

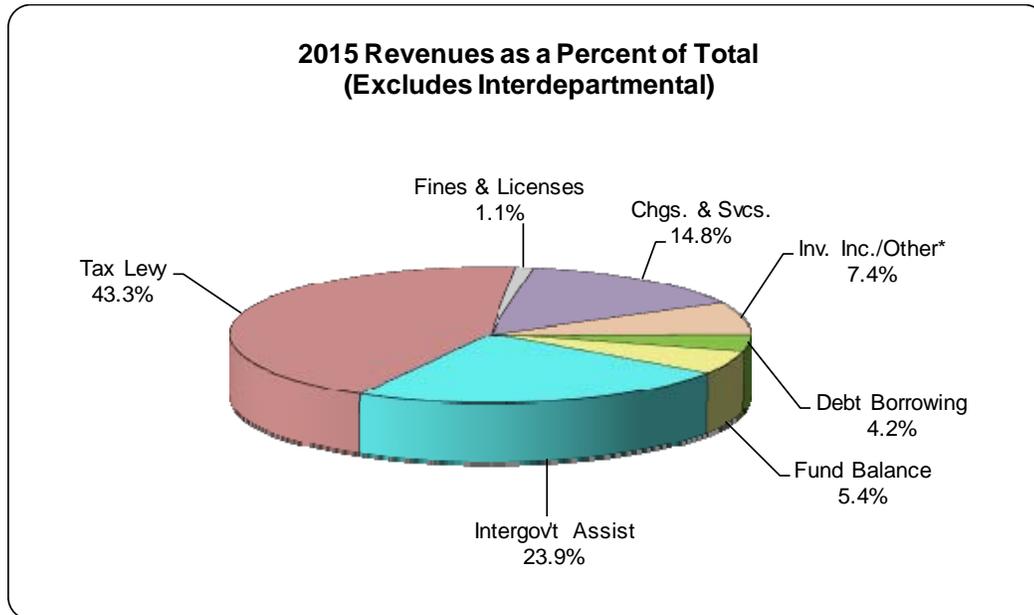
# 2015 REVENUE HIGHLIGHTS

## Revenue Budget:

The 2015 revenue budget (excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings) totals \$160,918,485, an increase of \$3,580,887 or 2.3% from the 2014 Adopted Budget. The revenue budget includes \$37,627,250 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 2015 revenues consist of departmental operating revenues budgeted at \$148,791,057 and capital project funds at \$11,767,500 including \$10,000,000 from planned borrowing. Overall, the operating revenues increase nearly \$3.97 million or 2.7% from the prior year budget, while capital project revenues decrease by \$132,500.

The graph below reflects the ratio of revenue sources budgeted for 2015 to all revenue sources, with tax levy of 43.3% and Intergovernmental Assistance of 23.9% (after excluding Interdepartmental revenues) as the major revenue components.



\* Excludes Retained Earnings

## Revenue Projection Methodology

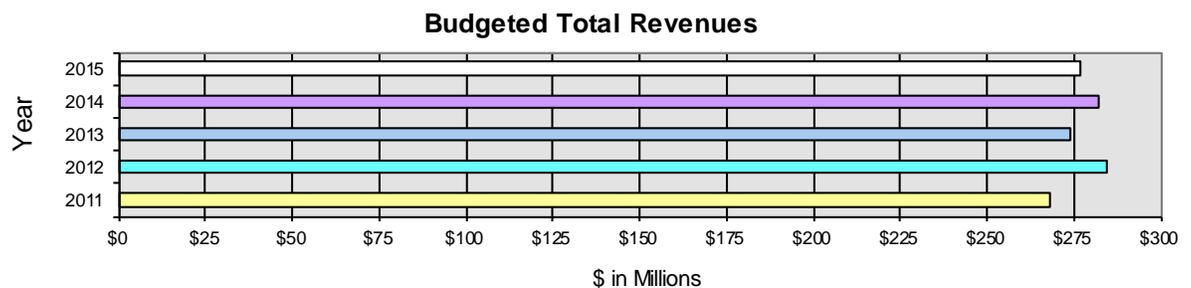
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The County combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

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 recovery 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 2011-2015. Total revenues are budgeted to decrease nearly \$4.69 million or 1.7% to \$277.4 million to be within about 2.5% of the 5-year high of \$284.6 million in 2012 summarized below.



## 2015 REVENUE HIGHLIGHTS

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

The 2015 revenue budget decreases by nearly \$4.67 million to \$277.4 million, mainly due to decreases in appropriated Fund Balance by nearly \$10 million to \$12.9 million. Intergovernmental revenues increase \$1.4 million related to increases in state pass-through revenues related to the Children with Long Term Support Needs (CLTS) Third Party Administrator (TPA) of \$728K and Public Works State Highway operations funding of \$925K to \$5.6 million. Other revenues increase by \$920K mainly due to Material Recovery Facility budgetary changes related to the new joint operational agreement, resulting in an increase of \$1.45 million, partially offset by a reduction in investment income of nearly \$805,400 based on low interest rates. Charges for services increase \$798,600 and the County General Tax Levy (excluding the Special Library Tax) increases by \$987,100 or less than 1%.

The 2014 revenue budget increases by nearly \$8.3 million to \$282.1 million, largely due to an increase of about \$10.8 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.

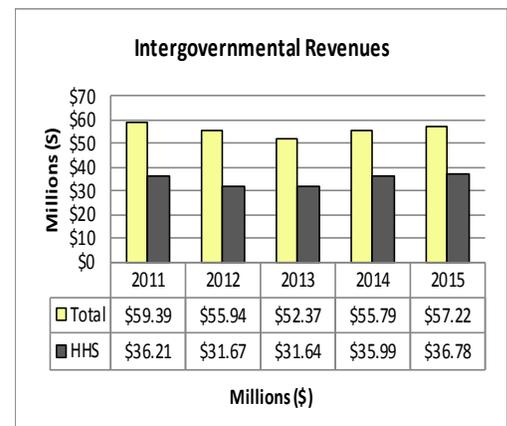
Detailed revenue highlights are included within each functional area summary.

A summary of highlights and major changes from the 2014 Budget to the 2015 Revenue Budget, by source, follows.

### Intergovernmental Contracts & Grants:

Combined, total 2015 intergovernmental contracts, grants, state/federal aids and state shared revenues together are budgeted at \$57,219,996, an increase of \$1,430,868 or 2.6% from the 2014 Adopted Budget (as indicated below).

- **H&HS Functional Area** Intergovernmental Revenue increases by \$790,500 to nearly \$36.78 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 \$728K to serve additional children with long term support needs.
  - **Aging and Disability Resources-Contract Fund** 2015 budget includes increases in State funding by about \$401,400 to \$3.08 million, due to increased programmatic expenditures related to increased contract staff.
  - **Mental Health Outpatient-Clinical** includes an increase of \$109K related to the County being awarded a state funded, Mental Health Regional Crisis grant for purposes of training County staff and law enforcement to assist severe emotionally disturbed youth, improve collaboration, and provide crisis intervention services.
  - **H&HS – Economic Services Administration and Support Program** includes a decrease of \$236,500 related to the sunset of ten (5.00 FTE) sunset Economic Support Services positions created to assist in the implementation of the Patient Protection and Affordable Care Act (PPACA). The state and federal funding will end June 30, 2015.
  - **Intake and Shared Services** intergovernmental revenue includes a decrease of nearly \$107,000 due to a reduction in state pass-through allocations for payments to kinship guardians as a result of reducing the wait list by 35 children with the use of one-time funding in 2014.

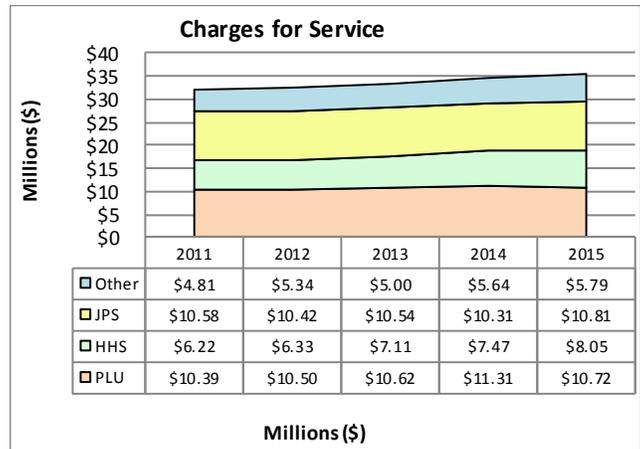


## 2015 REVENUE HIGHLIGHTS

➤ **Criminal Justice Collaborating Council** General Government revenues are budgeted to decrease by about \$151,800 to \$231,600 largely due to a nearly \$261K reduction in the 3-year Alcohol Treatment Court expansion grant for 4<sup>th</sup> OWI offenders budgeted to be discontinued in September 2014.

- 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 \$925,000 to over \$5.6 million partially based on the current (2014) State's Routine Maintenance Agreement (RMA) resulting in \$325K of additional funding, and an increase in anticipated state funds of \$600K related to the pilot Performance-Based Maintenance (PBM) project authorized in 2014.
- **Circuit Court Services** General Government revenues include an increase of \$72,100 to the state funded Circuit Court Support Grant, representing a return to 2011 funding levels.
- **University of Wisconsin – Extension** budgeted intergovernmental revenues decrease by nearly \$59K to \$107,400, related to grants for program projects that are completed or not continued in 2015.

**Charges for Services:** User fees are budgeted at approximately \$35.4 million, which represents an increase of nearly \$799,000 or 2.3% from the 2014 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).



- **Health & Human Services (HHS)** functional area Charges for Service revenues increase by about \$583,300 to \$8.05 million, and includes **Clinical Services Division** increases of about \$660,700 to nearly \$6.8 million, related to Mental Health Outpatient Client Fee revenue increases of nearly \$613,000 due to increased funding reimbursements for Comprehensive Community Services (CCS) program activity, to provide community living support services, including employment and peer support through psychosocial rehabilitation. The Wisconsin 2013-2015 biennial budget (Act 20) authorized the Department of Health Services to increase funding for CCS by providing for both the federal and non-federal share of Medicaid costs to counties.
- **Justice and Public Safety (JPS)** functional area Charges for Service revenues increase by approximately \$497,400 to \$10.8 million mainly due to a \$476,800 increase related to new contractual agreements authorizing the Waukesha County **Medical Examiner** to provide medical examiner services for Walworth and Washington Counties. In addition, **Radio Services Fund** revenues include a \$187,800 increase to offset operating charges related to the new Digital trunked radio system. **Sheriff-Jail Prisoner Board** revenues decline by \$196,800 (7 inmate per day), partially offset an increase of \$60,500 for Wisconsin DOC inmates (3.22 additional inmates per day). In addition, **Circuit Court Services** revenues decrease about \$87,000 due to reductions for bail forfeiture revenues.
- **Parks, Environment, Education & Land use (PLU)** functional area Charges for Service revenues are budgeted to decrease by about \$433,100 to \$10.7 million mainly due to a decrease in **Register of Deeds** revenues by approximately \$326,800, reflecting a decrease of \$400,000 of redaction fee revenues due to the 2013-2015 Wisconsin State Budget allowing Counties the use of redaction fee revenues for general purposes in 2014 only. Also, Real Estate Transfer fees are budgeted to increase about \$152,200 due to an increase in home sales, reflecting improving conditions in the real estate market, partially offset by a decrease in document recording fee revenues of \$75,000 related to a reduction in home mortgage refinancing activity. In addition, **Material Recovery Facility (MRF)** revenues decrease by \$120K, where the County previously received a per-ton processing payment, is discontinued under the new Operational Agreement, slightly offset by fee increases in several **Parks-General Fund** accounts of about \$48,000.
- **Public Works** functional area revenues include a \$189,500 increase in the **Transportation Fund**, due to charges to municipalities for salt purchases (by \$179,500), which is anticipated to increase 2,000 tons from 2014, and pavement marking services (\$10,000).

**Fines and Licenses:** Fine and license revenues are estimated to total \$2,704,795 for 2015, increasing about \$27,250, or 1.0% from the 2014 Budget, including the following: **Circuit Court Services** budget includes a reduction of \$87,000 in Fines and Forfeiture revenues, partially offset by increases in the **Medical Examiner** budget from Cremation Permit revenue of \$99,100.

**Interdepartmental Revenues:**

2015 Interdepartmental revenues total \$37,627,250, an increase of about \$403,900 or 1.1% from the 2014 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 based on historical trends, **DOA-Risk Management** interdepartmental revenue increases by about \$121,500 to \$2.06 million. This fund remains subsidized by General Fund Balance, but projected to be phased out over future years and is reduced nearly \$61K in 2015.

## 2015 REVENUE HIGHLIGHTS

- Interdepartmental revenues in the **Public Works Functional Area** increase by about \$393,600 to nearly \$7.38 million. Department charges for vehicle operations increase \$218,800 including fuel of \$26,400, vehicle repair and maintenance charges of nearly \$40K, and vehicle replacement charges of \$152,600. Additional items include: and Building/Office rental charges increase of nearly \$71,500 for maintenance and services provided to County departments.
- **DOA-Communications** interdepartmental revenues decrease \$84K or 10.7% reflecting a revision to the rate structure due to lower operating costs due to the implementation the Voice Over Internet Protocol (VoIP) phone system.

### Other Revenues:

Other revenues from various other miscellaneous sources in the 2015 Budget total nearly \$18 million, an increase of about \$920,300 or 5.4% from the 2014 Budget.

- **Parks and Land Use-Material Recovery Facility (MRF) Fund** revenues increase \$1.45 million, mainly due to changes in material sales revenue by \$1.14 million as a result of a change in the revenues sharing agreement between the County and the County's processor of recyclable materials, increase the County's share from 50%-80% per ton, as a result of the new joint MRF agreement with the City of Milwaukee. The budget also includes \$100K in landfill siting fee revenues.
- The **Office of the Treasurer** investment income decreases by \$805,000 to \$3.6 million due to estimated lower investment rates of return.
- **Capital Projects** revenue includes a \$400,000 decrease for one-time land sale revenue in 2014, partially offset by an increase in investment earnings of \$50,000.
- **Department of H&HS – Clinical Division** revenues are budgeted to increase by about \$221,600 to \$1.88 million, mainly due to increases in adult and child admissions to state mental health facilities that qualify for Medicaid reimbursement.
- **Department of H&HS – Children with Special Needs** revenues are budgeted to increase \$210K related to pass-through reimbursements of CLTS costs for certain vendors unable to directly bill the CLTS third-party administrator.
- **Non Departmental** revenues increase \$360,000 and include \$200K for repayments of principal and interest from the Waukesha County Small Business Leverage Loan Program and \$190K for the first-time repayment of loans to help municipal fire, police and emergency response units upgrade their radios and equipment for the new County-wide digital radio system. This is partially offset by decreases in Deferred Compensation Plan consulting of \$15,000 and procurement card rebate revenue of \$15,000.
- The **Sheriff** budget also includes an overall increase of \$137K related to inmate phone revenue and merchandise and commission sales.

### Debt Financing:

The 2015 Budget includes borrowing of \$10 million to finance a major portion of 2015 capital projects, remaining at the same level as the 2014 Adopted Budget.

### Appropriated Fund Balance:

To reduce the 2014 Tax Levy (for 2015 Budget purposes), the Budget includes Fund Balance appropriations of \$12.9 million for one-time projects, temporary expenditures or to phase in the impact of significant revenue losses, a reduction of nearly \$10 million from the previous year. This includes \$10.4 million for the operating budgets and \$2.5 million 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			\$244,471				\$244,471
Admin Dept-Risk Management			\$118,927				\$118,927
End User Tech. Fund			\$599,619				\$599,619
Airport Fund				\$210,829			\$210,829
Capital Projects Budget					\$2,523,900		\$2,523,900
Circuit Court Services	\$20,000						\$20,000
Contingency Fund	\$1,200,000						\$1,200,000
Corporation Counsel Dept.	\$0						\$0
County Clerk Dept.	\$0						\$0
Debt Service Fund						\$1,669,317	\$1,669,317
District Attorney	\$0						\$0
Emergency Preparedness	\$348,841			\$753,410			\$1,102,251
Human Services Dept.	\$231,147						\$231,147
Non-Departmental	\$300,300		\$1,514,900				\$1,815,200
Federated Library Fund		\$50,050					\$50,050
Parks and Land Use Dept.	\$67,100	\$800,000		\$1,125,000			\$1,992,100
Public Works Dept	\$251,000	\$225,000	\$101,083				\$577,083
Register of Deeds	\$300,000						\$300,000
Sheriff Dept.	\$209,869						\$209,869
UW Extension Dept.	\$11,200						\$11,200
<b>Total by Fund Type</b>	<b>\$2,967,457</b>	<b>\$1,075,050</b>	<b>\$2,579,000</b>	<b>\$2,089,239</b>	<b>\$2,523,900</b>	<b>\$1,669,317</b>	<b>\$12,903,963</b>

**Tax Levy:** The overall 2014 Tax Levy (for 2015 Budget purposes) is \$103,916,612, which represents an increase of \$1,445,832 or 1.4% from the 2014 Adopted Budget. The total Tax Levy consists of General County Purpose Levy of \$100,492,252, a \$987,100 or 0.99% increase from the 2014 Adopted Budget, and the Special Federated Library Tax Levy of \$3,424,360, an increase of \$458,732 or 15.5% from the 2014 Adopted Budget, which are assessed to municipalities without Libraries.