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WAUKESHA COUNTY

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2013 TAX LEVY SUMMARY

Impact on Homeowners

The Waukesha County Tax Levy is comprised of two segments. The general County Tax Levy of \$98,798,522, which is levied at a rate of \$2.11 (up from \$2.01) per \$1,000 of equalized value on all eligible property in the County. The Federated Library System Levy of \$2,930,604, which is levied at a rate of nearly \$0.269 (up from \$0.251) 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 2012 adjusted from the 2000 census, is \$243,200. This is down \$12,442 from the 2011 value reflecting the County-wide average residential deflation rate of -4.85%. This results in a \$2 decrease in the County Tax Levy on the median home value as indicated below.



General County Tax Levy

2011 Median Home Value	2011 County Tax	Residential Inflation	2012 Median Home Value	2012 County Tax	Change Amount	Change Percent
\$255,642	\$514	-4.85%	\$243,200	\$512	-\$2	-0.4%

Homeowner County Taxes over 7 years Increase of less than 1/4% per Year

<u>Budget Year</u>	<u>Median Home Value</u>	<u>Rate / \$1,000</u>	<u>Tax</u>
2006*	\$256,700	\$1.96	\$504
2013	\$243,200	\$2.11	\$512
Net 7-Year \$ Increase: \$8		7-Year Average:	0.23%

*County Executive Vrakas' first budget year

2013 BUDGET ASSUMPTIONS

Certain broad assumptions are determined in April through June 2012 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 are used in guiding the County's 2013 Budget development:

- Overall inflation factor estimates assumed for calculating the cost to continue to provide existing County services are projected in a steady range between 2%-2.5% for 2012-2013. Some major exceptions include cost rate increases for certain utilities, vehicle fuel, prescription drugs, health and medical services, food and transportation costs and certain commodity prices including such items as paper and some technology purchased services.
- Revenues from State budget sources are expected to stabilize somewhat compared to the significant reductions that were addressed in the 2012 budget. Federal budget reductions impacting County revenues are possible for 2013. Some of the County's key State/Federal revenue assumptions are indicated as follows:
 - After a \$525,000 budget reduction in the State Transportation Aids formula impacting the 2012 budget, this revenue source is expected to stabilize at almost \$4.7 million for 2013 budget purposes.
 - Human Services State Youth Aids for prevention services to troubled youth are projected to decrease by over \$200,000.
 - State Victim Witness program funding has been decreased from 55% of actual costs to a 40% reimbursement level which is about a \$60,000 funding reduction for this program.
 - State Circuit Court Support grant and other state funding support for Circuit Court support services are expected to remain stable at the 2012 funding levels (this funding source had been frozen since 2000).
 - State Shared Revenues are projected to decrease 5%.
 - Federal Community Development grant funding is expected to continue to decline.
- Net Personnel cost appropriations are expected to be held below 2% and are being controlled with the help of lower benefit costs including only a 4 % increase projected for the County's health insurance premium, well below the national average cost increase.
- Average fuel costs for vehicles are assumed to increase 10% to \$3.65 per gallon (equivalent to approximately \$3.95 per gallon retail in 2013) up from the 2012 Budget. Consumption is estimated to rise slightly resulting in higher fuel costs budgeted countywide by an estimated \$135,000.
- Net utility costs are estimated to decrease from the 2012 adopted base budget levels by \$200,000 (mainly electricity and natural gas costs). These estimated cost reductions reflect paybacks for significant recent investments in energy conservation and sustainability plans.
- Investment Income budget is estimated to be reduced by \$280,000 to \$4,540,000, reflecting historically low rates of return on invested funds. Also, the 2013 budget for estimated Delinquent Taxes Penalty and Interest (P&I) held stable at \$2,850,000 as Delinquent Taxes outstanding declined during 2011.
- The real estate market has stabilized somewhat but the prolonged economic difficulties in housing persists therefore, no real growth is expected from the combination of real estate transfer fees and document recording fee revenues.
- Due to favorable debt refinancing and historic low borrowing costs the debt service tax levy can be reduced by an estimated \$60,000. To help provide funding for the Operating budget, Capital project tax levy is estimated to be reduced by \$425,000.

2013 BUDGET SUMMARY

	2012 Adopted Budget	2013 Proposed Budget	Incr/(Decr) From 2012 Adopted Budget	
			\$	%
OPERATING BUDGETS				
Gross Expenditures	\$244,662,650	\$245,841,501	\$1,178,851	0.5%
MEMO: Less Interdept. Charges (a)	\$36,150,998	\$36,708,567	\$557,569	1.5%
MEMO: Net Expenditures (a)	\$208,511,652	\$209,132,934	\$621,282	0.3%
Less: Revenues (Excl. Retained Earnings)	\$136,098,060	\$137,609,153	\$1,511,093	1.1%
Less Net Appropriated Fund Balance	\$10,068,621	\$8,503,222	(\$1,565,399)	
TAX LEVY - OPERATING BUDGETS	\$98,495,969	\$99,729,126	\$1,233,157	1.3%
CAPITAL PROJECTS BUDGET				
Expenditures	\$39,956,000	\$27,870,000	(\$12,086,000)	-30.2%
Less: Revenues	\$27,100,000	\$22,273,500	(\$4,826,500)	-17.8%
Less: Appropriated Fund Balance	\$10,431,000	\$3,596,500	(\$6,834,500)	
TAX LEVY-CAPITAL PROJECTS BUDGET	\$2,425,000	\$2,000,000	(\$425,000)	-17.5%
COUNTY TOTALS				
Expenditures (a)	\$284,618,650	\$273,711,501	(\$10,907,149)	-3.8%
Less: Revenues	\$163,198,060	\$159,882,653	(\$3,315,407)	-2.0%
Less: Appropriated Fund Balance	\$20,499,621	\$12,099,722	(\$8,399,899)	
County General Tax Levy (Excl Library)(c)	\$98,037,483	\$98,798,522	\$761,039	0.776%
Federated Library Tax Levy (b)	\$2,883,486	\$2,930,604	\$47,118	1.6%
Total County Tax Levy (c)	\$100,920,969	\$101,729,126	\$808,157	0.801%

- (a) 2013 operating budget net expenditures are \$209,132,934 and total County net expenditures are \$237,002,934 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 2013 Tax Levy increase is within Wisconsin's Act 32 Tax Levy limit provisions (see Planning and Budget Policy Section).

2013 Budget Tax Levy Breakdown

(General County and Federated Library)

	2012 Adopted Budget	2013 Proposed Budget	Incr/(Decr) From 2012 Adopted Budget	
			\$	%
General County Tax Levy	\$98,037,483	\$98,798,522	\$761,039	0.78%
General County Tax Rate	\$2.0111	\$2.1055	\$0.0944	4.69%
General County Equalized Value	\$48,747,058,300	\$46,923,448,900	(\$1,823,609,400)	-3.74%
Federated Library Tax Levy	\$2,883,486	\$2,930,604	\$47,118	1.63%
Federated Library Tax Rate	\$0.2514	\$0.2690	\$0.0177	7.02%
Federated Library Equalized Value	\$11,470,623,100	\$10,892,998,400	(\$577,624,700)	-5.04%

2013 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2013 EXECUTIVE PROPOSED BUDGET				Tax Levy
	EXPEND.	REVENUES	FUND BAL ADJUST.	TAX LEVY	\$ Change '12 - '13
JUSTICE AND PUBLIC SAFETY					
EMERGENCY PREPAREDNESS					
General	\$5,544,563	\$372,180	\$122,500	\$5,049,883	\$200,000
Radio Services	\$926,587 (a)	\$1,192,340	(\$265,753)	\$0	\$0
Radio Svcs. Rtn. Earn.	\$0	(\$265,753)	\$265,753	\$0	\$0
Radio Svcs. Fund Bal. Appr.	\$0	(\$73,388)	\$73,388	\$0	\$0
DISTRICT ATTORNEY	\$2,332,774	\$526,587	\$25,000	\$1,781,187	\$25,000
CIRCUIT COURT SERVICES	\$9,379,631	\$4,017,250	\$20,000	\$5,342,381	\$135,000
MEDICAL EXAMINER	\$1,547,680	\$571,370	\$0	\$976,310	\$27,075
SHERIFF	<u>\$38,184,541</u>	<u>\$10,865,695</u>	<u>\$285,579</u>	<u>\$27,033,267</u>	<u>\$240,000</u>
Subtotal: Justice & Public Safety	\$57,915,776	\$17,206,281	\$526,467	\$40,183,028	\$627,075
HEALTH AND HUMAN SERVICES					
CORPORATION COUNSEL					
Child Support (General Fund)	\$2,497,974	\$2,082,512	\$50,000	\$365,462	\$26,593
HEALTH & HUMAN SERVICES					
Human Services (General Fund)	\$61,663,573	\$36,504,215	\$243,680	\$24,915,678	\$135,000
Aging and Disability Resource Center Grant (ADRC) Fund	<u>\$3,030,050</u>	<u>\$3,030,050</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal: Health and Human Services	\$67,191,597	\$41,616,777	\$293,680	\$25,281,140	\$161,593
PARKS, ENVIR, EDUC. & LAND USE					
REGISTER OF DEEDS	\$1,416,699	\$2,811,000	\$0	(\$1,394,301)	(\$26,000)
UW-EXTENSION: EDUCATION	\$633,748	\$282,685	\$8,000	\$343,063	\$2,000
FEDERATED LIBRARY					
County	\$2,930,604	\$0	\$0	\$2,930,604	\$47,118
State Aids	\$1,390,377	\$1,310,477	\$79,900	\$0	\$0
CAFÉ Shared Automation	\$376,359	\$462,359	(\$86,000)	\$0	\$0
CAFÉ Rtn. Fund Balance	\$0	(\$86,000)	\$86,000	\$0	\$0
PARKS & LAND USE					
General	\$11,504,553	\$3,998,543	\$125,000	\$7,381,010	\$80,000
Community Development	\$3,057,118	\$3,032,118	\$25,000	\$0	\$0
Land Information Systems	\$788,100	\$788,100	\$0	\$0	\$0
Tarmann Parkland Acquisitions	\$1,000,000	\$300,000	\$700,000	\$0	\$0
Golf Courses	\$3,212,071 (a)	\$3,095,000	\$117,071	\$0	\$0
Golf Course Rtn. Earnings	\$0	\$117,071	(\$117,071)	\$0	\$0
Golf Course Fund Bal. Appr.		\$0	\$0	\$0	\$0
Ice Arenas	\$1,078,740 (a)	\$1,057,200	\$21,540	\$0	\$0
Ice Arenas Rtn. Earnings	\$0	\$21,540	(\$21,540)	\$0	\$0
Material Recycling Facility	\$2,633,949 (a)	\$3,006,700	(\$372,751)	\$0	\$0
MRF Retained Earnings	\$0	(\$372,751)	\$372,751	\$0	\$0
MRF Fund Bal. Appr.	<u>\$0</u>	<u>(\$990,700)</u>	<u>\$990,700</u>	<u>\$0</u>	<u>\$0</u>
Subtotal: Parks, Env., Ed. & Land Use	\$30,022,318	\$18,833,342	\$1,928,600	\$9,260,376	\$103,118

(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.

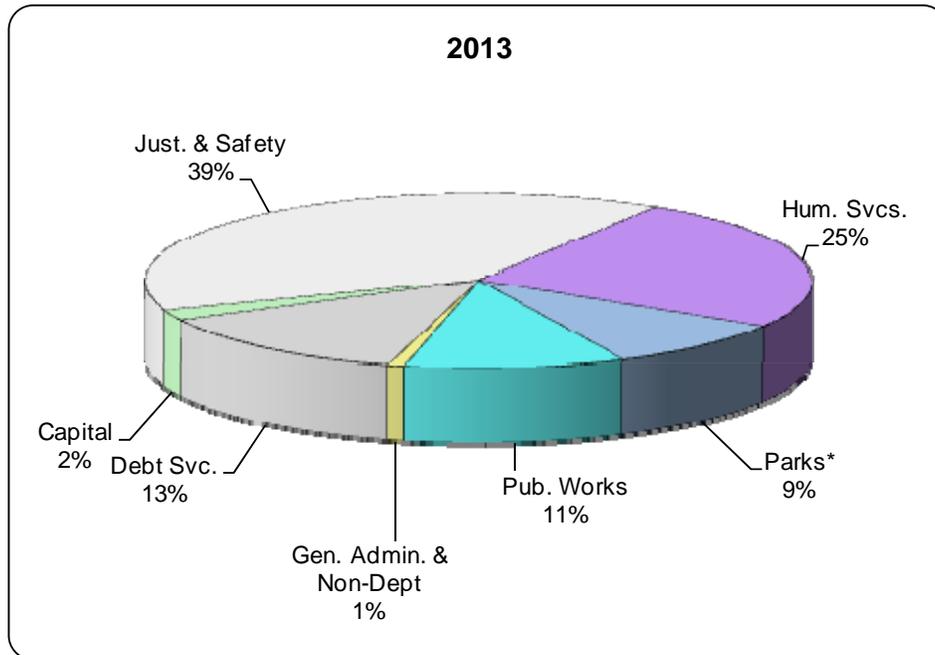
2013 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2013 EXECUTIVE PROPOSED BUDGET				Tax Levy
	EXPEND.	REVENUES	FUND BAL ADJUST.	TAX LEVY	\$ Change '12 - '13
PUBLIC WORKS					
DEPARTMENT OF PUBLIC WORKS					
General	\$10,167,809	\$1,410,061	\$298,000	\$8,459,748	(\$1,792)
Transportation	\$11,791,305	\$9,240,633	\$347,000	\$2,203,672	\$201,792
Central Fleet Maintenance	\$3,806,289 (a)	\$3,807,208	(\$919)	\$0	\$0
Central Fleet Rtn. Earnings	\$0	(\$919)	\$919	\$0	\$0
Central Fleet Fund Bal. Appr.	\$0	(\$141,083)	\$141,083	\$0	\$0
Vehicle/Equipment Replacement	\$2,773,466 (a)	\$2,713,232	\$60,234	\$0	\$0
Veh. Replace Rtn. Earnings	\$0	\$0	\$0	\$0	\$0
Veh. Replace Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
Airport	<u>\$1,126,498 (a)</u>	<u>\$753,106</u>	<u>\$180,829</u>	<u>\$192,563</u>	<u>\$0</u>
Subtotal: Public Works	\$29,665,367	\$17,782,238	\$1,027,146	\$10,855,983	\$200,000
GENERAL ADMINISTRATION					
COUNTY EXECUTIVE					
General	\$559,569	\$12,000	\$0	\$547,569	\$0
COUNTY BOARD	\$1,167,493	\$0	\$0	\$1,167,493	(\$5,382)
COUNTY CLERK	\$534,710	\$222,350	\$0	\$312,360	\$0
TREASURER	\$640,038	\$7,693,500	\$0	(\$7,053,462)	\$235,000
ADMINISTRATION					
General	\$4,809,300 (b)	\$1,645,870	\$2,000	\$3,161,430	\$30,000
Risk Management	\$2,565,454 (a)	\$2,322,300	\$243,154	\$0	\$0
Collections	\$956,025 (a)	\$956,025	\$120,000	(\$120,000)	\$0
Collections Fund Bal. Appr.	\$0	(\$200,000)	\$200,000	\$0	\$0
Communications	\$795,810 (a)	\$786,723	\$9,087	\$0	\$0
End User Technology	\$7,987,854 (a)(b)	\$5,741,657	\$624,773	\$1,621,424	(\$10,000)
End User Technology Rtn. Earn.	\$0	\$0	\$0	\$0	\$0
End User Tech. Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
CORPORATION COUNSEL					
General	<u>\$1,466,175</u>	<u>\$459,390</u>	<u>\$0</u>	<u>\$1,006,785</u>	<u>(\$23,247)</u>
Subtotal: General Administration	\$21,482,428	\$19,639,815	\$1,199,014	\$643,599	\$226,371
NON DEPARTMENTAL					
GENERAL	\$1,896,300	\$1,345,800	\$400,500	\$150,000	(\$25,000)
HEALTH & DENTAL INSURANCE	\$21,684,350 (a)	\$21,184,900	\$499,450	\$0	\$0
CONTINGENCY	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$0</u>
Subtotal: Non-Departmental	\$24,780,650	\$22,530,700	\$2,099,950	\$150,000	(\$25,000)
DEBT SERVICE--GENERAL					
	<u>\$14,783,365</u>	<u>\$0</u>	<u>\$1,428,365</u>	<u>\$13,355,000</u>	<u>(\$60,000)</u>
Subtotal: Operating Budget	\$245,841,501	\$137,609,153	\$8,503,222	\$99,729,126	\$1,233,157
CAPITAL PROJECTS					
	<u>\$27,870,000</u>	<u>\$22,273,500</u>	<u>\$3,596,500</u>	<u>\$2,000,000</u>	<u>(\$425,000)</u>
GRAND TOTAL	<u>\$273,711,501</u>	<u>\$159,882,653</u>	<u>\$12,099,722</u>	<u>\$101,729,126</u>	<u>\$808,157</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.

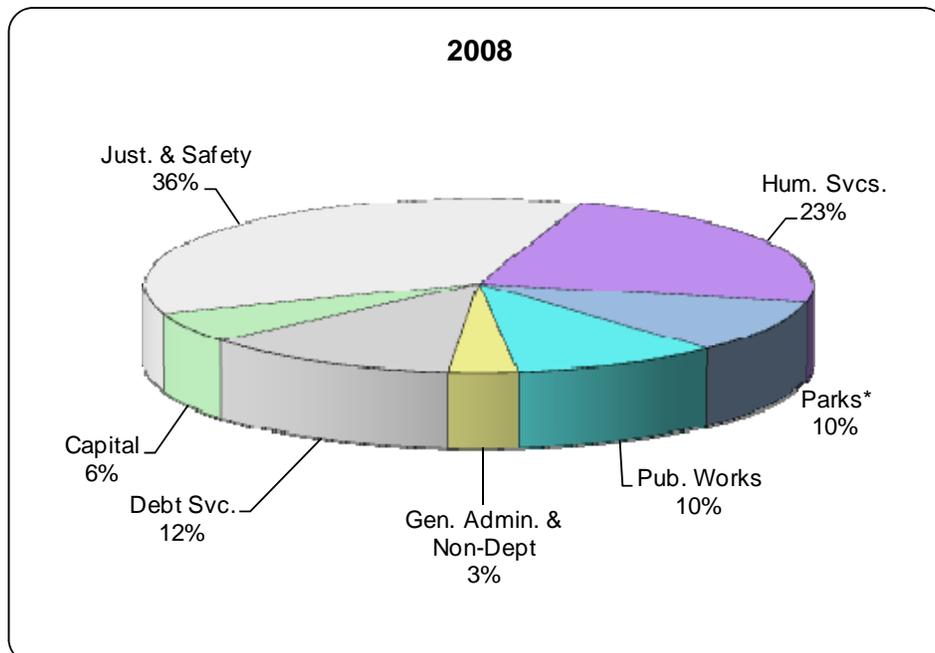
(b) For the 2013 Budget, the Information Technology Solutions program is shifted from the Department of Administration (DOA) – General Fund to the DOA – End User Technology Fund. History has been restated for comparability purposes.

TAX LEVY BY FUNCTIONAL AREA



Tax Levy Trends:

- **Justice & Safety:** The 3% Tax Levy increase in this functional area is mainly due to jail support costs in the Sheriff's Department and no increase in State grant funds to Circuit Court Services in the past decade.
- **Human Services:** The 2% Tax Levy increase in this functional area is mainly due to the County's efforts, though the Criminal Justice Collaborating Council, to reduce costly jail inmate recidivism; addressing at-risk adults in the Adult Protective Services program; and flat or declining state/federal revenues that do not cover the ongoing cost to continue of mandated services. The Tax Levy increase is partially offset with the State Department of Health Services taking over long-term care funding for the elderly and disabled under the Family Care Program.

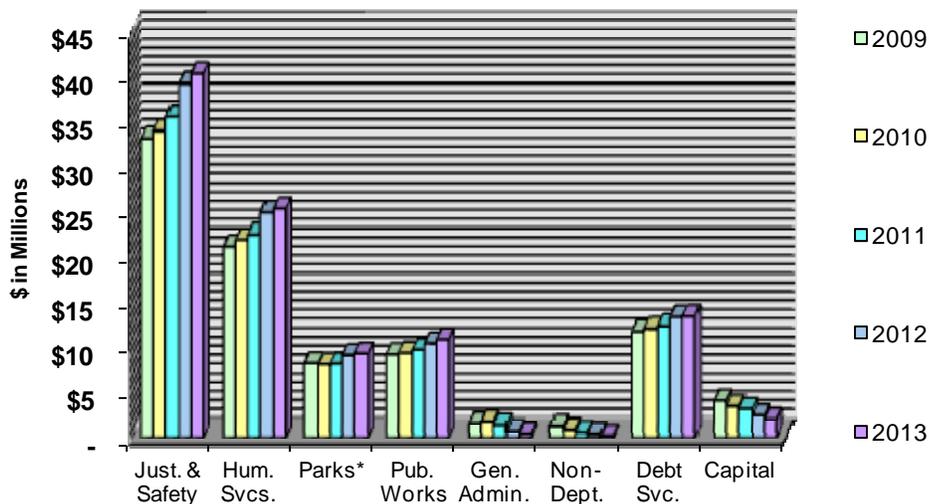


* Includes Parks, Environment, Education, and Land Use

2012-2013 TAX LEVY BY FUNCTION (COMBINES ALL FUNDS)

BY FUNCTION	2012 Adopted Budget		2013 Proposed Budget	Incr/(Decr) From 2012 Adopted Budget	
				\$	%
Justice & Public Safety	\$39,555,953		\$40,183,028	\$627,075	1.6%
Health & Human Services	\$25,119,547		\$25,281,140	\$161,593	0.6%
Parks, Env., Educ. & Land Use	\$9,157,258		\$9,260,376	\$103,118	1.1%
Public Works	\$10,655,983		\$10,855,983	\$200,000	1.9%
General Administration	\$417,228		\$643,599	\$226,371	54.3%
Non-Departmental	\$175,000		\$150,000	\$(25,000)	-14.3%
Debt Service	\$13,415,000		\$13,355,000	\$(60,000)	-0.4%
Capital Projects	\$2,425,000		\$2,000,000	\$(425,000)	-17.5%
Total Tax Levy	\$100,920,969		\$101,729,126	\$808,157	0.8%

**2009-2013 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

2011 - 2013 EXPENDITURE SUMMARY

APPROPRIATION UNIT	2011 Actual (c)	2012 Adopted Budget (c)	2012 Estimate (a)(c)	2013 Adopted Budget	Incr/(Decr) From 2012 Adpt. Budget
Personnel Costs	\$113,349,674	\$114,012,267	\$112,405,013	\$115,753,553	\$1,741,286
Operating Expenses	\$92,407,687	\$95,735,308	\$98,417,360	\$94,301,259	\$(1,434,049)
Interdepartmental Charges (a)	\$18,094,052	\$18,834,052	\$18,984,383	\$19,245,524	\$411,472
Fixed Assets & Imprvmnts (a)(b)	\$1,033,083	\$1,382,125	\$1,857,081	\$1,757,800	\$375,675
Debt Service-Excl Proprietary (b)	\$14,260,230	\$14,698,898	\$14,050,501	\$14,783,365	\$84,467
Capital Projects	\$19,103,801	\$39,956,000	\$39,956,000	\$27,870,000	\$(12,086,000)
Total Gross Expenditures	\$258,248,527	\$284,618,650	\$285,670,338	\$273,711,501	\$(10,907,149)

FUNCTIONAL AREA	2011 Actual	2012 Adopted Budget	2012 Estimate (a)	2013 Adopted Budget	Incr/(Decr) From 2012 Adpt. Budget
Justice & Public Safety (a)	\$56,996,988	\$57,271,551	\$57,477,412	\$57,915,776	\$644,225
Health & Human Services (a)(c)	\$67,085,651	\$66,280,157	\$66,292,699	\$67,191,597	\$911,440
Parks, Env., Educ. & Land Use (a)(c)	\$31,776,010	\$29,836,688	\$34,089,646	\$30,022,318	\$185,630
Public Works (a)	\$28,636,700	\$29,396,652	\$29,415,620	\$29,665,367	\$268,715
General Administration	\$19,886,025	\$21,563,104	\$21,389,880	\$21,482,428	\$(80,676)
Non-Departmental	\$20,503,123	\$25,615,600	\$22,998,580	\$24,780,650	\$(834,950)
Debt Service-Excl Proprietary (b)	\$14,260,230	\$14,698,898	\$14,050,501	\$14,783,365	\$84,467
Capital Projects	\$19,103,801	\$39,956,000	\$39,956,000	\$27,870,000	\$(12,086,000)
Total Gross Expenditures	\$258,248,527	\$284,618,650	\$285,670,338	\$273,711,501	\$(10,907,149)

(a) 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.

(b) 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.

(c) The Community Development Fund, was transferred to the Parks and Land Use Department in the Parks, Environment, Education and Land Use Functional Area in 2012 per County Board enrolled resolution 166-5 from the County Executive Department in the Health and Human Services Functional Area. The 2011 History has been restated for comparative purposes.

2013 EXPENDITURE HIGHLIGHTS

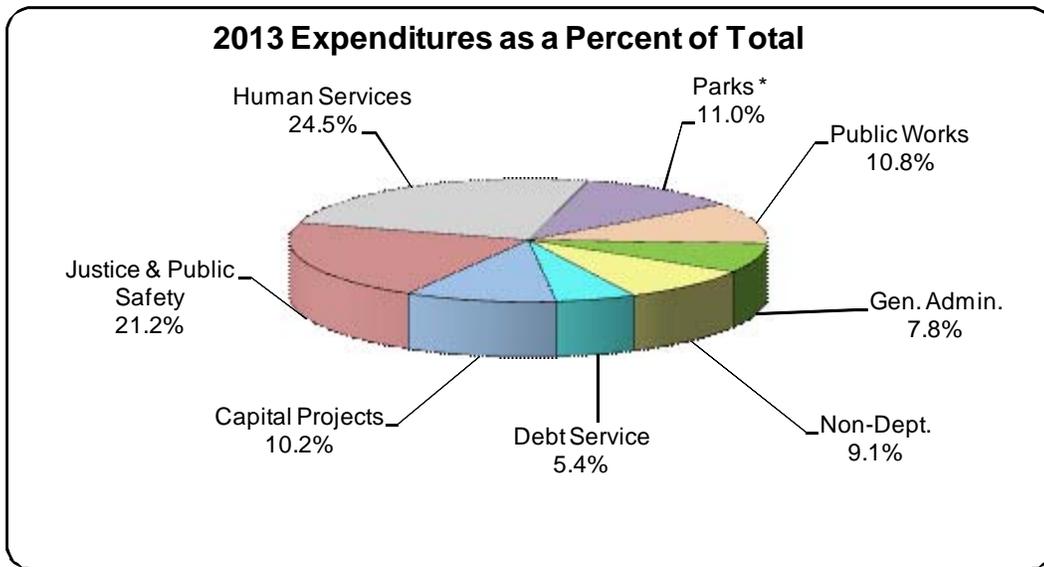
Expenditure Budget:

The 2013 total gross expenditure budget is \$273,711,501, a decrease of \$10,907,149 or 3.8% from the 2012 Adopted Budget. 2013 Budget appropriations consist of departmental operating budget and debt service expenditures totaling \$245,841,501 and capital project spending of \$27,870,000. The total operating budget increases by \$1,178,851 or 0.5% from the 2012 adopted operating budget while capital project expenditures decrease by \$12,086,000 or 30% from the 2012 Adopted Budget.

The net total operating expenditure budget after excluding \$36,708,567 of interdepartmental charges, mainly from Internal Service Funds (which are double budgeted) is \$209,132,934, an increase of \$621,282 or a 0.3%.

The budget includes net personnel costs totaling \$115.8 million or about 42 percent of the total expenditure budget. Personnel costs are budgeted to increase by about \$1.74 million or 1.5% from the 2012 Adopted budget level.

Operating expenditures (including purchased services, operating expenses and interdepartmental charges appropriations) decrease by \$1.0 million or -0.9% from \$114.5 million in the 2012 budget to \$113.5 million in this budget. Fixed Assets and improvements (excluding capital projects) expenditures are budgeted at \$1.76 million, an increase of nearly \$375,700 from the 2012 budget. Debt service payments are budgeted at \$14.78 million which is an increase of \$84,500 from the 2012 budget level or about 5.4% of the total expenditure budget (and well within the County's performance measure benchmark of less than 10% of governmental fund expenditures).



* Includes Parks, Environment, Education and Land Use

Functional Area	Adopted Budget	% of Total Adopted Budget
Justice & Public Safety	\$57,915,776	21.2%
Human Services	\$67,191,597	24.5%
Parks *	\$30,022,318	11.0%
Public Works	\$29,665,367	10.8%
Gen. Admin.	\$21,482,428	7.8%
Non-Dept.	\$24,780,650	9.1%
Debt Service	\$14,783,365	5.4%
Capital Projects	<u>\$27,870,000</u>	<u>10.2%</u>
Total Expenditures	\$273,711,501	100.0%

2013 EXPENDITURE HIGHLIGHTS

A brief summary of the past five years of adopted budget major changes are explained below:

The 2013 Budget expenditure level decreases by \$10.9 million to \$273.7 million. This decrease reflects a \$12 million decrease in capital projects budget spending and includes a \$1.4 million decrease in operating expenses. These decreases are partially offset by an increase of \$1.7 million in net personnel cost appropriations.

The 2012 Budget expenditure level increased by \$16.5 million to \$284.6 million. This increase reflects a nearly \$20 million increase in capital projects budget spending partly offset by lower operating budget expenditures including a \$1.9 million decrease in net personnel costs and a net \$2.3 million decrease in operating expenditures appropriations. A major operating expenditure change mainly related to an Act 32 (State's 2011-13 Biennial Budget) provision, which shifts responsibility for administration of the Health & Human Services (HHS) Children Long Term Support (CLTS) program to a third-party administrator and no longer part of the County budget. The County will no longer make payments to CLTS service provider agencies thus decreasing budgeted expenditures by nearly \$3.5 million. Also, State budget funding reductions of over \$2.75 million require further efforts to reduce County spending appropriations. Federal Community Development funding reductions also resulted in expenditures reductions by nearly \$1.0 million.

The 2011 Adopted Budget expenditures increased by \$6.5 million to \$268.0 million. This increase reflects a \$1.5 million increase in debt service and capital project expenditure levels; \$2.4 million increase for net personnel costs; and \$2.2 million increase in operating expenditures largely due to HHS Children's Long Term Support MA Waiver funded services, which increases by about \$930,600; Health and Human Services Mental Health Outpatient program budgeting a \$637,250 increase in operating expenses; and the **Criminal Justice Collaborating Council (CJCC)** 2011 budget increases by \$583,600 related to the expansion of the Day Report Center and also the Alcohol Treatment Court program being funded by a three-year grant ending in 2013. Also, the Federated Library System expenditures increase \$192,900 related to transferring in of the **CAFÉ** Shared Automation program from the City of Waukesha.

The 2010 Adopted Budget expenditure level increased \$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 net personnel costs including \$1.2 million for costs to continue and \$1.6 million for 18 positions associated with a new police patrol 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 Adopted Budget expenditure level increased by only 0.4% or \$920,833 to \$256.5 million. This 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 over a net \$21 million decrease in the Health and Human Services functional area resulting from the State taking over Long Term Care programs with the State's Family Care program and funding the full year implementation of the County's ADRC.

Future Projections and trends:

External factors will continue to play a key role in significantly impacting future trends and projections including how Federal and State budget deficits may likely impact local funding policies and services carried out by local governments changing the way government services are provided. Also, continued volatility of fuel, energy and commodity prices and increasing medical and health insurance costs are likely to have future budget impacts. In addition, internal factors includes continue high costs of Jail inmates, Emergency Preparedness emergency 9-1-1 dispatch communications, the State Circuit Court system with the lack of State funding support and future increases in the debt service payments as a result of infrastructure projects including the new Health & Human Services building and funding of major Highway infrastructure projects.

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major 2013 funding changes, which impact expenditures by functional area, follows:

2013 EXPENDITURE HIGHLIGHTS

Justice and Public Safety:

- **Sheriff** budgeted expenditures increases about \$199,000 on a base of nearly \$38 million or 0.5%. The main budget driver is the costs to continue Jail operations. Overall, net personnel costs of \$30.4 million are budgeted to increase by \$157,000. The Department made a decision to not fund a 1.0 FTE deputy sheriff position responsible for covering the 3rd shift desk position and instead is funding a 0.50 FTE clerk II position to staff the desk position, which results in about \$58,100 of budget cost savings. The Department also is unfunding 1.0 FTE detective position in the detective bureau and moving 1.0 FTE deputy position from the warrants division into this area to cover non-detective responsibilities resulting in \$22,215 in budget cost savings. Extra help expenditures are reduced \$46,000 resulting from a decrease in the number of security screeners from three to two screeners. In addition, the Sheriff's Department will staff the security station one less night a week for community meetings (going from the current three nights to two nights per week).
- The **Sheriff budget** continues the two year phase in of replacing vehicle equipment to retro fit into new police patrol vehicles mainly using Tahoes to replace the Crown Victoria model (as the Department's main patrol vehicle), which is no longer offered. In 2012, \$170,000 was provided for the first year of new vehicle equipment costs. This is reduced to \$72,160 in the second year. Sheriff fuel costs are estimated to increase by \$35,000 mainly for anticipated increases in the price per gallon costs of vehicle fuel and some additional fuel consumption.
- **Jail Inmate** medical costs are budgeted to increase by \$58,000 to a total cost of over almost \$1.6 million, and include a 4% increase for the medical care contract and \$120,000 is budgeted for outside of the contract provided medical care expenses for inmates.
- **Sheriff** insurance costs increase \$55,000 mainly due to Workers Compensation and Liability insurance cost allocations increases resulting from higher trending claim payments being experienced and phasing down of County insurance charge subsidies. The Sheriff's budget includes a decrease of \$87,000 for the elimination of Federal American Reinvestment and Recovery (ARRA) grant funding of a drug prosecutor position, which is cross charged from the District Attorney's office.
- **Emergency Preparedness** communication center and emergency management division's 2013 total expenditure budget increases by almost \$367,200, including net personnel cost increases of \$339,300 driving this budget. This includes the addition of 3.0 FTE (estimated personnel costs of \$213,000) Telecommunicators and Telecommunicator overtime of an additional 250 hours (0.12 FTE) for the transfer in of the City of New Berlin dispatch activity to the Communications Center. Additional operating costs budgeted at \$37,000 are associated with the transfer for a total estimated cost of \$250,000.
- **Circuit Court Services** expenditures increase by \$104,000 including the main budget driver net personnel costs estimated at \$139,000. The Department has unfunded 1.0 FTE Clerk Typist II position in the Criminal Traffic Division resulting in budget cost saving of about \$60,000, however, the cost to continue for remaining staff is estimated at slightly below \$200,000. Net operating costs are only budgeted to increase by \$11,400 or less than 1%. **Bailiff (Sheriff provided service)** charges for in-courtroom deputy security are estimated to decrease \$15,000 along with Sheriff transportation service charges of \$20,000. Direct video conferencing equipment replacement upgrades are planned for between the Mental Health Center and Juvenile Court which are expected to improve court proceeding experience for at risk citizens and reduce transportation costs to Health and Human Services Mental Health Center budget.
- **District Attorney's** budget reflects the sun setting of one federal grant special drug prosecutor position at the end of 2012 (mentioned above) including **expenditure reduction** of about \$87,000. Personnel cost changes include not funding a 0.50 FTE Clerk Typist I position resulting in estimated cost savings of \$28,300 need to help partially offset and estimated \$60,000 reduction of State Victim Witness program funding.
- The **Medical Examiner's Office** budget increased expenditures of \$113,600 or almost 8% to address increased caseload activity. This includes adding staff (change from part time to full time for an additional cost of nearly \$43,900) and \$50,000 for contracted autopsy assistance and coverage. Increased costs associated with higher case activity include \$24,000 for medical supplies and medical testing.

2013 EXPENDITURE HIGHLIGHTS

Health and Human Services

- **Mental Health Outpatient and Support Services Program** major expenditure budget driver is state mental health institute placement costs which are budgeted to increase by nearly \$312,000 to over \$1.5 million, of which youth placement costs account for nearly \$200,000 of the increase (totaling over \$609,000) and adult placement costs projected to increase by over \$112,000 (totaling over \$908,000).
- **Mental Health Outpatient and Support Services** operating expenditures are budgeted to include anticipated increases in room, board and treatment costs for the Comprehensive Community Services (CCS) clients, Community Recovery Services (CRS) clients and residential care placements costs are budgeted to increase by about \$270,600 to over \$4.4 million and includes an estimated increase of 2% for room and board services and a 1% across the board increase for all other contracted vendor services. In addition, Mental Health and AODA related pharmaceutical and medical supply costs are budgeted to increase by nearly \$170,000 up to nearly \$500,000 in total.
- The State Department of Health Services assumed administration of the **State/Federal Medicaid-funded Wisconsin Funeral & Cemetery Assistance Program (WFCAP)**, formerly the State indigent burial funding beginning in 2012. As a result, \$210,000 expenditures budgeted in 2012 for Federal/State pass-through payments are not included in the 2013 budget.
- **Mental Health Center (MHC)** budget is driven mainly by personnel costs, which are budgeted to increase by about 5% or \$207,800 totaling over \$4.3 million. This includes the net cost to continue (estimated at \$83,200 or 2%) for 42.95 FTE positions. In addition, extra help staff is increased by 0.99 FTE or about 2,060 hours at a cost increase estimated at \$71,300. This includes, a senior substance abuse counselor at 0.50 FTE or 1,040 hours at \$30,900, as Department management indicates this is budgeted to provide more substance abuse assessments, based on a federal review recommendation; and 0.49 FTE or about 1,020 hours are budgeted at \$40,400 to more accurately provide for patient coverage on all shifts at this 24-hour facility.
- **Public Health Division** budgeted cost to continue existing staff and growing service demands are budgeted at an additional cost of almost \$61,600 or 2.0% and an additional 0.35 FTE or about 730 hours of additional extra help staffing adds about \$27,000. Net Operating expenditures include an increase of about \$42,400 mainly due to an increase in medical supply costs (mainly vaccines).
- **ADRC Division- Adult Protective Services program** operating expenditures budget includes a significant decrease of over \$496,000, mainly related to the elimination of State's Family Care enrollment Cap. This decrease is partly offset by an estimated budget increase of nearly \$64,000 for a total of almost \$615,000 for the County payment to Marsh Country Consortium for services for 26 County clients at the Clearview Nursing Home in Dodge County.
- **ADRC Division- Nutrition program** net operating expenditures are budgeted to increase over \$59,800 mostly related to an increase in home delivered meals ordered and a 3% increase in vendor meal costs.
- **Corporation Counsel – Child Support program** net personnel cost decreases \$22,700 mostly due to unfunding 1.0 FTE child support collection specialist position, which lowers budgeted cost by \$42,000. This decrease is partially offset by personnel cost to continue increases by \$19,300.

2013 EXPENDITURE HIGHLIGHTS

Parks, Environment, Education, and Land Use

- **University of Wisconsin – Cooperative Extension** budgeted expenditures decrease by about \$79,300 to \$633,700, largely from changes in various grant and other funding sources. As a result of new funding criteria from the U.S. Department of Housing and Urban Development (HUD) and outlined by the Waukesha County Parks and Land Use Director and Community Development Coordinator, the UW-Cooperative Extension's NRSA (Neighborhood Revitalization Strategy Area) projects may not receive Community Development Block Grant (CDBG) funding due to constraints in allowable public service allocations. As a result, \$82,900 budgeted in CDBG for 2012 is not repeated in the 2013 budget. Also, expenditures totaling \$56,400 from the ProHealth Care Cancer Prevention Outreach Project in 2012 is not repeated in 2013 budget.

Parks and Land Use – Community Development Fund utilizes federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) grants to fund related expenditures in a collaborative, coordinated manner to meet identified housing and community needs. Expenditures are estimated to decrease in total by \$53,700, which mainly includes a decrease of \$119,100 for the HOME program. This is offset by an estimated increase of \$73,900 in the Community Development Block Grant program (CDBG).

Public Works

- **Road Salt expenditures for County Highway snow removal operations** are budgeted to decrease by \$226,700 to nearly \$1.02 million. This includes an estimated \$0.40 price decrease to \$52.76 per ton on 15,580 tons expected to be purchased for County highway snow and ice removal usage. Also, the quantity of salt sold to municipalities is budgeted at 3,000 tons which represents a decrease of 4,000 tons from the 2012 budget.
- **County Highway vehicle fuel** budget increases by nearly \$85,000 due to volatile fuel prices and anticipating increases from budgeted levels. This budget includes a price increase by \$0.35 per gallon to \$3.65 per gallon (equivalent to about \$3.90 per gallon retail) in 2013.
- **State Highway Maintenance operations** work on State roads as directed by DOT are budgeted to increase by nearly \$199,200 to over \$4.5 million based on the current (2012) State's Routine Maintenance Agreement (RMA) and State Department of Transportation levels of services being requested. This agreement amount allows for funding of 22.0 FTE Patrol Workers, allocated to State highway maintenance work, which is the same level as 2012. Budgeted extra help for seasonal work for the winter second shift is being increased by \$36,100 or 0.78 FTE, which is about 1,622 hours and overtime, is increased by \$17,900 or 0.29 FTE (approx. 600 hours).
- **Transit Service operation** includes a fuel adjustment clause in the vendor contracts that increases \$62,000 to \$152,000, which is funded with Transportation fund balance.
- **Public Works General Fund building operations** contracted cleaning costs decrease by \$61,675 from the 2012 budget to closer reflect the prior year actuals. According to DPW management, the only buildings that continue to be served with in house staff are the Courthouse and the Northview facility.
- **Energy and Utility budget costs for County facilities** are anticipated to decrease about \$200,000 overall from the 2012 budget. Electricity costs are projected to decrease due to lower electric consumption directly related to energy savings projects that have been completed in the County. Also, due to an unusually high inventory of natural gas, the price of this commodity is lower than it has been in recent years resulting lower natural gas costs.
- The 2013 budget includes start up utility costs budgeted at \$39,000 for the **New Health and Human Services (HHS) building** which is planned to be open by September of 2013.
- The **Vehicle Replacement Fund** includes a \$204,000 increase for the purchase of replacement vehicles. The major departments include Public Works, Parks and Land Use and the Sheriff's department.

2013 EXPENDITURE HIGHLIGHTS

General Administration and Non-Departmental

- The **County Clerk's Office** 2013 budget removes non-reoccurring election costs budgeted in 2012 for the higher number of elections in even-numbered years of \$155,000 and decreases the corresponding general fund balance, which was appropriated to fund the higher number of elections.
- **The Department of Administration (DOA)** general fund cost to continue expenditures are about \$90,000, an increase of 1.9%.
- **DOA-Risk Management** expenditures for 2013 increase by less than 1% or \$16,700 to almost \$2.57 million. This primarily reflects an increase in Worker's Compensation self-insured claims costs and higher estimated future years claims payments based on historical trends.
- **DOA-Collections** division temporary extra help and related benefit costs decreases for about 1.8 FTE positions at an estimated cost of \$56,200, and decreases in contracted services and third party temporary help by nearly \$52,300 due to anticipating an increase in business in 2012 from a potential major new client that did not materialize.
- **Non-Departmental General Fund** expenditures decrease by \$534,800 to \$1,896,300, and includes a reduction in the Waukesha County Small Business Leverage Loan program by \$200,000, from \$308,000 to \$108,000, based current-year estimates for the first year of this new program. The program is intended to provide "gap" loan funding for small, established businesses in Waukesha County to promote economic growth. The program is funded with prior-year Tax Increment District dissolution dollars returned to the County.
- **Non-Departmental General Fund** expenditures include a reduction in contributions to the Waukesha County Historical Society (WCHS) by \$152,000, from \$237,000 to \$85,000, and provides a one-year extension of the building operations grant, in expectation of completion of plans and studies of future direction and funding for the museum. Debt service payments of \$120,000 budgeted in 2012 end as the last payment of the \$900,000 ten-year note for building improvements is paid off. This extension is funded with one-time General Fund Balance use. Programs operations grant funding of \$215,000 will also continue to be funded in the Parks and Land Use budget for a one-year extension pending future direction of the museum and WCHS.
- **Non-Departmental General Fund** expenditures also decrease due to the removal of \$125,000 budgeted in 2012 to cover the County's share of a one-time property tax appeal payment for the Target Distribution Center, which was funded with General Fund Balance.
- **Health and Dental Insurance Fund**, based on actuarial recommendation, decrease expenditures by \$300,150 to \$21,684,350, mainly due to a budgeted decrease in active employee claim costs by \$816,000 to \$17,503,000, largely from higher anticipated enrollment levels in the lower-cost HSA plan. This decrease is partially offset by an estimated increase in the County's contribution to employee health savings accounts by \$446,900 to \$965,900.

2013 EXPENDITURE HIGHLIGHTS

Debt Service

The **Debt Service expenditure budget** for general governmental purposes is \$14,783,365, an increase of \$84,467 from the 2012 Adopted Budget or 0.6%. To fund the 2013 Capital Project's Budget, \$17 million is planned to be borrowed, which is \$3 million below last year's level. This will increase the County's total debt outstanding to approximately \$96.7 million, well below the allowable levels set by State statutes.

Capital Projects

The 2013 **Capital Project Expenditure Budget** of \$27.87 million decreases \$12,086,000 from the 2012 Adopted Budget. The 2013 capital budget identifies funding for existing and new projects at a net county cost of \$19.5 million (after direct project revenues and fund balance appropriation totaling approximately \$8.4 million are applied). For 2013, borrowed funds total \$17 million (mentioned above) and investment income is at \$510,000. Project funding also includes \$2 million in County Tax Levy, a \$425,000 decrease from the 2012 Adopted Budget.

2011-2013 REVENUE SUMMARY

SOURCE	2011 Actual (c)	2012 Adopted Budget (c)	2012 Estimate (c)	2013 Proposed Budget	Incr/(Decr) From 2012 Adpt. Budget
Intgov't Contracts & Grants (c)	\$53,431,489	\$49,594,332	\$54,444,219	\$48,803,114	\$(791,218)
State Transportation Aids	\$5,228,001	\$4,678,002	\$4,705,201	\$4,678,002	-
State Shared Revenues	\$1,041,769	\$995,000	\$995,000	\$845,500	\$(149,500)
Fines & Licenses	\$2,614,193	\$2,674,320	\$2,604,675	\$2,714,927	\$40,607
Charges for Services (a) (c)	\$32,222,883	\$33,407,891	\$33,604,131	\$33,276,305	\$(131,586)
Interdepartmental Revenue	\$34,918,324	\$36,150,998	\$35,581,952	\$36,708,567	\$557,569
Other Revenues (c)	\$10,610,927	\$8,045,956	\$9,294,175	\$8,543,050	\$497,094
Interest/Penalty on Delinq Taxes	\$3,685,657	\$2,850,000	\$2,850,000	\$2,850,000	-
Investment Inc-Unrestricted Funds	\$5,620,459	\$5,520,000	\$5,000,000	\$5,050,000	\$(470,000)
Debt Borrowing	\$10,000,000	\$20,000,000	\$20,000,000	\$17,000,000	\$(3,000,000)
Appropriated Fund Balance	\$4,285,693	\$20,499,621	\$18,077,854	\$12,099,722	\$(8,399,899)
Retained Earnings (a)(b)	\$(5,686,873)	\$(718,439)	\$(2,407,838)	\$(586,812)	\$131,627
Tax Levy	\$100,276,004	\$100,920,969	\$100,920,969	\$101,729,126	\$808,157
Total Gross Revenues	\$258,248,527	\$284,618,650	\$285,670,338	\$273,711,501	\$(10,907,149)

FUNCTION	2011 Actual (d)(e)	2012 Adopted Budget (c)(d)(e)	2012 Estimate (d)(e)	2013 Adopted Budget	Incr/(Decr) From 2012 Adpt. Budget
Justice & Public Safety	\$18,423,699	\$17,509,910	\$17,752,994	\$17,472,034	\$(37,876)
Health & Human Services	\$42,963,175	\$40,473,300	\$41,239,159	\$41,616,777	\$1,143,477
Parks, Env, Educ & Land Use	\$23,440,968	\$19,244,272	\$24,155,797	\$19,153,482	\$(90,790)
Public Works	\$18,998,741	\$17,600,757	\$17,980,912	\$17,783,157	\$182,400
General Administration	\$20,189,533	\$19,498,660	\$18,940,351	\$19,639,815	\$141,155
Non-Departmental	\$21,927,064	\$22,489,600	\$22,110,140	\$22,530,700	\$41,100
Debt Borrowing	\$10,000,000	\$20,000,000	\$20,000,000	\$17,000,000	\$(3,000,000)
Capital Projects	\$3,430,524	\$7,100,000	\$6,900,000	\$5,273,500	\$(1,826,500)
Appropriated Fund Balance	\$4,285,693	\$20,499,621	\$18,077,854	\$12,099,722	\$(8,399,899)
Retained Earnings (a)(b)	\$(5,686,873)	\$(718,439)	\$(2,407,838)	\$(586,812)	\$131,627
Tax Levy	\$100,276,004	\$100,920,969	\$100,920,969	\$101,729,126	\$808,157
Total Gross Revenues	\$258,248,527	\$284,618,650	\$285,670,338	\$273,711,501	\$(10,907,149)

(a) Includes revenues from Proprietary Fund user fees which are estimated to result in retained earnings.

(b) 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.

(c) 2011 Actual, 2012 Budget, and 2012 Estimate have been restated for comparative purposes due to more accurately reflecting revenues classifications.

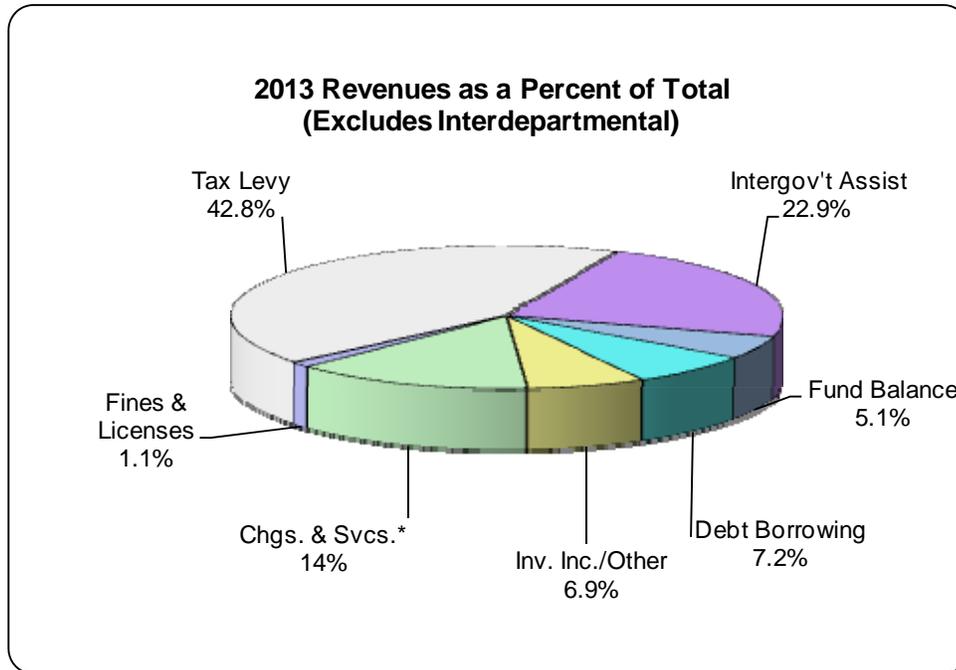
2013 REVENUE HIGHLIGHTS

Revenue Budget:

The 2013 revenue budget (excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings) totals \$159,882,653, a decrease of \$3,315,407 or -2.0% from the 2012 Adopted Budget. The net revenue budget is \$123,174,086 after eliminating out Tax Levy of \$101,729,126, Fund Balance of \$12,099,722, and \$36,708,567 of interdepartmental revenues (mostly from internal service funds, e.g., Health and Dental Insurance Fund and cross charges such as Sheriff Bailiff, court security, etc.), which are in essence double-budgeted.

The 2013 revenues consist of departmental operating revenues budgeted at \$137,609,153 and capital project funding at \$22,273,500 including \$17,000,000 from planned borrowing. Overall, the operating revenues increase nearly \$1.51 million or 1.1% from the prior year budget, while capital project revenues decrease by \$4,826,500.

The graph below reflects the ratio of revenue sources budgeted for 2013 to all revenue sources, with tax levy of 42.8% and Intergovernmental Assistance of 22.9% (after excluding Interdepartmental revenues) as the major revenue components.



* Excludes Retained Earnings

Revenue Projection Methodology

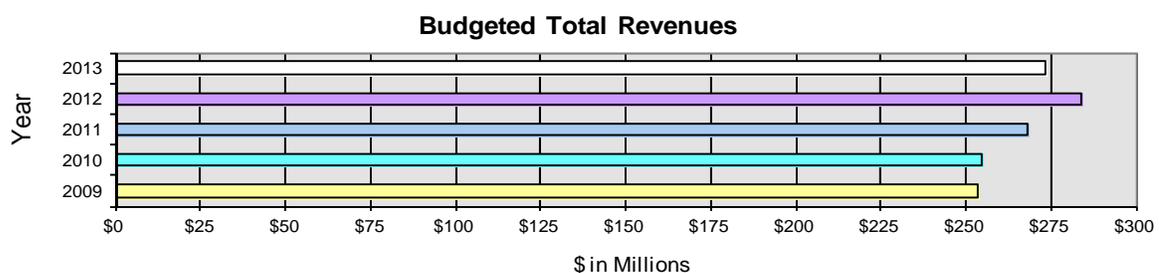
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The County combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

1. Informed and 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).

Projection and Trends:

External factors that may impact estimated future revenue trends include a continued slow economic recovery, a lack of recover in the real estate market and its impact on future property tax base values, moderate inflation, Federal and State budget deficits which will likely result in revenue reductions and the potential for higher future interest rates. Internal factors mainly include user fee rate increases which help cover the rising costs of services and the ability to collect on client accounts.

The graph below shows the total budgeted revenue trends from all sources for 2009-2013. Total revenues have shown annual increases during the five-year period as summarized below.



2013 REVENUE HIGHLIGHTS

A brief summary of the major changes in the past five years to the adopted budget are briefly explained as follows:

The 2013 revenue budget decreases by nearly \$10.9 million to \$273.7 million, including Debt Borrowing decreasing by \$3 million to \$17 million to fund Capital Project expenditures; Overall Fund Balance appropriation reductions of \$8.4 million, including a \$6.8 million drop in the Capital Budget and \$1.5 million less for the Operating budget. Intergovernmental Revenues decline by about \$940,000 due to federal and State funding reductions. User fee charges for services decreases by about \$131,586 and the County general tax levy increase (excluding the special Library tax) of \$761,039.

The 2012 revenue budget increases by nearly \$16.5 million to \$284.6 million including Debt Borrowing of \$20 million to fund higher Capital Project expenditures. Interdepartmental Revenues increase by \$1.6 million, including estimated increases in the County's share of health insurance premiums of \$797,000, allocating out the last \$380,000 in charges and related Tax Levy funding from the End User Technology program to departments for the total cost of computer ownership, and higher Risk Management and Public Works Charges to departments. Fund Balance appropriation increases by \$6.84 million, mainly for budgeted increases for Capital Projects; a nearly \$645,000 increase in County General Tax Levy; Charges for Service revenue increases by about \$346,600; partially offset by a decrease in Intergovernmental Revenues by over \$3.2 million, mainly due to revenue reductions of over \$2.5 million from the State's 2011-13 Biennial Budget, primarily in H&HS and Public Works.

The 2011 revenue budget increased by \$6.5 million. This increase includes an increase in intergovernmental revenue of \$1.8 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 mostly related to health insurance premiums; a \$1.4 million increase in Fund Balances use mainly to help fund Capital projects and debt service; and a \$1.8 million increase in Tax Levy offset by decreases in Other Revenue of \$115,800 and reduction in 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 (ARRA) dollars; \$1.8 million for a contract with the City of Pewaukee to provide police service; and \$600,000 for the County Highway Improvement-Discretionary program budgeted every other year.

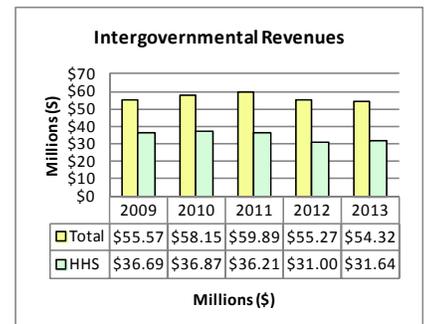
Detailed revenue highlights are included within each functional area summary.

A summary of highlights and major changes from the 2012 Budget to the 2013 Revenue Budget, by source, follows.

Intergovernmental Contracts & Grants:

Combined, total 2013 intergovernmental contracts, grants, state/federal aids and state shared revenues together are budgeted at \$54,326,616, a decrease of \$940,718 or -1.7% from the 2012 Adopted Budget (as indicated below).

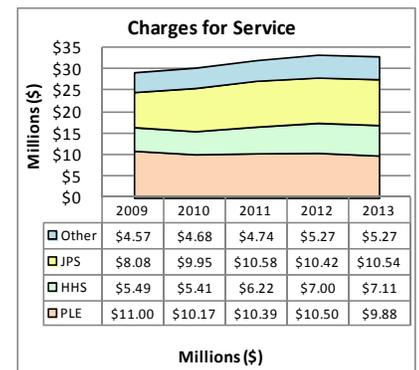
- **H&HS Functional Area** Intergovernmental Revenue increases by about \$643,496 to \$31.6 million as follows:
 - **Department of Health and Human Services (H&HS) – Children with Special Needs Program** includes an increase in intergovernmental State revenue reimbursements related to the Children's Long Term Support (CLTS) Waiver programs by nearly \$372,300 to \$1.28 million. This includes reimbursement increases for additional case management service costs of about \$178,900, which total \$928,500. This is mainly due to more than 1,600 additional contracted case management staff hours (about 0.75 FTE) and an increase in the allowable billable cost recovery hourly rate up from \$78.25/hour to \$83/hour. In addition, federal matching revenues on locally funded CLTS client services (estimated at 60%) are budgeted at \$144,900 (not budgeted for in 2012). H&HS administrative cost recovery estimated for the CLTS program increases by about \$48,500 to \$206,100.
 - **H&HS – Economic Services Administration and Support Program** includes a net increase in State/Federal funding for the Income Maintenance (IM) program by about \$77,900 for a total of \$2,411,800, mostly due to an increase in direct and indirect program costs covered with 50% federal match. Beginning in 2012, the State Department of Health Services assumed administration of the State/Federal Medicaid-funded Wisconsin Funeral & Cemetery Assistance Program (WFCAP), formerly the State indigent burial funding. As a result, \$210,000 budgeted in 2012 for Federal/State pass-through payments and related expenditures, are eliminated from the current year budget
 - **Family Services & Juvenile Services Division's** 2013 budget includes decreases in State Youth Aids funding by about \$201,100 to \$3.25 million, based on a reduction that the Wisconsin Department of Corrections made to county allocations in 2012 to comply with the State budget's requirement to retain lapsing funds for the State's 2012 fiscal year.
 - **Aging & Disability Resource Center (ADRC)** General Government Grant revenue increases by \$246,000 from \$3.2 million in the 2012 Adopted budget to \$3.5 million in the 2013 Adopted budget, due to \$149,000 in additional indirect cost recovery, such as H&HS administrative overhead, and \$97,587 mainly related to more billable time by ADRC Specialists.
 - **Nutrition Program** Federal revenues passed through the State are budgeted to increase by nearly \$65,900 based on notification of an increase of the Older Americans Title III funding allocations, which is recalculated annually based on proportionate share of Wisconsin's elderly population.



2013 REVENUE HIGHLIGHTS

- **Capital Projects Funding** from General Government Revenues are budgeted to decrease by nearly \$1.4 million including a reduction for Federal Highway funding of \$3.6 million, partially offset with \$1.9 million of Federal Transportation Enhancement grant funding for bike trail paving and \$300,000 for the County Highway Improvement program (CHIP). Almost \$2 million is also identified for local reimbursement of the cost of street amenities.
- General Government Revenues in the **Public Works Functional Area State Highway Maintenance operations** for work on State roads as directed by DOT are budgeted to increase by nearly \$199,200 to over \$4.5 million based on the current (2012) State's Routine Maintenance Agreement (RMA) and State Department of Transportation levels of services being requested.
- **Parks and Land Use - Community Development Fund** funding to 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. Revenues from the Department of Housing and Urban Development (HUD) are estimated to decrease in total by \$45,200 including a decrease of \$119,100 for the HOME program. However, Community Development Block Grant program (CDBG) funding is expected to increase by \$73,900.
- **University of Wisconsin – Cooperative Extension** budgeted intergovernmental revenues decrease by about \$50,700, mainly due to a new funding criteria from the U.S. Department of Housing and Urban Development (HUD) and outlined by the Waukesha County Parks and Land Use Director and Community Development Coordinator. The UW-Cooperative Extension's NRSA (Neighborhood Revitalization Strategy Area) projects may not receive Community Development Block Grant (CDBG) funding due to constraints in allowable public service allocations. As a result, \$82,900 budgeted in CDBG grant funding for 2012 is not repeated in the 2013 budget. Also, one-time grant funding and related expenditures totaling \$56,400 from the ProHealth Care Cancer Prevention Outreach Project in 2012 is not repeated in 2013 budget. The revenue decreases are partially offset by budgeting federal HUD funding for the Lead Hazard Control Capacity Building Program of about \$38,600.

Charges for Services: User fees are budgeted at \$33,276,305, which represents a decrease of \$131,586 from the 2012 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. Major User fees include document recording and real estate transfers; public admission for recreation usage, regulation enforcement and education within the Parks, Environment, Education and Land Use (PLE) functional area; client treatment, inpatient or outpatient residential services fees accessed in the Health and Human Services (H&HS) area; and inmate board, contracted Sheriff patrols, and judicial and public safety related fees (JPS).



- **Justice and Public Safety (JPS)** functional area Charges for Service revenues are budgeted to increase by about \$127,700 to \$10.5 million mainly due to an increase in **Sheriff** revenues by nearly \$50,000, reflecting adjustments for requested staff changes for the Village of Sussex and the Village of Merton Police Patrol Contracts. The School Resource Officer (SRO) program includes additional revenue of \$86,500 from the Norris School District requesting an additional SRO position. Higher revenues are partially offset by a reduction of \$68,400 for Huber jail room and board mostly related to a decrease of 15.53 in the number of paying inmates from the 2012 Budget. Lower revenues from inmates are partially offset by fee increases and new fees in 2013 including Breathalyzer Test Fee, Huber disciplinary fee, vehicle storage fee and motorcycle escort fee. **Emergency Preparedness** charges for services revenue increase by \$80,400, mostly due to one-time municipal revenue from the City of New Berlin by \$62,500 and pass through charges for CAD of \$17,200.
- Charges for Service revenue in the **Department of Administration – Collections Division** are budgeted to decrease by \$139,700. A new major government client was anticipated to be added, which did not materialize.
- **Parks, Environment & Land Use (PLE)** functional area Charges for Service revenues decrease by about \$58,000 to \$9.88 million, and includes a decrease in the **Parks & Land Use Golf Courses Fund** by \$129,000 to nearly \$3.07 million, to be closer to current year revenue estimates.

Fines and Licenses: Fine and license revenues are estimated to total \$2,714,927 for 2013, increasing \$40,607, or 1.5% from the 2012 Budget, including the following: **Medical Examiner** budget includes increases for Cremation Permits of \$66,250; **County Clerk** with a increase in Passport Application fee revenues by a total of \$19,000; partially offset with the **H&HS Department** decreasing Operating While Intoxicated (OWI) Surcharge revenues by \$50,000.

2013 REVENUE HIGHLIGHTS

Interdepartmental Revenues:

2013 Interdepartmental revenues total \$36,708,567, an increase of about \$557,569 or 1.5% from the 2012 Adopted Budget. Interdepartmental revenues are primarily related to internal service fund charges and cross charges for services provided by one County department to another, which are in essence double budgeted. These charges are originally funded through an external revenue sources or tax levy in the service consumer (user) department budgets.

- In order to better reflect an increase in Worker's Compensation self-insured claims costs and higher estimated future years claims payments base on historical trends, **DOA-Risk Management** interdepartmental revenue increases by \$167,600 to \$1,796,100 but is still being subsidized by General Fund Balance.
- End User Technology Fund interdepartmental revenues for the total cost of technology ownership increases by about \$141,100 (charges to departments limited to 2% increase) in the 2013 budget to reflect technology resources being used by departments.
- Interdepartmental revenues in the **Public Works Functional Area** increase by about \$134,800 to \$6.68 million, including an increase in fuel and vehicle repair and maintenance charges, from centralized fleet funding operation to departments, by nearly \$200,000. Higher fuel costs are mainly due to an estimated 10% increase in prices; vehicle replacement charges by \$101K; partially offset by lower housekeeping and building maintenance charges by \$111,500 due to Equipment purchases and housekeeping services for the Mental Health Center being shifted out of the Public Works budget and being directly charged to the Mental Health Center budget in 2013 to eliminate the double budgeting of related expenditures and revenues.

Other Revenues:

Other revenues from various other miscellaneous sources in the 2012 Budget total \$16.4 million, an increase of \$27,094 from the 2012 Budget.

- The **Office of the Treasurer** investment income decreases by \$280,000 to \$4.5 million due to estimated lower investment rates of return.
- **Capital Projects** include an estimated decrease in investment earnings by \$190,000, based on lower estimated Capital Projects Fund Balance resulting from decreased borrowing for 2013.
- **Department of H&HS – Mental Health Outpatient & Support Services Program** Revenues are budgeted to increase by about \$196,700 to \$1,492,200, largely from an increase in State collections revenues for County residents placed at the state mental health institutes by \$184,000.
- **Department of H&HS – Children with Special Needs Unit** include \$160,600 for pass-through reimbursements to vendors who cannot directly bill the Children's Long-Term Support (CLTS) program third-party administrator, budgeted for the first time in 2013.

Debt Financing:

The 2013 Budget includes borrowing of \$17 million to finance a major portion of 2013 capital projects, which is a decrease of \$3 million from the 2012 Adopted Budget although still at higher than usual levels, primarily due to last year funding of the H&HS Office Building (Project # 200615).

Appropriated Fund Balance:

To reduce the 2012 Tax Levy (for 2013 Budget purposes), the Budget includes Fund Balance appropriations of \$12,099,722 for one-time projects, temporary expenditures or to phase in the impact of significant revenue losses. This includes \$8,503,222 for the operating budgets and \$3,596,500 for the Capital Projects Budget, summarized 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	\$2,000						\$2,000
Administration Internal Service Funds			\$329,087				\$329,087
Admin Dept-Risk Management			\$243,154				\$243,154
End User Tech. Fund			\$624,773				\$624,773
Airport Fund				\$180,829			\$180,829
Capital Projects Budget					\$3,596,500		\$3,596,500
Circuit Court Services	\$20,000						\$20,000
Contingency Fund	\$1,200,000						\$1,200,000
Corporation Counsel Dept.	\$50,000						\$50,000
Debt Service Fund						\$1,428,365	\$1,428,365
District Attorney	\$25,000						\$25,000
Emergency Preparedness	\$122,500			\$73,388			\$195,888
Human Services Dept.	\$243,680						\$243,680
Non-Departmental	\$400,500		\$499,450				\$899,950
Federated Library Fund		\$79,900					\$79,900
Parks and Land Use Dept.	\$133,000	\$725,000		\$990,700			\$1,848,700
Public Works Dept	\$298,000	\$347,000	\$201,317				\$846,317
Sheriff Dept.	\$285,579						\$285,579
Total by Fund Type	\$2,780,259	\$1,151,900	\$1,897,781	\$1,244,917	\$3,596,500	\$1,428,365	\$12,099,722

Tax Levy: The overall 2012 Tax Levy (for 2013 Budget purposes) is \$101,729,126, which represents an increase of \$808,157 or 0.8% from the 2012 Adopted Budget. The total Tax Levy consists of General County Purpose Levy of \$98,798,522, a \$761,039 or 0.776% increase from the 2012 Adopted Budget, and the Special Federated Library Tax Levy of \$2,930,604, an increase of \$47,118 or 1.6% from the 2012 Adopted Budget, which are accessed to municipalities without Libraries.

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 2011-2013

SUMMARY BY FUNCTIONAL AREA

*****BUDGETED POSITIONS ONLY*****

FUNCTIONAL AREAS:	2011 Year End	2012 Adopted Budget (a)	2012 Modified Budget	2013 Adopted Budget	12-13 Change
Justice and Public Safety (a)	549.75	544.52	544.52	544.90	0.38
Health and Human Services	419.62	418.06	418.06	417.06	(1.00)
Parks, Env., Educ., and Land Use	135.75	133.70	133.70	133.20	(0.50)
Public Works	144.10	135.60	135.60	135.60	-
General Administration	126.40	126.05	126.05	126.05	-
Non-Departmental	-	-	-	-	-
Total Regular Positions Countywide	1,375.62	1,357.93	1,357.93	1,356.81	(1.12)
Temporary Extra Help	121.02	123.64	123.64	121.41	(2.23)
Overtime	23.10	22.89	22.89	22.95	0.06
Total Position Equivalents Countywide	1,519.74	1,504.46	1,504.46	1,501.17	(3.29)

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

- (a) The 2012 adopted budget is restated to more appropriately reflect the unfunding of an overfilled Communication Center Supervisor position (Department of Emergency Preparedness – Communication Center).

Significant Changes for 2013

- Budgeted Full-Time Equivalents (FTEs) decrease by a net of 3.29 FTE, including temporary extra help and overtime.
- There is a net decrease of 1.12 FTE budgeted regular positions.
- Temporary extra help decreases a net of 2.23 FTE (about 4,640 hours).
- Budgeted Overtime increases a net of 0.06 FTE (about 125 hours).

For more detail, see the Stats./Trends Section for the Regular Full-Time/Part-Time Budget Position Summary, the Summary of Net Change in Funded Regular Full-Time/Part-Time Positions and Budget Position Detail Summary for individual departments.

FUNCTIONAL AREA SUMMARY BY FUND TYPE

2013 BUDGET

REVENUES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
JUSTICE & PUBLIC SAFETY	\$16,353,082		\$1,118,952				\$17,472,034
HEALTH & HUMAN SERVICES	\$38,586,727	\$3,030,050					\$41,616,777
PARKS, ENV., EDUC., LAND USE	\$7,092,228	\$5,893,054	\$6,168,200			\$1,900,000	\$21,053,482
PUBLIC WORKS	\$1,410,061	\$9,240,633	\$753,106	\$6,379,357		\$2,313,000	\$20,096,157
GENERAL ADMINISTRATION	\$10,033,110			\$9,606,705		\$18,060,500	\$37,700,315
NON DEPARTMENTAL	\$1,345,800			\$21,184,900			\$22,530,700
FUND BALANCE APPROPRIATION	\$2,780,259	\$1,151,900	\$1,244,917	\$1,897,781	\$1,428,365	\$3,596,500	\$12,099,722
RETAINED EARNINGS		(\$86,000)	(\$499,893)	(\$919)			(\$586,812)
TAX LEVY	\$79,545,863	\$5,134,276	\$192,563	\$1,501,424	\$13,355,000	\$2,000,000	\$101,729,126
TOTAL REVENUES	\$157,147,130	\$24,363,913	\$8,977,845	\$40,569,248	\$14,783,365	\$27,870,000	\$273,711,501
EXPENDITURES							
JUSTICE & PUBLIC SAFETY	\$56,989,189		\$926,587			\$1,045,000	\$58,960,776
HEALTH & HUMAN SERVICES	\$64,161,547	\$3,030,050				\$10,721,000	\$77,912,597
PARKS, ENV., EDUC., LAND USE	\$13,555,000	\$9,542,558	\$6,924,760			\$3,996,000	\$34,018,318
PUBLIC WORKS	\$10,167,809	\$11,791,305	\$1,126,498	\$6,579,755		\$11,018,000	\$40,683,367
GENERAL ADMINISTRATION	\$9,177,285			\$12,305,143	\$14,783,365	\$960,000	\$37,225,793
NON DEPARTMENTAL (a)	\$3,096,300			\$21,684,350		\$130,000	\$24,910,650
TOTAL EXPENDITURES	\$157,147,130	\$24,363,913	\$8,977,845	\$40,569,248	\$14,783,365	\$27,870,000	\$273,711,501

(a) Includes Contingency Fund.

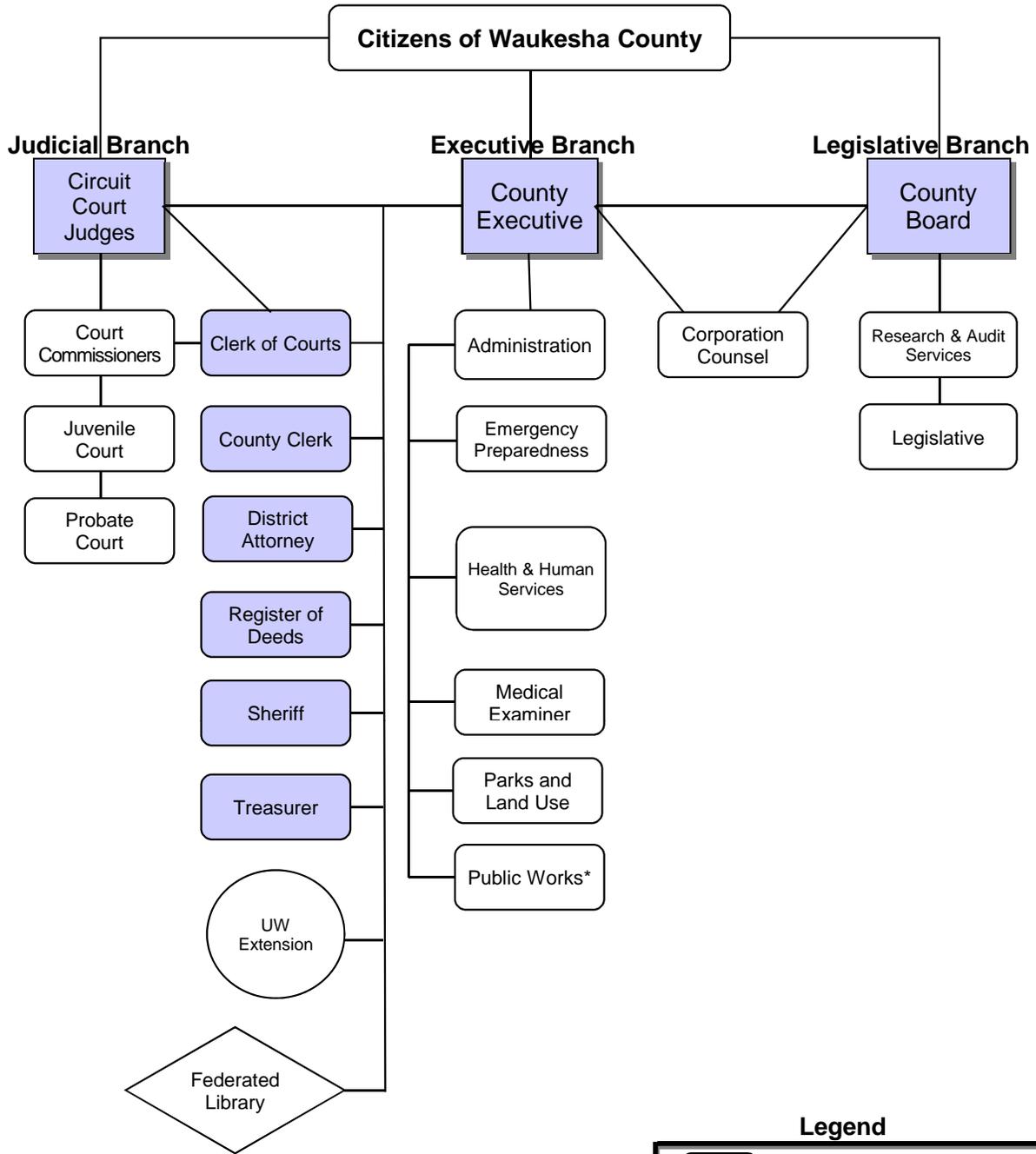
APPROPRIATION UNIT SUMMARY BY FUND TYPE

2013 BUDGET

REVENUES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
INTERGOVT. CONTRACTS/GRANTS	\$34,022,584	\$14,665,532	\$875,000	\$0		\$4,763,500	\$54,326,616
FINES & LICENSES	\$2,714,927	\$0	\$0	\$0			\$2,714,927
CHARGES FOR SERVICES	\$22,393,003	\$1,902,141	\$5,453,272	\$3,527,889			\$33,276,305
INTERDEPART. REVENUES	\$3,440,491	\$491,532	\$634,136	\$32,142,408			\$36,708,567
OTHER REVENUES	\$12,250,003	\$1,104,532	\$1,077,850	\$1,500,665		\$17,510,000	\$33,443,050
FUND BALANCE APPROPRIATION	\$2,780,259	\$1,151,900	\$1,244,917	\$1,897,781	\$1,428,365	\$3,596,500	\$12,099,722
RETAINED EARNINGS	\$0	(\$86,000)	(\$499,893)	(\$919)			(\$586,812)
TAX LEVY	\$79,545,863	\$5,134,276	\$192,563	\$1,501,424	\$13,355,000	\$2,000,000	\$101,729,126
TOTAL REVENUES	\$157,147,130	\$24,363,913	\$8,977,845	\$40,569,248	\$14,783,365	\$27,870,000	\$273,711,501
EXPENDITURES							
PERSONNEL COSTS	\$98,056,453	\$8,245,429	\$2,962,306	\$6,489,365			\$115,753,553
OPERATING EXPENSES	\$45,854,649	\$10,599,810	\$4,596,539	\$33,250,261			\$94,301,259
INTERDEPARTMENTAL CHARGES	\$12,388,928	\$4,607,974	\$1,419,000	\$829,622			\$19,245,524
FIXED ASSETS & IMPROVEMENTS	\$847,100	\$910,700	\$0	\$0		\$27,870,000	\$29,627,800
DEBT SERVICE	\$0	\$0	\$0	\$0	\$14,783,365		\$14,783,365
TOTAL EXPENDITURES	\$157,147,130	\$24,363,913	\$8,977,845	\$40,569,248	\$14,783,365	\$27,870,000	\$273,711,501

(a) Includes Contingency Fund.

Waukesha County Organizational Chart



* Airport became part of the Department of Public Works in 2011

