

2012 EXPENDITURE HIGHLIGHTS

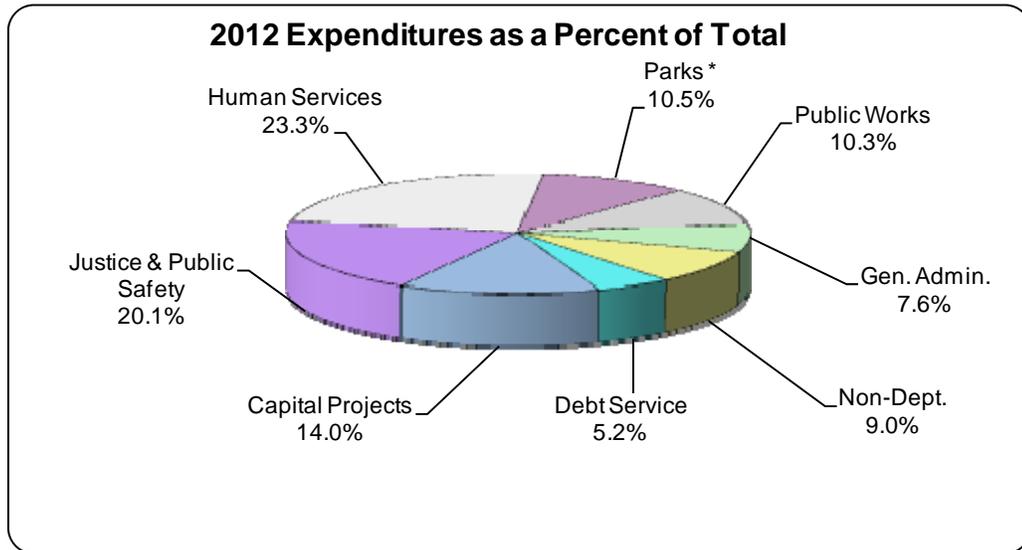
Expenditure Budget:

The 2012 total gross expenditure budget is \$284,618,650, an increase of \$16,554,559 or 6.2% from the 2011 Adopted Budget. Budget appropriations consist of departmental operating budget and debt service expenditures totaling \$244,662,250 and capital spending of \$39,956,000. The total 2012 operating budget decreases by \$3,418,941 or a -1.5% from last year's adopted operating budget while capital project expenditures increase by \$19,973,500 or 100% from the 2011 Adopted Budget.

The net total operating expenditure budget after adjusting for \$36,150,998 of interdepartmental charge backs, mainly from Internal Service Funds (which are double budgeted), is \$208,511,652 a decrease of \$5,044,159 or a -2.4%.

The budget includes personnel costs totaling \$114.0 million or about 41 percent of the total expenditure budget. Overall personnel costs are budgeted to decrease by over \$1.945 million from the 2011 Adopted budget level. This decrease is partly due to County management proposing to no longer fund 18.7 FTE positions resulting in net cost savings of over \$1.0 million to help offset major state funding reductions and lower revenues due to the slow economic recovery especially the lack of improvement in real estate market and development. Also, the State Budget repair Bill – Act 10 requires most County employees (except for protective classifications) to make a 50% contribution to their pension in the WI Retirement system which is estimated to reduce the County expenditures by about \$3.5 million. These reductions are somewhat offset by County Board approved salary increases of 2% for 2012 and projected increases for the average County health insurance premium (based on actuarial analysis) by about 7%, which is below the national average cost.

Operating expenditures (including purchased services, operating expenses and interdepartmental charges appropriations) decrease by \$1.6 million or -1.4% from \$116 million in the 2011 budget to \$114.5 million in this budget. Fixed Assets and improvements (excluding capital projects) expenditures are budgeted at \$1.4 million, a reduction of approximately \$163,900 from the 2011 budget. Debt service payments are budgeted at \$14.7 million is an increase of \$89,500 from the 2011 budget level or about 5% 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	2012 Adopted Budget	% of Total Adopted Budget
Justice & Public Safety	\$57,271,551	20.1%
Human Services	\$66,280,157	23.3%
Parks *	\$29,836,688	10.5%
Public Works	\$29,396,652	10.3%
Gen. Admin.	\$21,563,104	7.6%
Non-Dept.	\$25,615,600	9.0%
Debt Service	\$14,698,898	5.2%
Capital Projects	<u>\$39,956,000</u>	<u>14.0%</u>
Total Expenditures	\$284,618,650	100.0%

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

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The 2012 Budget expenditure level increases 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 personnel costs (as mentioned above) 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 Children Long Term Support (CLTS) program to a third-party administrator (TPA). 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 \$2.5 million require further efforts to reduce spending appropriations. Federal Community Development funding reduction result in expenditures reductions by over \$987K.

The 2011 Adopted Budget expenditure level increases 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 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 as noted below; and the **Criminal Justice Collaborating Council (CJCC)** 2011 budget increases by \$583,600 related to the expansion of the Day Report Center and Alcohol Treatment Court program being funded by a three-year grant for a three-year period. Also, the Federated Library System expenditures increase \$192,900 related to transferring in 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 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 0.4% or \$920,833 to \$256.5 million. The increase reflects \$20.7 million increased for the Non-Departmental functional area due to the creation of the new Health and Dental Insurance internal service fund offset by a net \$21.4 million decrease in the Health and Human Services functional area resulting from the State taking over the Long Term Care program and the full year implementation of the County's ADRC.

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

Future Projections and trends:

External factors will play a key role which may significantly impact future trends and projections including how Federal and State budget deficits may impact funding policies which will effect the provision of programs and services carried out by local governments and may change the way government services are provided. Also, continued volatility of fuel, energy and commodity prices and increasing medical and health insurance costs will likely impact future budgets. Also, an internal factor includes future increases in the debt service payments as a result of the new Health & Human Services building and funding Highway infrastructure projects.

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major 2012 funding changes, which impact expenditures by functional area, follows:

Justice and Public Safety:

- **Sheriff** expenditures increase \$446,000 on a base of nearly \$38 million or 1.2%. This includes personnel costs of \$30.3 million which are budgeted to decrease by nearly \$138,000. This is mainly due to regular position changes including decisions not to fund 1.0 FTE Corrections Supervisor position resulting salary and benefit cost savings of almost \$92,500 and 1.0 FTE deputy sheriff position at the courthouse front door screening station resulting in salary and benefit cost savings of 75,700. However, these cost savings are somewhat offset by an additional 1.15 FTE temporary extra help for the front door coverage at the security screening station which costs approximately \$37,000. **Sheriff major** operational cost increases include \$170,000 for one-time costs of replacing vehicle equipment to retro fit into new police patrol vehicles as the Crown Victoria model (the Department's main patrol vehicle), is no longer offered. Sheriff fuel costs are estimated to increase by \$86,000 for anticipated increases in the price per gallon costs of fuel.

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Jail Inmate medical costs are budgeted to increase by \$66,300 to a total cost of over \$1.5 million, and include a 3% increase for the medical care contract and \$120,000 for outside the contract provided medical care for inmates.

- **Emergency Preparedness** General Fund 2012 expenditure budget decreases by \$35,350, mainly from personnel cost reductions of \$45,000. This includes a decision to no longer fund a 1.0 FTE Communications Center Supervisor (\$87,000) position that was being overfilled for several years. Also, the ability to reduce over time by approximately 830 hours or .40 FTE (results in a cost reduction of \$21,600). These cost savings are partially offset by the first time budgeting for a shared Sr. Financial Analyst position with the Register of Deeds Office, at 0.40 FTE, costing \$39,300.
- **Circuit Court Services** overall net personnel costs decrease by \$320,200 or 5%. Staff cost reductions of almost \$219,000 include 1.0 FTE Clerk Typist I-II in the Criminal Traffic Division; 0.50 FTE Clerk Typist II in the Juvenile Court Division; 0.50 FTE Court Reporter in the Administration Division; 0.50 FTE Program Assistant in the Probate Division; and 1.0 FTE Court Commissioner in the Court Commissioner's Office. The Department has increased its extra help budget by 1.84 FTE's to use less costly and more flexible staffing resources for coverage as operational adjustments are made across various divisions including addressing imaging work, providing civilian bailiffs for jury assistance and implementing a court commissioners calendar.
- **District Attorney's** budget reflects the 2011 completion of document imaging backlog project, which results in an expenditure reduction of \$61,000 and a corresponding reduction in general fund balance appropriations.

Health and Human Services

- **Economic Services Administration and Support Program** estimates the elimination of a vendor contract and bringing some of those services in house for a budgeted cost savings of about \$242,600. However, this budget includes two new positions, which will perform tasks previously paid for through the discontinued contract. One Economic Support Specialist and a Clerk Typist II, are estimated at a combined cost of \$118,300. Also, some functions of the terminated vendor contract are anticipated to be taken on by a new multi-county regional IM consortium the County is required to join for 2012, based on provisions passed in Act 32 (the State's 2011-13 Biennial Budget). Overall, net expenditure reductions are estimated at about \$124,300 for this program area.
- **Children with Special Needs Program** budget includes Act 32 (State's 2011-13 Biennial Budget) provisions which shift responsibility for administration out of the Children Long Term Support (CLTS) program to a third-party administrator (TPA). Budgeted payments the County makes to CLTS vendor agencies are decreasing by \$3,474,900, and includes eliminating payments to vendors for the state and federal match on CLTS waiver slots. However, the County is still responsible for paying the locally-matched waiver slots, mainly funded with tax levy. Contracted case management services costs related to the CLTS program are estimated to increase by about \$89,400, mainly due to budgeting for a new contracted case manager position to provide supervision of contracted staff. Also, child placement costs at the State of Wisconsin Southern Center for Developmentally Disabled individuals are budgeted to increase by \$56,200, to be more in-line with 2010 actual placement levels and expenditures.
- **Adolescent & Family Services Division** budget includes a decrease in Juvenile Correctional Institute expenditures by about \$188,000 to \$312,100, based on favorable budget results from a pattern of lower juvenile correctional placements. Alternative care placements and related costs are anticipated to continue the downward trend in placements and significantly lower actual costs versus budget, which allows for decreases in foster care by \$232,900 and group home placement expenditures by \$51,600. By continuing the longstanding efforts to provide a broad array of intensive, in-home family services that allow families to safely remain intact, department management expects these decreases to not adversely affect client services. These reductions are mostly offset by increasing expenditures for residential care center placements by about \$217,200, reflecting anticipated increases in the number of placements.
- **Mental Health Outpatient and Support Services Program** budget operating expenditures include an increase in room, board and treatment costs for the Comprehensive Community Support (CCS), Community Recovery Services (CRS) and residential care programs by about \$182,400 to \$4,159,400. This is based on an anticipated increase in the number of days of care by approximately 1,550 days, and an increase in contract provided mental health service costs of 2% for residential care services and 1% for all other contracted services.
- **Mental Health Center fund** personnel costs budget includes an increase in temporary extra help and related benefit expenditures by about \$52,100 or by 0.87 FTE (about 1,810 hours), mostly for an increase in registered nursing coverage, to be budgeted closer to 2010 actual and 2011 estimated expenditure levels.

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- **Public Health Division** budgeted expenditures decrease by about \$187,000 to \$3.5 million, mainly due to the elimination of the Family Foundations grant (Prevention of Child Abuse and Neglect – POCAN).
- **ADRC Division- Adult Protective Services program** operating expenditures includes a \$308,900 budgeted increase to \$891,300 in anticipation of needing additional contracted protective services for adults as a result of Act 32 (State Budget) changes which caps and limits Family Care program enrollment at the June 30, 2011 levels. This increase is partially offset by a reduction of \$111,855 of expenditures for clients in State of Wisconsin DD Centers as the department continues to avoid these costly placements. In addition, there is a budgeted reduction of \$60,836 for the Marsh Country Consortium payment which totals \$550,539 for 26 County clients residing in Dodge County's Clearview Extensive Care Facility for the Mentally Retarded (ICFMR).
- **ADRC Division- Nutrition program** net operating expenditures are budgeted to increase nearly \$50,000 mostly related to an increase in the number of home delivered meals ordered and a 2.1% increase in meal costs charges from the vendor providing the meals. This increase is partially offset by lower costs from few meals expected to be provided to managed care organization clients.
- **HHS – Criminal Justice Collaborating Council (CJCC)** operating expenditures are budgeted to increase about \$57,500, mostly related to an Adult Drug Court Grant award of \$350,000 over a 3-year period. The 2012 Budget marks the first year of the program, where \$114,000 has been budgeted. The department management estimates that approximately 75 participants will be served (25 per year over a 3-year period). This increase is partially offset by the planned phase down in budgeting for year 2 of the 3-year Alcohol Treatment Court (ATC) program expansion, which is funded jointly by a Federal grant from the BJA and the Center for Substance Abuse Treatment (CSAT) which began as of October 2010. Department management estimates that the ATC grant will allow approximately 50 additional participants (3rd and 4th offenders) to be served each year. In 2012, 140 participants are budgeted to attend the ATC program.

Parks, Environment, Education, and Land Use

- **University of Wisconsin – Cooperative Extension** budgeted expenditures used to provide community education in the City of Waukesha's three Neighborhood Revitalization Strategy Areas (NRSAs) decrease by about \$53,700 to \$713,100, mainly due to reductions in various grant funding sources.
- **The Federated Library CAFÉ Shared Automation Fund** budgeted expenditures approximately double from about \$192,900 in the 2011 budget to \$391,000 in the 2012 budget, mainly due to the first full-year impact of budgeting for the CAFÉ Fund. Since this program was transitioned from the City of Waukesha Public Library to the Federated Library System mid-way during 2011, only a partial year was budgeted for in 2011.
- **Parks and Land Use General Fund budget**, no longer funds a net 1.50 FTE regular positions in 2012, which is estimated to generate a cost saving of \$132,800 to limit spending in line with revenue reductions. The unfunded positions includes 1.0 FTE Environmental Health Sanitarian in the Septic/Well/Lab and Licensing programs) reduces personnel costs by \$80,200 and a 0.50 FTE Land Use Specialist position is unfunded in the Code Enforcement/Zoning Program, which is estimated to reduce personnel costs by \$52,600. Department management indicates that workload in both of these program areas has declined significantly since the beginning of the economic downturn.
- **Parks and Land Use – Community Development Fund** expenditures are budgeted to decrease by almost \$987,800 based on an estimated decrease of \$756,000 from the Department of Housing and Urban Development (HUD) including a decrease of \$424,000 for the Community Development Block Grant program (CDBG) and a decrease of \$332,000 for the HOME program. Also, revolving loans and program income expenditures are budgeted to decrease by \$227,560 mostly related to revolving loans in the CDBG program which are budgeted to decrease by \$135,000 and program income expenditures in the HOME program are budgeted to decrease by \$92,000 based on prior year actuals.
- **Parks and Land Use Material Recycling Facility (MRF) Fund** includes recycling disbursements paid to municipalities, which are nearly 50% of the MRF expenditure budget, are at the 2011 budgeted level of \$1,217,400. This disbursement consists of three components: The base dividend, prorated to each community based on State Recycling Grant eligible costs (\$459,400); the recycling incentive payments (\$414,300), which is calculated based on the actual tons delivered to the MRF and each community's recycling rate; and the solid waste tip fee credit payment (\$343,700).

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Public Works

- **Highway operations vehicle fuel budget** increases by \$47,500 as the volatile price per gallon is projected to increase at least \$0.30 per gallon to \$3.30 per gallon (equivalent to about \$3.62 per gallon retail price) in 2012.
- **State Highway Maintenance** expenditures are budgeted to decrease by \$112,245 based on the State's current (2011) Routine Maintenance Agreement (RMA) and State DOT levels of service requested. This agreement amount allows for funding of 22.0 FTE Patrol Workers, allocated to State highway maintenance work, which is one less than 2011. Also, budgeted extra help for summer seasonal work is being eliminated (.49 FTE or about 1,020 hours) while extra help for a winter second shift continues.
- **Public Works General Fund building operations** includes a management decision to contract out for additional housekeeping services, which result in a net budget cost savings to the County of \$78,000. However, this decision requires unfunding and abolishing 5.0 FTE Building Service Worker positions which results in personnel cost savings of \$247,800, of which a \$169,800 will be used to pay for the costs of additional contracted housekeeping services. Also, the **building improvement maintenance plan** totals \$950,000 is reduced by \$134,500 due to last year significant one-time increase of over \$234,000 for catch up projects.
- On-going **energy/utility costs** for County facilities are projected to increase about \$127,000 from the 2011 budget. Electricity costs are projected to increase \$345,000 mostly due higher than anticipated rate charges in the current year and due to the loss of the Point Beach facility energy credit. This is partially offset with lower projected costs for natural gas of \$205,000 (-29%) and water and sewer of \$25,000 (-23.6%).
- **Transit services** Route 901 changes from a traditional fixed route commuter service, operating all day, to a peak service commuter route operating only at peak passenger times which is primarily at the beginning and the end of the work day. No fare increases are planned in the 2012 budget.

General Administration and Non-Departmental

- The **County Clerk's Office** expenditures increase by about \$170,700 to an expenditure level of \$689,600, mainly for election costs related to the higher number of elections expected to be held in 2012, including the presidential elections.
- **DOA-End User Technology Internal Service Fund (EUTF)** expenditure budget appropriations decreases by about \$123,500 or 2%. The last remaining Tax Levy subsidy of \$379,900 for the End User Technology program (budgeted in 2011) is shifted out to departments to reflect total cost of computer ownership and IT resources usage. Departments now bear about 86% of the Technology costs captured in EUTF.

Debt Service

The Debt Service expenditure budget for general governmental purposes is \$14,698,898, an increase of \$89,512 from the 2011 Adopted Budget or 0.6%. To fund the 2012 Capital Project's Budget, \$20 million is planned to be borrowed increasing the County's total debt outstanding to approximately \$91.7 million, well below the allowable levels set by State statutes.

Capital Projects

The 2012 Capital Project Expenditure Budget of \$39.96 million increases \$19,973,500 from the 2011 Adopted Budget. The 2012 capital budget identifies funding for existing and new projects at a net county cost of \$23.1 million (after direct project revenues and fund balance appropriation totaling approximately \$15.8 million are applied). For 2012, borrowed funds total \$20 million (mentioned above) and investment income is at \$350,000. Project funding also includes about \$0 in County Tax Levy, a \$2,425,000 decrease from the 2011 Adopted Budget.