

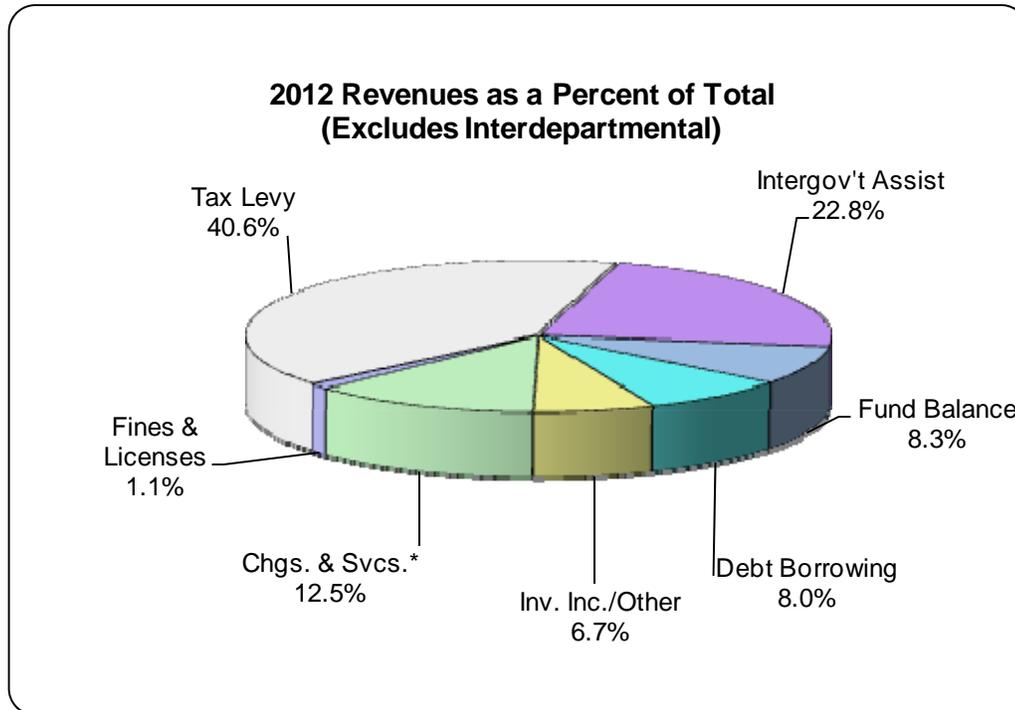
# 2012 REVENUE HIGHLIGHTS

## Revenue Budget:

The 2012 revenue budget (excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings) totals \$163,198,060, an increase of \$9,065,268 or 5.9% from the 2011 Adopted Budget. The net revenue budget is \$127,047,062 after eliminating out \$36,150,998 of interdepartmental revenues (mostly from internal service funds, e.g., Health and Dental Insurance Fund and cross charges such as Sheriff Bailiff, Conveyance services etc.), which are in essence double-budgeted.

The 2012 revenues consist of departmental operating revenues budgeted at \$136,098,060 and capital project funding at \$27,100,000 including \$20,000,000 from planned borrowing. Overall, the operating revenues decrease nearly \$4.45 million or 3.2% from the prior year budget, while capital project revenues increase by \$13,789,500.

The graph below reflects the ratio of revenue sources budgeted for 2012 to all revenue sources, with tax levy of 40.6% and Intergovernmental Assistance of 22.8% (after excluding Interdepartmental revenues) as the major revenue components.



\* Excludes Retained Earnings

## **Revenue Projection Methodology**

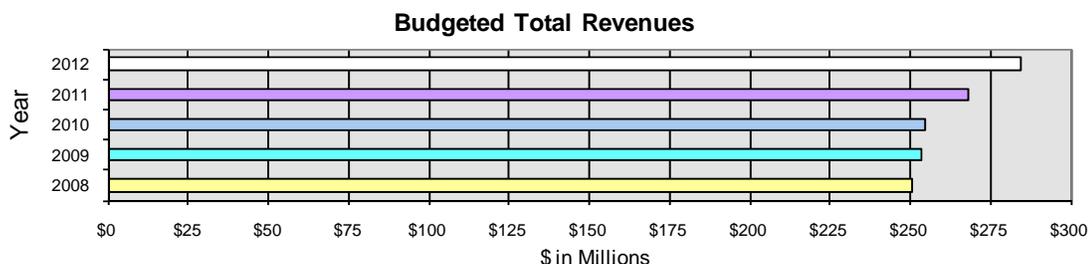
Realistic and accurate revenue forecasting is one of the primary building blocks in the development of a fiscally sound budget. The County combines four primary projection methods based on the unique characteristics of forecasted revenue. These methods include:

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).

## **Projection and Trends:**

External factors that may impact estimated future revenue trends include a continued slow economic recovery, moderate inflation, a lack of recover in the real estate market and its impact on future property tax base values, Federal and State budget deficits which will likely result in revenue reductions and the potential for higher future interest rates.

The graph below shows the total budgeted revenue trends from all sources for 2008-2012. Total revenues have shown annual increases during the five-year period as summarized below.



## 2012 REVENUE HIGHLIGHTS

Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2011 Budget to the 2012 Revenue Budget, by source, follows. The 2012 revenue budget increases by nearly \$16.55 million, including Debt Borrowing of \$20 million to fund higher Capital Project expenditures; Interdepartmental Revenues increase by \$1.6 million, including estimated increases in 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 increase by about \$346,600; partially offset by a decrease in Intergovernmental Revenues by over \$3.2 million, mainly due revenue reductions of over \$2.5 million from the State's 2011-13 Biennial Budget, primarily in H&HS and Public Works.

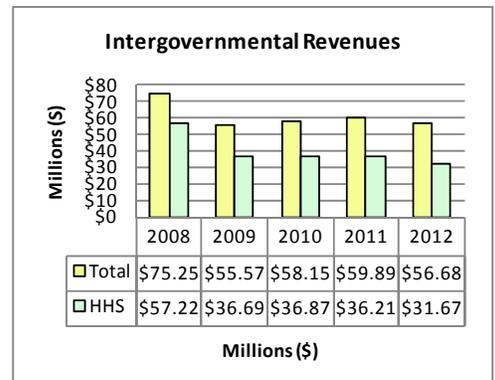
The 2011 revenue budget increased by \$6.5 million. This increase includes an increase in intergovernmental revenue of \$1.8 million largely as a result of increased revenue of \$808,000 for Health & Human Services (HHS) Children's Long Term Support Waiver funding and \$490,000 of HHS Community Service 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 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 Internal Service 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 revenues due to 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 2012 intergovernmental contracts, grants, state/federal aids and state shared revenues are budgeted at \$56,679,046, a decrease of \$3.2 million or 5.5% from the 2011 Adopted Budget (see explanations below).

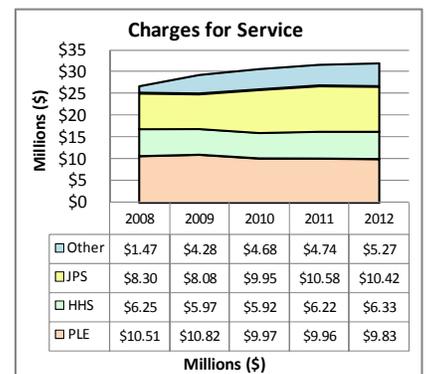


- **H&HS Functional Area** Intergovernmental Revenue decreases by about \$4.5 million to \$31.7 million as follows:
  - **Department of Health and Human Services (H&HS) – Children with Special Needs Program** budget includes a Children's Long Term Support Waiver (CLTS) funding reduction by about \$3.8M mainly due to Act 32 (State's 2011-13 Biennial Budget) shifting responsibility and funding for administration of the CLTS program to a third-party administrator.
  - **H&HS– Adolescent & Family Services Program** State Youth Aids revenue decreases by about \$430K, due to state funding reductions in the State's 2011-13 Biennial Budget.
  - **H&HS – Public Health Division** intergovernmental revenues decrease by \$133K, mainly due to the elimination of the Family Foundations grant (Prevention of Child Abuse and Neglect - POCAN) which was used to provide case management to first-time parents who receive Medicaid.
  - **H&HS – Economic Services Administration and Support Program** estimates a reduction in State's Income Maintenance (IM) allocation by about \$107,300 to \$2.3 million, mainly due to lower reimbursable costs estimated for 2012 as some costs are anticipated to be taken on by a new multi-county regional IM consortium that the County is required to join based on the State's 2011-13 Biennial Budget.
  - **Corporation Counsel – Child Support** intergovernmental revenue sources decrease by about \$92K to \$2 million, mainly due to the State's across the board cut to all counties' Child Support IV-D General Purpose Revenue (GPR). General Fund-Child Support Fund Balance appropriations increase \$101,800 and County Tax Levy Support increases \$2,877 to fund the cost to continue services and to leverage federal dollars and avoid the effect of losing Federal revenue reimbursement money, due to the State's GPR revenue reduction.
  - **H&HS** is budgeting the department's primary source of Intergovernmental revenue, **Community Aids-Basic County Allocation (BCA)** from the State Departments of Children and Family Services (DFS) and Health Services (DHS), to increase by about \$109,300 to \$8,545,700, after adjusting out the BCA portion of Community Aids (\$2,705,400) mandated to be paid back to the state as part of the State's Family Care initiative.
  - **HHS – Criminal Justice Collaborating Council (CJCC)** General Government revenues are budgeted to increase about \$39,400 to \$547,900, including a new Adult Drug Court grant from the Federal Department of Justice – Bureau of Justice Assistance (BJA) (\$350,000 awarded over three-year period, with \$114,000 budgeted for 2012), which was amended into the budget by the County Board, and is estimated to serve 25 participants per year. This is partially offset by lower budgeting for year 2 of the 3-year joint grant from the BJA and the Center for Substance Abuse Treatment (Awarded \$1.24 million in October 2010). This grant is estimated to serve an additional 50 participants (3rd and 4th offenders) each year.
- **Capital Projects Funding** from General Government Revenues are budgeted to increase by \$3,439,500 to \$6,400,000, and include \$2.2 million for local revenue reimbursement for the cost of local street amenities (Hwy L, Project # 200011) and \$2 million in federal dollars for right-of-way acquisition for the Waukesha West Bypass project (Project # 200917).

## 2012 REVENUE HIGHLIGHTS

- General Government Revenues in the **Public Works Functional Area** are budgeted to decrease by about \$760,000, mainly due to a decrease in State General Transportation Aids by nearly \$648,000 or -12% to \$4,678,000, mostly due to formula changes in the State's 2011-13 Biennial Budget. In addition, State Highway maintenance revenue reimbursements for maintenance work on State roads are budgeted to decrease by about \$112,200 based on the current (2011) State's Routine Maintenance (RMA) agreement and State Department of Transportation levels of service 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. Budgeted intergovernmental revenues from the U.S. Department of Housing and Urban Development (HUD) decrease by \$756,000, including a decrease of \$424,000 for the Community Development Block Grant (CDBG) program and \$332,000 for the HOME program.
- **Parks and Land Use Material Recycling Facility (MRF) Fund** budgeted intergovernmental revenues include a decrease in the State Recycling Grant by \$425,000 to \$875,000, due to reductions in the State's 2011-13 Biennial Budget.
- **Circuit Court Services** intergovernmental revenues are budgeted to decrease by \$190,000 to \$1,582,000, mainly due to a decrease in the State Circuit Court Support Grant by \$140,000, due to reductions in the State's 2011-13 Biennial Budget. Decreasing revenues also include lower reimbursements for Guardian Ad Litem costs of \$23,000 and Child Support IV-D by \$22,000.
- **University of Wisconsin – Cooperative Extension** budgeted intergovernmental revenues decrease by about \$95,700, mainly due to an anticipated reduction in Federal Community Development Block (CDBG) funding anticipated by \$53,800, based on federal funding reductions that have occurred in 2011 and decreases anticipated for 2012. This funding is used for community education work in the City of Waukesha's three Neighborhood Revitalization Strategy Areas (NRSAs).
- **The Federated Library System State Aids, Federal & Misc. Revenue Fund** 2012 budget includes a decrease in State Library Aid revenues by about \$77,200 or 7.5% to \$958,000, due to state aid reductions in Act 32 (State 2011-13 Biennial Budget).
- **The Federated Library System CAFÉ Shared Automation Fund** intergovernmental revenues, which consist of participating member library funds, approximately double from about \$217,100 in the 2011 budget to nearly \$441,000 in the 2012 budget, mainly due to 2012 being the first full-year budgeting for this program. Since the program was transitioned from the City of Waukesha Public Library to the Federated Library System mid-way during 2011, only a partial year of funding was budgeted for in 2011.

**Charges for Services:** Charges for County Services (user fees) are budgeted at \$31,846,179, which represents an increase of \$346,554 from the 2011 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 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).



- Charges for Service revenue in the internal service **Health & Dental Insurance Fund**, which consist of the employee share of health and dental premium costs, are budgeted to increase by \$355,000 to \$3,128,000, mainly for an estimated increase in the employee share of health insurance premium costs, based on actuarial analysis recommendation.
- Charges for Service revenue in the **Department of Administration – Collections Division** are budgeted to increase by \$145,800, in anticipation of a new major government client.
- **Health & Human Services (H&HS)** functional area Charges for Service revenues increase by about \$109K to \$6.33 million, This includes an increase in client service fee revenues from direct services in the **Mental Health Outpatient Program** by \$123K to \$1.23M in-line with 2010 actual revenues received, partially offset by lower Comprehensive Community Support (CCS) rehabilitative service revenues by \$64K mainly due to the State Department of Health Services using a more restrictive definition of reimbursable rehabilitative expenditures. Client fee revenues in the **Mental Health Center** budget increase by about \$42K to nearly about \$2.9 million and are in-line with 2010 actual revenues received.
- **Justice and Public Safety (JPS)** functional area Charges for Service revenues are budgeted to decrease by about \$162,500 to \$10.4 million mainly due to a decrease in **Circuit Court Services** revenues by \$123,000, for various Courts fees, based on lower prior-year actual revenues received. **Medical Examiner** autopsy contract revenues include the loss of the Racine County Contract for \$82,300, partially offset by an increase in Washington County autopsy contract revenue by \$34,900.
- **Parks, Environment & Land Use (PLE)** functional area Charges for Service revenues decrease by about \$120K to \$9.83 million, and include a decrease in the **Parks & Land Use Golf Courses Fund** by \$101K to nearly \$3.2 million, to be closer to current year revenue estimates. **Register of Deed's Office** real estate transfer fee and document recording fee revenues are budgeted to decrease by \$100K and \$20K, respectively, to be more in-line with lower prior-year revenues received as a result of the weak real estate market. This is partially offset by budgeting \$100,000 for an additional \$5 per document recording fee, collected per state statute (WI Act 314 – 2010), to fund the redaction of social security numbers on documents ( see Capital Project #201117).

**Fines and Licenses:** Fine and license revenues are estimated to total \$2,674,320 for 2012, decreasing \$194,430, or - 6.8% from the 2011 Budget, including the following: **The Parks and Land Use Department** with a decrease in zoning and septic permit fee revenues by a total of \$50,000; **Circuit Court Services** decreases fine and forfeiture revenues by \$42,250; **The H&HS Department** with a decrease in Operating While Intoxicated (OWI) Surcharges by \$40,000; **The Treasurer's Office** with a decrease in Agricultural Use Conversion penalty revenues by \$35,000; and the **Department of Public Works** with a decrease in permit revenues by \$30,000.

## 2012 REVENUE HIGHLIGHTS

### Interdepartmental Revenues:

Interdepartmental revenues total \$36,150,998, an increase of about \$1,625,218 from the 2011 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.

- Based on actuarial recommendations, **Health and Dental Insurance Fund** Interdepartmental revenues increase by \$797,000 to \$17,577,000 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 nearly \$380,000, 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 \$165,100 to \$1,628,500 but is still being subsidized by General Fund Balance.
- Interdepartmental revenues in the **Public Works Functional Area** increase by about \$146K to \$6.55M, including an increase in fuel charges by about \$136K, mainly due to an estimated 10% increase in prices; budgeting for mowing services at the Airport of \$40K; housekeeping and building maintenance charges by \$39K; and vehicle replacement charges by \$27K; partially offset by a decrease in Central Fleet vehicle repair/maint. charges by \$104K, due to a decrease in repair services requested by customers.

### Other Revenues:

Other revenues from various other sources in the 2012 Budget total \$16.6 million, an increase of \$421,644 from the 2011 Budget.

- **Capital Projects** include an estimated increase in investment earnings by \$350,000, based on higher estimated Capital Projects Fund Balance resulting from increased borrowing for 2012.
- **Department of H&HS – Mental Health Outpatient & Support Services Program** Other Revenues include an increase in state collections for county resident placement costs at the state mental health institutes by \$239,300.
- **PLE – Material Recycling Facility (MRF) Fund** Other Revenues increase by \$200K to \$1 million for the County's share of recycling material sales revenue (split 50/50 with contracted MRF operator), based on improvements in the market prices.
- **PLE – Community Development Fund** Other Revenues are budgeted to decrease by about \$227,600 mostly related revolving loan repayments in the CDBG program that are budgeted to decrease by \$135,000 and program income repayments in the HOME program that are budgeted to decrease by \$92,000, based on prior year actual revenues received.
- The **Office of the Treasurer** investment income decreases by \$100K to \$4.8M due to estimated lower investment rates of return.

### Debt Financing:

The 2012 Budget includes borrowing of \$20 million to finance a major portion of 2012 capital projects, which is an increase of \$10 million from the 2011 Adopted Budget, primarily due to the H&HS Office Building (Project # 200615).

### Appropriated Fund Balance:

To reduce the 2011 Tax Levy (for 2012 Budget purposes), the Budget includes Fund Balance appropriations of \$20,499,621 for one-time projects, temporary expenditures or to phase in the impact of significant revenue losses. This includes \$10,068,621 for the operating budgets and \$10,431,000 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	\$7,600						\$7,600
Administration Internal Services			\$346,903				\$346,903
Admin Dept-Risk Management			\$368,254				\$368,254
End User Tech. Fund			\$816,671				\$816,671
Airport Fund				\$180,829			\$180,829
Capital Projects Budget					\$10,431,000		\$10,431,000
Circuit Court Services	\$20,000						\$20,000
Contingency Fund	\$1,200,000						\$1,200,000
Corporation Counsel Dept.	\$156,800						\$156,800
County Clerk Dept.	\$155,000						\$155,000
Debt Service Fund						\$1,283,898	\$1,283,898
District Attorney							\$0
Emergency Preparedness	\$35,000			\$89,617			\$124,617
Human Services Dept.	\$530,510						\$530,510
Non-Departmental	\$915,500		\$835,500				\$1,751,000
Federated Library Fund		\$76,437					\$76,437
Parks and Land Use Dept.	\$55,000	\$725,000		\$992,600			\$1,772,600
Public Works Dept	\$373,000	\$445,000	\$141,083				\$959,083
Sheriff Dept.	\$318,419						\$318,419
<b>Total by Fund Type</b>	<b>\$3,766,829</b>	<b>\$1,246,437</b>	<b>\$2,508,411</b>	<b>\$1,263,046</b>	<b>\$10,431,000</b>	<b>\$1,283,898</b>	<b>\$20,499,621</b>

**Tax Levy:** The overall 2011 Tax Levy (for 2012 Budget purposes) is \$100,920,969, which represents an increase of \$644,965 or 0.6% from the 2011 Adopted Budget. The total Tax Levy consists of General County Purpose Levy of \$98,037,483, a \$615,418 or 0.631% increase from the 2011 Adopted Budget, and the Federated Library Tax Levy of \$2,883,486, an increase of \$29,547 or 1% from the 2011 Adopted Budget.