

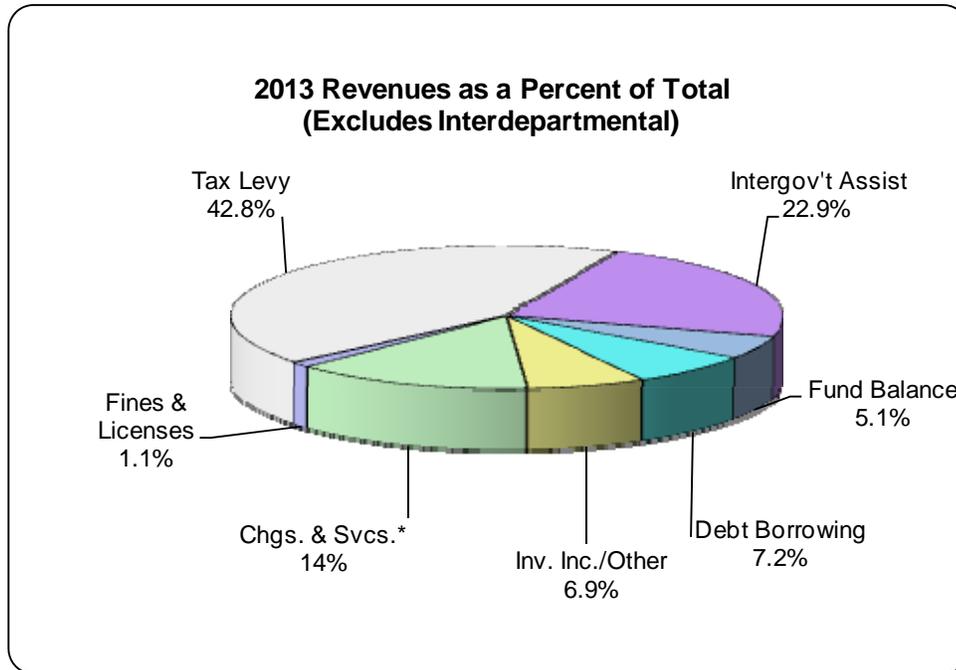
# 2013 REVENUE HIGHLIGHTS

## Revenue Budget:

The 2013 revenue budget (excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings) totals \$159,943,448, a decrease of \$3,254,612 or -2.0% from the 2012 Adopted Budget. The net revenue budget is \$123,234,881 after eliminating out Tax Levy of \$101,729,126, Fund Balance of \$12,099,722, and \$36,708,567 of interdepartmental revenues (mostly from internal service funds, e.g., Health and Dental Insurance Fund and cross charges such as Sheriff Bailiff, court security, etc.), which are in essence double-budgeted.

The 2013 revenues consist of departmental operating revenues budgeted at \$137,669,948 and capital project funds at \$22,273,500 including \$17,000,000 from planned borrowing. Overall, the operating revenues increase nearly \$1.57 million or 1.2% from the prior year budget, while capital project revenues decrease by \$4,826,500.

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



\* Excludes Retained Earnings

## **Revenue Projection Methodology**

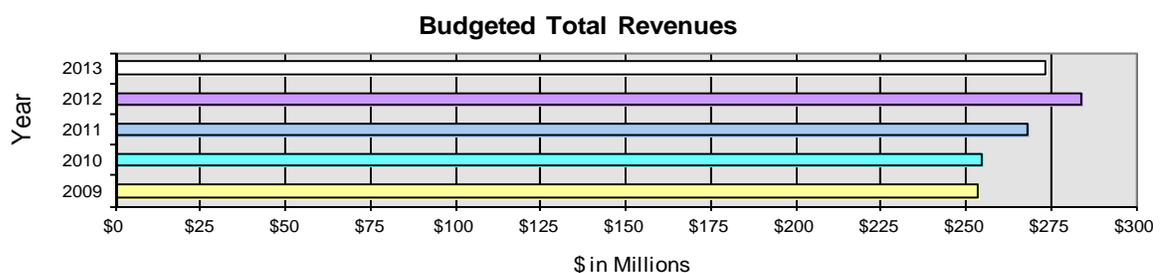
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The County combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

1. Informed and Expert Judgment (e.g., the advice of a department head).
2. Deterministic Techniques (e.g., formula based).
3. Time Series Technique (e.g., trend analysis, rolling averages).
4. Estimates from external sources or appropriated in adopted legislation (e.g., State and Federal governments).

## **Projection and Trends:**

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

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



## 2013 REVENUE HIGHLIGHTS

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

The 2013 revenue budget decreases by nearly \$10.8 million to \$273.7 million, including Debt Borrowing decreasing by \$3 million to \$17 million to fund Capital Project expenditures; Overall Fund Balance appropriation reductions of \$8.4 million, including a \$6.8 million drop in the Capital Budget and \$1.5 million less for the Operating budget. Intergovernmental Revenues decline by about \$880,000 due to federal and State funding reductions. User fee charges for services decreases by \$131,586 and the County general tax levy increases (excluding the special Library tax) by \$761,039.

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

The 2011 revenue budget increased by \$6.5 million. This increase includes an increase in intergovernmental revenue of \$1.8 million largely as a result of increased revenue of \$808,000 for Health & Human Services (HHS) Children's Long Term Support Waiver funding and \$490,000 of HHS Community Service cost recoveries; Charges for Service revenue increases \$1.0 million mainly due to police patrol contracts with the City of Pewaukee and Village of Sussex and client fee revenues in the Department of Health and Human Services; an \$868,000 increase in Interdepartmental Charges revenue mostly related to health insurance premiums; a \$1.4 million increase in Fund Balances use mainly to help fund Capital projects and debt service; and a \$1.8 million increase in Tax Levy offset by decreases in Other Revenue of \$115,800 and reduction in Fines and License revenue of \$208,000.

The 2010 revenue budget increased by \$5.3 million largely due to an increase in Intergovernmental revenue of \$2.7 million due to revenue of nearly \$1.5 million for renewable energy incentive grants funded with federal stimulus (ARRA) dollars; \$1.8 million for a contract with the City of Pewaukee to provide police service; and \$600,000 for the County Highway Improvement-Discretionary program budgeted every other year.

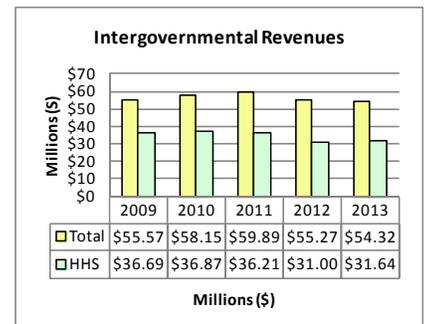
Detailed revenue highlights are included within each functional area summary.

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

### Intergovernmental Contracts & Grants:

Combined, total 2013 intergovernmental contracts, grants, state/federal aids and state shared revenues together are budgeted at \$54,387,411, a decrease of \$879,923 or -1.6% from the 2012 Adopted Budget (as indicated below).

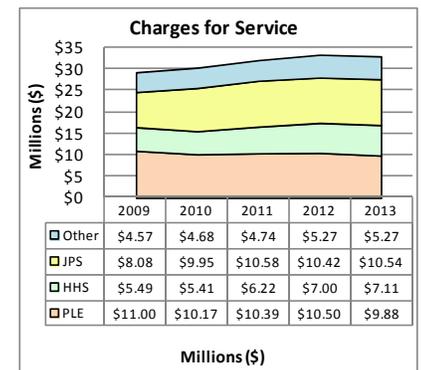
- **H&HS Functional Area** Intergovernmental Revenue increases by about \$643,496 to \$31.6 million as follows:
  - **Department of Health and Human Services (H&HS) – Children with Special Needs Program** includes an increase in intergovernmental State revenue reimbursements related to the Children's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



## 2013 REVENUE HIGHLIGHTS

- **Capital Projects Funding** from General Government Revenues are budgeted to decrease by nearly \$1.4 million including a reduction for Federal Highway funding of \$3.6 million, partially offset with \$1.9 million of Federal Transportation Enhancement grant funding for bike trail paving and \$300,000 for the County Highway Improvement program (CHIP). Almost \$2 million is also identified for local reimbursement of the cost of street amenities.
- General Government Revenues in the **Public Works Functional Area State Highway Maintenance operations** for work on State roads as directed by DOT are budgeted to increase by nearly \$199,200 to over \$4.5 million based on the current (2012) State's Routine Maintenance Agreement (RMA) and State Department of Transportation levels of services being requested.
- **Parks and Land Use - Community Development Fund** funding to continue the development of viable urban communities within Waukesha County through the provision of grants and technical assistance to cities, villages, towns and non-profit agencies participating in Waukesha County's urban County Community development programs. Revenues from the Department of Housing and Urban Development (HUD) are estimated to decrease in total by \$45,200 including a decrease of \$119,100 for the HOME program. However, Community Development Block Grant program (CDBG) funding is expected to increase by \$73,900.
- **University of Wisconsin – Cooperative Extension** budgeted intergovernmental revenues decrease to about \$243,000, mainly due to a new funding criteria from the U.S. Department of Housing and Urban Development (HUD) and outlined by the Waukesha County Parks and Land Use Director and Community Development Coordinator. The UW-Cooperative Extension's NRSA (Neighborhood Revitalization Strategy Area) projects may not receive Community Development Block Grant (CDBG) funding due to constraints in allowable public service allocations. As a result, \$82,900 budgeted in CDBG grant funding for 2012 is not repeated in the 2013 budget. The revenue decreases are partially offset by budgeting the \$48,300 in grant funding from the U.S. Department of Health and Human Services – Substance Abuse and Mental Health Services Administration for the Sober Truth on Preventing Underage Drinking (STOP) Act grant.

**Charges for Services:** User fees are budgeted at \$33,276,305, which represents a decrease of \$131,586 from the 2012 Adopted Budget. User Fees are charges for specific government services to those who utilize and value certain services. They provide an equitable, proportional user-based charging method to continue service operations without relying solely on property taxes from property owners. Major User fees include document recording and real estate transfers; public admission for recreation usage, regulation enforcement and education within the Parks, Environment, Education and Land Use (PLE) functional area; client treatment, inpatient or outpatient residential services fees accessed in the Health and Human Services (H&HS) area; and inmate board, contracted Sheriff patrols, and judicial and public safety related fees (JPS).



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

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

## 2013 REVENUE HIGHLIGHTS

### Interdepartmental Revenues:

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

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

### Other Revenues:

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

- The **Office of the Treasurer** investment income decreases by \$280,000 to \$4.5 million due to estimated lower investment rates of return.
- **Capital Projects** include an estimated decrease in investment earnings by \$190,000, based on lower estimated Capital Projects Fund Balance resulting from decreased borrowing for 2013.
- **Department of H&HS – Mental Health Outpatient & Support Services Program** Revenues are budgeted to increase by about \$196,700 to \$1,492,200, largely from an increase in State collections revenues for County residents placed at the state mental health institutes by \$184,000.
- **Department of H&HS – Children with Special Needs Unit** include \$160,600 for pass-through reimbursements to vendors who cannot directly bill the Children's Long-Term Support (CLTS) program third-party administrator, budgeted for the first time in 2013.
- **University of Wisconsin – Cooperative Extension** one-time funding of \$56,400 for the ProHealth Care Cancer Prevention Outreach Project in 2012 is not repeated in the 2013 budget.

### Debt Financing:

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

### Appropriated Fund Balance:

To reduce the 2012 Tax Levy (for 2013 Budget purposes), the Budget includes Fund Balance appropriations of \$12,099,722 for one-time projects, temporary expenditures or to phase in the impact of significant revenue losses. This includes \$8,503,222 for the operating budgets and \$3,596,500 for the Capital Projects Budget, summarized below:

Fund Balance Use in Fund / Department Budgets	General Fund	Special Revenue Funds	Internal Service Funds	Enterprise Funds	Capital Fund	Debt Service Fund	Total
Administration	\$2,000						\$2,000
Administration Internal Service Funds			\$329,087				\$329,087
Admin Dept-Risk Management			\$243,154				\$243,154
End User Tech. Fund			\$624,773				\$624,773
Airport Fund				\$180,829			\$180,829
Capital Projects Budget					\$3,596,500		\$3,596,500
Circuit Court Services	\$20,000						\$20,000
Contingency Fund	\$1,200,000						\$1,200,000
Corporation Counsel Dept.	\$50,000						\$50,000
Debt Service Fund						\$1,428,365	\$1,428,365
District Attorney	\$25,000						\$25,000
Emergency Preparedness	\$122,500			\$73,388			\$195,888
Human Services Dept.	\$243,680						\$243,680
Non-Departmental	\$400,500		\$499,450				\$899,950
Federated Library Fund		\$79,900					\$79,900
Parks and Land Use Dept.	\$133,000	\$725,000		\$990,700			\$1,848,700
Public Works Dept	\$298,000	\$347,000	\$201,317				\$846,317
Sheriff Dept.	\$285,579						\$285,579
<b>Total by Fund Type</b>	<b>\$2,780,259</b>	<b>\$1,151,900</b>	<b>\$1,897,781</b>	<b>\$1,244,917</b>	<b>\$3,596,500</b>	<b>\$1,428,365</b>	<b>\$12,099,722</b>

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