

## 2007-2009 REVENUE SUMMARY

SOURCE	2007 Actual	2008 Adopted Budget (a)	2008 Estimate	2009 Adopted Budget	Incr/(Decr) From 2008 Adpt. Budget
Intgov't Contracts & Grants	\$73,745,047	\$68,442,014	\$68,712,262	\$48,823,376	\$(19,618,638)
State Transportation Aids	\$5,480,386	\$5,589,974	\$5,370,780	\$5,589,974	-
State Shared Revenues	\$1,242,295	\$1,215,000	\$1,215,000	\$1,155,000	\$(60,000)
Fines & Licenses	\$4,025,976	\$3,295,404	\$3,054,195	\$3,343,699	\$48,295
Charges for Services (b)	\$24,767,726	\$26,534,501	\$25,597,702	\$29,151,918	\$2,617,417
Interdepartmental Revenue	\$15,596,283	\$16,261,027	\$16,347,579	\$32,736,276	\$16,475,249
Other Revenues	\$11,798,109	\$9,738,079	\$9,987,217	\$8,436,233	\$(1,301,846)
Interest/Penalty on Delinq Taxes	\$1,836,089	\$2,028,000	\$2,028,000	\$2,028,000	-
Investment Inc-Unrestricted Funds	\$6,728,778	\$6,250,000	\$6,300,000	\$6,200,000	\$(50,000)
Debt Borrowing	\$10,200,000	\$12,000,000	\$10,000,000	\$10,000,000	\$(2,000,000)
Appropriated Fund Balance	\$2,757,666	\$11,775,023	\$12,132,071	\$14,604,183	\$2,829,160
Retained Earnings (b)(c)	\$(1,609,741)	\$(784,064)	\$(1,448,018)	\$(1,453,580)	\$(669,516)
Tax Levy	\$91,294,061	\$93,188,331	\$93,188,331	\$95,839,043	\$2,650,712
<b>Total Gross Revenues</b>	<b>\$247,862,675</b>	<b>\$255,533,289</b>	<b>\$252,485,119</b>	<b>\$256,454,122</b>	<b>\$920,833</b>

FUNCTION	2007 Actual	2008 Adopted Budget (c)	2008 Estimate	2009 Adopted Budget	Incr/(Decr) From 2008 Adpt. Budget
Justice & Public Safety (b)	\$16,066,569	\$15,340,876	\$16,433,685	\$15,066,043	\$(274,833)
Health & Human Services	\$72,272,432	\$69,030,326	\$66,815,811	\$46,379,928	\$(22,650,398)
Parks, Env, Educ & Land Use (b)	\$17,140,043	\$17,622,785	\$17,285,440	\$18,210,624	\$587,839
Public Works (b)	\$18,328,608	\$16,951,288	\$17,789,307	\$17,897,352	\$946,064
General Administration (b)	\$16,481,864	\$17,492,724	\$17,355,492	\$17,676,429	\$183,705
Non-Departmental	\$2,291,761	\$1,225,000	\$1,242,000	\$20,559,100	\$19,334,100
Debt Borrowing	\$10,200,000	\$12,000,000	\$10,000,000	\$10,000,000	\$(2,000,000)
Capital Projects	\$2,639,412	\$1,691,000	\$1,691,000	\$1,675,000	\$(16,000)
Appropriated Fund Balance	\$2,757,666	\$11,775,023	\$12,132,071	\$14,604,183	\$2,829,160
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(a) 2008 Adopted Budget has been restated for comparative purposes, due to program shifts in the 2009 Budget.

(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.

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## 2009 REVENUE HIGHLIGHTS

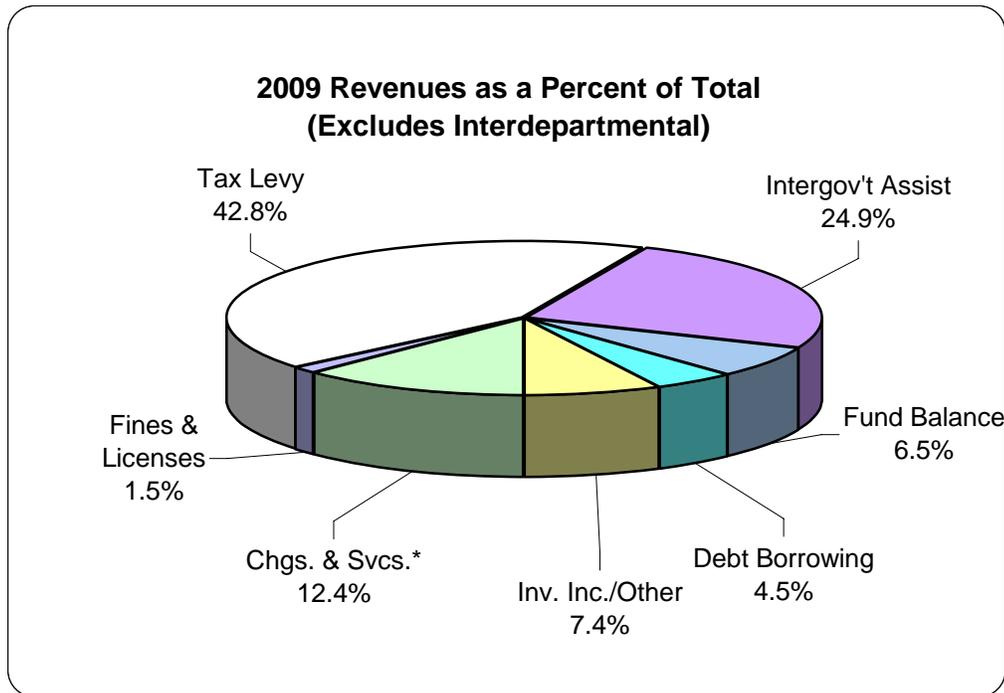
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### **Revenue Budget:**

The 2009 revenue budget (excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings) totals \$146,010,896, a decrease of \$4,559,039 or -3.0% from the 2008 Adopted Budget. The net revenue budget is \$113,274,620 after elimination of \$32,736,276 of interdepartmental revenues (mostly from internal service funds i.e. new Health and Dental Insurance Fund and cross charges, e.g. Sheriff Bailiff and Conveyance services etc.), which are in essence double-budgeted.

The 2009 revenues consist of departmental operating revenues budgeted at \$134,335,896 and capital project funding at \$11,675,000, including \$10,000,000 from planned borrowing. Overall, the operating revenues decrease nearly \$2.5 million or 1.9% from the prior year budget, while capital project revenues decrease by \$2.0 million.

The graph below reflects the ratio of revenue sources budgeted for 2009 to all revenue sources, with tax levy of 42.8% and Intergovernmental Assistance of 24.9% (after excluding Interdepartmental revenues) as the major revenue components.



\* Excludes Retained Earnings

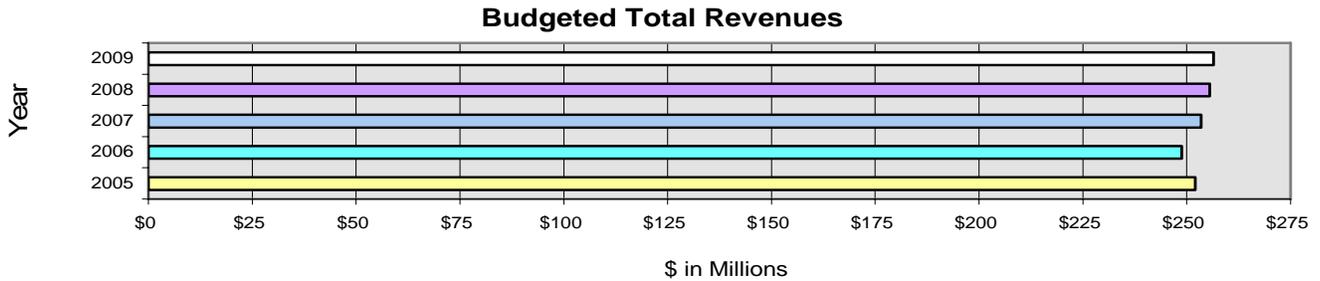
### **Revenue Projection Methodology**

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).

## 2009 REVENUE HIGHLIGHTS

The graph below shows the total budgeted revenue trends from all sources for 2005-2009. Revenues have shown annual increases during the five-year period, with the exception of intergovernmental assistance in 2006, 2008, and 2009 as outlined below.

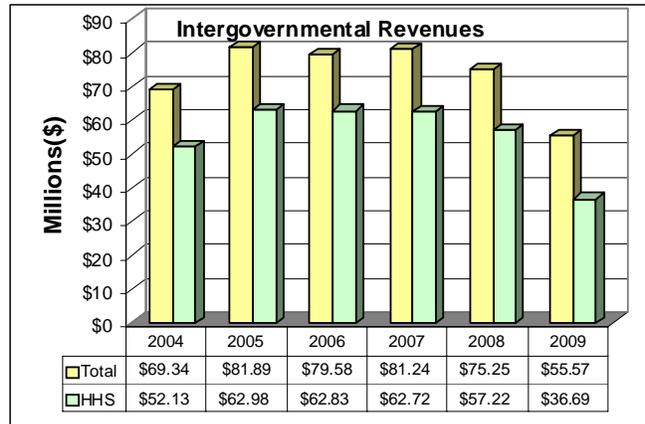


Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2008 to the 2009 Adopted Revenue Budget, by source, follows. In 2006, revenue decreases correspond with lower budgeted spending mainly related to completion of justice and public safety capital projects. In the 2007 Budget, total revenue increases by \$3.0 million largely due to a nearly \$1.7 million increase in intergovernmental contracts, grants, state aids and shared revenues; a \$960,000 increase in charges for services; and a net increase of \$400,000 in other revenue categories. The 2008 adopted total revenue budget increases by \$1,519,046. This increase is 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 \$5.99 million decrease in intergovernmental contracts, grants and other State aids. The 2009 Adopted Budget increases \$920,833. This increase includes a \$16.475 million increase in interdepartmental revenue mainly due to the addition of the 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.

**Intergovernmental Contracts & Grants:**

Combined, total 2009 intergovernmental contracts, grants, state aids and state shared revenues are budgeted at \$55,568,350 representing a decrease of \$19,678,638 or 26.2% from the 2008 Adopted Budget (see explanations below).

**The Health and Human Services Functional Area (HHS F.A.) receives the majority of its State intergovernmental assistance funding from Federal and State sources. The Health and Human Services Functional Area includes the Departments of Health and Human Services (HHS), Aging Disability Resource Center (ADRC), Veterans, Child Support Agency, and Community Development.**



- H&HS Intergovernmental Revenue decreases by \$20,525,950 to \$36.7 million as follows:

- The **Department of Health and Human Services Long-Term Care Fund** revenues decrease \$24 million overall in 2009 mostly related to the phasing out of the Community Integration Program (CIP) and the Community Option Program (COP) Federal/State waiver funded services as the eligible Long Term Care Developmental Disabilities and CIP & COP clients are transitioned in 2008 to the Managed Care organizations under the State's Family Care Long Term Care Reform initiative.
- **Department of Health and Human Services** primary source of Intergovernmental revenue, Community Aids - **Basic County Allocation (BCA)** from the State DH&FS shows a budget increase of \$1.6 million in the 2009 Budget. The 2008 Long Term Care Fund budget reflected \$1.5 million less BCA in anticipation of the County's Family Care contribution amount which was expected to be paid to the State in 2008. This payment is not being required until 2009. For 2009, the amount required to be paid to the State Department of Health and Family Services is \$3,445,415. The budgeted amount also reflects a slight increase of \$78,304 in the BCA related directly to a statewide Foster Care rate increase which is passed through directly to Foster Care Parents.
- The Public Health Division's General Government revenues decline by \$109,822 or nearly 11% to \$908,915, mostly due to the elimination of the state/federal Pandemic Influenza grant, budgeted at \$100,236 in 2008; a reduction in the state/federal Public Health Preparedness grant by \$22,923 to \$178,337; and a reduction in the state/federal City Readiness Initiative grant by \$9,969 to \$37,259. These decreases in General Government revenue are partially offset by an increase in the state/federal Women, Infant and Children (WIC) grant by \$23,989 to \$400,000.

## 2009 REVENUE HIGHLIGHTS

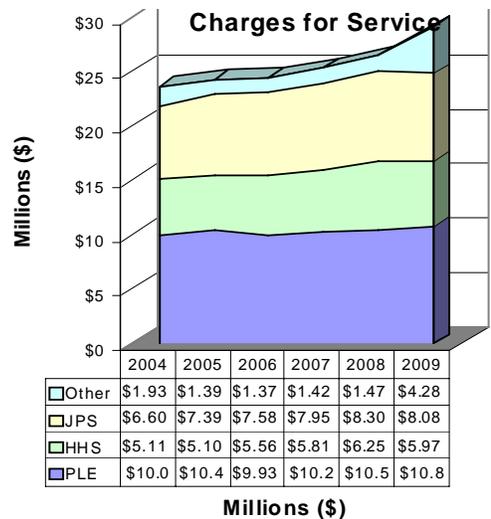
- **Parks and Land Use Material Recycling Facility** Budget includes a \$150,000 increase in Intergovernmental revenues due to an increase expected for the State Recycling Grant.
- **Public Works Functional Area** is budgeting an additional \$392,530 in intergovernmental revenue largely due to increasing State reimbursement for maintenance for State highways. State transportation aids is budgeted at nearly \$5.6 million; no change from the 2008 Budget.
- Intergovernmental revenue in the **Justice and Law Enforcement** functional area is decreasing by \$59,718 largely due to a \$50,000 reduction in the E-911 grant revenue for the **Emergency Preparedness Department** as this grant is scheduled to sunset in 2008; a \$45,300 reduction in the **Sheriff's Department** due to \$15,000 loss of welfare fraud reimbursement revenue and \$20,000 loss of Highway safety grant funds. These decreases are partially offset by \$62,200 increase in General Government revenue for Emergency Management associated with the Federal Emergency Government Grants.
- Administration Department Intergovernmental revenue is increasing by \$147,300 largely due to increases from recovery of County indirect costs.
- **Federal Community Development Block Grant** funding is estimated to decrease by \$219,867 to \$2.8 million which represents a \$78,324 decrease in Community Development (CDBG) funding and a \$141,543 decrease in the HOME funding.

### Charges for Services:

Charges for County Services (user fees) are budgeted at \$29,151,918, which represents an increase of approximately \$2,617,400 from the 2008 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 taxes from the general population. User fees collected include fees for document recording; real estate transfers; public admission for recreation usage within the Parks, Environment and Land Use 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 areas.

- **Justice and Public Safety** Charges for Service revenues are budgeted to decrease by \$216,205 to \$8.08 million mainly due to \$151,502 decrease in the Sheriff's Department Budget for 14 fewer paying Huber inmates resulting in \$103,293 reduction and also due to the reduction in the number of budgeted federal inmates by 7 inmates resulting in a \$185,000 loss of revenue. These revenue decreases are partially offset by \$119,350 increase in process service fees due to a \$10 rate charge increase. Emergency Preparedness revenue decreases by \$112,856 largely due to the reduction of \$73,966 in Radio Services charges for service largely due to the Nextel re-banding project ending during 2009.
- **Parks and Land Use** functional area includes \$303,307 in higher Charges for Service revenue largely due to \$162,500 increase in the Materials Recycling Facility based on a new vendor contract.
- **Health and Human Service** functional area user fee revenues are decreasing \$283,718 to \$5.97 million largely due to a \$329,450 decrease in client fee revenue due to the transition of the clients to the managed care organization as part of the State's Family Care initiative.



### Fines and Licenses:

Overall fine and license revenues are estimated to total \$3,343,699 for 2009, an increase of \$48,295, or 1.5% from the 2008 Adopted Budget.

- **Health and Human Services Department** is budgeting a \$50,000 increase in the Driver Improvement Surcharge to \$615,000 based on estimated increased court supervision fees that must be paid for intoxicated drivers to re-obtain their drivers license.
- **Treasurer's Office** is budgeting a decrease in the Agricultural Use Conversion Penalties revenue by \$35,000 to \$215,000 based on lower agricultural land conversions expected in 2009.

### Interdepartmental Revenues:

Interdepartmental revenues total \$32,736,276, an increase of nearly \$16.48 million from the 2008 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.

- Of the total increase \$16,121,100 is in the **Non-Departmental** functional area associated with the new Health and Dental Insurance Internal Service Fund. Overall Health and Dental Insurance Fund revenues include \$16,111,000 in charges to departments for the County's share of health and dental insurance premium costs.
- Interdepartmental revenues in the **Public Works Functional Area** are increasing by \$270,232 largely due to increasing costs for vehicle fuel and vehicle repair and maintenance costs which result in \$240,895 revenue increase.

## 2009 REVENUE HIGHLIGHTS

### Other Revenues:

Revenues from various other sources in the 2009 Budget total \$16.7 million. This represents a net decrease of \$1,351,846 from the 2008 Adopted Budget.

- **Health and Human Services** functional area Other Revenues decrease by \$1.8 million to \$3.03 million mainly due to the transition of Long Term Care Division clients to a Managed Care Organization beginning July 2008 under the State's Family Care-Long Term Care Reform initiative. It is anticipated that the County will be protective payee for fewer Long Term care clients who receive Social Security/Supplemental Security Income.
- **Community Development Block Grant** other revenues decrease by \$149,700 mainly due to the reduced program income in the revolving loan program.
- **Parks and Land Use** functional area includes almost a \$205,691 increase in Other Revenue largely due to budgeting higher interest income by \$100,000 in the Tarmann Parkland Acquisition Fund.
- Other Revenues in the **Non-Departmental** functional area increase by \$489,000 largely due to \$479,000 Other Revenue budget for the new Health and Dental Insurance Fund. This revenue includes \$294,000 in prescription drug rebates, \$132,000 in interest income allocation and \$53,000 in coordination of benefit reimbursements.

### Debt Financing:

The 2008 Budget includes borrowing of \$10.0 million to finance a portion of 2009 capital projects. This represents a decrease of \$2.0 million in the level of borrowing from the 2008 Adopted Budget. In addition, this amount is approximately \$1.85 million less than the amount planned for in Adopted 2008-2012 Capital projects funding plan for 2009.

### Appropriated Fund Balance

To reduce the 2008 Tax Levy (for 2009 Budget purposes), the Budget includes Fund Balance appropriations of \$14,604,183 for one-time projects or temporary expenditures or to phase in the impact of significant revenue losses. This includes \$9,927,183 for the operating budgets and \$4,677,000 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 Internal Services			\$235,603				\$235,603
Admin Dept-Risk Management			\$594,864				\$594,864
End User Tech. Fund			\$1,011,144				\$1,011,144
Airport Fund				\$180,829			\$180,829
Capital Projects Budget					\$4,677,000		\$4,677,000
Circuit Court Services	\$30,000						\$30,000
Contingency Fund	\$1,000,000						\$1,000,000
Corporation Counsel Dept.	\$15,000	\$80,500					\$95,500
County Clerk Dept.							\$0
Debt Service Fund						\$570,000	\$570,000
District Attorney	\$40,000						\$40,000
Emergency Preparedness	\$269,750			\$333,909			\$603,659
Human Services Dept.		\$862,215					\$862,215
Non-Departmental	\$505,400		\$2,014,600				\$2,520,000
Federated Library Fund		\$47,312					\$47,312
Parks and Land Use Dept.	\$395,000	\$217,165		\$782,590			\$1,394,755
Public Works Dept	\$260,000	\$135,000	\$113,083				\$508,083
ADRC-Nutrition		\$24,800					\$24,800
Sheriff Dept.	\$208,419						\$208,419
<b>Total by Fund Type</b>	<b>\$2,723,569</b>	<b>\$1,366,992</b>	<b>\$3,969,294</b>	<b>\$1,297,328</b>	<b>\$4,677,000</b>	<b>\$570,000</b>	<b>\$14,604,183</b>

### Tax Levy:

The overall 2008 Tax Levy (for 2009 Budget purposes) is \$95,839,043, which represents an increase of \$2,650,712 or 2.8% from the 2008 Adopted Budget. This is within the State imposed tax levy increase limit of 2.0% once exemptions for Federated Library, debt service, bridge aid and Tax Incremental Financing Districts are taken into account. The total Tax Levy consists of General County Purpose Levy of \$93,086,754, a \$2,562,251 or 2.8% increase from the 2008 Adopted Budget, and the Federated Library Tax Levy of \$2,752,289, an increase of \$88,461 or 3.3% from the 2008 Adopted Budget.

The Tax Levy rate for the general County portion of the budget is \$1.7882 per \$1,000 of equalized property value, an increase of \$0.0117 or 0.66%. The Tax Levy rate for the Federated Library System is \$0.2210 per \$1,000 of equalized property value, an increase of \$0.0051 or 2.3%.