municipal averages

Note: No Waukesha County municipalities currently have a wheel tax



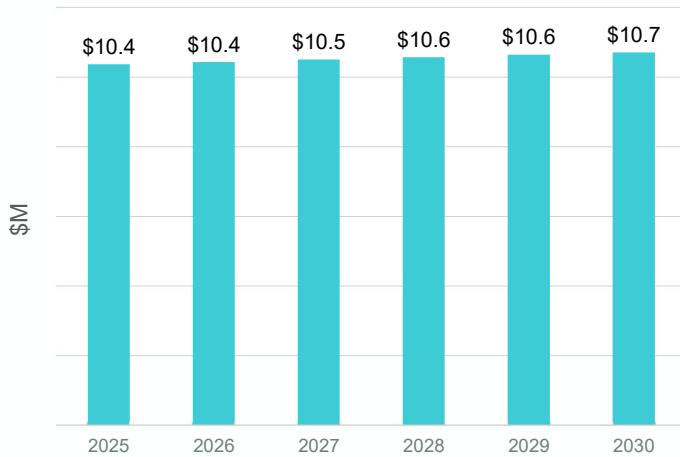
Average reflects counties/municipalities with wheel tax only

17

17

Fiscal Impact Analysis-County

Assumes that a wheel tax of \$30 per vehicle would be added in 2025 and would remain mostly flat through 2030

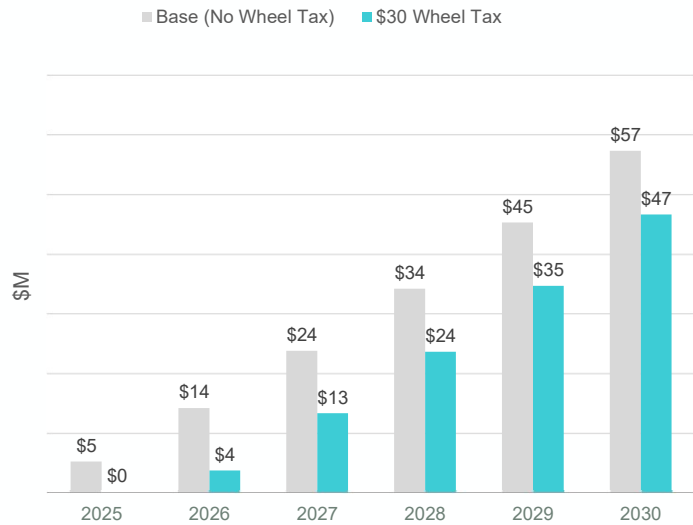


18

18

Fiscal Impact Analysis-County

Funding gap with a \$30 wheel tax



19

19

Financial Impact Analysis-Taxpayers

	One Vehicle	Two Vehicles	Three Vehicles
State Registration Fee	\$85	\$170	\$255
County Registration Fee	\$30	\$60	\$90
Municipal Registration Fee	\$0	\$0	\$0
Total Fee Paid	\$115	\$230	\$345

20

20

Group Discussion



21

Instructions

- Discuss the advantages and disadvantages of exceeding levy limits or enacting a county wheel tax
- Consider multiple constituents – County government, elected officials, your household, your friends and neighbors
- How feasible are these options?

22

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



- Structure of direct property tax relief.
- Service enhancements and/or support to local municipalities

Fiscal Impact



- Generates new, ongoing tax revenue of \$50-\$60 million in the first year
- 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

23

23

Benchmarking Analysis

68

Counties have adopted a 0.5% sales tax

Includes seven of Waukesha's nine benchmark counties

4

Counties have not adopted a sales tax

Counties are Waukesha, Manitowoc, Racine, Winnebago

\$8.3 million

Average FY2024 budget shortfall in three other non-sales tax counties

Equates to approximately 5% of spending

24

24

Other non-sales tax counties are feeling the same pressures as Waukesha

"Continued pressure from increasing labor and other expenses against the levy limit will inevitably force the County to seek alternative revenues or to abandon some services valued by this community..."

– Winnebago County's 2024 Budget Message

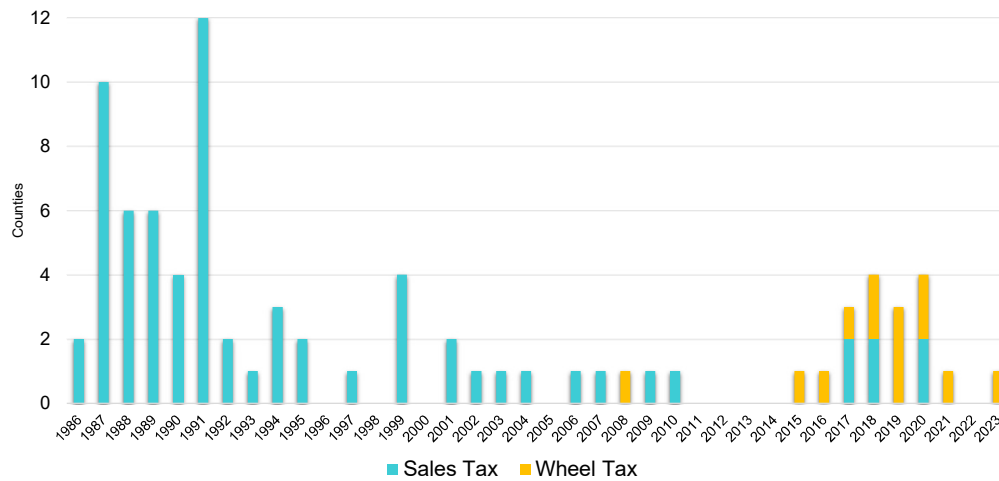
"The costs we face continue to escalate at a rate that challenges the very core of our financial stability. ...The status quo is no longer an option; we must consider and study all available alternative revenue streams."

– Racine County's 2024 Budget Message

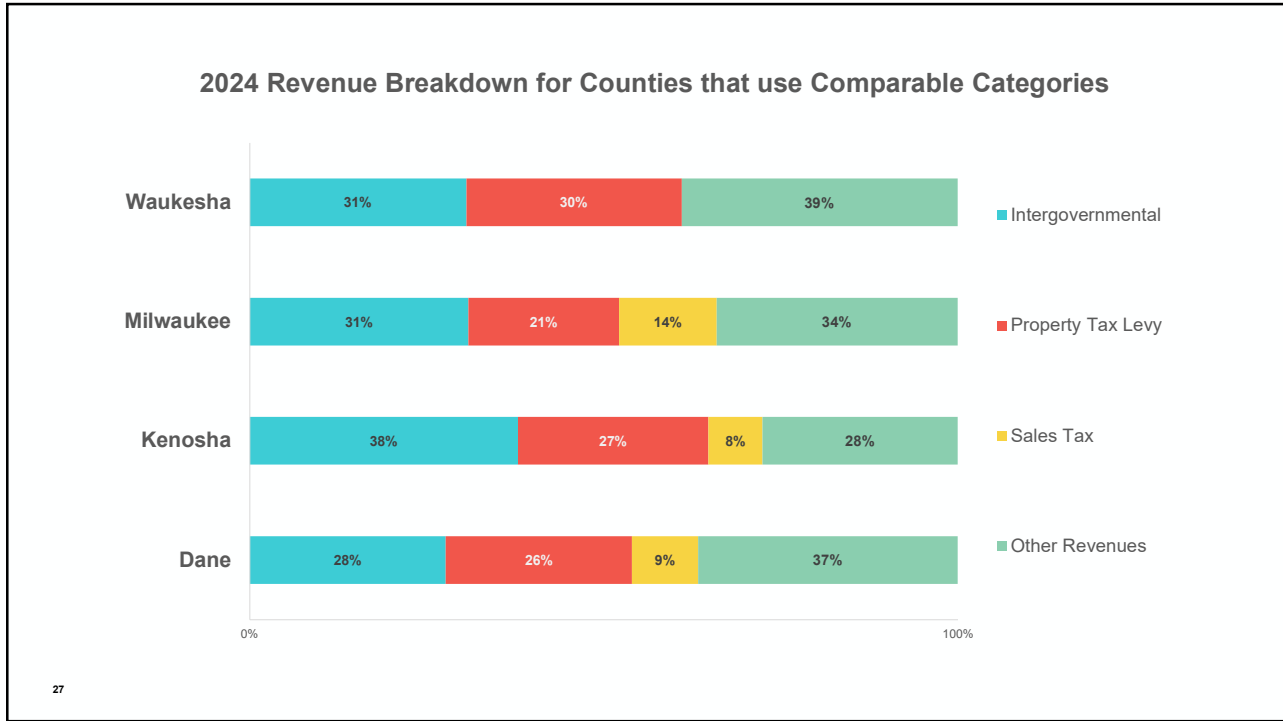
25

25

Sales and Wheel Tax Timeline- Adoption by Year



26



27

Financial Impact Analysis- Estimated Sales Tax per Household

Percent of Purchases Made in County	2025	2026	2027	2028	2029	2030
75%	\$126	\$128	\$131	\$133	\$136	\$139
80%	\$134	\$137	\$139	\$142	\$145	\$148
85%	\$142	\$145	\$148	\$151	\$154	\$157
90%	\$151	\$154	\$157	\$160	\$163	\$166
95%	\$159	\$162	\$165	\$169	\$172	\$176

Does not take into account any savings from levy reduction


28

28

Group Exercise



29



Structuring a Sales Tax

- The tax is significantly more than needed to close the budget gap.
- How should that excess funding be used to support Task Force values?
 - › **Prioritize direct property tax reduction**
 - › What else?

30

Report Out

- Summarize discussion
- Did your group reach a consensus about how to structure?
- Share result(s)

31

Non-Tax Options



32

Other Non-Tax Revenue Options

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



33


Online Voting



34

How to Vote

- 1 Smartphone/Tablet/Laptop**
Navigate to menti.com
- 2 Enter Code**
Use code [3950 0056](#)
- 3 Answer**
Select answer from available options



35




35

Wrap Up



36

Session 4 Options

-  Individual survey to cross-examine group work?
-  Write suggestions to include with the report?
-  How to structure last virtual meeting?

37

37

Regional 911 Fee-for-Service

- Regional 911 Center operating budget is \$7.6 million in FY2024
- Intergovernmental revenue is only budgeted at \$353,781, or 5% of total costs

Cost Recovery Percentage	2025	2026	2027	2028	2029	2030
10%	\$0.4M	\$0.4M	\$0.5M	\$0.5M	\$0.5M	\$0.5M
25%	\$1.6M	\$1.7M	\$1.8M	\$1.9M	\$2.0M	\$2.1M
50%	\$3.6M	\$3.8M	\$4.0M	\$4.2M	\$4.4M	\$4.6M
75%	\$5.6M	\$5.9M	\$6.2M	\$6.5M	\$6.8M	\$7.1M

38

38