

Summary

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WAUKESHA COUNTY

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2014 TAX LEVY SUMMARY

Impact on Homeowners

The Waukesha County Tax Levy is comprised of two segments. The general County Tax Levy of \$99,509,822, which is levied at a rate of \$2.15 (up from \$2.11) per \$1,000 of equalized value on all eligible property in the County. The Federated Library System Levy of \$2,965,628, which is levied at a rate of nearly \$0.277 (up from \$0.269) 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 2013 adjusted from the 2000 census (the last time the long form was used to collect this information), is \$238,900. This is down \$4,300 from the 2012 value reflecting the County-wide average residential deflation rate of -1.75%. This results in no change in the County Tax Levy on the median home value as indicated below.



General County Tax Levy

2012 Median Home Value	2012 County Tax	Residential Inflation	2013 Median Home Value	2013 County Tax	Change Amount	Change Percent
\$243,200	\$512	-1.75%	\$238,900	\$512	\$0	0.0%

Homeowner County Taxes over 8 years Increase of less than 1/4% per Year

<u>Budget Year</u>	<u>Median Home Value</u>	<u>Rate / \$1,000</u>	<u>Tax</u>
2006*	\$256,700	\$1.96	\$504
2014	\$238,900	\$2.15	\$512
Net 8-Year \$ Increase: \$8		8-Year Average:	0.2%

*County Executive Vrakas' first budget year

2014 BUDGET ASSUMPTIONS

Certain broad assumptions are determined in April through June 2014 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 County's 2014 Budget development:

- Overall inflation factor estimates assumed for calculating the cost to continue to provide existing County services are projected to be moderate around 2% for 2013-2014. Some major exceptions include cost rate increases for certain utilities, vehicle fuel, prescription drugs, health and medical services, food and transportation costs and certain commodity prices including such items as paper and some technology purchased services.
- The 2013-2015 state had a much more modest impact on the County than the previous budget when a significant State budget deficit had to be addressed. Impacts include the following:
 - Most major state revenue funding sources remained at or near their current 2011-2013 levels. This included for human services basic community aids; youth aids; general transportation aids; circuit court support grant; and shared revenues. However, the lack of increases impacts tax levy pressure to fund cost to continue funding needs.
 - State Victim Witness program funding is restored to 55% of actual costs from a 40% reimbursement level which is about a \$70,000 funding increase for this program.
 - Child Support funding is restored in the 2014 budget to 2013 levels allowing a reduction in fund balance
- Net Personnel cost appropriations are expected to be held below 2% and are being controlled with the help of lower health insurance costs including plan design changes, premium costs share changes and greater health savings account (HSA) participation.
- Average fuel costs for vehicles are assumed to increase 3% to \$3.75 per gallon (equivalent to approximately \$4.00 per gallon retail in 2014) up from the 2013 Budget. Consumption is estimated to remain at the 2013 level resulting in higher fuel costs budgeted countywide by an estimated \$40,000.
- Net utility costs are estimated to decrease from the 2013 adopted base budget levels by \$50,000 (mainly electricity and natural gas costs). These estimated cost reductions reflect paybacks for significant recent investments in energy conservation and sustainability plans. The 2014 budget also includes a full year of utility costs for the new HHS building and continues minimal heating and cooling levels of the old building without 204 budget increases due to building efficiencies.
- Investment Income budget is estimated to be reduced by \$127,000 to \$4,413,000, reflecting historically low rates of return on invested funds. Also, the 2014 budget for estimated Delinquent Taxes Penalty and Interest (P&I) is reduced by \$42,000 to \$2,808,000 as Delinquent Taxes outstanding declined during 2012.
- The real estate market has shown increased property sales with expected increases in real estate transfer fees and document recording fee revenues of \$200,000 over the 2013 budget
- Due to favorable debt refinancing and historic low borrowing costs the debt service tax levy can be reduced by an estimated \$145,000. To help provide funding for the Operating budget, Capital project tax levy is estimated to be reduced by \$50,000.

2014 BUDGET SUMMARY

	2013 Adopted Budget	2014 Proposed Budget	Incr/(Decr) From 2013 Adopted Budget	
			\$	%
OPERATING BUDGETS				
Gross Expenditures	\$245,902,296	\$254,076,679	\$8,174,383	3.3%
MEMO: Less Interdept. Charges (a)	<u>\$36,708,567</u>	<u>\$37,223,385</u>	<u>\$514,818</u>	1.4%
MEMO: Net Expenditures (a)	\$209,193,729	\$216,853,294	\$7,659,565	3.7%
Less: Revenues (Excl. Retained Earnings)	\$137,669,948	\$144,825,183	\$7,155,235	5.2%
Less Net Appropriated Fund Balance	<u>\$8,503,222</u>	<u>\$8,730,716</u>	<u>\$227,494</u>	
TAX LEVY - OPERATING BUDGETS	\$99,729,126	\$100,520,780	\$791,654	0.8%
CAPITAL PROJECTS BUDGET				
Expenditures	\$27,870,000	\$28,092,700	\$222,700	0.8%
Less: Revenues	\$22,273,500	\$11,900,000	(\$10,373,500)	-46.6%
Less: Appropriated Fund Balance	<u>\$3,596,500</u>	<u>\$14,242,700</u>	<u>\$10,646,200</u>	
TAX LEVY-CAPITAL PROJECTS BUDGET	\$2,000,000	\$1,950,000	(\$50,000)	-2.5%
COUNTY TOTALS				
Expenditures (a)	\$273,772,296	\$282,169,379	\$8,397,083	3.1%
Less: Revenues	\$159,943,448	\$156,725,183	(\$3,218,265)	-2.0%
Less: Appropriated Fund Balance	<u>\$12,099,722</u>	<u>\$22,973,416</u>	<u>\$10,873,694</u>	
County General Tax Levy (Excl Library)(c)	\$98,798,522	\$99,505,152	\$706,630	0.72%
Federated Library Tax Levy (b)	\$2,930,604	\$2,965,628	\$35,024	1.2%
Total County Tax Levy (c)	\$101,729,126	\$102,470,780	\$741,654	0.73%

- (a) 2014 operating budget net expenditures are \$216,853,294 and total County net expenditures are \$244,945,994 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 Tax Levy (for 2014 Budget purposes) increase is within Wisconsin's Act 20 Tax Levy limit provisions (see Planning and Budget Policy Section).

2014 Budget Tax Levy Breakdown

(General County and Federated Library)

	2013 Adopted Budget	2014 Proposed Budget	Incr/(Decr) From 2013 Adopted Budget	
			\$	%
General County Tax Levy	\$98,798,522	\$99,505,152	\$706,630	0.72%
General County Tax Rate	\$2.1055	\$2.1451	\$0.0396	1.88%
General County Equalized Value	\$46,923,448,900	\$46,387,463,200	(\$535,985,700)	-1.14%
Federated Library Tax Levy	\$2,930,604	\$2,965,628	\$35,024	1.20%
Federated Library Tax Rate	\$0.2690	\$0.2768	\$0.0077	2.88%
Federated Library Equalized Value	\$10,892,998,400	\$10,714,775,800	(\$178,222,600)	-1.64%

2014 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2014 EXECUTIVE PROPOSED BUDGET				Tax Levy
	EXPEND.	REVENUES	FUND BAL ADJUST.	TAX LEVY	\$ Change '13 - '14
JUSTICE AND PUBLIC SAFETY					
EMERGENCY PREPAREDNESS					
General	\$5,828,521	\$354,638	\$133,000	\$5,340,883	\$291,000
Radio Services	\$1,064,251 (a)	\$1,330,004	(\$265,753)	\$0	\$0
Radio Svcs. Rtnd. Earn.	\$0	(\$265,753)	\$265,753	\$0	\$0
Radio Svcs. Fund Bal. Appr.	\$0	(\$173,746)	\$173,746	\$0	\$0
DISTRICT ATTORNEY	\$2,356,224	\$587,037	\$0	\$1,769,187	(\$12,000)
CIRCUIT COURT SERVICES	\$9,364,181	\$3,769,700	\$20,000	\$5,574,481	\$232,100
MEDICAL EXAMINER	\$1,625,845	\$649,535	\$0	\$976,310	\$0
SHERIFF	<u>\$38,378,557</u>	<u>\$10,690,618</u>	<u>\$279,672</u>	<u>\$27,408,267</u>	<u>\$375,000</u>
Subtotal: Justice & Public Safety	\$58,617,579	\$16,942,033	\$606,418	\$41,069,128	\$886,100
HEALTH AND HUMAN SERVICES					
CORPORATION COUNSEL					
Child Support (General Fund)	\$2,494,084	\$2,138,622	\$0	\$355,462	(\$10,000)
HEALTH & HUMAN SERVICES					
Human Services (General Fund)	\$66,753,497	\$41,370,097	\$177,722	\$25,205,678	\$290,000
Aging and Disability Resource Center Contract (ADRC) Fund	<u>\$3,083,823</u>	<u>\$3,083,823</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal: Health and Human Services	\$72,331,404	\$46,592,542	\$177,722	\$25,561,140	\$280,000
PARKS, ENVIR, EDUC. & LAND USE					
REGISTER OF DEEDS	\$1,441,059	\$3,422,360	\$0	(\$1,981,301)	(\$587,000)
UW-EXTENSION: EDUCATION	\$662,614	\$297,051	\$17,500	\$348,063	\$5,000
FEDERATED LIBRARY					
County	\$2,965,628	\$0	\$0	\$2,965,628	\$35,024
State Aids	\$1,368,669	\$1,299,369	\$69,300	\$0	\$0
CAFÉ Shared Automation	\$393,100	\$444,200	(\$51,100)	\$0	\$0
CAFÉ Rtnd. Fund Balance	\$0	(\$51,100)	\$51,100	\$0	\$0
PARKS & LAND USE					
General	\$11,551,980	\$4,210,970	\$65,000	\$7,276,010	(\$105,000)
Community Development	\$3,072,108	\$3,072,108	\$0	\$0	\$0
Land Information Systems	\$780,559	\$780,559	\$0	\$0	\$0
Tarmann Parkland Acquisitions	\$1,000,000	\$300,000	\$700,000	\$0	\$0
Golf Courses	\$3,219,767 (a)	\$3,095,000	\$124,767	\$0	\$0
Golf Course Rtnd. Earnings	\$0	\$124,767	(\$124,767)	\$0	\$0
Golf Course Fund Bal. Appr.		\$0	\$0	\$0	\$0
Ice Arenas	\$1,145,590 (a)	\$1,068,000	\$77,590	\$0	\$0
Ice Arenas Rtnd. Earnings	\$0	\$77,590	(\$77,590)	\$0	\$0
Ice Arenas Fund Bal. Appr.	\$0	(\$5,000)	\$5,000	\$0	\$0
Material Recycling Facility	\$2,632,173 (a)	\$3,064,700	(\$432,527)	\$0	\$0
MRF Retained Earnings	\$0	(\$432,527)	\$432,527	\$0	\$0
MRF Fund Bal. Appr.	<u>\$0</u>	<u>(\$973,700)</u>	<u>\$973,700</u>	<u>\$0</u>	<u>\$0</u>
Subtotal: Parks, Env., Ed. & Land Use	\$30,233,247	\$19,794,347	\$1,830,500	\$8,608,400	(\$651,976)

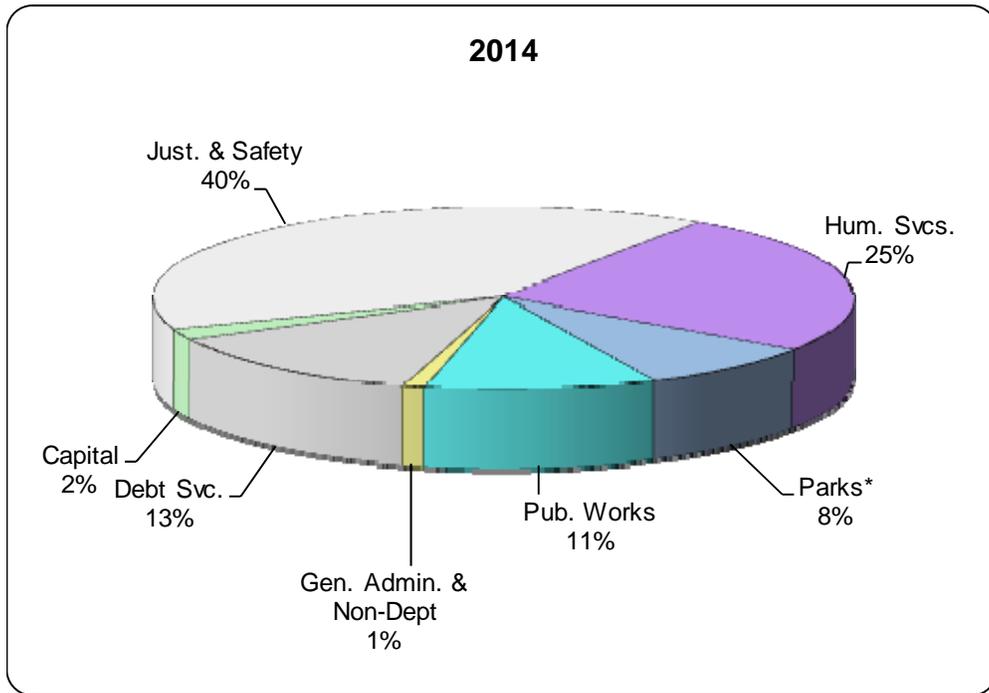
(a) Proprietary fund (Internal Service and Enterprise funds) expenditure appropriations exclude Fixed Asset and Debt Service Principal payments to conform with generally accepted accounting standards. Fixed asset purchases and Debt Service principal payments will be funded by operating revenues, tax levy, or balance appropriations and are included, as applicable, in each agency budget request.

2014 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2014 EXECUTIVE PROPOSED BUDGET				Tax Levy
	EXPEND.	REVENUES	FUND BAL ADJUST.	TAX LEVY	\$ Change '13 - '14
PUBLIC WORKS					
DEPARTMENT OF PUBLIC WORKS					
General	\$8,641,294	\$499,849	\$270,000	\$7,871,445	\$60,160
Transportation	\$13,790,959	\$10,609,084	\$222,900	\$2,958,975	\$106,840
Central Fleet Maintenance	\$3,873,489 (a)	\$3,874,084	(\$595)	\$0	\$0
Central Fleet Rtn. Earnings	\$0	(\$595)	\$595	\$0	\$0
Central Fleet Fund Bal. Appr.	\$0	(\$133,083)	\$133,083	\$0	\$0
Vehicle/Equipment Replacement	\$2,838,601 (a)	\$2,870,376	(\$31,775)	\$0	\$0
Veh. Replace Rtn. Earnings	\$0	(\$31,775)	\$31,775	\$0	\$0
Veh. Replace Fund Bal. Appr.	\$0	\$0	\$0	\$0	\$0
Airport	<u>\$1,150,642 (a)</u>	<u>\$777,250</u>	<u>\$180,829</u>	<u>\$192,563</u>	<u>\$0</u>
Subtotal: Public Works	\$30,294,985	\$18,465,190	\$806,812	\$11,022,983	\$167,000
GENERAL ADMINISTRATION					
COUNTY EXECUTIVE					
General	\$567,965	\$12,000	\$0	\$555,965	\$8,396
COUNTY BOARD	\$1,166,269	\$0	\$0	\$1,166,269	(\$1,224)
COUNTY CLERK	\$672,285	\$249,925	\$110,000	\$312,360	\$0
TREASURER	\$677,696	\$7,519,000	\$0	(\$6,841,304)	\$212,158
ADMINISTRATION					
General	\$4,836,912	\$1,616,482	\$28,000	\$3,192,430	\$31,000
Risk Management	\$2,613,310 (a)	\$2,433,425	\$179,885	\$0	\$0
Collections	\$951,712 (a)	\$951,712	\$90,000	(\$90,000)	\$30,000
Collections Fund Bal. Appr.	\$0	(\$200,000)	\$200,000	\$0	\$0
Communications	\$791,783 (a)	\$791,783	\$0	\$0	\$0
End User Technology	\$8,075,909 (a)	\$6,518,507	(\$33,022)	\$1,590,424	(\$31,000)
End User Technology Rtn. Earn.	\$0	(\$33,022)	\$33,022	\$0	\$0
End User Tech. Fund Bal. Appr.	\$0	(\$567,025)	\$567,025	\$0	\$0
CORPORATION COUNSEL					
General	<u>\$1,455,569</u>	<u>\$463,784</u>	<u>\$0</u>	<u>\$991,785</u>	<u>(\$15,000)</u>
Subtotal: General Administration	\$21,809,410	\$19,756,571	\$1,174,910	\$877,929	\$234,330
NON DEPARTMENTAL					
GENERAL	\$2,095,400	\$1,205,000	\$719,200	\$171,200	\$21,200
HEALTH & DENTAL INSURANCE	\$23,071,500 (a)	\$22,069,500	\$1,002,000	\$0	\$0
CONTINGENCY	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$0</u>
Subtotal: Non-Departmental	\$26,366,900	\$23,274,500	\$2,921,200	\$171,200	\$21,200
DEBT SERVICE--GENERAL					
	<u>\$14,423,154</u>	<u>\$0</u>	<u>\$1,213,154</u>	<u>\$13,210,000</u>	<u>(\$145,000)</u>
Subtotal: Operating Budget	\$254,076,679	\$144,825,183	\$8,730,716	\$100,520,780	\$791,654
CAPITAL PROJECTS					
	<u>\$28,092,700</u>	<u>\$11,900,000</u>	<u>\$14,242,700</u>	<u>\$1,950,000</u>	<u>(\$50,000)</u>
GRAND TOTAL	<u>\$282,169,379</u>	<u>\$156,725,183</u>	<u>\$22,973,416</u>	<u>\$102,470,780</u>	<u>\$741,654</u>

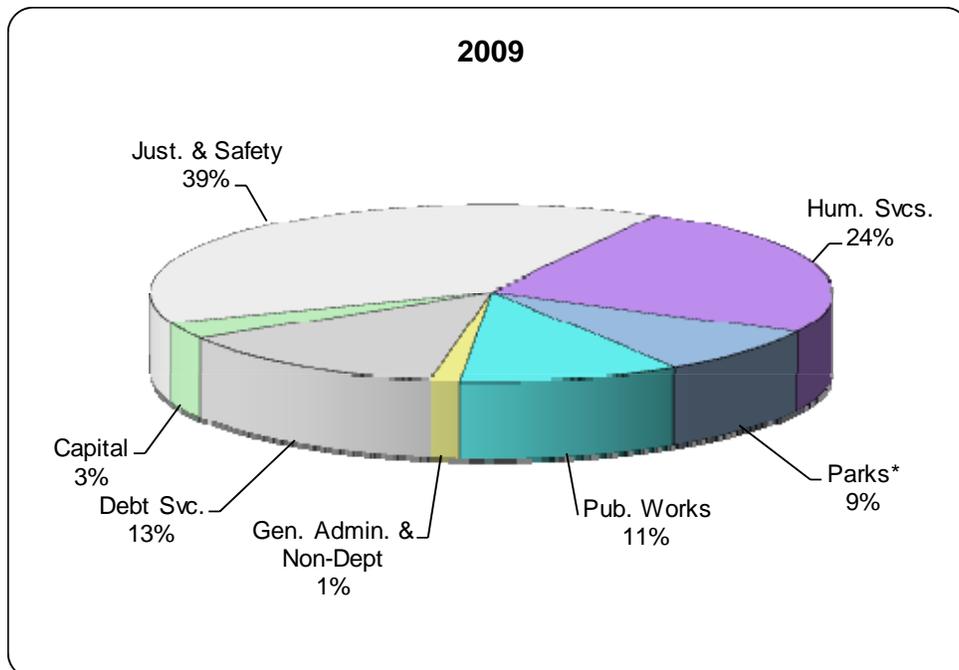
(a) Proprietary fund (Internal Service and Enterprise funds) expenditure appropriations exclude Fixed Asset and Debt Service Principal payments to conform with generally accepted accounting standards. Fixed asset purchases and Debt Service principal payments will be funded by operating revenues, tax levy, or balance appropriations and are included, as applicable, in each agency budget request.

TAX LEVY BY FUNCTIONAL AREA



Tax Levy Trends:

- **Justice & Safety:** The 1% Tax Levy increase in this functional area is mainly due to jail support costs in the Sheriff's Department, Emergency Preparedness – Communication Center Expansion (including dispatching for the City of New Berlin) and no increase in State grant funds to Circuit Court Services in the past decade.
- **Human Services:** The 1% Tax Levy increase in this functional area is mainly due to the County's efforts to address 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.

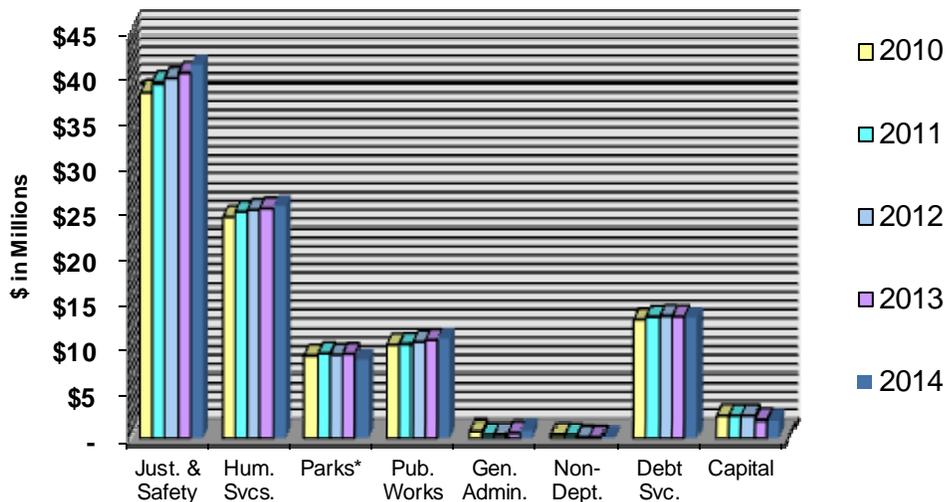


* Includes Parks, Environment, Education, and Land Use

2013-2014 TAX LEVY BY FUNCTION (COMBINES ALL FUNDS)

BY FUNCTION	2013 Adopted Budget		2014 Proposed Budget	Incr/(Decr) From 2013 Adopted Budget	
				\$	%
Justice & Public Safety	\$40,183,028		\$41,069,128	\$886,100	2.2%
Health & Human Services	\$25,281,140		\$25,561,140	\$280,000	1.1%
Parks, Env., Educ. & Land Use	\$9,260,376		\$8,608,400	\$(651,976)	-7.0%
Public Works	\$10,855,983		\$11,022,983	\$167,000	1.5%
General Administration	\$643,599		\$877,929	\$234,330	36.4%
Non-Departmental	\$150,000		\$171,200	\$21,200	14.1%
Debt Service	\$13,355,000		\$13,210,000	\$(145,000)	-1.1%
Capital Projects	\$2,000,000		\$1,950,000	\$(50,000)	-2.5%
Total Tax Levy	\$101,729,126		\$102,470,780	\$741,654	0.7%

**2010-2014 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

2012 - 2014 EXPENDITURE SUMMARY

APPROPRIATION UNIT	2012 Actual	2013 Adopted Budget	2013 Estimate (a)	2014 Proposed Budget	Incr/(Decr) From 2013 Adpt. Budget
Personnel Costs	\$112,076,748	\$115,753,553	\$114,431,076	\$117,209,142	\$1,455,589
Operating Expenses (a)	\$91,161,876	\$94,359,254	\$98,907,139	\$100,941,738	\$6,582,484
Interdepartmental Charges	\$18,661,346	\$19,248,324	\$19,145,939	\$19,874,195	\$625,871
Fixed Assets & Imprvmnts (a)(b)	\$1,159,892	\$1,757,800	\$1,799,408	\$1,628,450	\$(129,350)
Debt Service-Excl Proprietary (b)	\$14,025,660	\$14,783,365	\$14,420,889	\$14,423,154	\$(360,211)
Capital Projects	\$35,759,182	\$27,870,000	\$28,430,000	\$28,092,700	\$222,700
Total Gross Expenditures	\$272,844,704	\$273,772,296	\$277,134,451	\$282,169,379	\$8,397,083

FUNCTIONAL AREA	2012 Actual	2013 Adopted Budget	2013 Estimate (a)	2014 Proposed Budget	Incr/(Decr) From 2013 Adpt. Budget
Justice & Public Safety (a)	\$56,794,514	\$57,928,271	\$58,503,971	\$58,617,579	\$689,308
Health & Human Services (a)	\$65,764,112	\$67,191,597	\$69,552,019	\$72,331,404	\$5,139,807
Parks, Env., Educ. & Land Use (a)	\$29,426,961	\$30,070,618	\$32,239,930	\$30,233,247	\$162,629
Public Works (a)	\$28,042,966	\$29,665,367	\$29,944,379	\$30,294,985	\$629,618
General Administration	\$20,381,502	\$21,482,428	\$21,271,013	\$21,809,410	\$326,982
Non-Departmental	\$22,649,807	\$24,780,650	\$22,772,250	\$26,366,900	\$1,586,250
Debt Service-Excl Proprietary (b)	\$14,025,660	\$14,783,365	\$14,420,889	\$14,423,154	\$(360,211)
Capital Projects (a)	\$35,759,182	\$27,870,000	\$28,430,000	\$28,092,700	\$222,700
Total Gross Expenditures	\$272,844,704	\$273,772,296	\$277,134,451	\$282,169,379	\$8,397,083

(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.

2014 EXPENDITURE HIGHLIGHTS

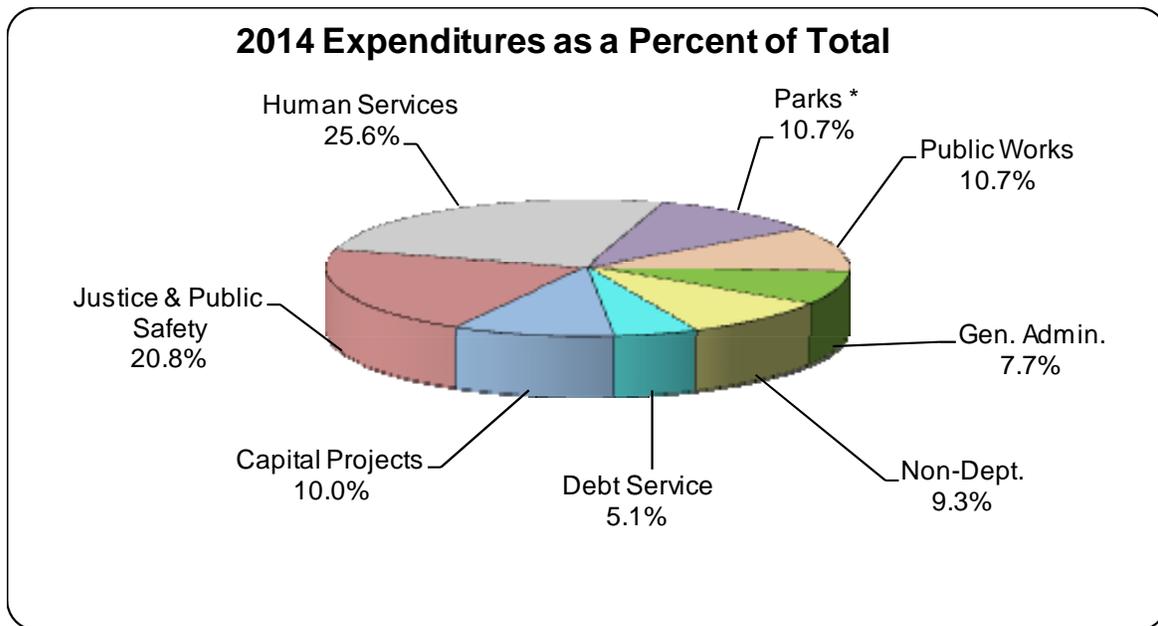
Expenditure Budget:

The 2014 total gross expenditure budget is \$282,169,379, an increase of \$8,397,083 or 3.1% from the 2013 Adopted Budget. 2014 Budget appropriations consist of departmental operating budget and debt service expenditures totaling \$254,076,679 and capital project spending of \$28,092,700. The total operating budget increases by \$8,174,383 or 3.3% from the 2013 adopted operating budget while capital project expenditures increase by \$222,700 or 0.8% from the 2013 Adopted Budget.

The net total operating expenditure budget after excluding \$37,223,385 of interdepartmental charges, mainly from Internal Service Funds (which are double budgeted) is \$216,853,294, an increase of \$7,659,565 or 3.7%.

The budget includes net personnel costs totaling \$117.2 million or about 41.5% of the total expenditure budget. Personnel costs are budgeted to increase by about \$1.46 million, or 1.25% from the 2013 Adopted budget level.

Operating expenditures (including purchased services, operating expenses and interdepartmental charges appropriations) increase by about \$7.2 million or 6.3% from \$113.6 million in the 2013 budget to \$120.8 million in this budget. Fixed Assets and improvements (excluding capital projects) expenditures are budgeted at \$1.63 million, a reduction of \$129,350 from the 2013 budget. Debt service payments are budgeted at \$14.42 million which is a decrease of \$360,200 from the 2013 budget level or about 5.1% of governmental fund expenditures (and well within the County's performance measure benchmark of less than 10%).



* Includes Parks, Environment, Education and Land Use

Functional Area	Expenditure Budget	% of Total Expenditure Budget
Justice & Public Safety	\$58,617,579	20.8%
Human Services	\$72,331,404	25.6%
Parks *	\$30,233,247	10.7%
Public Works	\$30,294,985	10.7%
Gen. Admin.	\$21,809,410	7.7%
Non-Dept.	\$26,366,900	9.3%
Debt Service	\$14,423,154	5.1%
Capital Projects	<u>\$28,092,700</u>	<u>10.0%</u>
Total Expenditures	\$282,169,379	100.0%

* Includes Parks, Environment, Education and Land Use

2014 EXPENDITURE HIGHLIGHTS

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

The 2014 Budget expenditure level increases by \$8.5 million to \$282.3 million. This reflects a \$6.65 million increase in operating expenses largely related to a \$3.25 million increase to reflect the State of Wisconsin's opinion that payments the Children with Long-Term Support Needs (CLTS) Third Party Administrator (TPA) makes to service providers must be included in the HHS budget and a \$1.4 million increase to the Health and Dental Insurance Fund budget in Non-Departmental, mainly due to the first time budgeting for a shared on-site medical/wellness center. Personnel costs also increase by \$1.5 million, with cost to continue increases being partially offset with approximately \$459,500 in savings from Sheriff's Department staff (deputies, detectives, and command staff) contributing to the Wisconsin Retirement System.

The 2013 Budget expenditure level decreases by about \$10.8 million to \$273.8 million. This decrease reflects a \$12 million decrease in capital projects budget spending and includes a \$1.4 million decrease in operating expenses. These decreases are partially offset by an increase of \$1.7 million in net personnel cost appropriations.

The 2012 Budget expenditure level increased 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 net personnel costs 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 Health & Human Services (HHS) Children Long Term Support (CLTS) program to a third-party administrator and no longer part of the County budget. 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 \$2.75 million require further efforts to reduce County spending appropriations. Federal Community Development funding reductions also resulted in expenditures reductions by nearly \$1.0 million.

The 2011 Adopted Budget expenditures increased 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 net 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; and the Criminal Justice Collaborating Council (CJCC) 2011 budget increases by \$583,600 related to the expansion of the Day Report Center and also the Alcohol Treatment Court program being funded by a three-year grant ending in 2013. Also, the Federated Library System expenditures increase \$192,900 related to transferring in of 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 net 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.

Future Projections and trends:

External factors will continue to play a key role in significantly impacting future trends and projections including how Federal and State budget deficits may likely impact local funding policies and services carried out by local governments changing the way government services are provided. Also, continued volatility of fuel, energy and commodity prices and increasing medical and health insurance costs are likely to have future budget impacts. In addition, internal factors includes continue high costs of Jail inmates, Emergency Preparedness emergency 9-1-1 dispatch communications, the State Circuit Court system with the lack of State funding support and future increases in the debt service payments as a result of infrastructure projects including the new Health & Human Services building and funding of major Highway infrastructure projects.

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major 2014 funding changes, which impact expenditures by functional area, follows:

2014 EXPENDITURE HIGHLIGHTS

Justice and Public Safety:

- The 2014 **expenditure budget** for this functional area totals \$58,617,579, an increase of \$689,308 or 1.2% from the 2013 Budget.
- **Sheriff** expenditures increase \$194,016 or 0.5% on a base of over \$38 million. Overall net personnel costs of \$30.4 million are budgeted to decrease by \$14,563. This is mostly due to approximately \$459,500 in savings from deputies, detectives, and command staff contributing to the Wisconsin Retirement System. Budgeted position changes include the creation of a Financial Analyst position for \$69,600 and the creation of a Support Staff Supervisor position and abolishment of a Clerk III position, resulting in a net cost of \$5,603.
- The **Sheriff's** budget also includes \$81,253 to fund the replacement of vehicle equipment to retro fit new police patrol vehicles. Interdepartmental vehicle costs including replacement, maintenance and fuel are increasing a total of \$73,900 to \$1.5 million, mostly due to an increase of \$36,150 in fuel costs.
- **Jail Inmate** medical costs are budgeted to increase by about \$45,000 to a total cost of over \$1.6 million, and include a 4% increase for the medical care contract and about \$147,500 for medical care for inmates provided outside the contract. Expenditures for inmate commissary increase about \$70,000 to \$520,000 based on anticipated expenditure levels and the addition of commissary at the Huber Facility. Related commissary revenues are increased by \$78,100 as a result.
- **Emergency Preparedness** General Fund 2014 Budget total expenditures are increased by \$271,463, including personnel cost increases of \$96,100 to accommodate and adjust for New Berlin dispatch activity in the Communications Center. Increased operating costs of \$65,516 are associated with full year software licensing costs for the new Computer Aided Dispatch (CAD) system. The budget also includes increased interdepartmental charges of \$76,847, mostly due to increased EUTF charges associated with the CAD system.
- **Radio Services** expenditures increase \$137,664 and include one-time depreciation charges of \$173,746 related to the write-off of the Mobile Data System, which will be taken offline in 2014. Users have transitioned from the Mobile Data System to other solutions that offer increased speed and performance. **Radio Services** also identifies a loan program for municipalities to purchase radio for use with the new digital system (Capital Project 200815) utilizing \$2 million of general fund balance.
- **Circuit Court Services** expenditures decrease \$15,500 to \$9.4 million. Personnel cost reductions of \$60,600 are due to the unfunding of a 1.0 FTE Clerk I-II position, a reduction in temporary/extra help of over \$18,000, and favorable costs to continue of existing employees. Net operating costs are increased nearly \$29,700, mostly due to a \$35,000 expenditure increase for a new service contract for the technology components recently installed in all court rooms and a \$12,500 increase in costs for interpretation services. These increases are partially offset with a \$36,600 reduction in expenditures for court appointed counsel and legal services. Interdepartmental charges are increased \$25,500 mostly due to bailiff (Sheriff) charges for in-courtroom deputy security, which are estimated to increase \$69,600 and an increase in collection services charges from the County Collection unit of \$13,300. These cost increases are partially offset by a \$67,500 reduction in prisoner transportation service charges (Sheriff).
- Modest expenditure increases in the **District Attorney's** budget reflect the creation of a 1.0 FTE paralegal position and costs to continue existing staff, partially offset with the abolishment of a 1.0 FTE legal clerk position. Interdepartmental charges increase about \$13,100, mostly due to an increase in imaging costs to fund the scanning of case documents in an effort to avoid a file backlog.
- The **Medical Examiner's Office** budget increases expenditures \$78,200. This includes increasing overtime by about 300 hours, or \$10,600 to reflect historical and anticipated actuals. Increased costs associated with higher case activity include \$3,500 for medical testing and \$17,100 for medical supplies. Also included in the 2014 budget is \$15,000 for the purchase of laptop/tablet devices for employees to use in the field, based on a technology review conducted by IT.

2014 EXPENDITURE HIGHLIGHTS

Health and Human Services

- The 2014 **expenditure budget** for this functional area totals \$72,331,404, an increase of \$5,139,807 or 7.6% from the 2013 Budget.
- Operating expenses (and General Government revenues) are budgeted to increase by \$3,248,300 as a result of the State of Wisconsin issuing an opinion that payments the **Children with Long-Term Support Needs (CLTS) Third Party Administrator (TPA)**) makes to service providers are grant expenditures. These expenditures had been removed from the County budget in a prior year when the State had implemented the change to a TPA.
- **Economic Services Administration and Support Program** revenue and expenditures increase \$667,000, related to the 2013-2015 State biennial budget allocation of federal and state funding to the Moraine Lake Consortium for the period of July 1, 2013 – June 30, 2015. Funding will provide for 10 additional Economic Support Services positions to assist in the implementation of the Patient Protection and Affordable Care Act (PPACA). The bill requires the state Medicaid Income Maintenance program and the Federal Health Insurance Plan Marketplace to be transparent and integrated to create a “no wrong door” for applying for health insurance for those individuals with income up to 400% of the Federal Poverty Level (FPL). The 2014 cost associated with the hiring of the 10 FTE PPACA positions is about \$599,300.
- **Family Services & Juvenile Services Division’s** operating expenditures are budgeted to decrease by about \$161,000 due to the termination of the contracted Community Day Treatment Program.
- The 2014 budget includes \$838,300 budgeted for in the **Aging & Disability Resource Center (ADRC) – Adult Protective Services program**. This reflects a \$223,800 or 36% increase in the payment to the Marsh County Health Alliance for Clearview **Nursing Home and facility for Individuals with Intellectual Disabilities (IID)** in Dodge County for 26 Waukesha County residents who reside at Clearview.
- **Mental Health Outpatient-Clinical expenditures** increase \$233,726 or 3.2%, mainly due to personnel cost increases of \$193,300 or 6.2% to \$3,317,070. The budget reflects a transfer of 1.0 FTE Clinical Therapist from the Intake and Access division as well as overtime cost increases of about \$35,700. **Operating expenses** include an increase in contracted doctor staff of \$79,100 to \$424,353 to alleviate the 3 month wait time for initial psychiatric services and to allow consistent year-round scheduling. This is partially offset by a reduction in State mental health institute placement costs, which are budgeted to decrease by nearly \$56,700 to nearly \$1.5 million or 1,413 total days of care.
- **Mental Health Outpatient-Intensive** program operating expenditures are budgeted to include an anticipated increase in room, board and treatment costs by about \$412,800 to over \$6.0 million. This is mainly due to anticipated increases for the Community Recovery Services (CRS) program of \$312,800. Costs in the CRS program are partially offset by increased client fee revenues in the CRS program of nearly \$101,600.
- **Public Health Division** budgeted expenditures increase by about \$11,400 to \$3.7 million. This funding level is expected to provide the resources necessary to keep Public Health at least at Level II Status. The Budget includes the unfunding of 1.0 FTE Community Health Educator at an approximate cost of \$74,000, offset by an increase in operating expenditures of about \$27,000 mainly due to an increase in medical supply costs.
- **Corporation Counsel-Child Support** expenditures are reduced by almost \$4,000 due to flat personnel costs associated with employee turnover and reduced operating costs of almost \$6,000 due to lower paralegal/legal and court/paternity costs.

2014 EXPENDITURE HIGHLIGHTS

Parks, Environment, Education, and Land Use

- The 2014 **expenditure budget** for this functional area totals \$30,223,247 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of \$162,629 or 0.5% from the 2013 Adopted Budget.
- **Park and Land Use – General Fund** expenditures are budgeted to increase \$47,427 to over \$11,550,000 in 2014. Personnel costs increase by \$94,800 to reflect the cost to continue existing staff levels and a 0.21 FTE increase in extra help at the Retzer Nature Center, partially offset by the unfunding of a 0.5 FTE Account Clerk I position. Fixed Assets are budgeted to decrease \$88,000 to \$318,500 and include: LED signage at the Exposition Center of \$76,000, the removal of barns at Eble and Ryan Park of \$53,500, parking lot improvements at Mukwonago dog park of \$50,000 and \$45,000 for the replacement of the parks reservation computer system to be done as a joint effort with UW-Extension. In addition, a program operations grant of \$215,000 to the Waukesha County Historical Society Museum is discontinued in 2014.
- **Parks and Land Use – Material Recovery Facility (MRF) Fund Fund** includes an increase of \$63,400 for education and promotion of a new single stream recycling system, to be implemented with capital project 201419 Collaborative Materials Recycling Facility. The capital project assumes a joint venture with the City of Milwaukee to add processing equipment to the existing Milwaukee Material Recovery Facility in the Menomonee Valley. A request for proposals was conducted in the summer of and a decision is expected in the fourth quarter of 2013.
- **University of Wisconsin – Extension** budgeted expenditures decrease about \$19,400 to \$662,600, mostly due to the discontinuation of the Drug Free Communities grant, partially offset by several new programming expenditures not introduced in the 2013 budget process. These new grants include \$55,000 due to donations from ProHealth Care and the Greater Milwaukee Foundation for neighborhood revitalization efforts in the TowerHill neighborhood, the On Farm Food Safety grant of \$15,300, and increases of about \$15,000 in 4-H programming mainly due to increased contracted services costs offset by program revenue. The elimination of the Drug Free Communities grant also results in a reduction in temporary extra help of 0.43 FTE.
- **Parks and Land Use – Community Development Fund** utilizes federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) grants to fund related expenditures in a collaborative, coordinated manner to meet identified housing and community needs. Expenditures are estimated to increase in total by \$14,990, which mainly includes a new 0.50 FTE Program Assistant of approximately \$31,200 and an increase of \$20,000 for an update of the 5-year Consolidated Plan to identify community needs of low and moderate income residents, partially offset by a reduction in grants to communities.

Public Works

- The 2014 **expenditure budget** for this functional area totals \$30,294,985 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of \$629,618 or 2.1% from the 2013 Adopted Budget.
- **Road Salt expenditures for County Highway snow removal operations** are budgeted to increase \$182,200 or 18% to nearly \$1.2 million in the 2014 budget. Salt rates are estimated to increase \$1.51 to \$54.27 per ton based on the current State Contract and 16,400 tons of salt (820 more tons than budgeted in 2013) are expected to be purchased for County roads snow and ice removal usage. In addition, 5,000 tons are budgeted to be sold to municipalities, which is 2,000 more than the 2013 Budget.
- The Central fleet **vehicle fuel** budget includes an increase in fuel costs of \$0.10 to \$3.75 in 2014 compared to \$3.65 in 2013, resulting in a county wide increase of about \$40,000. Highway maintenance operations, both State and County, include about \$22,000 of that increase.
- **State Highway Maintenance operations** work on State roads as directed by DOT are budgeted to increase by nearly \$167,800 to over \$4.7 million based on the current (2013) State's Routine Maintenance Agreement (RMA) and State Department of Transportation levels of services being requested. This agreement amount allows for funding of 23.0 FTE Patrol Workers, allocated to State highway maintenance work, which is the same as 2013. Budgeted extra help for seasonal work for the winter second shift is being increased slightly by \$2,589 for 1.96 FTE which is about 4,077 hours and overtime is increased by \$26,700 or 0.33 FTE (approx. 686 hours).

2014 EXPENDITURE HIGHLIGHTS

Public Works (Continued)

- **The building improvement maintenance plan** totals \$1,018,000, which is an increase of \$115,000 from the 2013 Budget. The plan is funded with \$775,000 of County Tax Levy and \$243,000 of General Fund Balance. Plan dollars overall for 2014 are consistent with the plan presented in the 2013 budget, plus an additional project to improve staff efficiency at the jail. This project, estimated to cost \$68,000, and to be funded with prior-year jail assessment fee revenue (appropriated as General Fund Balance), will make modifications to inmate medical and professional visitation and inmate bathroom areas, allowing fewer staff to temporarily supervise these areas.
- **Energy and Utility budget costs for County facilities** are budgeted to decrease about \$38,600 overall from the 2013 budget, mainly due to savings resulting from energy efficiency projects (e.g., lighting replacement, more efficient boilers/chillers). The utility budget also includes the full year impact of the energy efficient new Health and Human Services building, offset with reductions for the old building while it is in “mothball” status.
- The **Vehicle Replacement Fund** includes a \$65,100 increase for the purchase of replacement vehicles. The major participating departments include: Public Works, Parks and Land Use and the Sheriff’s Department.

General Administration

- The 2014 **expenditure budget** for this functional area totals \$21,809,410 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of \$326,982 or 1.5% from the 2013 Adopted Budget.
- The **County Clerk’s Office** 2014 budget includes non-reoccurring election costs for the higher number elections held in even-numbered years, estimated at \$110,000, and increases the corresponding general fund balance which is appropriated to fund the higher number of elections.
- The **Department of Administration (DOA) General Fund** cost to continue expenditures increase by about \$27,600, or less than 1%, mostly due to increased personnel costs (extra help), offset with reduced operating and interdepartmental expenditures.
- **DOA-Risk Management** expenditures for 2014 increase by 1.9% or \$47,900 to \$2.61 million. This primarily reflects an increase in Worker’s Compensation self-insured claims costs based on historical trends.

Non-Departmental

- The 2014 **expenditure budget** for this functional area totals \$26,366,900, an increase of \$1,586,250 or 6.4% from the 2013 Adopted Budget.
- **Non-Departmental - General Fund** expenditures include an increase in the Waukesha County Small Business Leverage Loan program by \$192,000, from \$108,000 to \$300,000, based on higher levels of program participation in 2012 and estimated for 2013. The program is intended to provide “gap” loan funding for small, established businesses in Waukesha County to promote economic growth. The program is funded with prior-year Tax Increment District dissolution dollars returned to the County.

2014 EXPENDITURE HIGHLIGHTS

Non-Departmental (Continued)

- **Non-Departmental** expenditures also include a grant to the Waukesha County Historical Society Museum, to help cover operating costs, as a second-year grant extension past the 10-year obligation of county support. A program operations grant, which was previously funded with \$215,000 annually from the Parks and Land Use Budget, is discontinued in 2014. The county's total grant support to the Museum in the 2013 budget was \$300,000, and is reduced to \$150,000 in 2014.
- **Health and Dental Insurance Fund** budget increases about \$1.4 million, mainly due to the first time budgeting for a shared on-site medical/wellness center, to be operated through a partnership with the School District of Waukesha and the City of Waukesha. The goal of the center is to lower employee health care and prescription drug costs as a result of managing and reducing emergency care, urgent care and higher cost physician and other medical services. A joint feasibility study projected that the center will generate a positive return on investment of approximately \$6.9 million over a five-year period, with the County's share of savings estimated at \$2.4 million. The center is budgeted at \$1.1 million in 2014 to cover a partial year of operation (estimated to begin in August) and one-time start-up costs. The School District and City will fund their share of center operating costs beginning in 2014, and repay the County for one-time start-up costs over the next five years.

Debt Service

The **Debt Service expenditure budget** for general governmental purposes is \$14,423,154, a decrease of \$360,211 from the 2013 Adopted Budget or 2.4%. To fund the 2014 Capital Project's Budget, \$10 million is planned to be borrowed, which is \$7 million below last year's level. This, along with planned debt refunding, will reduce the County's total debt outstanding to approximately \$94.2 million, well below the allowable levels set by State statutes.

Capital Projects

The 2014 **Capital Project expenditure budget** of \$28.09 million increases \$222,700 from the 2013 Adopted Budget. The 2014 Capital Budget identifies funding for existing and new projects at a net County cost of \$19 million (after direct project revenues of \$1 million and proprietary fund balance appropriation totaling approximately \$8.1 million are applied). For 2014, borrowed funds total \$10 million (mentioned above) and investment income is at \$250,000. Project funding also includes \$1.95 million in County tax levy, a \$50,000 decrease from the 2013 Adopted Budget, and cash balances of General Fund balance of \$6.2 million and \$650,000 of general State revenues.

2012-2014 REVENUE SUMMARY

SOURCE	2012 Actual	2013 Adopted Budget	2013 Estimate	2014 Adopted Budget	Incr/(Decr) From 2013 Adpt. Budget
Intgov't Contracts & Grants	\$46,136,448	\$48,863,909	\$55,680,988	\$50,266,126	\$1,402,217
State Transportation Aids	\$4,678,002	\$4,678,002	\$4,449,345	\$4,678,002	-
State Shared Revenues	\$1,090,418	\$845,500	\$845,500	\$845,000	\$(500)
Fines & Licenses	\$2,626,005	\$2,714,927	\$2,655,450	\$2,677,545	\$(37,382)
Charges for Services (a)	\$34,637,033	\$33,276,305	\$33,128,053	\$34,728,301	\$1,451,996
Interdepartmental Revenue	\$35,072,085	\$36,708,567	\$36,126,437	\$37,223,385	\$514,818
Other Revenues (a)	\$12,950,208	\$8,543,050	\$8,996,406	\$9,448,239	\$905,189
Interest/Penalty on Delinq Taxes	\$3,540,821	\$2,850,000	\$3,200,000	\$2,808,000	\$(42,000)
Investment Inc-Unrestricted Funds	\$4,413,343	\$5,050,000	\$3,550,000	\$4,663,000	\$(387,000)
Debt Borrowing	\$20,000,000	\$17,000,000	\$17,000,000	\$10,000,000	\$(7,000,000)
Appropriated Fund Balance	\$11,572,673	\$12,099,722	\$11,010,747	\$22,973,416	\$10,873,694
Retained Earnings (a)(b)	\$(4,793,301)	\$(586,812)	\$(1,237,601)	\$(612,415)	\$(25,603)
Tax Levy	\$100,920,969	\$101,729,126	\$101,729,126	\$102,470,780	\$741,654
Total Gross Revenues	\$272,844,704	\$273,772,296	\$277,134,451	\$282,169,379	\$8,397,083

FUNCTION	2012 Actual	2013 Adopted Budget	2013 Estimate	2014 Adopted Budget	Incr/(Decr) From 2013 Adpt. Budget
Justice & Public Safety	\$17,574,485	\$17,484,529	\$17,079,083	\$17,207,786	\$(276,743)
Health & Human Services	\$41,685,652	\$41,616,777	\$45,413,227	\$46,592,542	\$4,975,765
Parks, Env, Educ & Land Use	\$21,915,761	\$19,201,782	\$22,419,911	\$20,075,617	\$873,835
Public Works	\$18,429,656	\$17,783,157	\$17,902,670	\$18,497,560	\$714,403
General Administration	\$19,521,427	\$19,639,815	\$18,507,788	\$19,789,593	\$149,778
Non-Departmental	\$22,821,883	\$22,530,700	\$22,036,000	\$23,274,500	\$743,800
Debt Borrowing	\$20,000,000	\$17,000,000	\$17,000,000	\$10,000,000	\$(7,000,000)
Capital Projects	\$3,195,499	\$5,273,500	\$5,273,500	\$1,900,000	\$(3,373,500)
Appropriated Fund Balance	\$11,572,673	\$12,099,722	\$11,010,747	\$22,973,416	\$10,873,694
Retained Earnings (a)(b)	\$(4,793,301)	\$(586,812)	\$(1,237,601)	\$(612,415)	\$(25,603)
Tax Levy	\$100,920,969	\$101,729,126	\$101,729,126	\$102,470,780	\$741,654
Total Gross Revenues	\$272,844,704	\$273,772,296	\$277,134,451	\$282,169,379	\$8,397,083

(a) Includes revenues from Proprietary Fund user fees and other revenue 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.

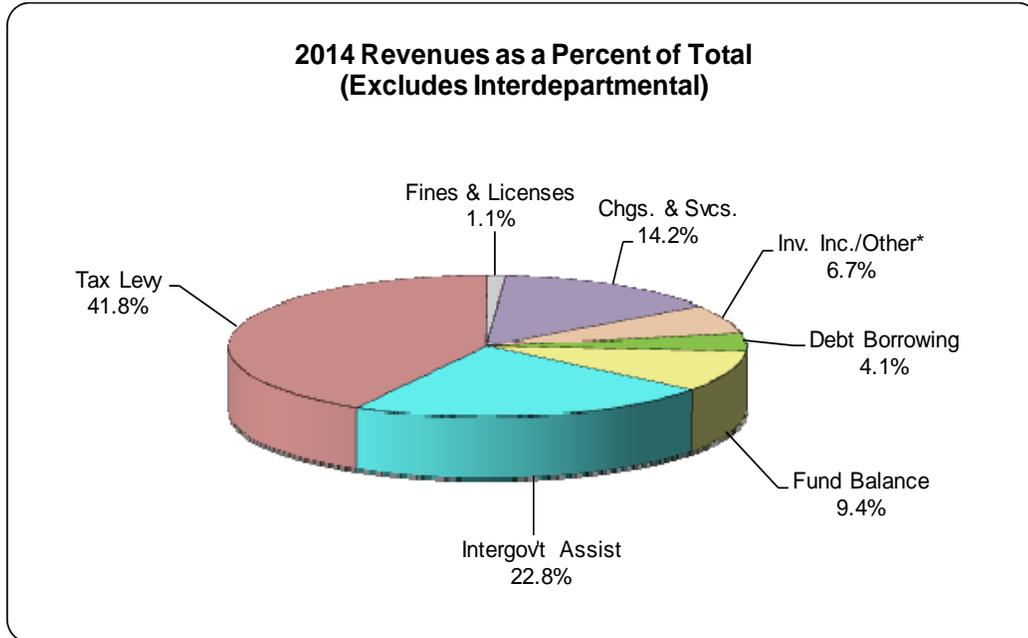
2014 REVENUE HIGHLIGHTS

Revenue Budget:

The 2014 revenue budget (excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings) totals \$157,337,598, a decrease of \$3,192,662 or -2.0% from the 2013 Adopted Budget. The revenue budget includes \$37,223,385 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.).

The 2014 revenues consist of departmental operating revenues budgeted at \$144,825,183 and capital project funds at \$11,900,000 including \$10,000,000 from planned borrowing. Overall, the operating revenues increase nearly \$7.16 million or 5.2% from the prior year budget, while capital project revenues decrease by about \$10.4 million.

The graph below reflects the ratio of revenue sources budgeted for 2014 to all revenue sources, with tax levy of 41.8% and Intergovernmental Assistance of 22.8% (after excluding Interdepartmental revenues) as the major revenue components.



* Excludes Retained Earnings

Revenue Projection Methodology

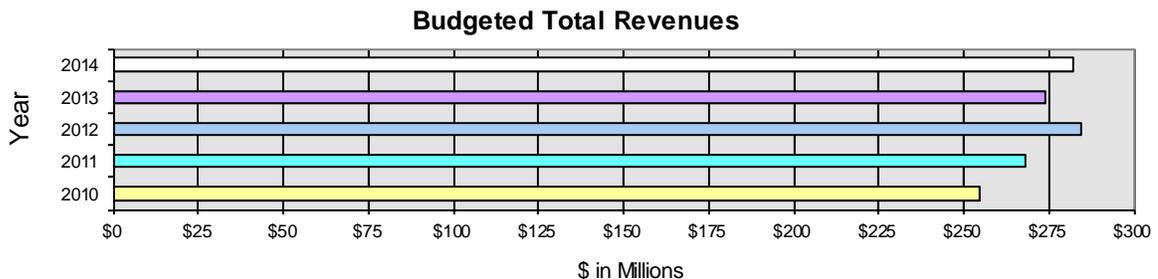
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The County combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

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 2010-2014. Total revenues are budgeted to increase nearly \$8.4 million or 3.2% to \$282.2 million to be within about 1% of the 5-year high of \$284.6 million in 2012 summarized below.



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

2014 REVENUE HIGHLIGHTS

The 2014 revenue budget increases by nearly \$8.4 million to \$282.2 million, largely due to an increase of about \$10.9 million of Fund Balance appropriations to nearly \$23 million. This offsets a decrease of \$7 million of Debt Borrowing to fund capital project expenditures. Intergovernmental revenues increase by \$1.4 million mainly due to increases in the Children with Long-Term Support Needs (CLTS) Third Party Administrator (TPA) grant of \$3.25 million, partially offset by federal and state funding reductions. Charges for Services increase \$1.45 million and the County General Tax Levy (excluding the special Library tax) increases by \$706,630.

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.

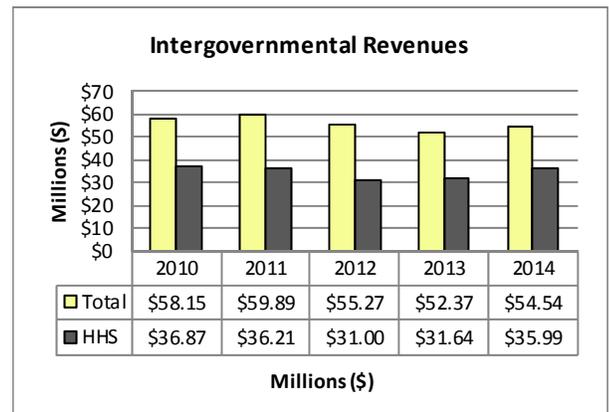
Detailed revenue highlights are included within each functional area summary.

A summary of highlights and major changes from the 2013 Budget to the 2014 Revenue Budget, by source, follows.

Intergovernmental Contracts & Grants:

Combined, total 2014 intergovernmental contracts, grants, state/federal aids and state shared revenues together are budgeted at \$55,789,128, an increase of \$1,401,717 or 2.6% from the 2013 Adopted Budget (as indicated below).

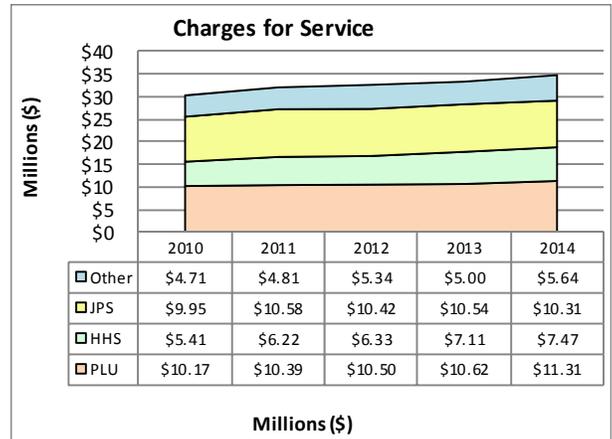
- **H&HS Functional Area** Intergovernmental Revenue increases by \$4,284,741 to nearly \$36 million as follows:
 - **Department of Health and Human Services (H&HS) – Children with Special Needs Program** includes an increase in intergovernmental State revenue reimbursements related to the Children's Long Term Support (CLTS) Third Party Administrator (TPA) program of \$3.25 million as a result of the State of Wisconsin issuing an opinion making these payments to service providers documented as grant expenditures. These expenditures were removed from the budget in the prior year when the State implemented a change to the TPA. In addition, intergovernmental revenues increase about \$84,300 due to the Children's Long Term Support (CLTS) waiver program as state reimbursement for the recapture of service coordinator client service hours.
 - **H&HS – Economic Services Administration and Support Program** includes an increase of both federal and state funding related to the Moraine Lakes Consortium of \$667,000, including approximately \$559,300 in funding for 10.0 FTE Economic Support Specialist sunset positions to assist citizens with the implementation of the Patient Protection Affordable Care Act (PPACA).
 - **Family Services & Juvenile Services Division's** 2014 budget includes increases in State Youth Aids funding by about \$210,100 to \$3.46 million, based on an adjustment made by the Wisconsin Department of Corrections made to county allocations in 2013.
 - **Administrative Services** intergovernmental revenue increases by nearly by about \$107,500 mainly due to increases in indirect cost recovery expected from the Aging and Disability Resource (ADRC) Contract Fund of about \$140,000 from \$477,600 to \$617,400.



2014 REVENUE HIGHLIGHTS

- **Criminal Justice Collaborating Council** General Government revenues are budgeted to decrease by about \$126,900 to \$383,400 largely due to a reduction in the 3-year Alcohol Treatment Court expansion grant for 4th OWI offenders budgeted to be discontinued September 30, 2014.
- **Capital Projects** Funding from General Government revenues are budgeted to decrease by about \$3.6 million including a reduction of \$1.9 million of Federal Transportation Enhancement grant funding for bike trail paving, as well as a reduction of about \$2.0 million 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 \$167,800 to over \$4.7 million based on the current (2013) State's Routine Maintenance Agreement (RMA) and State Department of Transportation levels of services being requested.
- **University of Wisconsin – Extension** budgeted intergovernmental revenues decrease by about \$76,900 to \$166,300, mainly due to the department not receiving the Drug Free Communities grant in 2014, previously budgeted at \$125,000 in 2013.

Charges for Services: User fees are budgeted at \$34,728,301, which represents an increase of \$1,451,996 from the 2013 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).



- **Parks, Environment, Education & Land use (PLU)** functional area Charges for Service revenues are budgeted to increase by about \$688,000 to \$11.3 million mainly due to an increase in **Register of Deeds** revenues by approximately \$611,400, reflecting an increase of \$325,000 of redaction fee revenues due to the 2013-2015 Wisconsin State Budget allowing Counties the use of redaction fee revenues in 2014 for general purposes. Also, Real Estate Transfer fees are budgeted to increase about \$191,400 due to an increase in home sales, reflecting improving conditions in the real estate market. Document recording fee revenues are also budgeted to increase \$75,000.
- **Health & Human Services (HHS)** functional area Charges for Service revenues increase by about \$365,500 to \$7.4 million, and includes **Clinical Services Division** increases of about \$295,000 to nearly \$6.14 million, related to Mental Health Outpatient Client Fee revenue increases of nearly \$170,000, and a \$100,000 increase at the Mental Health Center reflecting an increase of \$16 per client day.
- **Justice and Public Safety (JPS)** functional area Charges for Service revenues decrease by approximately \$229,400 to \$10.3 million mainly due to a decrease in Federal prisoner revenue of \$113,500 (4.04 inmate per day) and **Huber room and board** revenues of about \$145,400 (18.16 paying inmates per day). This reduction is offset in part with an increase of \$65,400 for Wisconsin DOC inmate (3.48 inmates per day). In addition, **Circuit Court Services** revenues decrease about \$116,000 due to reductions for bail forfeiture revenues, reduced revenues from custody studies conducted by the Family Court Services unit, and reduced Criminal and Civil Court Fees.

Fines and Licenses: Fine and license revenues are estimated to total \$2,677,545 for 2014, decreasing about \$37,400, or 1.4% from the 2013 Budget, including the following: **Circuit Court Services** budget includes a reduction of \$65,000 in Fines and Forfeiture revenues, partially offset by increases in the **Medical Examiner** budget from Cremation Permit revenue of nearly \$23,000.

Interdepartmental Revenues:

2014 Interdepartmental revenues total \$37,223,385, an increase of about \$514,800 or 1.4% from the 2013 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 about \$144,500 to \$1.9 million but is still being subsidized by General Fund Balance.
- End User Technology program interdepartmental revenues for the total cost of technology ownership increases by about \$179,500 in the 2014 budget as the department continues to phase in full cost recovery.
- Interdepartmental revenues in the **Public Works Functional Area** increase by about \$303,000 to nearly \$7.0 million. Department charges for vehicle operations increase \$178,000 including fuel of \$29,000, vehicle repair and maintenance charges of \$68,000, and vehicle replacement charges of \$72,000. Additional items include: and Building/Office rental charges increase of nearly \$47,000 for maintenance and services provided to County departments.

2014 REVENUE HIGHLIGHTS

Other Revenues:

Other revenues from various other miscellaneous sources in the 2014 Budget total \$16.9 million, an increase of about \$476,200 from the 2013 Budget.

- **Department of H&HS – Clinical Division** Revenues are budgeted to increase by about \$165,000 to nearly \$1.7 million, largely from increases in Social Security Income Collections revenues of about \$92K and \$78K of State of Wisconsin Medical Assistance Cost Reporting (WIMCR) program reimbursements based on current (2013) year estimates.
- **Parks and Land Use General Fund** revenues include \$156,000 in pass through funding due to an agreement with the Emerald Park Landfill vendor to manage all invoicing related to the landfill in the Household Hazardous Waste program, budgeted for the first time in 2014.
- The **Office of the Treasurer** investment income decreases by \$127,000 to \$4.4 million due to estimated lower investment rates of return.
- **Capital Projects** include \$400,000 in excess land sale revenue, partially offset by an estimated decrease in investment earnings by \$260,000.
- **Public Works** includes a budgeted increase of \$85,000 from the sale of retired county vehicles at auction.

Debt Financing:

The 2014 Budget includes borrowing of \$10 million to finance a major portion of 2014 capital projects, which is a decrease of \$7 million from the 2013 Adopted Budget mainly due to 2013 being the last year of funding of the H&HS Office Building (Project 200615).

Appropriated Fund Balance:

To reduce the 2013 Tax Levy (for 2014 Budget purposes), the Budget includes Fund Balance appropriations of \$22,973,416 for one-time projects, temporary expenditures or to phase in the impact of significant revenue losses. This includes \$8,730,716 for the operating budgets and \$14,242,700 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	\$28,000						\$28,000
Administration Internal Service Funds			\$290,000				\$290,000
Admin Dept-Risk Management			\$179,885				\$179,885
End User Tech. Fund			\$567,025				\$567,025
Airport Fund				\$180,829			\$180,829
Capital Projects Budget					\$14,242,700		\$14,242,700
Circuit Court Services	\$20,000						\$20,000
Contingency Fund	\$1,200,000						\$1,200,000
County Clerk Dept.	\$110,000						\$110,000
Debt Service Fund						\$1,213,154	\$1,213,154
Emergency Preparedness	\$133,000			\$173,746			\$306,746
Human Services Dept.	\$177,722						\$177,722
Non-Departmental	\$719,200		\$1,002,000				\$1,721,200
Federated Library Fund		\$69,300					\$69,300
Parks and Land Use Dept.	\$82,500	\$700,000		\$978,700			\$1,761,200
Public Works Dept	\$270,000	\$222,900	\$133,083				\$625,983
Sheriff Dept.	\$279,672						\$279,672
Total by Fund Type	\$3,020,094	\$992,200	\$2,171,993	\$1,333,275	\$14,242,700	\$1,213,154	\$22,973,416

Significant increases in fund balance for the capital budget include the \$5.5 million for the digital radio system upgrade and \$5.4 million for the collaborative material recycling facility project.

Tax Levy: The overall 2013 Tax Levy (for 2014 Budget purposes) is \$102,470,780, which represents an increase of \$741,654 or 0.7% from the 2013 Adopted Budget. The total Tax Levy consists of General County Purpose Levy of \$99,505,152, a \$706,630 or 0.72% increase from the 2013 Adopted Budget, and the Special Federated Library Tax Levy of \$2,965,628, an increase of \$35,024 or 1.2% from the 2013 Adopted Budget, which are accessed to municipalities without Libraries.

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 2012-2014

SUMMARY BY FUNCTIONAL AREA

*****BUDGETED POSITIONS ONLY*****

FUNCTIONAL AREAS:	2012 Year End (a)	2013 Adopted Budget	2013 Modified Budget	2014 Proposed Budget	13-14 Change
Justice and Public Safety	544.52	544.90	544.90	544.90	-
Health and Human Services	418.06	417.06	426.06	425.06	8.00
Parks, Env., Educ., and Land Use	133.70	133.20	133.20	133.20	-
Public Works	135.60	135.60	135.60	135.60	-
General Administration	126.05	126.05	126.05	125.55	(0.50)
Non-Departmental	-	-	-	-	-
Total Regular Positions Countywide	1,357.93	1,356.81	1,365.81	1,364.31	7.50
Temporary Extra Help	123.64	121.41	121.40	120.72	(0.69)
Overtime	22.89	22.95	22.95	22.38	(0.57)
Total Position Equivalents Countywide	1,504.46	1,501.17	1,510.16	1,507.41	6.24

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

Significant Changes for 2014

- Budgeted Full-Time Equivalents (FTEs) increase by a net of 6.24 FTE, including temporary extra help and overtime.
- There is a net increase of 7.50 FTE budgeted regular positions mostly due to the 9.0 net FTE positions added by HHS by ordinance during 2013 offset by a 1.50 FTE reduction of regular positions in the 2014 budget.
- Temporary extra help decreases a net of 0.69 FTE (about 1,435 hours).
- Budgeted Overtime decrease a net of 0.57 FTE (about 1,186 hours).

For more detail, see the Stats/Trends Section for the Regular Full-Time/Part-Time Budget Position Summary, the Summary of Net Change in Funded Regular Full-Time/Part-Time Positions and Budget Position Detail Summary for individual departments.

Current-Year Changes in 2013

Create:	10.00 FTE Economic Support Specialist – HHS (Enrolled Ord. 168-23)	10.00
Create:	2.00 FTE Senior Information Technology Professional – HHS (Enrolled Ord. 168-31)	2.00
Abolish:	1.00 FTE Clerk I – HHS (Enrolled Ord. 168-31)	(1.00)
Abolish:	1.00 FTE Clerk Typist II – HHS (Enrolled Ord. 168-31)	(1.00)
Abolish:	1.00 FTE Programs and Projects Analyst – HHS (Enrolled Ord. 168-31)	(1.00)

FUNCTIONAL AREA SUMMARY BY FUND TYPE

2014 BUDGET

REVENUES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
JUSTICE & PUBLIC SAFETY	\$16,051,528		\$1,156,258				\$17,207,786
HEALTH & HUMAN SERVICES	\$43,508,719	\$3,083,823					\$46,592,542
PARKS, ENV., EDUC., LAND USE	\$7,930,381	\$5,896,236	\$6,249,000				\$20,075,617
PUBLIC WORKS	\$499,849	\$10,609,084	\$777,250	\$6,611,377		\$1,000,000	\$19,497,560
GENERAL ADMINISTRATION	\$9,861,191			\$9,928,402		\$10,900,000	\$30,689,593
NON DEPARTMENTAL	\$1,205,000			\$22,069,500			\$23,274,500
FUND BALANCE APPROPRIATION	\$3,020,094	\$992,200	\$1,333,275	\$2,171,993	\$1,213,154	\$14,242,700	\$22,973,416
RETAINED EARNINGS		(\$51,100)	(\$495,923)	(\$65,392)			(\$612,415)
TAX LEVY	\$79,693,190	\$5,924,603	\$192,563	\$1,500,424	\$13,210,000	\$1,950,000	\$102,470,780
TOTAL REVENUES	\$161,769,952	\$26,454,846	\$9,212,423	\$42,216,304	\$14,423,154	\$28,092,700	\$282,169,379
EXPENDITURES							
JUSTICE & PUBLIC SAFETY	\$57,553,328		\$1,064,251			\$10,268,000	\$68,885,579
HEALTH & HUMAN SERVICES	\$69,247,581	\$3,083,823				\$95,000	\$72,426,404
PARKS, ENV., EDUC., LAND USE	\$13,655,653	\$9,580,064	\$6,997,530			\$6,660,000	\$36,893,247
PUBLIC WORKS	\$8,641,294	\$13,790,959	\$1,150,642	\$6,712,090		\$8,416,200	\$38,711,185
GENERAL ADMINISTRATION	\$9,376,696			\$12,432,714	\$14,423,154	\$2,538,500	\$38,771,064
NON DEPARTMENTAL (a)	\$3,295,400			\$23,071,500		\$115,000	\$26,481,900
TOTAL EXPENDITURES	\$161,769,952	\$26,454,846	\$9,212,423	\$42,216,304	\$14,423,154	\$28,092,700	\$282,169,379

(a) Includes Contingency Fund.

APPROPRIATION UNIT SUMMARY BY FUND TYPE

2014 BUDGET

REVENUES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
INTERGOVT. CONTRACTS/GRANTS	\$37,358,003	\$15,754,625	\$950,000	\$476,500		\$1,250,000	\$55,789,128
FINES & LICENSES	\$2,605,545	\$72,000	\$0	\$0			\$2,677,545
CHARGES FOR SERVICES	\$23,124,570	\$2,033,927	\$5,565,804	\$4,004,000			\$34,728,301
INTERDEPART. REVENUES	\$3,471,353	\$530,639	\$591,854	\$32,629,539			\$37,223,385
OTHER REVENUES	\$12,497,197	\$1,197,952	\$1,074,850	\$1,499,240		\$10,650,000	\$26,919,239
FUND BALANCE APPROPRIATION	\$3,020,094	\$992,200	\$1,333,275	\$2,171,993	\$1,213,154	\$14,242,700	\$22,973,416
RETAINED EARNINGS		(\$51,100)	(\$495,923)	(\$65,392)			(\$612,415)
TAX LEVY	\$79,693,190	\$5,924,603	\$192,563	\$1,500,424	\$13,210,000	\$1,950,000	\$102,470,780
TOTAL REVENUES	\$161,769,952	\$26,454,846	\$9,212,423	\$42,216,304	\$14,423,154	\$28,092,700	\$282,169,379
EXPENDITURES							
PERSONNEL COSTS	\$98,153,344	\$9,500,809	\$2,972,880	\$6,582,109			\$117,209,142
OPERATING EXPENSES	\$50,144,236	\$11,273,317	\$4,783,562	\$34,740,623			\$100,941,738
INTERDEPARTMENTAL CHARGES	\$12,736,322	\$4,788,320	\$1,455,981	\$893,572			\$19,874,195
FIXED ASSETS & IMPROVEMENTS	\$736,050	\$892,400	\$0	\$0		\$28,092,700	\$29,721,150
DEBT SERVICE	\$0	\$0	\$0	\$0	\$14,423,154		\$14,423,154
TOTAL EXPENDITURES	\$161,769,952	\$26,454,846	\$9,212,423	\$42,216,304	\$14,423,154	\$28,092,700	\$282,169,379

(a) Includes Contingency Fund.