

2011 TAX LEVY SUMMARY

Impact on Homeowners

The Waukesha County Tax Levy is comprised of two segments. The general County Tax Levy of \$97,547,065, which is levied at a rate of \$1.97 (up from \$1.87) per \$1,000 of equalized value on all eligible property in the County. The Federated Library System Levy of \$2,853,939, which is levied at a rate of \$0.25 (up from \$0.23) per \$1,000 of taxable properties in communities without a library.

Due to the varied assessment ratios of equalized values determined by the State Department of Revenue and property value changes (inflation/deflation), the tax bill impact on a specific property will vary. Waukesha County's median home value for 2010, adjusted from the 2000 census, is \$260,700. This is down \$11,400 from the 2009 value reflecting the County-wide average residential inflation rate drop of 4.20%. This results in a \$6 or 1.2% increase in the County Tax Levy on the median home value as indicated below.



General County Tax Levy

2009 Value of Home	2009 County Tax	Residential Inflation	2010 Value of Home	2010 County Tax	Change Amount	Change Percent
\$272,100	\$508	-4.20%	\$260,700	\$514	\$6	1.2%

Homeowner County Taxes over 10 years Increase of Less Than 1 1/2% per Year

<u>Budget Year</u>	<u>Median Home Value</u>	<u>Rate / \$1,000</u>	<u>Tax</u>
2001	\$183,500	\$2.46	\$451
2011	\$260,700	\$1.97	\$514
Net 10-Year \$ Increase:	\$63	10-Year Average:	1.4%

2011 BUDGET ASSUMPTIONS

Certain broad assumptions are determined in April and May 2010 to establish a basic foundation for building the County's budget. These general assumptions provide a framework to County staff, the County Executive, and the County Board of Supervisors for setting priorities, determining service levels, and allocating limited financial resources. Some adjustments have been made from updated information available during the summer months (June-August).

The following general assumptions were used in guiding the development of the County's 2011 Budget:

- Overall inflation factor estimates used to calculate the cost to continue providing existing County services are projected at a range from 1.0% to 2.5% for 2010-2011, depending upon the particular service or commodity. Some major exceptions include cost increases for road salt, utility rates, prescription drugs, medical services, food costs and some commodity prices such as paper and some technology services, equipment and supplies.
- Road salt (for winter storm cleanup and the public's safety) prices, based on the State bid, increase by about 4% from \$54 to \$56/ton for 2011. Assuming no increase in tonnage is necessary from the 2010 budget, this results in an additional \$ 50,000 in County tax levy needed to cover increased costs.
- Overall utility costs are estimated to decline from the 2010 adopted base budget levels. These lower estimated costs result from the County's investments made in energy conservation and sustainability plans being in place. They are expected to generate base budget savings on overall utility costs estimated at about \$200,000. Additionally, average fuel costs for vehicles are assumed to remain unchanged from the 2010 Budget, averaging \$3.00 per gallon (equivalent to approximately \$3.31 retail).
- Personnel cost increases will continue to put pressure on the overall budget since most revenues supporting mandated Federal and State programs are not expected to increase sufficiently to cover personnel cost increases. Early assumptions (pre-actuary analysis) include a 5% average County health insurance premium increase, still below the national average cost increase.
- Due to the slow recovery in the real estate market and the prolonged economic difficulties in housing and mortgage markets, real estate related fees (real estate transfer fees, subdivision and plat reviews, and permitting revenues) are estimated to continue to decline by approximately \$200,000 in 2010. Real estate transfer fee revenues alone are expected to decline by \$50,000 to \$100,000 to about \$1.15 million. This is down from the \$2.0 million amount budgeted back in 2009.
- Influenced by the economic downturn and slow recovery, the County's overall property tax base is estimated to decline by 2% to 3%. This decrease is mainly due to an estimated 3% reduction in housing values somewhat offset by increases in commercial value. Residential property values account for three quarters of the County tax base.
- Due to efforts to significantly reduce the WI State and Federal budget deficits, the County estimates for revenue decreases and expenditure cost shifts are indicated below:
 - State Transportation Aids formula impact is estimated to reduce funding by about \$100,000.
 - Human Services Community Aids is projected to be reduced by \$65,000.
 - State Circuit Court Support grant revenues are expected to drop slightly below \$1.1 million (this funding source has been frozen since 2000).
 - State Shared Revenues are projected to decline by at least another \$50,000.
- Treasurer's net revenue change from investment income and delinquent taxes interest and penalties are projected to offset, resulting in no net change from the 2010 adopted budget. Additionally, Agriculture Conversion revenues are expected to drop in the range of \$40,000 to \$80,000 due to the slowdown in real estate development.
- Property taxes to support debt borrowing are estimated to increase by \$250,000 based on the Capital Plan project funding need. This takes into account the 2010 debt issue, which was reduced to \$9 million from the \$10 million originally budgeted for 2010.
- The Tax Levy effort to fund the down payment toward the Capital Budget will be increase by \$120,000.

2011 BUDGET SUMMARY

	2010 Adopted Budget	2011 Proposed Budget	Incr/(Decr) From 2010 Adopted Budget	
			\$	%
OPERATING BUDGETS				
Gross Expenditures	\$242,442,657	\$247,587,991	\$5,145,334	2.1%
MEMO: Less Interdept. Charges (a)	<u>\$33,915,887</u>	<u>\$34,525,780</u>	<u>\$609,893</u>	1.8%
MEMO: Net Expenditures (a)	\$208,526,770	\$213,062,211	\$4,535,441	2.2%
Less: Revenues (Excl. Retained Earnings)	\$137,377,185	\$140,054,657	\$2,677,472	1.9%
Less Net Appropriated Fund Balance	<u>\$9,004,115</u>	<u>\$9,682,330</u>	<u>\$678,215</u>	
TAX LEVY - OPERATING BUDGETS	\$96,061,357	\$97,851,004	\$1,789,647	1.9%
CAPITAL PROJECTS BUDGET				
Expenditures	\$19,353,400	\$20,232,500	\$879,100	4.5%
Less: Revenues	\$13,426,900	\$13,310,500	(\$116,400)	-0.9%
Less: Appropriated Fund Balance	<u>\$3,496,500</u>	<u>\$4,372,000</u>	<u>\$875,500</u>	
TAX LEVY-CAPITAL PROJECTS BUDGET	\$2,430,000	\$2,550,000	\$120,000	4.9%
COUNTY TOTALS				
Expenditures	\$261,796,057	\$267,820,491	\$6,024,434	2.3%
MEMO: Less Interdept. Charges (a)	<u>\$33,915,887</u>	<u>\$34,525,780</u>	<u>\$609,893</u>	1.8%
MEMO: Net Expenditures (a)	\$227,880,170	\$233,294,711	\$5,414,541	2.4%
Less: Revenues	\$150,804,085	\$153,365,157	\$2,561,072	1.7%
Less: Appropriated Fund Balance	<u>\$12,500,615</u>	<u>\$14,054,330</u>	<u>\$1,553,715</u>	
County General Tax Levy (Excl Library)(c)	\$95,717,457	\$97,547,065	\$1,829,608	1.9%
Federated Library Tax Levy (b)	\$2,773,900	\$2,853,939	\$80,039	2.9%
Total County Tax Levy (c)	\$98,491,357	\$100,401,004	\$1,909,647	1.9%

- (a) 2011 total net expenditure budget is \$233,294,711 after eliminating interdepartmental chargeback transactions (mostly from internal service fund operations and cross charges, e.g. Sheriff Bailiff and Conveyance services), included in gross expenditures to conform with GAAP, but in effect results in double budgeting.
- (b) Special County Federated Library tax applied to those communities without a library.
- (c) The 2011 Tax Levy increase is well within Wisconsin's Act 28 Tax Levy limit provisions (see Planning and Budget Policy Section).

2011 Budget Tax Levy Breakdown

(General County and Federated Library)

	2010 Adopted Budget	2011 Proposed Budget	Incr/(Decr) From 2010 Adopted Budget	
			\$	%
General County Tax Levy	\$95,717,457	\$97,547,065	\$1,829,608	1.9%
General County Tax Rate	\$1.8687	\$1.9730	\$0.1043	5.6%
General County Equalized Value	\$51,220,442,050	\$49,439,797,100	(\$1,780,644,950)	-3.5%
Federated Library Tax Levy	\$2,773,900	\$2,853,939	\$80,039	2.9%
Federated Library Tax Rate	\$0.2314	\$0.2460	\$0.0146	6.3%
Federated Library Equalized Value	\$11,989,066,300	\$11,602,963,300	(\$386,103,000)	-3.2%

2011 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2011 EXECUTIVE PROPOSED BUDGET				Tax Levy
	EXPEND.	REVENUES	FUND BAL ADJUST.	TAX LEVY	\$ Change '10 - '11
JUSTICE AND PUBLIC SAFETY					
EMERGENCY PREPAREDNESS					
General	\$5,212,744	\$291,434	\$186,350	\$4,734,960	\$135,000
Radio Services	\$977,563 (a)	\$1,211,387	(\$233,824)	\$0	\$0
Radio Svcs. Rtn'd. Earn.	\$0	(\$233,824)	\$233,824	\$0	\$0
Radio Svcs. Fund Bal. Appr.	\$0	(\$102,297)	\$102,297	\$0	\$0
DISTRICT ATTORNEY	\$2,487,554	\$685,367	\$61,000	\$1,741,187	\$33,204
CIRCUIT COURT SERVICES	\$9,553,027	\$4,417,000	\$6,000	\$5,130,027	\$127,486
MEDICAL EXAMINER	\$1,442,258	\$498,075	\$0	\$944,183	(\$24,688)
SHERIFF	<u>\$37,539,718</u>	<u>\$10,817,226</u>	<u>\$148,419</u>	<u>\$26,574,073</u>	<u>\$740,135</u>
Subtotal: Justice & Public Safety	\$57,212,864	\$17,584,368	\$504,066	\$39,124,430	\$1,011,137
HEALTH AND HUMAN SERVICES					
COUNTY EXECUTIVE					
Community Development	\$4,098,600	\$4,069,400	\$0	\$29,200	\$29,200
CORPORATION COUNSEL					
Child Support (General Fund)	\$2,525,095	\$2,134,103	\$55,000	\$335,992	\$18,000
HEALTH & HUMAN SERVICES					
Human Services (General Fund) (b)	\$64,389,469	\$38,978,837	\$874,224	\$24,536,408	\$669,624
Aging and Disability Resource Center (ADRC) Fund (b)	<u>\$3,150,921</u>	<u>\$3,150,921</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$135,121)</u>
Subtotal: Health and Human Services	\$74,164,085	\$48,333,261	\$929,224	\$24,901,600	\$581,703
PARKS, ENVIR, EDUC. & LAND USE					
REGISTER OF DEEDS	\$1,781,548	\$2,853,043	\$0	(\$1,071,495)	\$26,188
UW-EXTENSION: EDUCATION	\$766,735	\$427,672	\$0	\$339,063	\$12,069
FEDERATED LIBRARY					
County	\$2,856,440	\$0	\$2,501	\$2,853,939	\$80,039
State Aids	\$1,324,230	\$1,324,230	\$0	\$0	\$0
CAFÉ Shared Automation	\$192,875	\$222,056	(\$29,181)	\$0	\$0
CAFÉ Rtn'd. Fund Balance	\$0	(\$29,181)	\$29,181	\$0	\$0
PARKS & LAND USE					
General	\$11,415,474	\$4,105,172	\$85,000	\$7,225,302	\$144,719
Land Information Systems	\$726,300	\$726,300	\$0	\$0	\$0
Tarmann Parkland Acquisitions	\$1,000,000	\$300,000	\$700,000	\$0	\$0
Golf Courses	\$3,385,866 (a)	\$3,330,000	\$55,866	\$0	\$0
Golf Course Rtn'd. Earnings	\$0	\$55,866	(\$55,866)	\$0	\$0
Golf Course Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
Ice Arenas	\$1,064,109 (a)	\$1,035,000	\$29,109	\$0	\$0
Ice Arenas Rtn'd. Earnings	\$0	\$29,109	(\$29,109)	\$0	\$0
Material Recycling Facility	\$2,659,435 (a)	\$3,470,635	(\$811,200)	\$0	\$0
MRF Retained Earnings	\$0	(\$811,200)	\$811,200	\$0	\$0
MRF Fund Bal. Appr.	<u>\$0</u>	<u>(\$1,305,435)</u>	<u>\$1,305,435</u>	<u>\$0</u>	<u>\$0</u>
Subtotal: Parks, Env., Ed. & Land Use	\$27,173,012	\$15,733,267	\$2,092,936	\$9,346,809	\$263,015

(a) Proprietary fund (Internal Service and Enterprise funds) expenditure appropriations exclude Fixed Asset and Debt Service Principal payments to conform with generally accepted accounting standards. Fixed asset purchases and Debt Service principal payments will be funded by operating revenues, tax levy, or balance appropriations and are included, as applicable, in each agency budget request.

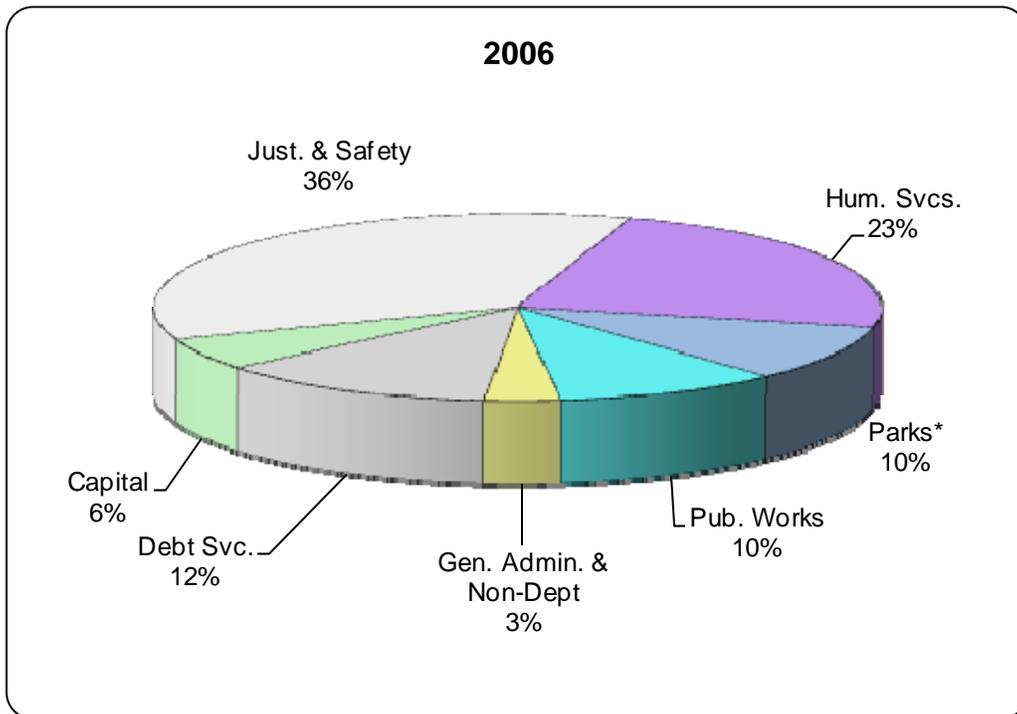
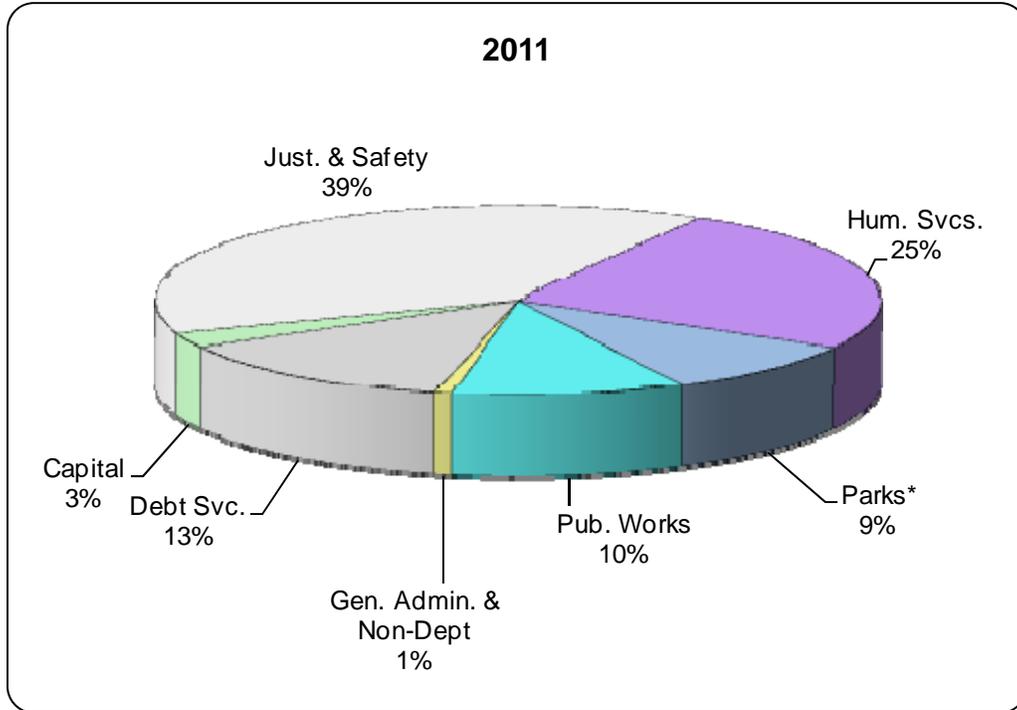
(b) In accordance with the new Government Accounting Standards Board (GASB) rule no. 54, the following special revenue and General Fund budgets are combined into one Human Services General Fund budget for 2011. This includes, the Human Services Fund, the Mental Health Center Fund, the Nutrition Fund, State Family Care Payments and H&HS General Fund operations (i.e., Aging and Disability Resource Center (ADRC) General Fund, Public Health Division and Veterans Services Division). The ADRC Fund remains a special revenue fund in the 2011 budget.

2011 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2011 EXECUTIVE PROPOSED BUDGET				Tax Levy
	EXPEND.	REVENUES	FUND BAL ADJUST.	TAX LEVY	\$ Change '10 - '11
PUBLIC WORKS					
DEPARTMENT OF PUBLIC WORKS					
General	\$10,549,632	\$1,709,475	\$462,500	\$8,377,657	(\$220,142)
Transportation	\$11,724,550	\$9,811,408	\$78,000	\$1,835,142	\$288,967
Central Fleet Maintenance	\$3,561,369 (a)	\$3,562,551	(\$1,182)	\$0	\$0
Central Fleet Rtn. Earnings	\$0	(\$1,182)	\$1,182	\$0	\$0
Central Fleet Fund Bal. Appr.	\$0	(\$141,083)	\$141,083	\$0	\$0
Vehicle/Equipment Replacement	\$2,573,078 (a)	\$2,602,918	(\$29,840)	\$0	\$0
Veh. Replace Rtn. Earnings	\$0	(\$29,840)	\$29,840	\$0	\$0
Veh. Replace Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
Airport	<u>\$1,105,715 (a)</u>	<u>\$732,323</u>	<u>\$180,829</u>	<u>\$192,563</u>	<u>\$0</u>
Subtotal: Public Works	\$29,514,344	\$18,246,570	\$862,412	\$10,405,362	\$68,825
GENERAL ADMINISTRATION					
COUNTY EXECUTIVE					
General	\$559,069	\$10,500	\$0	\$548,569	\$0
COUNTY BOARD	\$1,215,862	\$0	\$0	\$1,215,862	(\$94,511)
COUNTY CLERK	\$518,952	\$208,592	\$0	\$310,360	\$10,258
TREASURER	\$654,788	\$8,055,250	\$0	(\$7,400,462)	\$18,257
ADMINISTRATION					
General	\$5,995,030	\$1,560,944	\$1,500	\$4,432,586	\$81,135
Risk Management	\$2,529,122 (a)	\$2,000,600	\$528,522	\$0	\$0
Collections	\$872,507 (a)	\$872,507	\$120,000	(\$120,000)	(\$25,000)
Collections Fund Bal. Appr.	\$0	(\$140,621)	\$140,621	\$0	\$0
Communications	\$791,667 (a)	\$757,268	\$34,399	\$0	\$0
End User Technology	\$6,425,387 (a)	\$6,071,297	(\$45,782)	\$399,872	(\$380,000)
End User Technology Rtn. Earn.	\$0	(\$45,782)	\$45,782	\$0	\$0
End User Tech. Fund Bal. Appr.	\$0	(\$888,464)	\$888,464	\$0	\$0
CORPORATION COUNSEL					
General	<u>\$1,458,116</u>	<u>\$452,100</u>	<u>\$0</u>	<u>\$1,006,016</u>	<u>\$4,828</u>
Subtotal: General Administration	\$21,020,500	\$18,914,191	\$1,713,506	\$392,803	(\$385,033)
NON DEPARTMENTAL					
GENERAL	\$1,914,300	\$1,250,000	\$489,300	\$175,000	\$0
HEALTH & DENTAL INSURANCE	\$20,779,500 (a)	\$19,993,000	\$786,500	\$0	\$0
CONTINGENCY	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$200,000</u>	<u>(\$50,000)</u>
Subtotal: Non-Departmental	\$23,893,800	\$21,243,000	\$2,275,800	\$375,000	(\$50,000)
DEBT SERVICE--GENERAL					
	<u>\$14,609,386</u>	<u>\$0</u>	<u>\$1,304,386</u>	<u>\$13,305,000</u>	<u>\$300,000</u>
Subtotal: Operating Budget	\$247,587,991	\$140,054,657	\$9,682,330	\$97,851,004	\$1,789,647
CAPITAL PROJECTS					
	<u>\$20,232,500</u>	<u>\$13,310,500</u>	<u>\$4,372,000</u>	<u>\$2,550,000</u>	<u>\$120,000</u>
GRAND TOTAL	<u>\$267,820,491</u>	<u>\$153,365,157</u>	<u>\$14,054,330</u>	<u>\$100,401,004</u>	<u>\$1,909,647</u>

(a) Proprietary fund (Internal Service and Enterprise funds) expenditure appropriations exclude Fixed Asset and Debt Service Principal payments to conform with generally accepted accounting standards. Fixed asset purchases and Debt Service principal payments will be funded by operating revenues, tax levy, or balance appropriations and are included, as applicable, in each agency budget request.

TAX LEVY BY FUNCTIONAL AREA

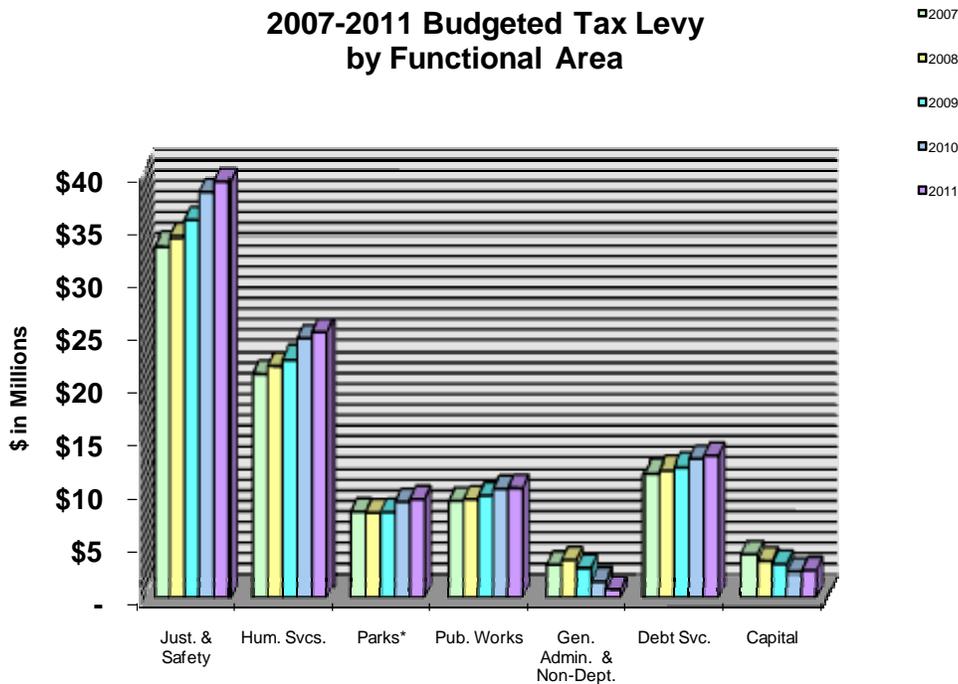


* Includes Parks, Environment, Education, and Land Use

2010-2011 TAX LEVY BY FUNCTION (COMBINES ALL FUNDS)

BY FUNCTION	2010 Adopted Budget	2011 Proposed Budget	Incr/(Decr) From 2010 Adopted Budget	
			\$	%
Justice & Public Safety	\$38,113,293	\$39,124,430	\$1,011,137	2.7%
Health & Human Services	\$24,319,897	\$24,901,600	\$581,703	2.4%
Parks, Env., Educ. & Land Use	\$9,083,794	\$9,346,809	\$263,015	2.9%
Public Works	\$10,336,537	\$10,405,362	\$68,825	0.7%
General Administration	\$777,836	\$392,803	\$(385,033)	-49.5%
Non-Departmental	\$425,000	\$375,000	\$(50,000)	-11.8%
Debt Service	\$13,005,000	\$13,305,000	\$300,000	2.3%
Capital Projects	\$2,430,000	\$2,550,000	\$120,000	4.9%
Total Tax Levy	\$98,491,357	\$100,401,004	\$1,909,647	1.9%

**2007-2011 Budgeted Tax Levy
by Functional Area**



The chart above shows the majority of recent tax levy growth trend to be primarily within the Justice and Public Safety and Health and Human Service Functional areas.

* Includes Parks, Environment, Education and Land Use

2009 - 2011 EXPENDITURE SUMMARY

APPROPRIATION UNIT	2009 Actual (a)	2010 Adopted Budget (a)	2010 Estimate (a)(b)	2011 Proposed Budget	Incr/(Decr) From 2010 Adpt. Budget
Personnel Costs	\$109,214,751	\$113,524,322	\$112,393,746	\$115,958,056	\$2,433,734
Operating Expenses	\$87,740,022	\$95,749,540	\$96,000,610	\$97,423,536	\$1,673,996
Interdepartmental Charges (b)	\$16,114,288	\$17,480,569	\$17,127,246	\$18,050,943	\$570,374
Fixed Assets & Imprvmnts (c)	\$2,369,116	\$1,719,500	\$2,663,010	\$1,546,070	\$(173,430)
Debt Service-Excl Proprietary (c)	\$12,974,363	\$13,711,031	\$13,424,280	\$14,609,386	\$898,355
Capital Projects	\$17,220,381	\$19,353,400	\$19,353,400	\$20,232,500	\$879,100
Total Gross Expenditures	\$245,632,921	\$261,538,362	\$260,962,292	\$267,820,491	\$6,282,129

FUNCTIONAL AREA	2009 Actual	2010 Adopted Budget	2010 Estimate (a)	2011 Proposed Budget	Incr/(Decr) From 2010 Adpt. Budget
Justice & Public Safety (a)	\$53,106,047	\$55,638,366	\$56,489,329	\$57,212,864	\$1,574,498
Health & Human Services	\$69,263,340	\$71,742,366	\$73,745,733	\$74,164,085	\$2,421,719
Parks, Env., Educ. & Land Use	\$25,774,655	\$26,704,962	\$27,372,187	\$27,173,012	\$468,050
Public Works (a)	\$27,265,845	\$29,539,880	\$28,579,576	\$29,514,344	\$(25,536)
General Administration	\$19,282,182	\$20,888,457	\$20,351,602	\$21,020,500	\$132,043
Non-Departmental	\$20,746,108	\$23,959,900	\$21,646,185	\$23,893,800	\$(66,100)
Debt Service-Excl Proprietary	\$12,974,363	\$13,711,031	\$13,424,280	\$14,609,386	\$898,355
Capital Projects	\$17,220,381	\$19,353,400	\$19,353,400	\$20,232,500	\$879,100
Total Gross Expenditures	\$245,632,921	\$261,538,362	\$260,962,292	\$267,820,491	\$6,282,129

(a) The 2009 Actual, 2010 budget and 2010 Estimate has been restated for comparison purposes. For the 2010 Adopted Budget, this includes lower interdepartmental expenditures of \$257,695 to reflect the elimination of some Department cross charges which previously resulted in double budgeting.

(b) Estimated expenditures exceed budget due to prior year appropriations carried forward and expended in current year and/or other budget modifications approved by County Board through an ordinance or fund transfer.

(c) Proprietary Fund (Internal Service and Enterprise funds) expenditure appropriations exclude fixed asset and Debt Service principal payments to conform with generally accepted accounting standards. Fixed Asset purchases and Debt Service principal payments will be funded through operating revenues, Tax Levy, or Fund Balance appropriations and are included, as applicable, in each agency budget request.

2011 EXPENDITURE HIGHLIGHTS

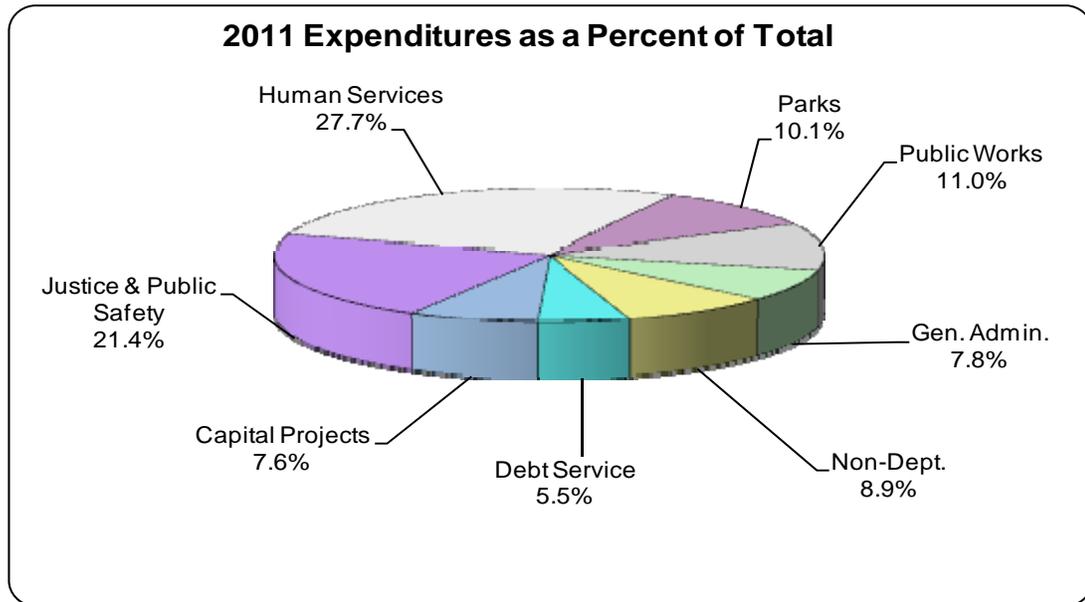
Expenditure Budget:

The 2011 total gross expenditure adopted budget is \$267,820,491, an increase of \$6,024,434 or 2.3% from the 2010 Adopted Budget. Budget appropriations consist of departmental operating budget expenditures of \$247,587,991 and capital spending of \$20,232,500. The total overall operating budget increases by \$5,145,334 or 2.1% from last year's operating budget while capital project expenditures increase by \$879,100 or 4.5% from the 2010 Adopted Budget.

The net total expenditure budget after adjusting for \$34,525,780 of interdepartmental charge backs, mainly from Internal Service Funds (which are double budgeted), is \$213,062,211 an increase of \$4,535,441 or 2.2%.

The budget includes personnel costs totaling \$115.9 million or 54% of the net total expenditure budget mentioned above. Overall employee costs increased about \$2.4 million, about 2% from the 2010 Adopted Budget, after over \$550,000 is reduced from personnel costs from over 11 FTE positions not funded in this budget.

Operating expenditures (including operating expenses, purchased services, and interdepartmental charges appropriations) increase from \$113.5 million in 2010 to \$115.5 million in 2011, an increase of \$2.0 million or 2.0%. Operating expenses represent about 43% of the total gross expenditure budget. Fixed Assets and improvements (excluding capital projects) expenditures are budgeted at \$1.5 million a reduction of \$175,000 from 2010. Debt service payments are budgeted at \$14.6 million and increases of nearly \$900,000.



*Includes Parks, Environment, Education and Land Use

Functional Area	2011 Adopted Budget	% of Total Adopted Budget
Justice & Public Safety	\$57,212,864	21.4%
Human Services	\$74,164,085	27.7%
Parks	\$27,173,012	10.1%
Public Works	\$29,514,344	11.0%
Gen. Admin.	\$21,020,500	7.8%
Non-Dept.	\$23,893,800	8.9%
Debt Service	\$14,609,386	5.5%
Capital Projects	\$20,232,500	7.6%
Total Expenditures	\$267,820,491	100.0%

2011 EXPENDITURE HIGHLIGHTS

The past five years of budget changes are explained below:

The 2011 Budget expenditure level increases 2.3% or \$6.0 million to \$267.8 million. This increase reflects a \$1.78 million increase in debt service and capital project expenditure levels; \$2.4 million increase for personnel costs; and \$1.6 million increase in operating expenditures largely due to HHS Children's Long Term Support Waiver Services increases of \$930,600, **Health and Human Services Mental Health Outpatient program** – is budgeting a \$637,250 increase in operating expenses as noted below and the Federated Library System expenditures increase \$192,900 related to transferring in the **CAFÉ** Shared Automation program from the City of Waukesha. Also, the **Criminal Justice Collaborating Council (CJCC)** 2011 budget increases by \$118,133 related to the expansion of the Day Report Center as noted below.

The 2010 Budget expenditure level increases 2.1% or \$5.3 million to \$261.8 million. The increase reflects \$222,700 increase in debt service and capital project expenditure levels; \$2.8 million increase for personnel costs including \$1.2 million for costs to continue and \$1.6 million for 18 positions associated with a new service contract with the City of Pewaukee; and \$1.2 million increase in operating expenditures largely due to \$503,700 increase in salt expenses for snow removal, \$981,700 increase in mental health outpatient expenditures and \$365,500 increase in both revenues and expenditures to provide more funding opportunities for children with Autism and other special needs.

The 2009 Budget expenditure level increased by 0.4% or \$920,833 to \$256.5 million. The increase reflects \$20.7 million increased for the Non-Departmental functional area due to the creation of the new Health and Dental Insurance internal service fund offset by a net \$21.4 million decrease in the Health and Human Services functional area resulting from the State taking over the Long Term Care program and the full year implementation of the County's ADRC.

The 2008 Budget expenditure level increased by 0.6% or \$1,519,046 to \$255.5 million. The increase reflects \$700,884 decreased in operating budgets due to a \$5.6 million decrease in Health and Human Services with the development of the Aging and Disability Resource Center (ADRC) and the State's commitment to the Family Care initiative to take over and reforming the Long Term Care program costs offset by a \$2.1 million increase in the capital projects.

The 2007 Budget expenditure level increased by 1.2% or \$3.0 million to \$254.2 million.

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major 2011 funding changes, which impact expenditures by functional area, follows:

Justice and Public Safety

- Over-all **Sheriff personnel costs** increase \$1.1 million or 3.8 % for Sheriff operations. Position changes increase by 3.12 FTE overall in the Sheriff's Department and include 1.12 FTE increase to reflect full year 2011 funding impact of about \$75,270 for 1.50 FTE correctional officers associated with the opening of the secured corridor capital project anticipated in October 2010. The expansion of the police services contract in Sussex includes 2.0 Sheriff Deputy positions from the 2010 adopted budget for \$139,500 offset with revenue.
- Besides higher jail personnel costs included above, significant operating **and interdepartmental expenditure** increases in **the jail operations** budget include \$80,000 for inmate medical care and \$17,000 more for inmate food service costs. This budget also includes a multi-year jail equipment replacement plan with an annual appropriation of \$155,000 funded with a prior year budget base of \$30,000 and \$125,000 use of fund balance from prior year jail assessment revenue reserved. Also, Huber Board revenues are reduced significantly as indicated below.
- **Huber room and board** is decreasing \$87,000 reflecting 19 fewer paying Huber inmates; however Huber rates will increase \$1 to \$22.00 per day.
- The second year of the **Pewaukee police services** contract includes reductions for one time start up costs of \$105,000 in 2010, and full year administrative and indirect costs and inflationary contract cost increases total \$298,560. The **Village of Sussex** also expanded its contract to include an additional five day coverage in 2010 and is anticipated to expand coverage in 2011 to seven day a week.
- The **Sheriff's Department** expenditure budget includes \$85,000 for an additional **drug prosecutor**, (being used in the District Attorney's office) for a 3 year period. The position is funded with State Byrne Grant which began in 2010 and will sunset after 2012.
- The **Emergency Preparedness General Fund Budget** for 2011 includes a reduction of \$50,000 in overtime for the one-time cost to train for the new computer aided dispatch system. Geo Database maintenance was brought in-house in 2010 resulting in a reduction of \$32,000 in **contracted services** in 2011 offset with an increase of \$24,000 for **interdepartmental charges** from the Land Information Division, for a net County savings of \$8,000. End User Technology Fund (EUTF) charges for the Department decrease almost \$20,000 due to server consolidation and virtualizing services. The Department continues to budget \$35,000 in fixed assets for emergency equipment replacement needs and is budgeting an additional \$45,600 for the replacement of batteries, paging equipment and replacement chairs.

2011 EXPENDITURE HIGHLIGHTS

- **Circuit Court Services** overall personnel net costs increase by about \$105,800. To hold increases down, staff reductions of almost \$82,800 include 0.50 Clerk Typist II in the Criminal Traffic Division, 0.50 FTE Clerk Typist II in the Juvenile Court Division and 0.50 FTE Court Reporter in the Court Commissioner's Office. The Department has expanded use of technology features of the state Consolidated Courts Automation Program (CCAP), increasing efficiency and allowing the re-distribution of personnel resources across various divisions.
- **Guardian ad litem and court appointed attorney costs** at \$748,000 are budgeted to increase \$30,000. This moderate increase as compared to previous years is a result of the Circuit Court Services use of capitation contracts for court appointed attorneys.
- **District Attorney's** expenditures increase of \$85,000 in the department's operating expenditures is related to the addition of a second drug prosecutor position awarded to the department in 2010 through a three-year Department of Justice Byrne grant administered by the Sheriff's Department.

Health and Human Services

- **Overall Health and Human Services expenditures** increase by \$2,214,302 or 3.4% to \$67,540,390. This includes a personnel increase of \$1,057,054 or 3.4% to \$32,369,964.
- The **Children with Special Needs program** operating expenses are budgeted to increase \$930,622, or about 20% mostly due to Children's Long Term Support Waiver contract services expenditures, which are budgeted to increase \$766,936 related to the state funding of additional clients. Also, contracted services are budgeted to increase \$76,594 which includes a net increase of \$61,394 for Birth to Three waiver-funded services.
- The **Mental Health Clinical Services Outpatient program** – is budgeting a \$637,250 increase in operating expenses. \$857,534 of the increase is related to new Federal Community Recovery Services Program (CRS) costs as program expenses are realigned from other programs areas to help capture Federal reimbursements. Also, new contracted services related to CRS is budgeted at \$241,823. In addition, medical psychiatric services increase by \$126,360 as the department shifts contracted medical services coverage to replace and offset the transfer to this program area from the mental health center inpatient unit. The higher budgeted operating expenditures are offset by \$399,259 of net contract service reductions mostly related to the realignment of clients to the CRS program partially offset by five new clients placed at an out of County Health Care Center. Also, comprehensive community services (CCS) operating expenses are reduced by \$132,574 as three clients were moved to the CRS program. State Institutes expenditures are budgeted to decrease by \$130,415 to reflect prior year and current year spending levels on planned costs.
- The **Mental Health Center budget** funds a secretary supervisor position and unfunds 1.0 FTE clerk typist II. The secretary supervisor position is planned to help supervise clerical staff; coordinate the transition to an electronic health records system (as mandated by the Federal Centers for Medicare and Medicaid Services); perform confidential services for MHC management related to Health Insurance Portability and Accountability Act (HIPAA) compliance; perform quality assurance/performance audits; and train staff on patient admission procedures.
- **Alcohol and Other Drug Abuse** operating expenditures are reduced by \$87,800 primarily related to the closing of a residential center and a local halfway house. Also, requests for opiate detoxification services are decreasing.
- **Public Health Division** expenditures increase by about \$151,700 in order to help maintain the State Level II status, as defined in Wisconsin Public Health Statutes. This includes an increase in Tax Levy support of nearly \$105,000 or 4.8%, to help mainly cover the cost to continue existing services. Significant Public Health budget items include: Increasing a part-time Community Health Educator to full-time (a net increase of 0.20 FTE or about 420 hours), to help comply with increasingly difficult federal grant reporting requirements, which are estimated to increase net costs by about \$28,200. Most of this expenditure increase is planned to be funded with higher Federal Center for Disease Control and Prevention City Readiness grant dollars (about \$34,000), partially offset by the elimination of \$13,000 in State Tobacco II money, which partially fund this position in the 2010 Budget. The remaining \$6,900 cost impact is covered with Tax Levy funding.
- **Federal Women, Infant, Children Nutrition Program (WIC)** grant dollars are budgeted to increase about \$30,300 to help support the Farmers' Market Nutrition program and to fund \$14,700 in temporary extra help and related employee benefit costs for 0.40 FTE (about 830 hours) for continuing a breast feeding counselor (public health technician) position (added mid-year 2010 through enrolled ordinance 164-87). These counseling services are intended to help encourage women to breastfeed their infants, which is considered beneficial their development.
- **ADRC Division- General Funds** budget for Transportation Services revenue and expenditure increases by \$48,738 related to the State's Alzheimer's Family and Caregiver Support program funding being restored in 2011 (which was not budgeted in the 2010 Adopted budget). Also, operating expenditures are increased \$281,100 to \$501,825 for expenses related to 25 Waukesha County residents housed at Dodge County's Clearview Intermediate Care Facility for the Mentally Retarded (ICFMR). The approximate cost per day is estimated at \$55, which represents the cost per day not reimbursed by Medical Assistance. Most of these clients are not expected to be eligible for the State's Family Care program.

2011 EXPENDITURE HIGHLIGHTS

- **Criminal Justice Collaborating Council (CJCC)** 2011 budget includes an expansion of the Day Report Center with expenditure appropriations budgeted to increase by \$118,133 to \$204,780. This includes expanded contract services for additional case management, employment specialist and community service coordination. Security services will also be added for the Day Report Center program. The expansion includes an estimated increase in program capacity daily from 45 to approximately 57 participants. Operating After Revocation (OAR) program budgeted at \$56,113 in the 2010 adopted budget is eliminated as a result of state legislation changes which decriminalized the majority of OAR offenses.

Parks, Environment, Education, and Land Use

- **Register of Deeds** the department is proposing to unfund a vacant 1.0 FTE Clerk Typist I position and a vacant 1.0 FTE Clerk Typist I/II position at a cost saving of approximately \$107,400.
- In the 2011 Budget, the **Federated Library System** establishes a new special revenue **CAFÉ** Shared Automation Fund, which is planned to be transitioned from the Waukesha Public Library (WPL) in July 2011. The related **expenditure budget** of \$192,900 represents roughly a half-year of costs (due to the planned July 2011 transition date), and includes \$77,670 for 0.75 FTE (1,560 hours) of the Federated Library's Library Automation Coordinator moved in from the State Aids Fund; \$42,300 in contracted services for a half-year of a 1.0 FTE WPL staff member to provide IT support; \$29,700 in one-time pass-through payments from the City of New Berlin to the CAFÉ Software Vendor to configure the City's library database in order to potentially join CAFÉ; and the transition is also expected to include the transfer of approximately \$400,000 in CAFÉ software/equipment replacement funds from WPL, to be retained and reserved for future software/equipment replacement requests.
- **Parks and Land Use General Fund** budget, in an effort to limit the growth in net personnel costs and overall spending, is proposing to unfund a net 2.0 FTE regular positions in 2011, which is estimated to generate a cost avoidance of \$144,500. This includes 1.0 FTE Environmental Health Sanitarian in the Septic/Well/Lab program estimated to reduce personnel costs by \$81,100 and 1.0 FTE Land Use Specialist in the Planning Program, estimated to reduce personnel costs by \$63,400. The department management indicates that workload in both these program areas has declined since the beginning of the recent economic downturn.

Public Works.

- **Contracted housekeeping services** help generate a net total cost savings estimated at \$82,300 in the 2011 Budget. Housekeeping contracts and cleaning supplies increase \$145,000 to reflect a shift from in-house housekeeping staff to more cost effective contracted housekeeping services. Public Works General Fund operations include unfunding 3.00 FTE Building Service Worker II's and unfunding 1.00 FTE Building Service Worker I with estimated cost savings of \$227,300. This reflects a more cost effective use of contracted housekeeping services.
- 3.00 FTE **Maintenance Mechanic II positions** are abolished and 3.00 FTE Maintenance Mechanics I positions are created to better reflect work responsibilities and duties. This results in an estimated cost savings of \$15,000. A Clerk Typist II position is reduced by 0.50 FTE for a cost savings of \$24,500.
- On-going energy costs are budgeted to decrease by a net of \$155,100 in **Public Works for building operations** overall, including rate changes of 3.0% for electricity, -2.0% for natural gas and 8.0% for sewer and water. The rate increases are offset by significant consumption reductions in electricity and water/sewer utilities as a result of recent investments in energy conservation.
- Contracted **building system maintenance services costs** are able to be reduced by \$66,500 in 2011 reflecting changes in service levels based on Public Works and Purchasing staff working more closely together to fine-tune services and vendor costs plus internal staff providing some maintenance work that would have otherwise been contracted.
- **The building improvement maintenance plan** totals \$1,084,500. This is a \$243,500 increase in maintenance funding from the previous year's plan. The maintenance plan is funded by \$650,000 of County Tax Levy and \$434,500 of General Fund Balance for one-time projects. General Fund Balance will be phased down in future years to provide funding for the building improvement maintenance plan.
- **County Department of Public Works - Highway** personnel costs increase of \$130,000 or 4.7% due to cost to continue for 39.18 FTE staff and an increase of about \$45,000 in worker's compensation mainly based on prior year claims experience.

2011 EXPENDITURE HIGHLIGHTS

- **The Department of Public Works unfunds 3.00 FTE State funded Patrol Worker positions** and overtime is decreased by 978 hours for a reduction in personnel costs of \$240,500. Vehicle fuel and maintenance, equipment, and materials costs for State road maintenance work is also reduced by \$40,900 to reflect the estimated lower levels of maintenance and related State reimbursement revenue of \$281,400 or a 5.9% decrease. This reflects a lower level of (Summer) service requested for State Highways in 2010, which is anticipated to continue in 2011.
- The **Vehicle Replacement Fund** planned purchases decrease \$244,000 from the 2010 Budget. This decrease is partially offset by moving up the **purchase of four 2012 replacement squads** to 2011 (at a cost of about \$94,000), as Ford Crown Victoria squads are expected to be discontinued at the end of 2011. Therefore, the 2012 replacement Crown Victoria squads will be purchased at the end of 2011 and not be put into service until 2012. These squads' useful lives will not be changed nor will the future replacement dates be modified. As the majority of the Sheriff's Department squads are Crown Victorias, the purchase of the 2012 replacement Crown Victoria squads will allow the Department to use existing equipment (cages, seat covers, light bars, rifle racks, etc.) and repair practices while evaluating other chassis options.

General Administration and Non-Departmental

- The **County Board Chair's Office** personnel costs decrease \$93,955 or 9%, mainly due to unfunding 1.0 FTE Office Services Coordinator position in 2011 and underfilling the vacant Legislative Policy Analyst with a Programs and Projects Analyst in 2010.
- The **County Clerk's Office** expenditures are decreasing \$46,760 mainly due to the removal of non-reoccurring election related costs.
- **DOA-General Fund** cost to continue expenditures are estimated to increase by \$158,500 or 2.7%. This increase is partially offset by cost savings from the staff re-organization in Human Resources (\$42,000)
- Overall **DOA-End User Technology Fund (EUTF)** expenditure budget decreases by \$52,777 or under 1%.
- **DOA-Risk Management division** operating expenditures increase by \$63,700 or 3%. This primarily reflects an increase in purchased insurance costs and claim payments for general, automobile liability insurance, and estimated future claim payments based on current upward trends for worker's compensation.
- **Health and Dental Insurance Fund** expenditures increase by \$433,500 or 2% to nearly \$20.8 million, mainly due to an increase in active employee claims costs by nearly \$1.14 million to almost \$17.6 million, based on actuarial recommendation. This is partially offset by the removal of the County's fully-insured dental insurance plan (DentaCare) from this internal service fund budget, so this Fund more consistently reports and budgets only self-insured plans (e.g., the Guardian dental plan). The removal of DentaCare reduces budgeted expenditures by \$690,000.
- **The Energy Efficiency Revolving Loan Fund** is not continued in the 2011 budget. This Fund was established in the 2010 Budget, to provide loans to local businesses to fund projects designed to improve their energy efficiency. This program was initiated with \$440,000 in Federal Stimulus Energy Efficiency Block Grant funds authorized in the American Recovery and Reinvestment Act of 2009. However, subsequently issued federal conditions, guidelines and restrictions on this grant program were deemed to be overly onerous and likely to frustrate small business owners participating and diminish the effectiveness of the program. The County reallocated these grant dollars to assist with other federal Energy Efficiency Block Grant funded energy conservation projects (Capital Project 200918), primarily to install a solar hot water system for the Law Enforcement Center and Jail (Enrolled Ordinance 165-20). Reallocating these expenditures and revenues increases the Energy Efficiency and Conservation Block Grant Capital Project budget by \$440,000 to \$2,091,900 and eliminates the need for this special revenue fund.

Debt Service

The Debt Service expenditure budget for general governmental purposes (excluding proprietary funds debt service payments which are funded from individual fund operating budgets) is \$14,609,386, an increase of \$898,355 from the 2010 Adopted Budget or 6.6%. To fund the 2011 Capital Project's Budget, \$10 million is planned to be borrowed increasing the County's total debt outstanding to approximately \$83.9 million, well below the allowable levels set by State statutes.

Capital Projects

The 2011 Capital Project Expenditure Budget of \$20.2 million increases \$879,100 from the 2010 Adopted Budget. The 2011 capital budget identifies funding for existing and new projects at a net county cost of \$12.9 million (after direct project revenues and fund balance appropriation totaling approximately \$7.3 million are applied). For 2010, borrowed funds total \$10 million (mentioned above) and investment income is at \$350,000. Project funding also includes \$2.55 million in County Tax Levy, an increase of \$120,000 from the 2010 Adopted Budget.

2009-2011 REVENUE SUMMARY

SOURCE	2009 Actual (a)	2010 Adopted Budget (a)	2010 Estimate (a)	2011 Proposed Budget	Incr/(Decr) From 2010 Adpt. Budget
Intgov't Contracts & Grants	\$53,702,385	\$51,655,531	\$55,359,802	\$52,992,351	\$1,336,820
State Transportation Aids	\$5,369,509	\$5,422,973	\$5,262,163	\$5,325,973	\$(97,000)
State Shared Revenues	\$1,459,990	\$1,080,000	\$1,080,000	\$1,080,000	-
Fines & Licenses	\$2,651,439	\$3,077,134	\$2,743,600	\$2,868,750	\$(208,384)
Charges for Services (b)	\$27,941,896	\$30,478,455	\$30,396,938	\$31,494,025	\$1,015,570
Interdepartmental Revenue	\$31,885,701	\$33,658,192	\$33,151,043	\$34,525,780	\$867,588
Other Revenues	\$8,894,616	\$8,140,089	\$8,046,101	\$8,024,312	\$(115,777)
Interest/Penalty on Delinq Taxes	\$2,960,293	\$2,400,000	\$3,172,200	\$2,850,000	\$450,000
Investment Inc-Unrestricted Funds	\$4,933,687	\$5,800,000	\$5,420,000	\$5,270,000	\$(530,000)
Debt Borrowing	\$8,000,000	\$10,000,000	\$9,000,000	\$10,000,000	-
Appropriated Fund Balance	\$5,878,584	\$12,500,615	\$10,708,213	\$14,054,330	\$1,553,715
Retained Earnings (b)(c)	\$(3,884,222)	\$(1,165,984)	\$(1,869,125)	\$(1,066,034)	\$99,950
Tax Levy	\$95,839,043	\$98,491,357	\$98,491,357	\$100,401,004	\$1,909,647
Total Gross Revenues	\$245,632,921	\$261,538,362	\$260,962,292	\$267,820,491	\$6,282,129

FUNCTION	2009 Actual	2010 Adopted Budget (b)	2010 Estimate	2011 Proposed Budget	Incr/(Decr) From 2010 Adpt. Budget
Justice & Public Safety (a)	\$15,997,886	\$17,021,548	\$18,236,600	\$17,818,192	\$796,644
Health & Human Services	\$49,028,194	\$46,262,538	\$49,818,842	\$48,333,261	\$2,070,723
Parks, Env, Educ & Land Use (a)	\$16,401,184	\$16,635,540	\$15,665,777	\$16,488,673	\$(146,867)
Public Works (a)	\$18,171,063	\$18,603,223	\$17,817,224	\$18,277,592	\$(325,631)
General Administration (a)	\$17,340,013	\$18,247,725	\$18,735,604	\$18,959,973	\$712,248
Non-Departmental	\$20,945,923	\$21,514,900	\$20,930,900	\$21,243,000	\$(271,900)
Debt Borrowing	\$8,000,000	\$10,000,000	\$9,000,000	\$10,000,000	-
Capital Projects	\$1,915,253	\$3,426,900	\$3,426,900	\$3,310,500	\$(116,400)
Appropriated Fund Balance	\$5,878,584	\$12,500,615	\$10,708,213	\$14,054,330	\$1,553,715
Retained Earnings (b)	\$(3,884,222)	\$(1,165,984)	\$(1,869,125)	\$(1,066,034)	\$99,950
Tax Levy	\$95,839,043	\$98,491,357	\$98,491,357	\$100,401,004	\$1,909,647
Total Gross Revenues	\$245,632,921	\$261,538,362	\$260,962,292	\$267,820,491	\$6,282,129

- (a) The 2009 Actual, 2010 budget and 2010 Estimate has been restated for comparison purposes. For the 2010 Adopted Budget, this includes lower interdepartmental revenues of \$257,695 to reflect the elimination of some intra-Department cross charges which previously resulted in double budgeting.
- (b) Includes revenues from Proprietary Fund user fees which are estimated to result in retained earnings.
- (c) Revenues in excess of expenditures from enterprise funds that are retained in the appropriate fund and not used to offset the overall County Tax Levy.

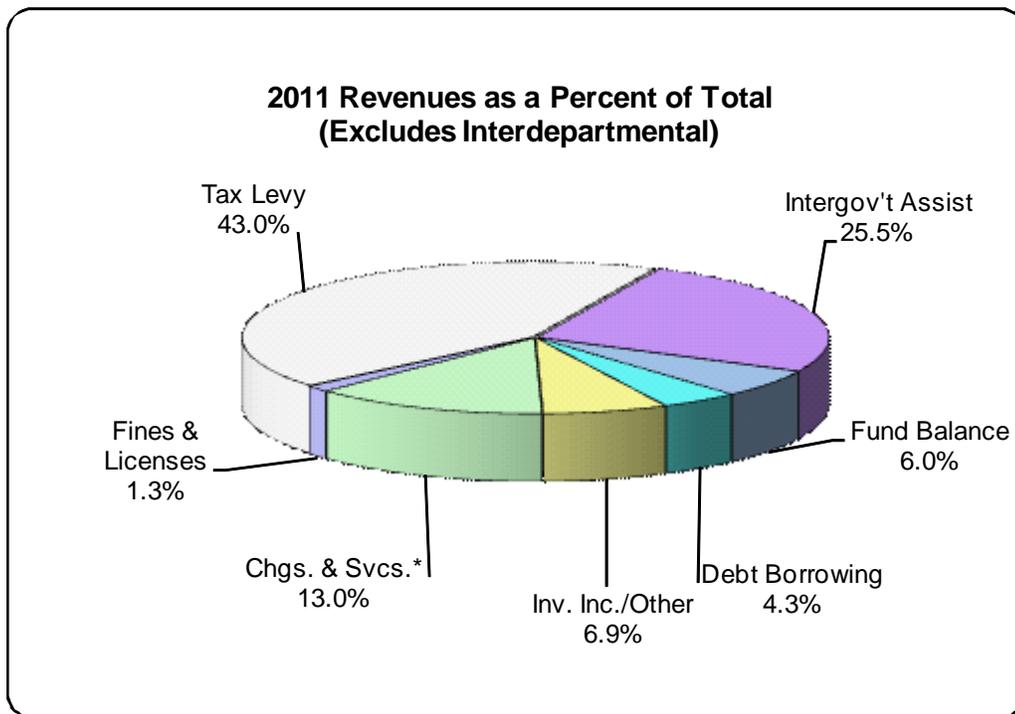
2011 REVENUE HIGHLIGHTS

Revenue Budget:

The 2011 revenue budget (**excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings**) totals \$153,365,157, an increase of \$2,818,767 or 1.9% from the 2010 Adopted Budget. The net revenue budget is \$118,839,377 after elimination of \$34,525,780 of interdepartmental revenues (mostly from internal service funds i.e. Health and Dental Insurance Fund and cross charges such as Sheriff Bailiff, Conveyance services etc.), which are in essence double-budgeted. Also note, the 2009 Actual, 2010 Adopted Budget, and 2010 Estimate has been restated for comparison purposes. For the 2010 Adopted Budget, this includes lower interdepartmental revenues of \$257,695 to reflect the elimination of some intra-departmental cross charges which previously resulted in double budgeting.

The 2011 revenues consist of departmental operating revenues budgeted at \$140,054,657 and capital project funding at \$13,310,500, including \$10,000,000 from planned borrowing. Overall, the operating revenues increase nearly \$2.9 million or 2.1% from the prior year budget, while capital project revenues decrease by \$116,400.

The graph below reflects the ratio of revenue sources budgeted for 2011 to all revenue sources, with tax levy of 43.0% and Intergovernmental Assistance of 25.5% (after excluding Interdepartmental revenues) as the major revenue components.



* Excludes Retained Earnings

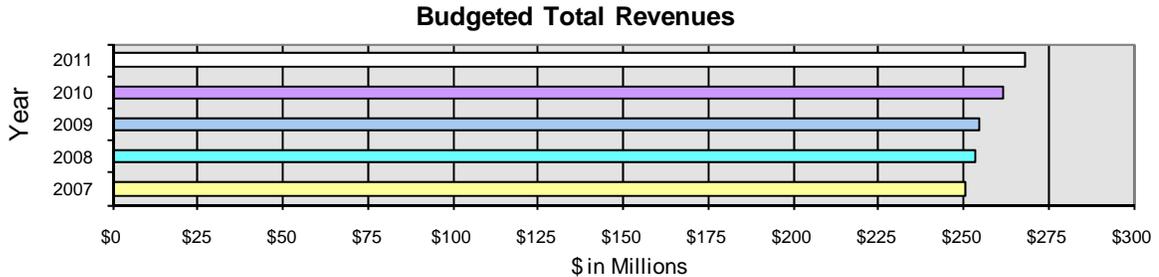
Revenue Projection Methodology

Realistic and accurate revenue forecasting is one of the primary building blocks in the development of a fiscally sound budget. The County combines four primary projection methods based on the unique characteristics of forecasted revenue. These methods include:

1. Informed/Expert Judgment (e.g., the advice of a department head).
2. Deterministic Techniques (e.g., formula based).
3. Time Series Technique (e.g., trend analysis, rolling averages).
4. Estimates from external sources or appropriated in adopted legislation (e.g., State and Federal governments).

2011 REVENUE HIGHLIGHTS

The graph below shows the total budgeted revenue trends from all sources for 2007-2011. Total revenues have shown annual increases during the five-year period as summarized below.

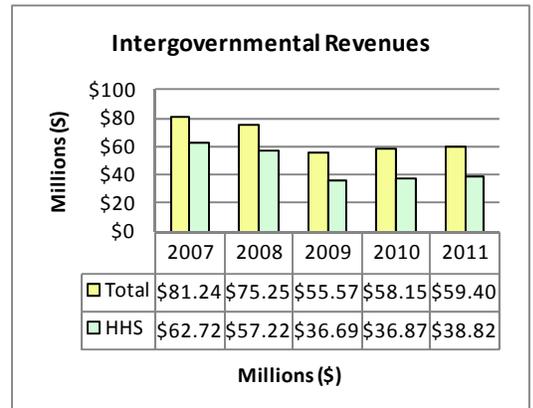


Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2010 to the 2011 Revenue Budget, by source, follows. The 2011 revenue budget increases by \$6.3 million. This increase includes an increase in Intergovernmental revenue of \$1.2 million largely as a result of increased revenue of \$808,000 for Health & Human Services (HHS) Children's Long Term Support Waiver funding and \$490,000 of HHS Community Service cost recoveries; Charges for Service revenue increases \$1.0 million mainly due to police patrol contracts with the City of Pewaukee and Village of Sussex and client fee revenues in the Department of Health and Human Services; an \$868,000 increase in Interdepartmental Charges revenue; a \$1.6 million increase in Fund Balance use mainly due to Capital projects and debt service; and a \$1.9 million increase in Tax Levy offset by a decrease in Other Revenue of \$196,000 and Fines and License revenue of \$208,000. The 2010 revenue budget increased by \$5.3 million largely due to an increase in Intergovernmental revenue of \$2.7 million due to revenue of nearly \$1.5 million for renewable energy incentive grants funded with federal stimulus money; \$1.8 for a million contract with the City of Pewaukee to provide police service; and \$600,000 for the County Highway Improvement-Discretionary program budgeted every other year. The 2009 Adopted Budget increased by \$920,800, which included a \$16.475 million increase in interdepartmental revenue mainly due to the addition of the new Health and Dental Insurance Fund; a \$2.8 million increase in Fund Balance use; and a \$2.65 million increase in Tax Levy mostly offset by \$19.7 million decrease in Intergovernmental contracts due to continued implementation of the State's Family Care Initiative reforming Long-Term Care; a \$2.0 million reduction in debt borrowing; and \$1.3 million reduction in Other Revenues. The 2008 Adopted total revenue budget increased by \$1.5 million. This increase for 2008 was largely due to almost a \$1.5 million increase in charges for services, a \$1.8 million increase in debt borrowing, a \$1.9 million increase in Tax Levy and a \$2.3 million net increase in other revenue categories mostly offset by a \$6.0 million decrease in intergovernmental contracts, grants and other State aids.

Intergovernmental Contracts & Grants:

Combined, total 2011 intergovernmental contracts, grants, state aids and state shared revenues are budgeted at \$59,398,124 representing an increase of \$1,239,820 or 2.1% from the 2010 Adopted Budget (see explanations below).

- H&HS Functional Area Intergovernmental Revenue increases by \$1,953,296 to \$38.8 million as follows:
 - **Federal Community Development** funding will continue the development of viable urban communities within Waukesha County through the provision of grants and technical assistance to cities, villages, towns and non-profit agencies participating in Waukesha County's Urban County Community Development Programs. Funding is provided to low and moderate-income households and to Neighborhood Revitalization Strategy Areas (NRSA) within the County for homeownership, housing rehabilitation, rental opportunities, planning, economic development and other County needs primarily through subgrantee agreements with non-profit agencies. The 2011 Budget includes \$3,100,000 of estimated federal funding from HUD which represents a \$150,000 increase to \$1,600,000 in CDBG funding and the HOME funding budgeted at \$1,500,000, which is unchanged from the 2010 Budget.
 - **Department of Health and Human Services** is budgeting the department's primary source of Intergovernmental revenue, **Community Aids-Basic County Allocation (BCA)** from the State Departments of Child and Family (DFS) and Health Services (DHS), to increase \$93,770 to \$7,440,563 after adjusting out the BCA portion of \$3,442,100 required to be paid back to the state as part of the State's Family Care initiative.
 - In 2011, the **Department of Health and Human Services Alcohol and Other Drug Abuse block grant** funding is budgeted to decrease \$183,547. (In 2010, the State Department of Health Services increased use of the Alcohol and Other Drug Abuse grant funding by \$183,547 to partially offset some of the reduction in the County's 2010 Community Aids allocation. In the 2011 budget, the AODA block grant funding is being reduced by \$183,547. However, Community Aid funding is only being restored by \$93,770, which results in an overall net decrease in funding of \$89,777.) Also, the Operating While Intoxicated surcharge revenues are reduced \$60,000 in the 2011 budget due to lower receipts received in 2009 and estimated for 2010.



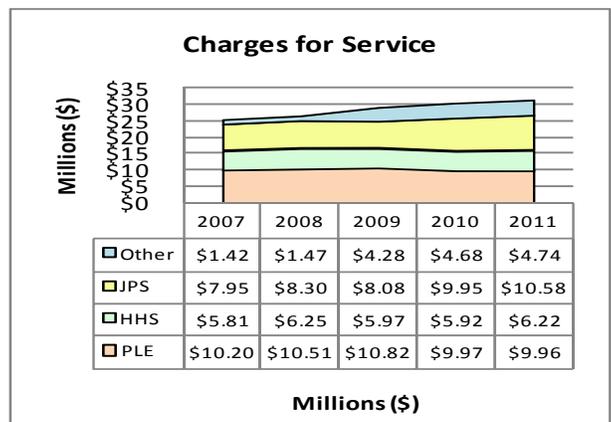
2011 REVENUE HIGHLIGHTS

- The **Department of Health and Human Services Children with Special Needs** intergovernmental revenues are budgeted to increase \$975,000 mainly as a result of the State Department of Family Services providing more waiver funding slots for children with Autism and other long-term special needs.
- **Department of Health and Human Services - Clinical Services Division Mental Health Outpatient program** is budgeting a \$492,700 revenue increase related to participation in a new state program which allows federal reimbursement for a portion of rehabilitative costs. Additionally, nearly \$203,200 of new state general purpose revenue is budgeted for children and elderly alternative planning.
- **Parks and Land Use Tarmann Fund** General Government revenues are budgeted to decrease by \$400,000 as State Department of Natural Resources Stewardship Grant reimbursements are not included in the 2011 Budget due to the timing of receipt of partial reimbursements for past and current year land acquisition costs, and are instead planned to be appropriated in future year budgets after they have been received.
- General Government revenues in the **Public Works Functional Area** are decreasing by \$384,000 mainly due to a reduction in of \$281,000 reduction from State Highway maintenance reimbursement revenue for work performed by the County on State Highways; General Transportation Aids are reduced \$97,000, which is mostly based on a rolling 6-year average of highway expenditures.

Charges for Services:

Charges for County Services (user fees) are budgeted at \$31,494,025, which represents an increase of \$1,004,570 from the 2010 Adopted Budget.

User Fees are charges for specific government services to those who utilize and value certain services. They provide an equitable, proportional user based charging method to continue service operations without relying solely on property taxes from property owners. User fees collected include fees for document recording; real estate transfers; public admission for recreation usage and regulation enforcement within the Parks, Environment and Land Use (PLE) areas; client treatment, inpatient or residential services fees within the Health and Human Services area (HHS); and inmate stays, contracted Sheriff patrols, and judicial and public safety.



- **Justice and Public Safety (JPS)** Charges for Service revenues are budgeted to increase \$624,187 to \$10.6 million mainly due to a \$508,300 increase in contracted police services resulting from the cost to continue increases related to existing contracts (\$144,800), City of Pewaukee contract (\$224,000) and an expanded contract with the Village of Sussex (\$139,500) in the **Sheriff's Department**. **Circuit Court Services** Charges for Service revenue increase by \$97,000 and include a new fee (\$50 per vehicle) for the court ordered use of Ignition Interlock Devices (IID's), upward adjustments in payment plan and mediation service fees, and over-all collection efforts.
- **H&HS** functional area Charges for Service revenues are budgeted to increase by about \$301,800 largely due to an increase of \$182,124 in the **HHS - Clinical Services Division Mental Health Outpatient program** reflecting client fees and 3rd party revenue reimbursements (\$66,400) Comprehensive Community Service (CCS) revenue (\$115,724). The **HHS - Mental Health Center** Charges for Service revenue increases by \$195,000 mostly due to the continuation of the Medicare prospective payment system that provides more timely reimbursements for services and factors that may be increasing the number of patients with billable insurance coverage, such as the State widening eligibility for Badger Care in recent years and state/federal mental health insurance parity legislation. These increases are offset by a decrease in Charges for Service revenue of \$38,500 in **HHS - Children and Family Division: In-home Safety and Out of Home Placement Services program** and a decrease of \$29,700 in the **HHS - Juvenile Center program** due to lower placement rates.

Fines and Licenses:

Overall fine and license revenues are estimated to total \$2,868,750 for 2011, a decrease of \$208,384, or 6.8% from the 2010 Adopted Budget.

- **HHS Department** is budgeting a \$60,000 decrease in the Operating While Intoxicated (OWI) Surcharge to \$475,000 to reflect lower actual prior year collections and current year estimates.
- The **Treasurer's Office** estimates Agricultural Use Conversion penalties to decrease by \$50,000 to \$80,000 reflecting estimated lower receipts from agricultural land use conversions fees based on current trends.
- The **Clerk of Courts Office** estimates penalties to decrease by \$40,000 to \$770,750 reflecting estimated lower receipts from marriage license fees, traffic fines, and occupational drivers license fees.
- The **Parks and Land Use Department** estimates lower zoning and permit fee revenues by \$30,000 to \$110,000 mainly due to the downturn in the housing development market.
- The **Public Works Department** estimates lower permit fee revenues by \$20,000 to \$110,000 mainly due to the downturn in the economy and housing market.

2011 REVENUE HIGHLIGHTS

Interdepartmental Revenues:

Interdepartmental revenues total \$34,525,780, an increase of about \$867,000 from the 2010 Adopted Budget. Interdepartmental revenues are primarily related to internal service fund charges and cross charges for services provide by one County department to another, which are in essence double budgeted. These charges are originally funded through an external revenue source or tax levy in the service consumer (user) department budgets.

- Based on actuarial recommendations, **Health and Dental Insurance Fund** Interdepartmental Revenues increase by \$208,000 to \$16,780,000 mostly to cover the County Departments' share of active employee self-insured health and dental claims.
- Tax Levy Support for the **DOA-End User Technology Fund (EUTF)** decreases by \$380,000 to \$399,872, mostly due to reallocating the tax levy subsidy in the End User Technology program out to departments to reflect infrastructure use.
- In order to better reflect historical insurance claims payout patterns, **DOA-Risk Management** interdepartmental revenue increases by \$143,900 to \$1,463,400, but are still being subsidized by General Fund Balance.
- Interdepartmental revenues in the **Public Works Functional Area** are increasing by \$72,622 largely due to vehicle replacement costs of \$96,449 that result in a revenue increase and a building maintenance services revenue increase of \$19,701 for maintenance work performed by DPW for other County Departments. This is partially offset by a \$49,756 decrease in vehicle repairs and maintenance due to a reduced volume of maintenance work and less fuel purchased as a result of reduced work performed on State Highways.

Other Revenues:

Revenues from various other sources in the 2011 Budget total \$16.1 million. This represents a net decrease of \$195,777 from the 2010 Adopted Budget.

- The **Office of the Treasurer** revenues include an estimated decrease in investment income of \$430,000 to \$4,920,000 as lower rates of return experienced in 2010 are expected to continue into 2011. Penalties and interest on delinquent taxes are budgeted to increase by \$450,000 due to higher levels of delinquent tax receipts estimated for 2010.
- **PLE - Land Information System Fund** other revenues decline by \$75,500 to \$6,500, mostly due to the elimination of \$80,000 in landfill siting fees temporarily budgeted in the LIS Fund in 2010 to help offset a decline in document recording fees resulting from the downturn in the real estate development market.
- **HHS - Administrative Services** is budgeting the **Wisconsin Medicaid Cost Report (WIMCR)** revenues to decrease \$75,000 to about \$128,200, reflecting prior year actual declining trends. **HHS - Senior Dining** is reducing other revenues by \$38,000 based on prior year revenue and a reduction in client donations.

Debt Financing:

The 2011 Budget includes borrowing of \$10.0 million to finance a portion of 2011 capital projects, which is the same level of borrowing as in the 2010 Adopted Budget.

Appropriated Fund Balance:

To reduce the 2010 Tax Levy (for 2011 Budget purposes), the Budget includes Fund Balance appropriations of \$14,054,330 for one-time projects or temporary expenditures or to phase in the impact of significant revenue losses. This includes \$9,682,330 for the operating budgets and \$4,372,000 for the Capital Projects Budget as summarized in this table below:

Fund Balance Use in Fund / Department Budgets	General Fund	Special Revenue Funds	Internal Service Funds	Enterprise Funds	Capital Fund	Debt Service Fund	Total
Administration	\$1,500						\$1,500
Administration Internal Services			\$295,020				\$295,020
Admin Dept-Risk Management			\$528,522				\$528,522
End User Tech. Fund			\$888,464				\$888,464
Airport Fund				\$180,829			\$180,829
Capital Projects Budget					\$4,372,000		\$4,372,000
Circuit Court Services	\$6,000						\$6,000
Contingency Fund	\$1,000,000						\$1,000,000
Corporation Counsel Dept.	\$55,000						\$55,000
County Clerk Dept.							\$0
Debt Service Fund						\$1,304,386	\$1,304,386
District Attorney	\$61,000						\$61,000
Emergency Preparedness	\$186,350			\$102,297			\$288,647
Human Services Dept.	\$874,224						\$874,224
Non-Departmental	\$489,300		\$786,500				\$1,275,800
Federated Library Fund		\$2,501					\$2,501
Parks and Land Use Dept.	\$85,000	\$700,000		\$1,305,435			\$2,090,435
Public Works Dept	\$462,500	\$78,000	\$141,083				\$681,583
Sheriff Dept.	\$148,419						\$148,419
Total by Fund Type	\$3,369,293	\$780,501	\$2,639,589	\$1,588,561	\$4,372,000	\$1,304,386	\$14,054,330

Tax Levy:

The overall 2010 Tax Levy (for 2011 Budget purposes) is \$100,401,004, which represents an increase of \$1,909,647 or 1.9% from the 2010 Adopted Budget. This is within the State imposed tax levy increase limit of 3.0%. The total Tax Levy consists of General County Purpose Levy of \$97,547,065, a \$1,829,608 or 1.9% increase from the 2010 Adopted Budget, and the Federated Library Tax Levy of \$2,853,939, an increase of \$80,039 or 2.9% from the 2010 Adopted Budget.

DECISION MAKING CRITERIA FOR NEW POSITIONS

County government has an obligation to meet the needs of its citizens in a fiscally prudent manner. One of the largest costs of government is personnel cost. Unlike capital projects that are paid for in a set period of time, position costs continue each year as long as the position exists. Therefore, before new positions are authorized, a careful review of the justification of these requests is warranted. In reviewing these requests, the following types of questions are asked.

- 1) Does the reason a position is being requested support the strategic plan for the County and the department?
- 2) Can the work be accomplished in any other way?
- 3) Does the proposed position improve customer service?
- 4) Does the proposed position provide direct services as opposed to administrative support, supervision, or management?
- 5) Will the investment in the proposed position allow the department to increase revenues or decrease expenditures beyond the cost of the position?
- 6) Is there outside (non-County Tax Levy) funding available for the proposed position, such as state or federal grants?
- 7) Can the position costs be offset by eliminating or reducing a lower priority function?
- 8) Has the organization been reviewed for efficiency? Is the organization a re-engineering candidate?
- 9) What will be the effect if the proposed position is not created?

BUDGETED POSITIONS 2009-2011

SUMMARY BY FUNCTIONAL AREA *****BUDGETED POSITIONS ONLY*****

FUNCTIONAL AREAS:	2009 Year End	2010 Adopted Budget	2010 Modified Budget	2011 Adopted Budget	2011 10-11 Change
Justice and Public Safety	534.13	548.13	549.13	549.75	1.62
Health and Human Services	424.88	422.00	422.00	422.42	0.42
Parks, Env., Educ., and Land Use	144.00	141.25	141.25	136.95	(4.30)
Public Works	153.60	152.10	152.10	144.10	(8.00)
General Administration	123.40	123.40	123.40	122.40	(1.00)
Non-Departmental	-	-	-	-	-
Total Regular Positions Countywide	1,380.01	1,386.88	1,387.88	1,375.62	(11.26)
Temporary Extra Help	114.50	122.21	123.05	121.02	(1.19)
Overtime	26.40	24.90	24.90	23.10	(1.80)
Total Position Equivalents Countywide	1,520.91	1,533.99	1,535.83	1,519.74	(14.25)

* This chart includes the number of positions that are authorized and funded with the exception of position overfills.

Significant Changes for 2011

- Budgeted Full-Time Equivalents (FTEs) decrease by a net of 14.25 FTE, including temporary extra help and overtime.
- There is a net decrease of 11.26 FTE budgeted regular positions, mostly due to position reductions in the Parks, Environment, Education, and Land Use and the Public Works functional areas.
- Temporary extra help decreases a net of 1.19 FTE (2,475 hours), and overtime decreases a net of 1.80 FTE (3,744 hours).

Current-Year Changes in 2010

Create:	1.00 FTE Sunset Deputy Sheriff - Village of Sussex Contract (Enrolled Ord. 164-64)	1.00
Create:	Human Resources Analyst - DOA (Enrolled Ord. 164-11)	1.00
Abolish	Employment Services Manager - DOA (Enrolled Ord. 164-11)	(1.00)
Temp Help/Overtime	Mainly due to grant/contract funding received during 2010	0.84

FUNCTIONAL AREA SUMMARY BY FUND TYPE

2011 BUDGET

REVENUES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
JUSTICE & PUBLIC SAFETY	\$16,709,102	\$0	\$1,109,090	\$0	\$0	\$0	\$17,818,192
HEALTH & HUMAN SERVICES	\$41,112,940	\$7,220,321	\$0	\$0	\$0	\$0	\$48,333,261
PARKS, ENV., EDUC., LAND USE	\$7,385,887	\$2,572,586	\$6,530,200	\$0	\$0	\$160,000	\$16,648,673
PUBLIC WORKS	\$1,709,475	\$9,811,408	\$732,323	\$6,024,386	\$0	\$1,900,000	\$20,177,592
GENERAL ADMINISTRATION	\$10,287,386	\$0	\$0	\$8,672,587	\$0	\$11,250,500	\$30,210,473
NON DEPARTMENTAL	\$1,250,000	\$0	\$0	\$19,993,000	\$0	\$0	\$21,243,000
FUND BALANCE APPROPRIATION	\$3,369,293	\$780,501	\$1,588,561	\$2,639,589	\$1,304,386	\$4,372,000	\$14,054,330
RETAINED EARNINGS	\$0	(\$29,181)	(\$960,049)	(\$76,804)	\$0	\$0	(\$1,066,034)
TAX LEVY	\$79,355,288	\$4,718,281	\$192,563	\$279,872	\$13,305,000	\$2,550,000	\$100,401,004
TOTAL REVENUES	\$161,179,371	\$25,073,916	\$9,192,688	\$37,532,630	\$14,609,386	\$20,232,500	\$267,820,491
EXPENDITURES							
JUSTICE & PUBLIC SAFETY	\$56,235,301	\$0	\$977,563	\$0	\$0	\$768,000	\$57,980,864
HEALTH & HUMAN SERVICES	\$66,914,564	\$7,249,521	\$0	\$0	\$0	\$3,616,500	\$77,780,585
PARKS, ENV., EDUC., LAND USE	\$13,963,757	\$6,099,845	\$7,109,410	\$0	\$0	\$1,835,000	\$29,008,012
PUBLIC WORKS	\$10,549,632	\$11,724,550	\$1,105,715	\$6,134,447	\$0	\$11,353,000	\$40,867,344
GENERAL ADMINISTRATION	\$10,401,817	\$0	\$0	\$10,618,683	\$14,609,386	\$2,550,000	\$38,179,886
NON DEPARTMENTAL (a)	\$3,114,300	\$0	\$0	\$20,779,500	\$0	\$110,000	\$24,003,800
TOTAL EXPENDITURES	\$161,179,371	\$25,073,916	\$9,192,688	\$37,532,630	\$14,609,386	\$20,232,500	\$267,820,491

(a) Includes Contingency Fund.

APPROPRIATION UNIT SUMMARY BY FUND TYPE

2011 BUDGET

REVENUES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
INTERGOVT. CONTRACTS/GRANTS	\$38,618,063	\$16,519,761	\$1,300,000	\$0	\$0	\$2,960,500	\$59,398,324
FINES & LICENSES	\$2,868,750	\$0	\$0	\$0	\$0	\$0	\$2,868,750
CHARGES FOR SERVICES	\$21,489,075	\$1,213,360	\$5,620,021	\$3,171,569	\$0	\$0	\$31,494,025
INTERDEPART. REVENUES	\$3,537,690	\$416,955	\$586,892	\$29,984,243	\$0	\$0	\$34,525,780
OTHER REVENUES	\$11,941,212	\$1,454,239	\$864,700	\$1,534,161	\$0	\$10,350,000	\$26,144,312
FUND BALANCE APPROPRIATION	\$3,369,293	\$780,501	\$1,588,561	\$2,639,589	\$1,304,386	\$4,372,000	\$14,054,330
RETAINED EARNINGS	\$0	(\$29,181)	(\$960,049)	(\$76,804)	\$0	\$0	(\$1,066,034)
TAX LEVY	\$79,355,288	\$4,718,281	\$192,563	\$279,872	\$13,305,000	\$2,550,000	\$100,401,004
TOTAL REVENUES	\$161,179,371	\$25,073,916	\$9,192,688	\$37,532,630	\$14,609,386	\$20,232,500	\$267,820,491
EXPENDITURES							
PERSONNEL COSTS	\$99,436,377	\$8,293,934	\$3,016,265	\$5,211,480	\$0	\$0	\$115,958,056
OPERATING EXPENSES	\$49,314,159	\$11,460,206	\$4,861,745	\$31,787,426	\$0	\$0	\$97,423,536
INTERDEPARTMENTAL CHARGES	\$11,857,765	\$4,344,776	\$1,314,678	\$533,724	\$0	\$0	\$18,050,943
FIXED ASSETS & IMPROVEMENTS	\$571,070	\$975,000	\$0	\$0	\$0	\$20,232,500	\$21,778,570
DEBT SERVICE	\$0	\$0	\$0	\$0	\$14,609,386	\$0	\$14,609,386
TOTAL EXPENDITURES	\$161,179,371	\$25,073,916	\$9,192,688	\$37,532,630	\$14,609,386	\$20,232,500	\$267,820,491

(a) Includes Contingency Fund.

Waukesha County Organizational Chart

