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# 2012 TAX LEVY SUMMARY

## Impact on Homeowners

The Waukesha County Tax Levy is comprised of two segments. The general County Tax Levy of \$98,037,483, which is levied at a rate of \$2.01 (up from \$1.97) per \$1,000 of equalized value on all eligible property in the County. The Federated Library System Levy of \$2,883,486, which is levied at a rate of nearly \$0.251 (up from \$0.246) 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 2011, adjusted from the 2000 census, is \$255,600. This is down \$5,100 from the 2010 value reflecting the County-wide average residential deflation rate of -1.94%. This results in no increase in the County Tax Levy on the median home value as indicated below.



## General County Tax Levy

2010 Median Home Value	2010 County Tax	Residential Inflation	2011 Median Home Value	2011 County Tax	Change Amount	Change Percent
<b>\$260,700</b>	<b>\$514</b>	<b>-1.94%</b>	<b>\$255,600</b>	<b>\$514</b>	<b>\$0</b>	<b>0.0%</b>

## Homeowner County Taxes over 5 years Increase of about 1/2% per Year

<u>Budget Year</u>	<u>Median Home Value</u>	<u>Rate / \$1,000</u>	<u>Tax</u>
2007	\$273,200	\$1.83	\$500
2012	\$255,600	\$2.01	\$514
<b>Net 5-Year \$ Increase: \$14</b>		<b>5-Year Average:</b>	<b>0.56%</b>

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## 2012 BUDGET ASSUMPTIONS

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**Certain broad assumptions are determined in April and May 2011 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 development of the County's 2012 Budget:

- Overall inflation factor estimates which are used to calculate the cost to continue of providing existing County services are projected at a round 2% for 2011-2012. Some major exceptions include cost increases for utilities, fuel, prescription drugs, health and medical services, food costs and certain commodity prices such as paper and some technology services, equipment and supplies.
- As a result of significant efforts to reduce the State of Wisconsin and Federal budget deficits, the County estimates revenue reductions and expenditure cost shifts to the County as indicated below:
  - State Transportation Aids formula impact is estimated to reduce budget funding by about \$525,000.
  - Human Services Youth Aids for prevention services to troubled youth are projected to decrease by \$435,000.
  - Family Care enrollment Caps are anticipated to shift costs to the County's Adult Protective Services programs by an estimated \$300,000.
  - State Shared Revenues are projected to decline by another \$220,000
  - State Transit Operating Assistance is estimated to decline by at least \$220,000, which also reduces federal aids, since less matching funds will be available to leverage the federal dollars.
  - State Circuit Court Support grant and other state funding support are expected to drop by \$170,000 (this funding source had been frozen since 2000).
  - Reductions in State Child Support enforcement funding is estimated to be reduced by \$120,000.
  - Federal Community Development grant funding is estimated to decrease by 10% on top of a 16% reduction in funding in 2011. This reduces grant funding for community development and the HOME program in the 2012 budget by over \$750,000.
- Personnel cost are projected to decrease mainly due to the State Budget repair bill which requires most County employees to make a 50% contribution to the Wisconsin Retirement pension system which is estimated to reduce tax levy by about \$2.45 million. This is somewhat offset by projected increases (based on actuarial analysis) assumed for the average County health insurance premium increase at about 7%, which is still below the national average cost increase.
- Average fuel costs for vehicles are assumed to increase 10% or \$0.30 to an average of \$3.30 per gallon (equivalent to approximately \$3.60 retail) from the 2011 Budget. Holding consumption approximately the same will result in higher fuel costs countywide by an estimated \$125,000.
- Overall net utility costs are estimated to increase from the 2011 adopted base budget levels by \$115,000. These higher estimated costs would be even greater if the County's did not make recent investments in energy conservation and sustainability plans
- Due to the slow recovery in real estate markets and the prolonged economic difficulties in housing and mortgage markets, real estate related revenues (real estate transfer fees, subdivision and plat reviews, and permitting revenues) are estimated to continue to decline by over \$150,000 in the 2012 budget after a \$200,000 decrease in the 2011 budget. Real estate transfer fee revenues alone are expected to decline by \$100,000 to about \$1.075 million. This is down (by nearly one-half) from the \$2.0 million budgeted back in 2009.
- Influenced by the economic downturn and slow recovery, the County's overall property tax base was estimated to decline by 2%. This decrease is mainly due to an estimated 3% reduction in housing values somewhat offset by increases from some new growth in commercial value. Residential property values account for about three quarters of the County tax base.
- Property taxes to support debt borrowing are estimated to increase by \$125,000 based on the Capital Plan project funding need. This takes into account the 2012 debt issue, which is increased to \$20 million mainly planned to fund the new Health and Human Services Building and County Truck Highway L (Janesville Road) expansion in the City of Muskego. No increase in tax levy is planned for the 2012 Capital budget.

## 2012 BUDGET SUMMARY

	2011 Adopted Budget	2012 Adopted Budget	Incr/(Decr) From 2011 Adopted Budget	
			\$	%
<b>OPERATING BUDGETS</b>				
Gross Expenditures	\$248,081,591	\$244,662,650	(\$3,418,941)	-1.4%
MEMO: Less Interdept. Charges (a)	\$34,525,780	\$36,150,998	\$1,625,218	4.7%
MEMO: Net Expenditures (a)	\$213,555,811	\$208,511,652	(\$5,044,159)	-2.4%
Less: Revenues (Excl. Retained Earnings)	\$140,548,257	\$136,098,060	(\$4,450,197)	-3.2%
Less Net Appropriated Fund Balance	\$9,682,330	\$10,068,621	\$386,291	
<b>TAX LEVY - OPERATING BUDGETS</b>	\$97,851,004	\$98,495,969	\$644,965	0.7%
<b>CAPITAL PROJECTS BUDGET</b>				
Expenditures	\$19,982,500	\$39,956,000	\$19,973,500	100.0%
Less: Revenues	\$13,310,500	\$27,100,000	\$13,789,500	103.6%
Less: Appropriated Fund Balance	\$4,247,000	\$10,431,000	\$6,184,000	
<b>TAX LEVY-CAPITAL PROJECTS BUDGET</b>	\$2,425,000	\$2,425,000	\$0	0.0%
<b>COUNTY TOTALS</b>				
Expenditures (a)	\$268,064,091	\$284,618,650	\$16,554,559	6.2%
Less: Revenues	\$153,858,757	\$163,198,060	\$9,339,303	6.1%
Less: Appropriated Fund Balance	\$13,929,330	\$20,499,621	\$6,570,291	
<b>County General Tax Levy (Excl Library)(c)</b>	<b>\$97,422,065</b>	<b>\$98,037,483</b>	<b>\$615,418</b>	<b>0.6%</b>
<b>Federated Library Tax Levy (b)</b>	<b>\$2,853,939</b>	<b>\$2,883,486</b>	<b>\$29,547</b>	<b>1.0%</b>
<b>Total County Tax Levy (c)</b>	<b>\$100,276,004</b>	<b>\$100,920,969</b>	<b>\$644,965</b>	<b>0.6%</b>

- (a) 2012 operating budget net expenditures are \$208,511,652 and total County net expenditures are \$248,467,652 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 2012 Tax Levy increase is within Wisconsin's Act 32 Tax Levy limit provisions (see Planning and Budget Policy Section).

## 2012 Budget Tax Levy Breakdown

(General County and Federated Library)

	2011 Adopted Budget	2012 Adopted Budget	Incr/(Decr) From 2011 Adopted Budget	
			\$	%
General County Tax Levy	\$97,422,065	\$98,037,483	\$615,418	0.6%
General County Tax Rate	\$1.9705	\$2.0111	\$0.0406	2.1%
General County Equalized Value	\$49,439,797,100	\$48,747,058,300	(\$692,738,800)	-1.4%
Federated Library Tax Levy	\$2,853,939	\$2,883,486	\$29,547	1.0%
Federated Library Tax Rate	\$0.2460	\$0.2514	\$0.0054	2.2%
Federated Library Equalized Value	\$11,602,963,300	\$11,470,523,100	(\$132,440,200)	-1.1%

## 2012 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2012 ADOPTED BUDGET				Tax Levy
	EXPEND.	REVENUES	NET FUND BALANCE	TAX LEVY	\$ Change '11 - '12
<b>JUSTICE AND PUBLIC SAFETY</b>					
EMERGENCY PREPAREDNESS					
General	\$5,177,394	\$292,511	\$35,000	\$4,849,883	\$114,923
Radio Services	\$961,038 (a)	\$1,218,386	(\$257,348)	\$0	\$0
Radio Svcs. Rtn'd. Earn.	\$0	(\$257,348)	\$257,348	\$0	\$0
Radio Svcs. Fund Bal. Appr.	\$0	(\$89,617)	\$89,617	\$0	\$0
DISTRICT ATTORNEY	\$2,437,666	\$681,479	\$0	\$1,756,187	\$15,000
CIRCUIT COURT SERVICES	\$9,275,631	\$4,048,250	\$20,000	\$5,207,381	\$77,354
MEDICAL EXAMINER	\$1,434,085	\$484,850	\$0	\$949,235	\$5,052
SHERIFF	<u>\$37,985,737</u>	<u>\$10,874,051</u>	<u>\$318,419</u>	<u>\$26,793,267</u>	<u>\$219,194</u>
<b>Subtotal: Justice &amp; Public Safety</b>	\$57,271,551	\$17,252,562	\$463,036	\$39,555,953	\$431,523
<b>HEALTH AND HUMAN SERVICES</b>					
CORPORATION COUNSEL					
Child Support (General Fund)	\$2,537,464	\$2,041,795	\$156,800	\$338,869	\$2,877
HEALTH & HUMAN SERVICES					
Human Services (General Fund)	\$60,810,130	\$35,498,942	\$530,510	\$24,780,678	\$244,270
Aging and Disability Resource Center Grant (ADRC) Fund	<u>\$2,932,563</u>	<u>\$2,932,563</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Subtotal: Health and Human Services</b>	\$66,280,157	\$40,473,300	\$687,310	\$25,119,547	\$247,147
<b>PARKS, ENVIR, EDUC. &amp; LAND USE</b>					
REGISTER OF DEEDS (b)	\$1,448,199	\$2,816,500	\$0	(\$1,368,301)	\$0
UW-EXTENSION: EDUCATION	\$713,054	\$371,991	\$0	\$341,063	\$2,000
FEDERATED LIBRARY					
County	\$2,883,486	\$0	\$0	\$2,883,486	\$29,547
State Aids	\$1,325,754	\$1,249,317	\$76,437	\$0	\$0
CAFÉ Shared Automation	\$390,996	\$455,996	(\$65,000)	\$0	\$0
CAFÉ Rtn'd. Fund Balance	\$0	(\$65,000)	\$65,000	\$0	\$0
PARKS & LAND USE					
General	\$11,315,103	\$3,959,093	\$55,000	\$7,301,010	\$75,708
Community Development (c)	\$3,110,840	\$3,085,840	\$25,000	\$0	(\$29,200)
Land Information Systems	\$726,335	\$726,335	\$0	\$0	\$0
Tarmann Parkland Acquisitions	\$1,000,000	\$300,000	\$700,000	\$0	\$0
Golf Courses	\$3,227,000 (a)	\$3,227,000	\$0	\$0	\$0
Golf Course Rtn'd. Earnings	\$0	\$0	\$0	\$0	\$0
Golf Course Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
Ice Arenas	\$1,076,203 (a)	\$1,057,200	\$19,003	\$0	\$0
Ice Arenas Rtn'd. Earnings	\$0	\$19,003	(\$19,003)	\$0	\$0
Material Recycling Facility	\$2,619,718 (a)	\$2,987,600	(\$367,882)	\$0	\$0
MRF Retained Earnings	\$0	(\$367,882)	\$367,882	\$0	\$0
MRF Fund Bal. Appr.	<u>\$0</u>	<u>(\$992,600)</u>	<u>\$992,600</u>	<u>\$0</u>	<u>\$0</u>
<b>Subtotal: Parks, Env., Ed. &amp; Land Use</b>	\$29,836,688	\$18,830,393	\$1,849,037	\$9,157,258	\$78,055

(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) Register of Deeds Tax Listing program was shifted to the Department of Administration during 2011, per County Board Enrolled Ordinance 166-29. History has been restated for comparative purposes to the 2012 Budget.

(c) Community Development Special Revenue fund is shifted from the County Executive's Office to the Parks and Land Use Department in the 2012 Budget, per County Board enrollec resolution 166-5.

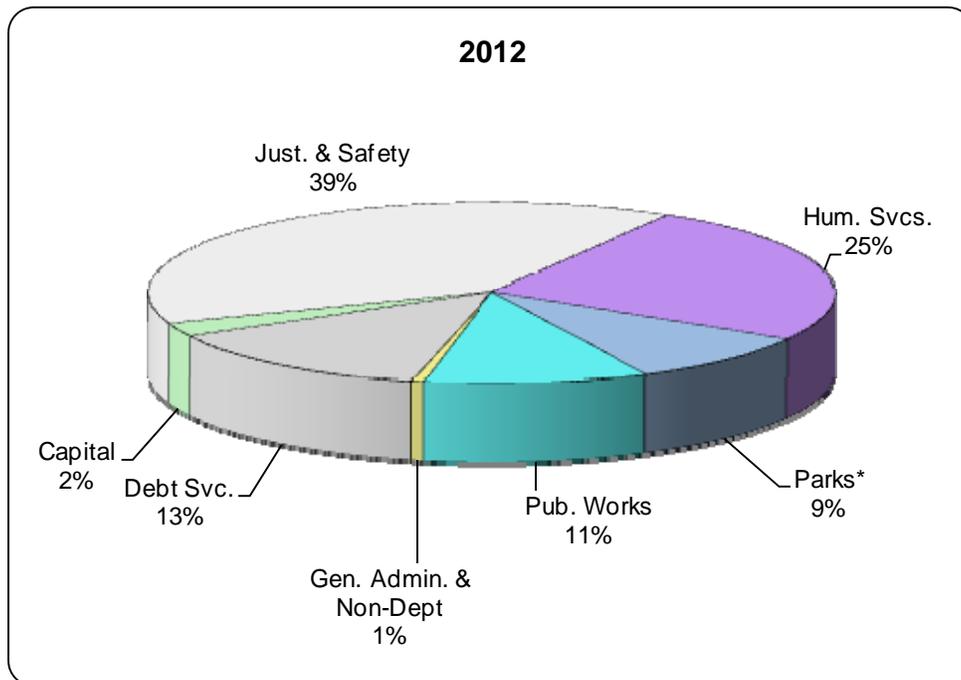
## 2012 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2012 ADOPTED BUDGET				Tax Levy
	EXPEND.	REVENUES	NET FUND BALANCE	TAX LEVY	\$ Change '11 - '12
<b>PUBLIC WORKS</b>					
DEPARTMENT OF PUBLIC WORKS					
General	\$10,424,970	\$1,590,430	\$373,000	\$8,461,540	\$83,883
Transportation	\$11,712,839	\$9,265,959	\$445,000	\$2,001,880	\$166,738
Central Fleet Maintenance	\$3,581,024 (a)	\$3,581,024	\$0	\$0	\$0
Central Fleet Rtn. Earnings	\$0	\$0	\$0	\$0	\$0
Central Fleet Fund Bal. Appr.	\$0	(\$141,083)	\$141,083	\$0	\$0
Vehicle/Equipment Replacement	\$2,569,597 (a)	\$2,569,597	\$0	\$0	\$0
Veh. Replace Rtn. Earnings	\$0	\$0	\$0	\$0	\$0
Veh. Replace Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
Airport	<u>\$1,108,222 (a)</u>	<u>\$734,830</u>	<u>\$180,829</u>	<u>\$192,563</u>	<u>\$0</u>
<b>Subtotal: Public Works</b>	<b>\$29,396,652</b>	<b>\$17,600,757</b>	<b>\$1,139,912</b>	<b>\$10,655,983</b>	<b>\$250,621</b>
<b>GENERAL ADMINISTRATION</b>					
COUNTY EXECUTIVE					
General	\$559,069	\$11,500	\$0	\$547,569	(\$1,000)
COUNTY BOARD	\$1,172,875	\$0	\$0	\$1,172,875	(\$42,987)
COUNTY CLERK	\$689,605	\$222,245	\$155,000	\$312,360	\$2,000
TREASURER	\$643,788	\$7,932,250	\$0	(\$7,288,462)	\$112,000
ADMINISTRATION					
General (b)	\$6,331,088	\$1,580,634	\$7,600	\$4,742,854	\$13,462
Risk Management	\$2,548,754 (a)	\$2,180,500	\$368,254	\$0	\$0
Collections	\$1,038,380 (a)	\$1,038,380	\$120,000	(\$120,000)	\$0
Collections Fund Bal. Appr.	\$0	(\$194,441)	\$194,441	\$0	\$0
Communications	\$795,534 (a)	\$763,072	\$32,462	\$0	\$0
End User Technology	\$6,301,879 (a)	\$6,329,091	(\$47,212)	\$20,000	(\$379,872)
End User Technology Rtn. Earn.	\$0	(\$47,212)	\$47,212	\$0	\$0
End User Tech. Fund Bal. Appr.	\$0	(\$816,671)	\$816,671	\$0	\$0
CORPORATION COUNSEL					
General	<u>\$1,482,132</u>	<u>\$452,100</u>	<u>\$0</u>	<u>\$1,030,032</u>	<u>\$24,016</u>
<b>Subtotal: General Administration</b>	<b>\$21,563,104</b>	<b>\$19,451,448</b>	<b>\$1,694,428</b>	<b>\$417,228</b>	<b>(\$272,381)</b>
NON DEPARTMENTAL					
GENERAL	\$2,431,100	\$1,340,600	\$915,500	\$175,000	\$0
HEALTH & DENTAL INSURANCE	\$21,984,500 (a)	\$21,149,000	\$835,500	\$0	\$0
CONTINGENCY	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$1,200,000</u>	<u>\$0</u>	<u>(\$200,000)</u>
<b>Subtotal: Non-Departmental</b>	<b>\$25,615,600</b>	<b>\$22,489,600</b>	<b>\$2,951,000</b>	<b>\$175,000</b>	<b>(\$200,000)</b>
<b>DEBT SERVICE--GENERAL</b>					
	<u>\$14,698,898</u>	<u>\$0</u>	<u>\$1,283,898</u>	<u>\$13,415,000</u>	<u>\$110,000</u>
<b>Subtotal: Operating Budget</b>	<b>\$244,662,650</b>	<b>\$136,098,060</b>	<b>\$10,068,621</b>	<b>\$98,495,969</b>	<b>\$644,965</b>
<b>CAPITAL PROJECTS</b>					
	<u>\$39,956,000</u>	<u>\$27,100,000</u>	<u>\$10,431,000</u>	<u>\$2,425,000</u>	<u>\$0</u>
<b>GRAND TOTAL</b>	<b><u>\$284,618,650</u></b>	<b><u>\$163,198,060</u></b>	<b><u>\$20,499,621</u></b>	<b><u>\$100,920,969</u></b>	<b><u>\$644,965</u></b>

(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.

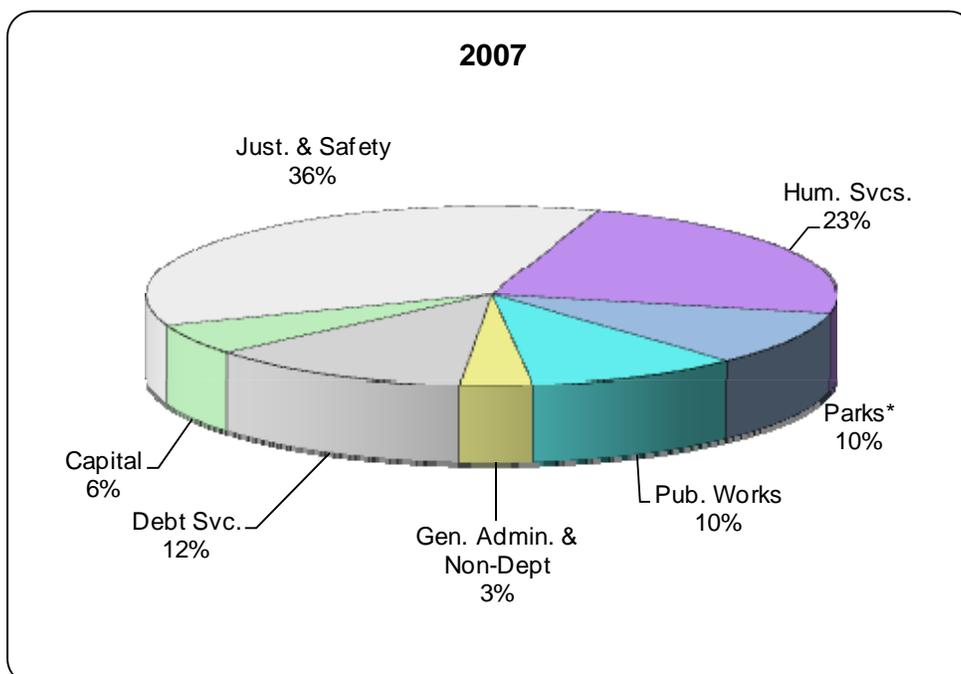
(b) Register of Deeds Tax Listing program was shifted to the Department of Administration during 2011, per County Board Enrolled Ordinance 166-29. History has been restated for comparative purposes to the 2012 Budget.

## 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.

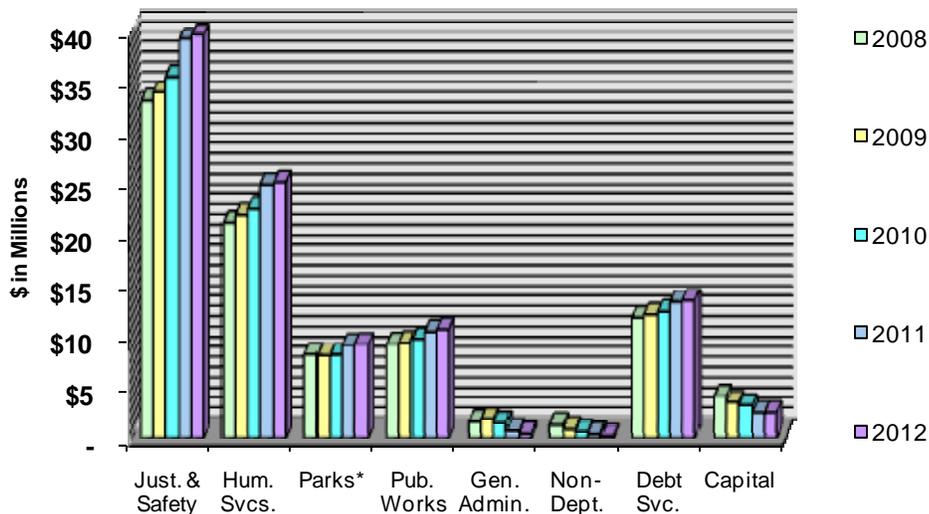


\* Includes Parks, Environment, Education, and Land Use

## 2011-2012 TAX LEVY BY FUNCTION (COMBINES ALL FUNDS)

BY FUNCTION	2011 Adopted Budget	2012 Adopted Budget	Incr/(Decr) From 2011 Adopted Budget	
			\$	%
Justice & Public Safety	\$39,124,430	\$39,555,953	\$431,523	1.1%
Health & Human Services	\$24,872,400	\$25,119,547	\$247,147	1.0%
Parks, Env., Educ. & Land Use	\$9,079,203	\$9,157,258	\$78,055	0.9%
Public Works	\$10,405,362	\$10,655,983	\$250,621	2.4%
General Administration	\$689,609	\$417,228	\$(272,381)	-39.5%
Non-Departmental	\$375,000	\$175,000	\$(200,000)	-53.3%
Debt Service	\$13,305,000	\$13,415,000	\$110,000	0.8%
Capital Projects	\$2,425,000	\$2,425,000	-	0.0%
<b>Total Tax Levy</b>	<b>\$100,276,004</b>	<b>\$100,920,969</b>	<b>\$644,965</b>	<b>0.6%</b>

**2008-2012 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

## 2010 - 2012 EXPENDITURE SUMMARY

APPROPRIATION UNIT	2010	2011	2011	2012	Incr/(Decr)
	Actual (c)(d)	Adopted Budget (c)(d)	Estimate (a)(c)(d)	Adopted Budget	From 2011 Adpt. Budget
Personnel Costs	\$111,176,837	\$115,958,056	\$113,803,454	\$114,012,267	\$(1,945,789)
Operating Expenses	\$89,842,871	\$97,917,136	\$96,446,523	\$95,735,125	\$(2,182,011)
Interdepartmental Charges (a)	\$17,140,232	\$18,050,943	\$18,054,991	\$18,834,235	\$783,292
Fixed Assets & Imprvmnts (a)(b)	\$1,143,152	\$1,546,070	\$2,862,260	\$1,382,125	\$(163,945)
Debt Service-Excl Proprietary (b)	\$13,424,280	\$14,609,386	\$14,260,230	\$14,698,898	\$89,512
Capital Projects	\$15,378,799	\$19,982,500	\$19,982,500	\$39,956,000	\$19,973,500
<b>Total Gross Expenditures</b>	<b>\$248,106,171</b>	<b>\$268,064,091</b>	<b>\$265,409,958</b>	<b>\$284,618,650</b>	<b>\$16,554,559</b>

FUNCTIONAL AREA	2010	2011	2011	2012	Incr/(Decr)
	Actual	Adopted Budget	Estimate (a)	Adopted Budget	From 2011 Adpt. Budget
Justice & Public Safety (a)	\$55,820,486	\$57,212,864	\$57,753,409	\$57,271,551	\$58,687
Health & Human Services (c)	\$65,154,178	\$70,559,085	\$66,933,513	\$66,280,157	\$(4,278,928)
Parks, Env., Educ. & Land Use (a)(c)(d)	\$29,688,750	\$30,967,846	\$33,118,881	\$29,836,688	\$(1,131,158)
Public Works (a)	\$27,749,437	\$29,514,344	\$30,393,066	\$29,396,652	\$(117,692)
General Administration (d)	\$19,888,583	\$21,324,266	\$21,165,089	\$21,563,104	\$238,838
Non-Departmental	\$21,001,658	\$23,893,800	\$21,803,270	\$25,615,600	\$1,721,800
Debt Service-Excl Proprietary (b)	\$13,424,280	\$14,609,386	\$14,260,230	\$14,698,898	\$89,512
Capital Projects	\$15,378,799	\$19,982,500	\$19,982,500	\$39,956,000	\$19,973,500
<b>Total Gross Expenditures</b>	<b>\$248,106,171</b>	<b>\$268,064,091</b>	<b>\$265,409,958</b>	<b>\$284,618,650</b>	<b>\$16,554,559</b>

(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, which was previously budgeted in the County Executive Department in the Health and Human Services Functional Area, has been transferred to the Parks and Land Use Department in the Parks, Environment, Education and Land Use Functional Area per County Board enrolled resolution 166-5. History has been restated for comparative purposes to the 2012 budget. This includes restating 2011 budgeted expenditures of \$4,098,600 from the Health and Human Services functional area to the Parks, Environment, Educator and Land Use Functional Area.

(d) The Tax Listing program, which was previously budgeted in Register of Deeds Office in the Parks, Environment, Education and Land Use Functional Area was shifted to the Department of Administration in the General Administration Functional Area during 2011, per County Board enrolled ordinance 166-29. History has been restated for comparative purposes to the 2012 budget. This includes restating 2011 budgeted expenditures of \$303,766 from the Parks, Environment, Education and Land Use Functional Area to the General Administration Functional Area.

## 2012 EXPENDITURE HIGHLIGHTS

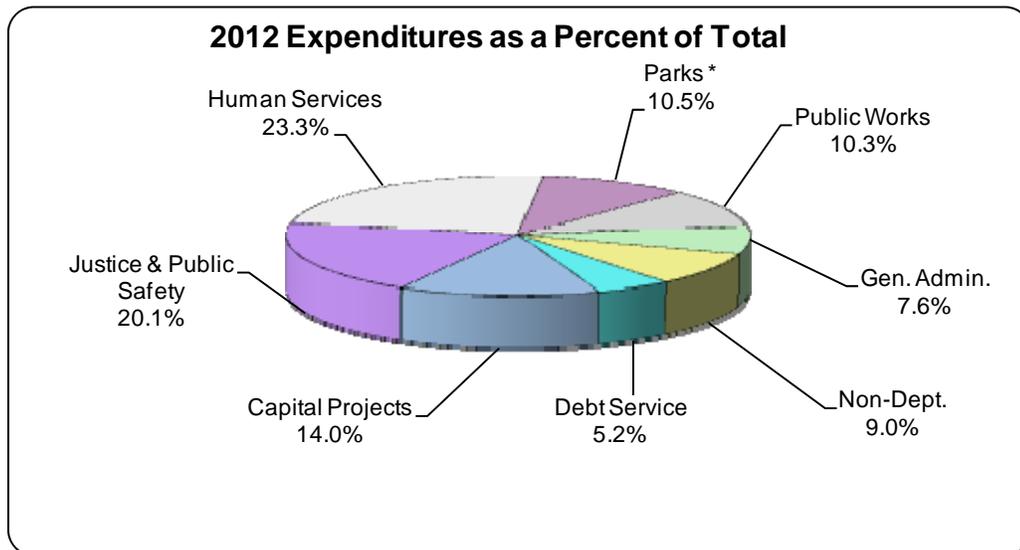
### Expenditure Budget:

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>
<b>Total Expenditures</b>	<b>\$284,618,650</b>	<b>100.0%</b>

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

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## 2012 EXPENDITURE HIGHLIGHTS

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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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## 2012 EXPENDITURE HIGHLIGHTS

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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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## 2012 EXPENDITURE HIGHLIGHTS

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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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## 2012 EXPENDITURE HIGHLIGHTS

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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.

## 2010-2012 REVENUE SUMMARY

SOURCE	2010 Actual (d)(e)	2011 Adopted Budget (c)(d)(e)	2011 Estimate (d)(e)	2012 Adopted Budget	Incr/(Decr) From 2011 Adpt. Budget
Intgov't Contracts & Grants	\$54,129,741	\$53,480,351	\$55,052,077	\$51,006,044	\$(2,474,307)
State Transportation Aids	\$5,262,119	\$5,325,973	\$5,228,001	\$4,678,002	\$(647,971)
State Shared Revenues	\$1,252,762	\$1,080,000	\$1,080,000	\$995,000	\$(85,000)
Fines & Licenses	\$2,729,219	\$2,868,750	\$2,623,303	\$2,674,320	\$(194,430)
Charges for Services (a)	\$30,636,538	\$31,499,625	\$30,647,907	\$31,846,179	\$346,554
Interdepartmental Revenue	\$32,818,180	\$34,525,780	\$34,901,515	\$36,150,998	\$1,625,218
Other Revenues	\$8,625,597	\$8,024,312	\$7,918,655	\$8,195,956	\$171,644
Interest/Penalty on Delinq Taxes	\$3,450,144	\$2,850,000	\$3,450,000	\$2,850,000	-
Investment Inc-Unrestricted Funds	\$4,862,586	\$5,270,000	\$4,850,000	\$5,520,000	\$250,000
Debt Borrowing	\$9,000,000	\$10,000,000	\$10,000,000	\$20,000,000	\$10,000,000
Appropriated Fund Balance (c)	\$(25,728)	\$13,655,295	\$11,495,276	\$20,499,621	\$6,844,326
Retained Earnings (a)(b)(c)	\$(3,126,344)	\$(791,999)	\$(2,112,780)	\$(718,439)	\$73,560
Tax Levy	\$98,491,357	\$100,276,004	\$100,276,004	\$100,920,969	\$644,965
<b>Total Gross Revenues</b>	<b>\$248,106,171</b>	<b>\$268,064,091</b>	<b>\$265,409,958</b>	<b>\$284,618,650</b>	<b>\$16,554,559</b>

FUNCTION	2010 Actual (d)(e)	2011 Adopted Budget (c)(d)(e)	2011 Estimate (d)(e)	2012 Adopted Budget	Incr/(Decr) From 2011 Adpt. Budget
Justice & Public Safety	\$18,200,287	\$17,818,192	\$18,487,837	\$17,509,910	\$(308,282)
Health & Human Services (d)	\$43,860,021	\$44,757,461	\$42,877,131	\$40,473,300	\$(4,284,161)
Parks, Env, Educ & Land Use (d)(e)	\$20,569,500	\$20,551,113	\$22,069,545	\$19,244,272	\$(1,306,841)
Public Works	\$17,521,662	\$18,277,592	\$18,464,576	\$17,600,757	\$(676,835)
General Administration (e)	\$18,795,949	\$18,966,933	\$19,024,019	\$19,498,660	\$531,727
Non-Departmental	\$20,535,520	\$21,243,000	\$21,518,350	\$22,489,600	\$1,246,600
Debt Borrowing	\$9,000,000	\$10,000,000	\$10,000,000	\$20,000,000	\$10,000,000
Capital Projects	\$4,283,947	\$3,310,500	\$3,310,000	\$7,100,000	\$3,789,500
Appropriated Fund Balance (c)	\$(25,728)	\$13,655,295	\$11,495,276	\$20,499,621	\$6,844,326
Retained Earnings (a)(b)(c)	\$(3,126,344)	\$(791,999)	\$(2,112,780)	\$(718,439)	\$73,560
Tax Levy (d)(e)	\$98,491,357	\$100,276,004	\$100,276,004	\$100,920,969	\$644,965
<b>Total Gross Revenues</b>	<b>\$248,106,171</b>	<b>\$268,064,091</b>	<b>\$265,409,958</b>	<b>\$284,618,650</b>	<b>\$16,554,559</b>

(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) The 2011 adopted budget for Appropriated Fund Balance for the Parks and Land Use - Material Recycling Facility Fund has been restated down by \$274,035 for comparative purposes to the 2012 budget.

(d) The Community Development Fund, which was previously budgeted in the County Executive Department in the Health and Human Services Functional Area, has been transferred to the Parks and Land Use Department in the Parks, Environment, Education and Land Use Functional Area per County Board enrolled resolution 166-5. History has been restated for comparative purposes to the 2012 budget. This includes restating 2011 budgeted revenues of \$4,069,400 and tax levy of \$29,200 is from the Health & Human Services Functional Area to the Parks, Environment and Land Use Functional Area.

(e) The Tax Listing program, which was previously budgeted in Register of Deeds Office in the Parks, Environment, Education and Land Use Functional Area was shifted to the Department of Administration in the General Administration Functional Area during 2011, per County Board enrolled ordinance 166-29. History has been restated for comparative purposes to the 2012 budget. This includes restating 2011 budgeted revenues of \$6,960 and tax levy of \$296,806 from the Parks, Environment and Land Use Functional Area to the General Administration Functional Area.

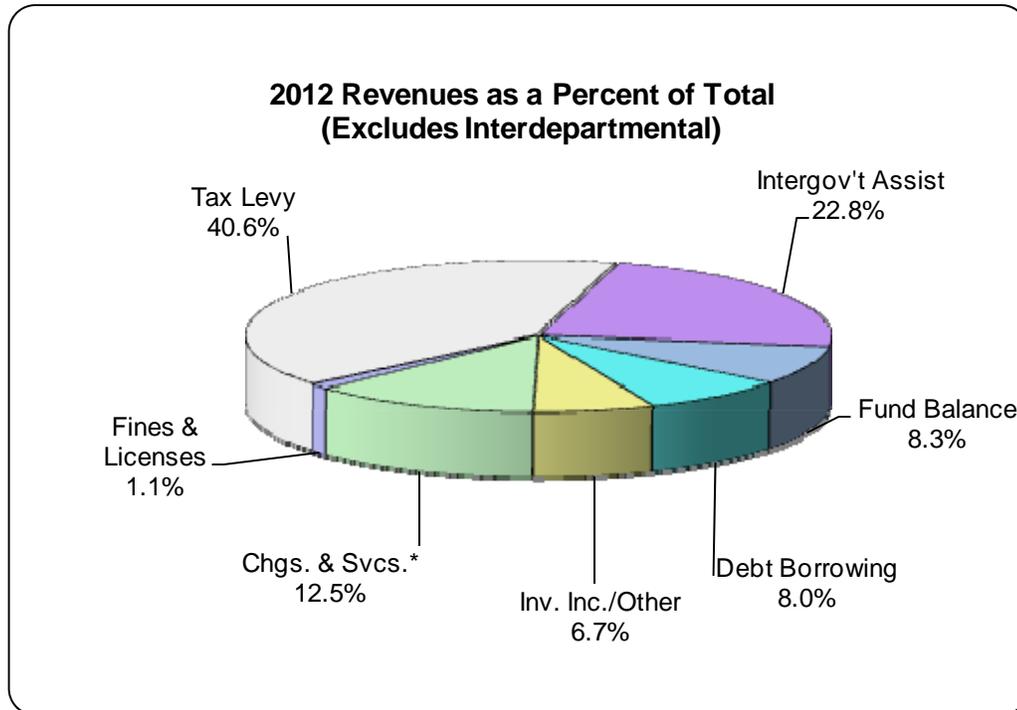
# 2012 REVENUE HIGHLIGHTS

## 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**

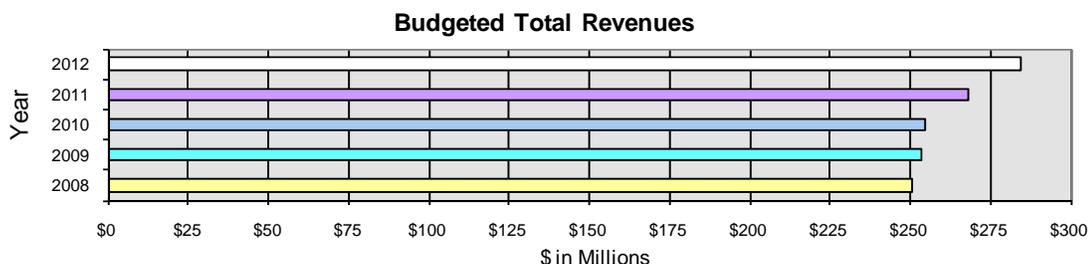
Realistic and accurate revenue forecasting is one of the primary building blocks in the development of a fiscally sound budget. The County combines four primary projection methods based on the unique characteristics of forecasted revenue. These methods include:

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.

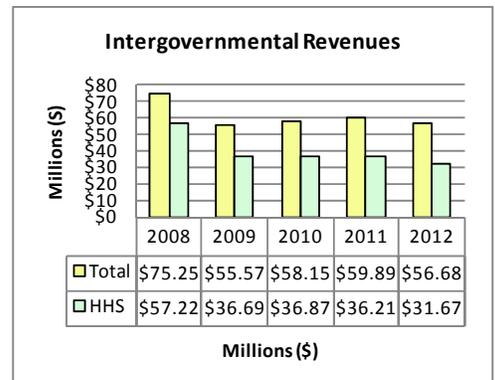
The 2011 revenue budget increased by \$6.5 million. This increase includes an increase in intergovernmental revenue of \$1.8 million largely as a result of increased revenue of \$808,000 for Health & Human Services (HHS) Children's Long Term Support Waiver funding and \$490,000 of HHS Community Service 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).

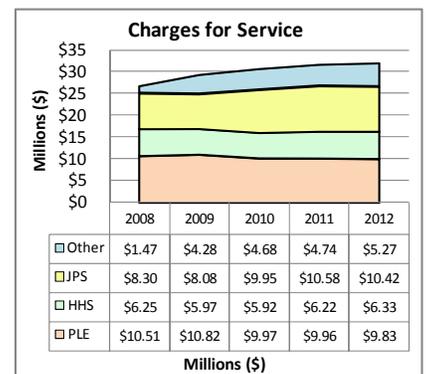


- **H&HS Functional Area** Intergovernmental Revenue decreases by about \$4.5 million to \$31.7 million as follows:
  - **Department of Health and Human Services (H&HS) – Children with Special Needs Program** budget includes a Children's Long Term Support Waiver (CLTS) funding reduction by about \$3.8M 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.

# 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 2010-2012

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

FUNCTIONAL AREAS:	2010 Year End (a)(b)	2011 Adopted Budget (a)(b)	2011 Modified Budget (a)(b)	2012 Adopted Budget	11-12 Change
Justice and Public Safety	549.90	549.75	549.75	543.52	(6.23)
Health and Human Services (a)	419.50	419.62	419.62	418.06	(1.56)
Parks, Env., Educ., and Land Use (a)(b)	139.70	135.75	135.75	133.70	(2.05)
Public Works	149.10	144.10	144.10	135.60	(8.50)
General Administration (b)	126.40	126.40	126.40	126.05	(0.35)
Non-Departmental	-	-	-	-	-
<b>Total Regular Positions Countywide</b>	<b>1,384.60</b>	<b>1,375.62</b>	<b>1,375.62</b>	<b>1,356.93</b>	<b>(18.69)</b>
Temporary Extra Help	114.93	121.02	121.25	123.64	2.62
Overtime	25.76	23.10	23.14	22.89	(0.21)
<b>Total Position Equivalents Countywide</b>	<b>1,525.29</b>	<b>1,519.74</b>	<b>1,520.01</b>	<b>1,503.46</b>	<b>(16.28)</b>

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

- (a) The Community Development Fund, which was previously budgeted in the County Executive Department in the Health and Human Services Functional Area, has been transferred to the Parks and Land Use Department in the Parks, Environment, Education and Land Use Functional Area per County Board enrolled resolution 166-5. History has been restated for comparative purposes to the 2012 budget.
- (b) The Tax Listing program, which was previously budgeted in Register of Deeds Office in the Parks, Environment, Education and Land Use Functional Area was shifted to the Department of Administration in the General Administration Functional Area during 2011, per County Board enrolled ordinance 166-29. History has been restated for comparative purposes to the 2012 budget.

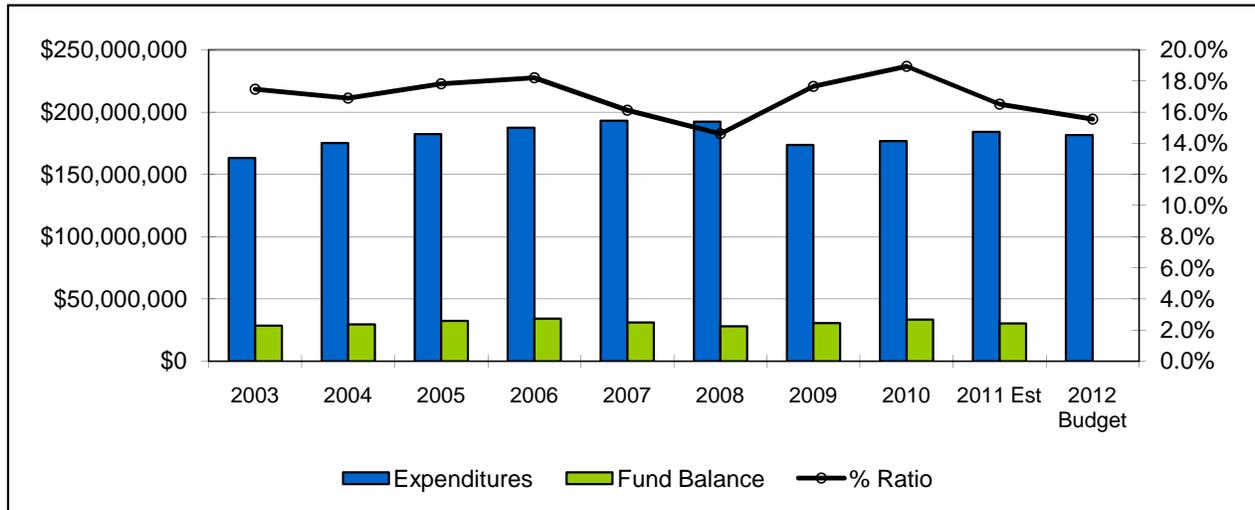
### Significant Changes for 2012

- Budgeted Full-Time Equivalents (FTEs) decrease by a net of 16.28 FTE, including temporary extra help and overtime.
- There is a net decrease of 18.69 FTE budgeted regular positions, mostly due to position reductions in Public Works and Justice and Public Safety functional areas.
- Temporary extra help increases a net of 2.62 FTE (5,450 hours), mainly due to an increase of about 3.0 FTE in the Department of Administration – Collections Division in anticipation of a new major government client and corresponding revenue to more than offset costs. Budgeted overtime decreases a net of 0.21 FTE (437 hours).

### Current-Year Changes in 2011

<b>Create:</b>	1.00 FTE Program Assistant - DOA (Enrolled Ord. 166-29)	1.00
<b>Abolish:</b>	1.00 FTE Real Property Tax Lister - DOA (Enrolled Ord. 166-29)	(1.00)
<b>Create:</b>	Circuit Court Division Coordinator - Courts (Enrolled Ord. 166-36)	1.00
<b>Abolish</b>	Circuit Court Supervisor - Courts (Enrolled Ord. 166-36)	(1.00)
<b>Temp Help/Overtime</b>	Mainly due to grant/contract funding received during 2011	0.27

**GENERAL & SPECIAL REVENUE FUNDS**  
**Expenditures, Unassigned Fund Balance**



Expenditures and Unassigned Fund Balance  
 General and Special Revenue Funds

<u>Year</u>	<u>Expenditures</u>	<u>Unassigned Fund Balance*</u>	<u>% Ratio</u>
2003	\$163,223,728	\$28,510,461	17.5%
2004	\$175,235,496	\$29,596,034	16.9%
2005	\$182,433,309	\$32,507,004	17.8%
2006	\$187,410,318	\$34,138,957	18.2%
2007	\$192,949,494	\$31,116,045	16.1%
2008	\$192,284,111	\$28,084,566	14.6%
2009	\$173,554,267	\$30,647,610	17.7%
2010	\$176,668,309	\$33,470,181	18.9%
2011 Est	\$184,208,332	\$30,394,546	16.5%
2012 Budget	\$181,551,902	\$28,231,666	15.6%

**Policy and Practice**

The County will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the County's Aaa/AAA bond ratings.

The unrestricted governmental (general and special revenue) fund balance to governmental expenditures ratios will be maintained at a minimum of 11%. The current target is 15%, or about eight weeks of working capital for operations.

Fund balance reserves will not be used to offset continuous operation costs.

To the extent possible, reserves will be used to provide operating efficiencies over the long term.

\*Does not include unrealized gains or losses on investments. While the County typically holds these investments to maturity or life of the security, generally accepted accounting principles require that these investments be recorded at their fair value. Prior to the implementation of GASB 54 in 2011, unassigned fund balance was referred to as unreserved, undesignated fund balance.

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## SUMMARY OF FUND BALANCE PROJECTIONS

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Projections of fund balance are an indicator of the estimated financial condition of the County at year-end. Fund balances are projected separately for General, Special Revenue, Enterprise, Internal Service, Debt, and Capital Project Fund types. For a description of the County's financial structure see the Strategic Planning and Budget Policies Section of the 2012 Adopted Budget. For descriptions of funds see the Summary section.

The County implemented GASB Statement 54 in 2011. Prior year fund balances have been restated accordingly, reflecting the new classifications of restricted, committed, assigned, and unassigned. Additionally, some funds previously classified as special revenue funds were reclassified in the General Fund, among them the Health and Human Services fund. This was the only "Major Special Revenue" fund reported by the County in 2010.

### **December 31, 2011 (unaudited)**

The current year projection (year-end 2011) is based on year-to-date information together with departmental estimates of revenues, expenditures and net transfers for various fund types. Total combined estimates of fund balances at December 31, 2011 are projected at \$137.0 million, a decrease of \$6.1 million from December 31, 2010 year-end combined fund balances. Of the combined fund balance amount, \$102.8 million is restricted or committed (by the Grantor, State Law, County Board, etc.) or assigned for specific future use exclusively within each particular fund. A summary of projected fund balance by fund type is described below.

**General Fund Balance** - The estimated fund balance for the General Fund at December 31, 2011 is projected at \$64.6 million, a decrease of \$0.5 million from 2010. Revenues were \$1.1 million over expenditures. Net transfers out of the General fund were \$1.6 million, including \$1.0 million for capital and \$0.5 million for the Risk Management fund. The unassigned portion of the fund balance is estimated at \$34.2 million, a decrease of \$1.9 million from 2010.

**Special Revenue Fund Balance** - The December 31, 2011 estimated fund balance is \$9.8 million, an increase of \$0.3 million from 2010. This increase results mainly from one-time revenues in the Library Fund which will be used to fund system software/hardware replacement in future years.

**Working Capital** - The unassigned General Fund balance provides working capital for almost nine weeks of operations based on the 2012 expenditure budget. In addition, the ratio of governmental funds unassigned fund balance to governmental expenditures for year-end 2011 is estimated at 16.5%. This estimated percentage exceeds the County's goal of at least 11%, which provides sufficient cash flow for the County's operations. It also exceeds the County's target goal of 15%.

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## SUMMARY OF FUND BALANCE PROJECTIONS, Cont.

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**Enterprise Fund Balance** - Fund balance is projected at \$18.8, a decrease of \$0.7 million from 2010. This reflects planned use of fund balance in the 2011 budget. The enterprise funds include three golf courses, two indoor ice arenas, radio services, a materials recycling facility, and an airport.

**Internal Service Fund Balance** - Year-end 2011 fund balance is estimated at \$11.3 million, a decrease of \$0.8 million from 2010. This reflects the planned use of fund balance in the 2011 budget.

**Debt Service Fund Balance** - Year end 2011 fund balance is estimated at \$3.7 million, a decrease of \$0.6 million from 2010.

**Capital Projects Fund Balance** - Fund balance is projected at \$28.8 million, a decrease of \$3.7 million from 2010. The entire fund balance is reserved for existing capital projects.

### December 31, 2012

The year-end 2012 projection is based on 2012 budgeted revenues, expenditures, and estimates on completion of capital projects appropriated in prior years. At year-end 2012, total combined fund balances are estimated at \$117.7 million, a decrease of \$19.3 million from the estimated 2011 level. Of the estimated combined year end 2012 total fund balance, \$85.7 million is restricted, committed or assigned specific future use within the particular funds, and \$32.0 million is estimated to be the unassigned fund balance. This is an estimated decrease in unassigned fund balance of about \$2.2 million from year-end 2011.

**General Fund Balance** - The estimated fund balance for the General Fund is projected at \$59.3 million, a decrease of \$5.4 million from the 2011 estimate. This increase results from the planned use of \$2.6 million in the 2012 budget and transfers out of \$2.8 million. Transfers out include \$1.5 million for capital projects, \$0.5 million for debt service, and \$0.5 million for transportation.

The unassigned portion of the fund balance is estimated at \$32.0 million.

**Special Revenue Fund Balance** - The December 31, 2012 estimated fund balance is \$9.0 million, a decrease of \$0.8 million from 2011. This decrease results mainly from the planned use of fund balances in the 2012 budget.

**Working Capital** - The ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2012 is estimated at 15.6%, a decrease from the 16.5% estimate for year-end 2011.

**SUMMARY OF PROJECTED FUND BALANCE  
AS OF DECEMBER 31, 2011**

SCHEDULE 1

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
<b>Revenues:</b>							
General Intergovernmental	\$37,601,137	\$21,584,305	\$874,000	\$ -	\$ -	\$ 2,960,500	\$63,019,942
Taxes	79,355,288	4,718,281	192,563	279,872	13,305,000	2,425,000	100,276,004
Fines/Licenses	2,656,683	-	-	-	-	-	2,656,683
Charges for Services	21,486,301	1,082,780	5,456,810	3,056,000	-	-	31,081,891
Interdepartmental Revenue	3,603,190	484,767	591,026	30,228,550	-	-	34,907,533
Interest Income	4,250,000	133,000	-	-	200,000	350,000	4,933,000
Other Revenue	8,298,736	840,351	1,061,684	1,535,725	9,490,000	10,000,000	31,226,496
<b>Total Revenues</b>	<b>\$157,251,335</b>	<b>\$28,843,484</b>	<b>\$8,176,083</b>	<b>\$35,100,147</b>	<b>\$22,995,000</b>	<b>\$15,735,500</b>	<b>\$268,101,549</b>
<b>Expenditures:</b>							
Personnel Costs	\$97,670,420	\$8,075,345	\$2,927,486	\$5,089,914	\$ -	\$ -	\$113,763,165
Operating Expenses	45,207,774	14,771,721	4,637,920	30,806,782	-	-	95,424,197
Interdepartmental Charges	11,880,301	4,569,766	1,348,750	540,177	-	-	18,338,994
Fixed Asset/Capital Projects	1,441,708	591,297	-	-	-	20,498,417	22,531,422
Debt Service	-	-	-	-	24,135,230	-	24,135,230
<b>Total Expenditures</b>	<b>\$156,200,203</b>	<b>\$28,008,129</b>	<b>\$8,914,156 (A)</b>	<b>\$36,436,873 (A)</b>	<b>\$24,135,230</b>	<b>\$20,498,417</b>	<b>\$274,193,008</b>
<b>Excess of Revenues over (under)</b>							
Expenditures	\$1,051,132	\$835,355 (B)	(\$738,073) (B)	(\$1,336,726) (B)	(\$1,140,230) (B)	(\$4,762,917) (B)	(\$6,091,459) (B)

Footnotes:

(A) Net of capital projects expenditures and revenues.

(B) Negative amounts reflect planned use of restricted, committed, or assigned fund balances for one time or temporary purposes.

**SUMMARY OF PROJECTED FUND BALANCE  
AS OF DECEMBER 31, 2011**

SCHEDULE 2

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance Dec 31, 2010 (Restated)	\$65,109,029	\$9,540,617	\$19,510,129	\$12,066,846	\$4,248,449	\$32,584,057	\$143,059,127
Restricted/Committed/Assigned Fund Balance	29,006,441	9,540,617	19,510,129 (D)	12,066,846 (D)	4,248,449	32,584,057	106,956,539
Unassigned Fund Balance January 1, 2011	36,102,588	0	\$0	\$0	\$0	\$0	\$36,102,588
Excess of Revenues over (under) Expenditures (A)	1,051,132	835,355	(738,073)	(1,336,726)	(1,140,230)	(4,762,917)	(6,091,459)
Net Operating Transfers in (out)	(1,550,657)	(582,865)	0	558,522	550,000	1,025,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	(\$499,525)	\$252,490	(\$738,073)	(\$778,204)	(\$590,230)	(\$3,737,917)	(\$6,091,459)
Total Projected Fund Balance Dec 31, 2011	64,609,504	9,793,107	18,772,056	11,288,642	3,658,219	28,846,140	136,967,668
Restricted/Committed/Assigned Fund Balance	30,451,031 (B)	9,793,107 (C)	18,772,056 (D)	11,288,642 (D)	3,658,219	28,846,140	102,809,195
Total Projected Unassigned Fund Balance	\$34,158,473	\$0	\$0	\$0	\$0	\$0	\$34,158,473

Footnotes:

(A) Negative amounts reflect planned use of restricted, committed, or assigned fund balances for one time or temporary purposes.

(B) Includes \$3,766,829 assigned in the 2012 budget.

(C) Includes \$1,246,437 assigned in 2012 budget.

(D) The Enterprise and Internal Service Fund balances include fixed assets and funds budgeted for ongoing capital projects, and may include some unreserved funds.

**SUMMARY OF PROJECTED FUND BALANCE  
AS OF DECEMBER 31, 2012**

SCHEDULE 3

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance December 31, 2011	\$64,609,504	\$9,793,107	\$18,772,056	\$11,288,642	\$3,658,219	\$28,846,140	\$136,967,668
Restricted/Committed/Assigned Fund Balance	30,451,031	9,793,107	18,772,056	11,288,642	3,658,219	28,846,140	102,809,195
Unassigned Fund Balance January 1, 2012	\$34,158,473	\$0	\$0	\$0	\$0	\$0	\$34,158,473
Excess of Revenues over (under) Expenditures (A)	(2,566,829)	(1,246,437)	(1,263,046)	(2,508,411)	(1,283,898)	(10,431,000)	(19,299,621)
Net Operating Transfers in (out)	(2,788,254) (B)	445,000	0	368,254	500,000	1,475,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	(\$5,355,083)	(\$801,437)	(\$1,263,046)	(\$2,140,157)	(\$783,898)	(\$8,956,000)	(\$19,299,621)
Total Projected Fund Balance Dec. 31, 2012	59,254,421	8,991,670	17,509,010	9,148,485	2,874,321	19,890,140	117,668,047
Restricted/Committed/Assigned Fund Balance	27,258,828	8,991,670	17,509,010 (C)	9,148,485 (C)	2,874,321	19,890,140	85,672,454
Total Projected Unassigned Fund Balance	\$31,995,593	\$0	\$0	\$0	\$0	\$0	\$31,995,593

Footnotes:

(A) Budgeted fund balances are responsible for the deficit figures.

(B) Includes planned transfer out of \$1,475,000 for Capital Projects, \$500,000 for Debt Service, and \$445,000 for Transportation, and \$368,254 for Risk Management

(C) The Enterprise and Internal Service Fund balances include fixed assets and may include some unreserved funds.

**FUNCTIONAL AREA SUMMARY BY FUND TYPE**

**2012 BUDGET**

<b>REVENUES</b>	<b>GENERAL FUND (a)</b>	<b>SPECIAL REVENUE</b>	<b>ENTERPRISE</b>	<b>INTERNAL SERVICE</b>	<b>DEBT</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
JUSTICE & PUBLIC SAFETY	\$16,381,141		\$1,128,769				\$17,509,910
HEALTH & HUMAN SERVICES	\$37,540,737	\$2,932,563					\$40,473,300
PARKS, ENV., EDUC., LAND USE	\$7,147,584	\$5,817,488	\$6,279,200				\$19,244,272
PUBLIC WORKS	\$1,590,430	\$9,265,959	\$734,830	\$6,009,538		\$5,600,000	\$23,200,757
GENERAL ADMINISTRATION	\$10,198,729			\$9,299,931		\$21,500,000	\$40,998,660
NON DEPARTMENTAL	\$1,340,600			\$21,149,000			\$22,489,600
FUND BALANCE APPROPRIATION	\$3,766,829	\$1,246,437	\$1,263,046	\$2,508,411	\$1,283,898	\$10,431,000	\$20,499,621
RETAINED EARNINGS		(\$65,000)	(\$606,227)	(\$47,212)			(\$718,439)
<b>TAX LEVY</b>	<b>\$80,103,040</b>	<b>\$4,885,366</b>	<b>\$192,563</b>	<b>(\$100,000)</b>	<b>\$13,415,000</b>	<b>\$2,425,000</b>	<b>\$100,920,969</b>
<b>TOTAL REVENUES</b>	<b>\$158,069,090</b>	<b>\$24,082,813</b>	<b>\$8,992,181</b>	<b>\$38,819,668</b>	<b>\$14,698,898</b>	<b>\$39,956,000</b>	<b>\$284,618,650</b>
<b>EXPENDITURES</b>							
JUSTICE & PUBLIC SAFETY	\$56,310,513		\$961,038			\$1,245,000	\$58,516,551
HEALTH & HUMAN SERVICES	\$63,347,594	\$2,932,563				\$18,000,000	\$84,280,157
PARKS, ENV., EDUC., LAND USE	\$13,476,356	\$9,437,411	\$6,922,921			\$1,884,000	\$31,720,688
PUBLIC WORKS	\$10,424,970	\$11,712,839	\$1,108,222	\$6,150,621		\$17,807,000	\$47,203,652
GENERAL ADMINISTRATION	\$10,878,557			\$10,684,547	\$14,698,898	\$880,000	\$37,142,002
NON DEPARTMENTAL (a)	\$3,631,100			\$21,984,500		\$140,000	\$25,755,600
<b>TOTAL EXPENDITURES</b>	<b>\$158,069,090</b>	<b>\$24,082,813</b>	<b>\$8,992,181</b>	<b>\$38,819,668</b>	<b>\$14,698,898</b>	<b>\$39,956,000</b>	<b>\$284,618,650</b>

(a) Includes Contingency Fund.

**APPROPRIATION UNIT SUMMARY BY FUND TYPE**

**2012 BUDGET**

<b>REVENUES</b>	<b>GENERAL FUND (a)</b>	<b>SPECIAL REVENUE</b>	<b>ENTERPRISE</b>	<b>INTERNAL SERVICE</b>	<b>DEBT</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
INTERGOVT. CONTRACTS/GRANTS	\$34,336,664	\$15,067,382	\$875,000	\$0		\$6,400,000	\$56,679,046
FINES & LICENSES	\$2,674,320						\$2,674,320
CHARGES FOR SERVICES	\$21,378,953	\$1,228,200	\$5,584,480	\$3,654,546			\$31,846,179
INTERDEPART. REVENUES	\$3,720,172	\$468,016	\$621,449	\$31,341,361			\$36,150,998
OTHER REVENUES	\$12,089,112	\$1,252,412	\$1,061,870	\$1,462,562		\$20,700,000	\$36,565,956
FUND BALANCE APPROPRIATION	\$3,766,829	\$1,246,437	\$1,263,046	\$2,508,411	\$1,283,898	\$10,431,000	\$20,499,621
RETAINED EARNINGS		(\$65,000)	(\$606,227)	(\$47,212)			(\$718,439)
<b>TAX LEVY</b>	<b>\$80,103,040</b>	<b>\$4,885,366</b>	<b>\$192,563</b>	<b>(\$100,000)</b>	<b>\$13,415,000</b>	<b>\$2,425,000</b>	<b>\$100,920,969</b>
<b>TOTAL REVENUES</b>	<b>\$158,069,090</b>	<b>\$24,082,813</b>	<b>\$8,992,181</b>	<b>\$38,819,668</b>	<b>\$14,698,898</b>	<b>\$39,956,000</b>	<b>\$284,618,650</b>
<b>EXPENDITURES</b>							
PERSONNEL COSTS	\$97,752,160	\$8,132,717	\$2,926,562	\$5,200,828		\$0	\$114,012,267
OPERATING EXPENSES	\$47,264,477	\$10,721,266	\$4,681,777	\$33,067,605		\$0	\$95,735,125
INTERDEPARTMENTAL CHARGES	\$12,545,328	\$4,353,830	\$1,383,842	\$551,235		\$0	\$18,834,235
FIXED ASSETS & IMPROVEMENTS	\$507,125	\$875,000	\$0			\$39,956,000	\$41,338,125
DEBT SERVICE	\$0	\$0	\$0	\$0	\$14,698,898	\$0	\$14,698,898
<b>TOTAL EXPENDITURES</b>	<b>\$158,069,090</b>	<b>\$24,082,813</b>	<b>\$8,992,181</b>	<b>\$38,819,668</b>	<b>\$14,698,898</b>	<b>\$39,956,000</b>	<b>\$284,618,650</b>

(a) Includes Contingency Fund.

# Waukesha County Organizational Chart

