



# 2012 Budget Recommendation



**Dana Frey, County Administrator  
September 2011**

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September 7, 2011

TO: Polk County Board of Supervisors

FROM: Dana Frey, County Administrator

SUBJECT: Polk County 2012 Operating and Capital Budget Recommendations

It is my honor to present you with this draft budget recommendation for 2012 for your consideration and in compliance with my responsibilities under Wisconsin Statutes. A summary of this budget recommendation is attached along with supporting documentation; full detailed information is available from the department of administration on any department or expenditure category (and of course on any other relevant financial subject).

The 2012 budget recommendation continues the new direction set in the 2011 budget process and as recently codified in the new budget preparation and execution policy. This policy requires that a budget be balanced both in the current year terms and in the future, be transparent in its incorporation of all funds and assignment of responsibility for all expenditures, contain meaningful performance information, and follow and implement the policy set by you, the County Board. Accordingly, this budget recommendation addresses the issues you have collectively raised: the need for financial restraint in expenditures, a solid budget reserve, adequate funding for capital investments and protection of the infrastructure, high quality service delivery, and prioritization of key programs.

Unlike the 2011 budget, the effect of the prior year's actions on the 2012 beginning point was relatively minor. The 2011 budget began with an initial projected deficit of approximately \$1.4 million; the comparable figure for 2012 is less than half that amount. Although substantial, State aid reductions were largely offset by the effect of the accompanying reduction in the employer contribution to the Wisconsin State Retirement System (WRS); the largest remaining cost increases were for health insurance and an increase in debt service equal to about \$225,000. To close this gap, we were able to restructure agencies and reduce staffing levels through attrition and find savings in operating budgets and other efficiencies. As I wrote a year ago, the creativity and innovation of county staff was also of great benefit in reducing costs and improving service.

The recommended overall budget expenditure is \$55,044,777. This represents a reduction of \$1,174,738 or 2.1% from the 2011 adopted budget, bringing overall expenditures to a level below that of 2007. Following the "last dollar levy" principle defined in the new budget preparation and execution policy<sup>1</sup> the final property tax levy recommendation is \$20,993,608, a reduction of \$13,152 from the 2011 actual property tax levy. This levy amount is also over \$400,000 below the state-imposed levy cap of \$21,401,816.<sup>2</sup>

This budget recommendation also complies with the County Board policy that the general fund undesignated fund balance equal at least 20% of expenditure and takes it one step further, recommending a fund balance of 25% as a prudent precaution against further aid reductions or adverse economic conditions in this unsettled time. The budget recommendation also includes a set of reserves designed to address some of the County's financial vulnerabilities, discussed below.

**Budget goals and objectives:**

Best practices assign three basic objectives to a budget process: to improve fiscal discipline and budget transparency, to allocate funds in accord with County Board priorities, and to improve the effectiveness and efficiency of public expenditures. This budget recommendation continues to make progress towards all three. With respect to fiscal discipline, it does so through assurances of future sustainability and conservative, realistic revenue and expenditure estimates. Fiscal transparency is enhanced by the incorporation of all funds in a single budget, with County Board action required to retain any separate dedicated accounts.

Allocation in accord with County Board priorities is improved by linking department goals to the strategic and comprehensive plans and by specifically addressing the issues as noted above and by specifically addressing the priority programs identified in the County Board survey earlier this year (Table 4). As was the case last year, any request for additional levy is made on a separate form, to be reviewed by the Finance Committee and governing committee. Efficiency and effectiveness are addressed through program restructuring and a reduction in staffing through attrition and by specific initiatives to improve resource utilization in certain areas, generally information and communication technology. Finally, all programs will be matched with key

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<sup>1</sup> In allocating revenues, all non-levy revenues must be calculated before property tax levy is assigned, assuring the lowest tax level for any given budget

<sup>2</sup> Of this total, \$225,000 is due to debt service increase and about \$70,000 is a result of the increased value due to new construction. The remainder is unused levy carried forward from 2011; a three-fourths vote of the County Board would be required to levy this last amount.

performance indicators and, for selected programs, a logical framework will be prepared, showing how program activities link to results sought by the County Board and how progress towards those results can be measured.

This budget process is also designed to provide the maximum opportunity possible for County Board consideration. A strength of county government in Wisconsin is its committee system, allowing for greater review of the policy aspects of budgets than would be possible in full County Board meetings. To facilitate this review, prior to the budget preparation administration met with every governing committee at least once to discuss department budget submissions and any policy-related budget issue. In September, administration will present the budget recommendation to each governing committee, the finance committee, and the entire County Board. Governing committees may approve the relevant department budgets as submitted or may recommend amendments to these budgets for consideration by the full County Board at its October or November meetings; these amendments will also be reviewed by the finance committee, who may also recommend amendments. Of course, any Board member may recommend any amendment to any budget at any meeting of the full County Board; this approach is intended to maximize the opportunity for Board and public input and for the analysis of budgetary changes in an orderly manner.

### **Summary of Recommendations**

These budget recommendations were developed through a process that began in early 2011. Every department was asked to submit an initial budget request that met a required reduction in expenditures equal to 1.5% of 2011 levy support (less an adjustment for small departments). Following, administration met with every department to determine potential opportunities for savings above and beyond the baseline reduction. Vacancies facilitated the restructuring of two departments, human services and aging, resulting in substantial savings; other savings were identified in the review of other departments.

One note on the budget tables: Polk County is improving its reporting through both the elimination of special accounts and a more rigorous use of the proper chart of accounts. Although this improves the quality of information going forward, it makes comparability with past years' data problematic. Reasons for any change can be explained, but a concerted effort to readjust past data is not worthwhile and may not be possible.

### **Revenues:**

In developing the 2012 budget proposal, it was again assumed that non-tax revenues would generally be frozen (unless there was reason to know or believe otherwise, i.e.

amounts were certified or there was strong likelihood of a decrease in funding). Most general State aids were reduced in the adopted State budget: shared revenue was cut by \$140,000, highway aid by \$110,000, and similar reductions were contained in family aid, funding for economic support administration, child support collection, court operations, and so forth. All told, State aids are estimated to be \$8,526,731, a reduction of about \$1 million from the 2011 budget amount and \$5.5 million lower than their peak amount in 2008. At 15.5% of total revenues, State aids are now at their lowest in recent history. Note, however, that much – if not all – of the State aid reduction in 2012 is offset by the savings from the reduced county share of employee retirement contributions, discussed in greater detail below.

Given the economic uncertainty present at the time of this writing, forecast sales tax collections are estimated to be \$2,250,000, an increase of only \$50,000 from the 2011 budget and over \$100,000 below 2010 actual collections. Recent softness in monthly collections – July collections were well below that of the previous year and August collections were only slightly improved – suggest a need for caution. The forecast for interest earnings was also reduced substantially to reflect current miniscule interest rates (the latest annual interest rate for investments made in the Wisconsin Local Government Investment Pool is 0.11%). Much of this revenue loss is offset by a forecast increase in delinquent taxes in line with current collections experience, however. Other revenues are essentially flat: revenue from charges for services is nearly the same as in the 2011 budget and fees, fines and forfeitures are increased only slightly from the 2011 budget amount.

The “last dollar levy” principle requires that the property tax recommendation follow the assignment of all revenues, effectively making it the resource of last resort in preparing a budget recommendation. Once a minimum level of expenditures had been determined, options were considered to fill the resultant gap; the final figure derived was levy. The budget recommends a 2012 levy of \$20,993,608, a reduction of \$13,152 from the 2011 property tax levy. (None of the figures include the levy for Library Act 150 or Highway Bridge Aid, as these are pass-through funds outside of the control of the County Board). New construction increased the County’s equalized value by 0.33%.

*Although change in the amount of the county tax is extremely difficult to predict for any individual property, it is possible to state that the average taxpayer will see a small reduction in his or her county tax due to the effect of new construction and this small decline in levy. Due to the overall decline in the County’s equalized value the County’s tax rate will increase, but as it is applied against a lower value, the County’s tax collections will decrease very slightly. Further, as the county levy only accounts for about 20 percent of the total, change in school district and town/village/city levies will*

*have a far greater impact on the total tax bill as will of course individual changes in valuation.*

Total revenues, as noted, are \$54,820,190, a 0.9% decrease from the 2011 budget amount and a startling \$10.5 million, or 16.1%, below the recent peak in 2008. Table 1, attached, provides greater detail on revenues and collection history and as recommended for 2012.

**Expenditures:**

The expenditure recommendations are dominated by four significant changes: a halving of the County cost for retirement payments due to new State legislation, estimated to reduce County costs by approximately \$1 million; about \$400,000 in savings in personnel costs due to restructuring, implemented through attrition; a \$225,000 increase in debt service payments from past bond issues; and an increase in employee health insurance costs, the latter partially offset by a recommended increase in the employee share of health insurance from 10% to 12% to match that adopted for State employees. With a resumption of worldwide demand, energy costs have also been adjusted upwards in both the law enforcement and highway budgets.

Total expenditures are estimated at \$55,044,777, \$1,174,738 or 2.1 percent below the 2011 budget amount. Of note, this is the fourth year in a row of significant decline in expenditures (2008 and 2009 were affected by the 2007 bond issue), bringing County expenditures to a level 12.6% below 2009, lower still when adjusted for inflation.

Overall staffing is reduced by 14.1 FTE, with the largest reductions in Human Services due to restructuring and the transfer of some economic support functions to a multi-county consortium and Public Health due to reduced revenues (and therefore expenses) in home care. Other reductions are scattered across other departments; most are implemented through attrition or, for some home health employees, a reduction in hours. A minor change is the transfer of a contract IT support position from Law Enforcement to IT with a complementary transfer from Human Services to IT to enable funding of a full position.

The largest increases in levy revenues are for debt service, for clerk of courts due to increased court-related costs and reduced state funding and for highways to fund construction projects. The largest levy decreases are for human services, law enforcement, and public health. Levy support decreased for fifteen departments overall.

As noted, highway funding is also increased both through levy and through allocation of the remaining bond fund balance. Although this funding amount is adequate to allow all reasonably possible planned construction projects to go forward, this does not necessarily solve the long-term issue of adequate highway funding, which will need to be addressed in the future to prevent the postponement of highway projects in 2013 or after. Fortunately, there is ample time to address this issue.

**Fund balance:**

This budget recommendation again complies with the County Board's directive that the general fund undesignated fund balance equal at least 20 percent of general fund expenditures. As noted, administration's recommendation is that the unassigned fund balance be increased to at least 25 percent of general fund expenditures given current economic uncertainty and limits on other county revenues. Another recession, or lengthening of the current excruciatingly slow recovery, will also affect State and Federal collections; this, along with the state of Federal finances, makes future reductions in county aid inevitable. Some of these reductions may come without adequate opportunity for the County to respond, meaning that use of a reserve fund may prove necessary to avoid major service disruptions or costly layoffs.

It is tempting to recommend the use of fund balance to fund ongoing expenditures balance or to reduce levy. However, this would violate the principal of structural balance in the new budget policy, that ongoing revenues fund ongoing expenditures, and simply worsen future financial problems. Many of the difficulties in the 2011 and 2012 budget processes are a result of past use of one-time revenues to fund ongoing expenditures; while much of that problem has been corrected, to use one-time funds now assumes current problems will somehow be easier to solve tomorrow. Further, the new state levy cap calculation is based on prior year actual levy, not prior year levy cap; as a consequence, it is not feasible to reduce levy on a one-time basis.

It is instead recommended that most of the remaining unassigned fund balance – that above 25 percent of general fund expenditures, or about \$975,000 – be targeted at two areas of financial vulnerability: unfunded retirement obligations and funding for routine capital projects. Current and past County policy and labor contracts have allowed retirees to apply unused sick leave towards health care costs (or a cash payout); this amount has never been explicitly funded but rather covered only through undesignated savings in department budgets. That is likely no longer adequate for two reasons: one, department budgets have become increasingly tight, and two, the number of those eligible to retire and accompanying liability is increasing greatly. The total liability at the end of 2010 for sick leave payouts was \$849,402 for those currently eligible to retire;

with the increasing age of the County work force that amount is certainly growing. The average payout over the past five years has been about \$80 - \$85,000, but that amount will grow and, as the economy improves so does the chances of a significant wave of retirements. It is quite likely that a jump in retirements could greatly exceed the budgetary savings now implicitly applied against these costs -- especially if it occurs near the end of a calendar year.

As a consequence, the first recommendation is to set aside about one-third of the total current liability, or \$300,000, to offset these costs. This, combined with annual savings from retirements also earmarked for these costs, should be adequate to weather any near-term disruptions, giving time for a more lengthy analysis and determination of what is needed to assure actuarial soundness.

Several members of the County Board have repeatedly pointed out a second area of financial vulnerability, and that is funding for routine capital projects. As budgets tighten, funding for capital projects is often sacrificed; although comparisons are difficult, it would appear that funding for capital projects in Polk County is about one-half of what it was a few years ago. Further, there is no funding set aside for the larger cost replacement or maintenance projects such as parking lot resurfacing, roof replacement, or equipment replacement or to take advantage of opportunities to leverage new technologies.

It is therefore also proposed that \$600,000 of unassigned fund balance be used to establish a new Asset Protection Fund aimed at this area of financial vulnerability. It is not the purpose of this recommendation to simply use one-time funding to pay for such projects, however; instead to create a revolving loan fund replenished through budgetary savings or related revenues integrated with the annual Capital Improvement Plan. For example, were this fund to be used for equipment for the lime quarry, the loan would be repaid from lime quarry profits; were this fund to be used for technology or energy investments, the loan would be repaid from budget savings. For general costs, a small depreciation charge will be assigned to each department budget beginning in 2013.

Another use of unassigned fund balance is to increase the contingency account by \$165,000, to an estimated \$275,000. Most department budgets are extremely tight and department-specific contingency funds have been eliminated. This means that unforeseen costs such as a natural disaster, an expensive and lengthy court proceeding or similar cannot be funded within existing budgets and must come from an outside source. A contingency account is designed specifically for that purpose.

There are three minor one-time expenditures from the remaining fund balance that are also recommended. One, in keeping with a top County Board priority, is to fund a small, \$10,000 water-quality education program administered by the land and water resources department. A second expenditure is addressed at the top County Board priority, to replace the increasingly obsolete financial management software system for the County at a cost of about \$25,000, and the third at another priority, a labor market analysis for non-represented employees costing about \$20,000. With approval of the finance committee, these expenditures would be made in 2011 from the contingency fund and repaid in 2012.

**Capital improvements:**

The 2012 budget recommendation also incorporates a capital improvement planning process, integrated with the Asset Protection Fund. As was the case last year, the amounts for 2012 are incorporated in the budget recommendation directly, and will be separately identified in a capital improvement plan for those items over \$25,000 and in a budget annex for items over \$5,000. The full five-year Capital Improvement Plan will be released as a separate document along with the full budget presentation to the County Board later this month.

**Future budget implications:**

Like the 2011 budget, the 2012 budget recommendation is designed to minimize any cost carry forward into 2013 and beyond. Nonetheless, the challenges over the coming year will be how to pay for future costs: inflation in materials, fuel, health insurance, wages, and so on as well as other capital improvements such as highway construction – all with little or no new revenues.

The 2012 budget documentation contains a forward year estimate, to 2013, for the first time. Techniques for its determination are rudimentary, but the results illustrate a few clear points: one, personnel costs will generally be fixed, meaning that any increased costs will need to be offset by savings through attrition or reduction in service levels. We are requiring that departments track overtime, comp time, and the use of temporary help and it is believed that this can lead to significant savings that will free up funds for personnel-related expenditures. Second, most new resources will need to be applied to cover a \$114,000 increase in debt service, an estimated \$100,000 increase in tower maintenance costs, and an increase in funding for highway construction. Finally, it will become increasingly important to determine which programs are effective and important to citizens and which aren't, so that funding from the latter can be assigned to the former.

**Conclusions and implications**

The 2012 budget builds on the progress begun last year, assigning the increased unassigned fund balance created by improved fiscal discipline to address two major areas of financial vulnerability: unfunded liabilities and underfunded capital expenditures. Additional course corrections are inevitable, but feasible, following from better evaluation of existing programs to determine which are effective and address citizen priorities. This is a complex process, but Polk County is not alone in doing so, and is more fortunate that many local governments in that we have the time to undertake such evaluation, planning for the future rather than reacting to crises. As I wrote a year ago, though, the greatest advantage that the county enjoys is in its people, the many volunteers who help with service delivery and in the quality and ability of its employees and elected officials. This effort is already beginning to pay dividends, and I am more convinced than ever that this will see Polk County successfully navigate whatever difficulties the future holds.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dana Frey". The signature is stylized and cursive.

Dana Frey  
County Administrator

## Highlights, 2012 Budget Proposal

The 2012 budget recommendation follows the direction set by the Polk County Board of Supervisors to efficiently and effectively provide for services. Specifically, this recommendation is intended to address several goals:

- **Smaller, more efficient government.** The 2012 budget continues the reductions begun in 2010, cutting overall expenditures by \$1.2 million, or just over two percent.
- **No increase in property taxes.** The proposed budget incorporates a 2012 property tax levy of \$20,993,608, over \$13,000 below the 2011 levy of \$21,006,760.
- **Major savings from restructuring of County departments.** Human Services and Aging are reorganized for a total savings of over \$400,000.
- **14 positions eliminated through attrition.** Even though the proposed budget eliminates over 14 positions to balance the budget, all of this reduction is managed through attrition (or in some cases a reduction in hours) avoiding service disruption and unemployment costs.
- **Funding of Board priorities.** New funding is assigned for top priorities set by the County Board, including financial management, lake and water protection, land use planning, and highway maintenance.
- **Structurally balanced budget.** All ongoing expenditures are funded through ongoing revenues for 2012; one-time funding is only used for one-time expenditures.
- **Solid fund balances.** In uncertain times, it is prudent to address potential fiscal vulnerabilities with one-time moneys which should not be used to fund ongoing costs or to reduce levies. There are four components of this recommendation:
  1. **General fund reserve.** The recommended unassigned fund balance is increased to 25% of General Fund expenditures, up from the recommendation of 20%.
  2. **Contingency fund increase.** The budget proposal increasing the contingency fund to \$275,000 to allow quickly response to natural disasters or major unforeseen expenses.
  3. **Funding to protect assets.** The budget recommends that \$600,000 be set aside in an internal revolving loan fund to avoid future large property tax increases or the need for borrowing for what should be routine costs.
  4. **Funding retirement liability.** The County is liable for \$849,402 in sick leave payouts for those currently eligible to retire with no funding set aside; one-third of that amount is reserved to cover the levy share of these costs.
- **Transparent process.** All relevant budgetary materials posted on the Internet once released, and the recently adopted policy on budget consideration provides for the opportunity for every committee to review and recommend amendments to the proposed budget.

Table 1

**SUMMARY OF 2012 BUDGET RECOMMENDATION**

<b>SUMMARY</b>		<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>
<b>Revenues</b>						
General Property Tax	Minus Act 150/Bridge	19,295,160	19,611,682	20,665,600	21,006,760	20,993,608
Other Taxes	Minus 203 sales tax	661,466	689,628	923,433	595,170	826,120
State Aids		14,016,646	11,550,196	10,845,627	9,514,443	8,526,731
License & Fees		327,704	303,994	296,947	281,435	316,035
Fines and Forfeitures		387,256	288,495	280,131	258,900	251,100
Public Charge for Services		14,089,862	12,840,649	12,843,314	12,453,433	12,370,647
Intergovernmental Revenue		7,291,009	7,673,462	6,839,672	7,220,847	7,724,883
Misc Revenue		2,880,989	1,903,103	1,968,557	1,111,827	996,690
Other Financing Sources		6,383,381	8,102,482	4,718,763	2,841,700	2,814,376
<b>Total Income</b>		<b>65,333,473</b>	<b>62,963,691</b>	<b>59,382,044</b>	<b>55,284,515</b>	<b>54,820,190</b>
<b>Expenditures</b>						
Personnel		28,460,881	28,297,171	29,053,142	30,692,656	29,126,597
Operating - 000	Minus Bridge Aid 2011	17,060,901	19,643,158	16,446,605	13,416,190	2,972,359
Professional Services		12,366,495	9,030,863	7,219,413	6,088,428	12,096,168
Supplies & Expenses		3,955,172	4,185,635	4,621,471	3,933,354	3,753,738
Fixed Charges		798,744	801,885	740,520	942,523	952,006
Debt service		6,531	2,911	3,753	2,265	4,134,842
Grant Contribution	Minus Act 150 2011	92,514	120,298	904,526	255,245	687,001
Capital Outlay		725,846	715,457	801,502	447,552	421,403
Transfers	Minus 203 sales tax 2011	381,666	187,766	355,044	441,302	900,663
<b>Total Expenditures</b>		<b>63,848,750</b>	<b>62,985,144</b>	<b>60,145,976</b>	<b>56,219,515</b>	<b>55,044,777</b>
<b>Net Revenue and Expenditures</b>		<b>1,484,723</b>	<b>(21,453)</b>	<b>(763,932)</b>	<b>(935,000)</b>	<b>(224,587)</b>
<b>FTE</b>		<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>	<b>2011 Budget</b>	<b>2012 Budget</b>
Officials/Administration		23.90	24.90	24.50	24.50	22.50
Professionals		41.35	45.75	45.60	45.70	90.11
Technicians/Para-Professionals		119.00	107.09	108.34	107.35	79.22
Administrative Support		91.84	89.06	89.54	87.19	67.88
Skilled Craft/Service Maintenance		127.38	128.31	126.17	125.64	119.57
Protective Service Workers		55.00	55.00	55.00	55.00	52.00
<b>Total</b>		<b>458.47</b>	<b>450.11</b>	<b>449.15</b>	<b>445.38</b>	<b>431.28</b>

**Polk County  
2012 Operating and Capital Budget**

**Summary of all Funds by Department**

<b>SUMMARY</b>	<b>Circuit Court 02-101</b>	<b>Jail Assmt 02-201</b>	<b>Fam Court 02-202</b>	<b>Drivers Imp 02-204</b>	<b>Family Court 03-101</b>	<b>Med Exam 04-101</b>	<b>DA 05-101</b>	<b>Clerk 06-101</b>	<b>Dog License 06-805</b>	<b>Buildings 07-101</b>
<b>Revenues</b>										
General Property Tax	484,214	-	-	-	26,447	86,267	374,438	347,335	-	1,505,320
Other Taxes	-	-	-	-	-	-	-	-	-	-
State Aids	171,700	-	-	-	-	-	63,051	-	-	158,003
License & Fees	-	-	-	-	-	24,800	-	500	24,925	-
Fines & Forfeitures	124,000	40,000	-	44,000	-	-	1,850	-	-	-
Public Charge for Services	156,500	-	8,200	-	-	-	22,000	28,500	-	322,850
Intergovernmental Revenue	-	-	-	-	-	-	-	54,520	-	13,000
Miscellaneous Revenue	1,800	-	-	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>938,214</b>	<b>40,000</b>	<b>8,200</b>	<b>44,000</b>	<b>26,447</b>	<b>111,067</b>	<b>461,339</b>	<b>430,855</b>	<b>24,925</b>	<b>1,999,173</b>
<b>Expenditures</b>										
Personnel	765,788	-	-	-	21,550	64,792	410,226	241,440	-	904,362
Operating - 000	-	-	-	-	-	-	-	-	-	-
Professional Services	137,726	-	12,000	-	-	34,915	14,710	62,200	3,750	754,624
Supplies & Expenses	30,200	-	-	-	4,897	11,360	31,003	105,205	825	183,937
Fixed Charges	4,500	-	-	-	-	-	5,400	6,010	435	1,750
Debt Service	-	-	-	-	-	-	-	-	-	-
Other Grants Contributions	-	-	-	-	-	-	-	16,000	19,915	75,000
Capital Outlay	-	-	-	-	-	-	-	-	-	79,500
Transfers	-	75,000	-	44,000	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>938,214</b>	<b>75,000</b>	<b>12,000</b>	<b>44,000</b>	<b>26,447</b>	<b>111,067</b>	<b>461,339</b>	<b>430,855</b>	<b>24,925</b>	<b>1,999,173</b>
<b>Net Revenue and Expenditures</b>	<b>-</b>	<b>(35,000)</b>	<b>(3,800)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>FTE</b>	<b>Circuit Court 02-101</b>	<b>Jail Assmt 02-201</b>	<b>Fam Court 02-202</b>	<b>Drivers Imp 02-204</b>	<b>Family Court 03-101</b>	<b>Med Exam 04-101</b>	<b>DA 05-101</b>	<b>Clerk 06-101</b>	<b>Dog License 06-805</b>	<b>Buildings 07-101</b>
Officials/Administration	1.00	-	-	-	-	0.50	-	1.00	-	1.00
Professionals	1.00	-	-	-	-	-	1.00	-	-	-
Technicians/Para-Professionals	1.00	-	-	-	-	0.20	1.00	-	-	3.00
Administrative Support	10.00	-	-	-	-	-	4.77	1.43	-	1.00
Skilled Craft/Service Maintenance	-	-	-	-	-	-	-	-	-	11.72
Protective Service Workers	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.70</b>	<b>6.77</b>	<b>2.43</b>	<b>-</b>	<b>16.72</b>

**Polk County  
2012 Operating and Capital Budget**

<b>SUMMARY</b>	<b>Snowmobile 07-243</b>	<b>Lakes Imp 07-807</b>	<b>Park Ded 07-808</b>	<b>Reg of Deeds 08-101</b>	<b>Treas 09-101</b>	<b>Law Enf 11-101</b>	<b>Emg Mngt 12-101</b>	<b>Reg Plan 13-101</b>	<b>CDBG 13-206</b>	<b>PH 14-101</b>	<b>PH - Bio 14-209</b>	<b>Birth to 3 14-218</b>
<b>Revenues</b>												
General Property Tax	-	-	-	(28,830)	114,276	6,644,057	37,138	135,467	-	857,649	-	108,302
Other Taxes	-	-	-	60,000	-	-	-	-	-	-	-	-
State Aids	104,150	-	-	-	89,000	47,531	77,650	-	-	3,682	177,876	79,953
License & Fees	-	-	-	-	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	41,250	-	-	-	-	-	-	-
Public Charge for Services	-	-	-	280,000	210	261,550	-	-	-	937,613	-	18,214
Intergovernmental Revenue	-	-	-	-	-	54,000	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	100	37,200	-	-	15,000	-	-	-
Other Financing Sources	-	-	-	-	-	35,000	-	-	-	-	-	-
<b>Total Income</b>	<b>104,150</b>	<b>-</b>	<b>-</b>	<b>311,170</b>	<b>244,836</b>	<b>7,079,338</b>	<b>114,788</b>	<b>135,467</b>	<b>15,000</b>	<b>1,798,944</b>	<b>177,876</b>	<b>206,469</b>
<b>Expenditures</b>												
Personnel	-	-	-	247,845	171,696	5,885,410	86,474	-	-	1,609,379	128,777	175,233
Operating - 000	-	-	-	-	-	-	-	-	-	-	-	-
Professional Services	91,500	-	-	53,575	17,370	591,385	4,555	-	-	82,518	4,862	24,505
Supplies & Expenses	10,300	15,000	-	8,550	49,890	423,917	10,659	-	-	78,926	10,593	4,343
Fixed Charges	2,350	-	-	1,200	2,880	320	600	-	-	27,821	21,931	2,388
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Other Grants Contributions	-	-	15,000	-	3,000	3,650	12,500	135,467	15,000	300	-	-
Capital Outlay	-	-	-	-	-	174,656	-	-	-	-	-	-
Transfers	-	10,000	-	-	-	-	-	-	-	-	11,713	-
<b>Total Expenditures</b>	<b>104,150</b>	<b>25,000</b>	<b>15,000</b>	<b>311,170</b>	<b>244,836</b>	<b>7,079,338</b>	<b>114,788</b>	<b>135,467</b>	<b>15,000</b>	<b>1,798,944</b>	<b>177,876</b>	<b>206,469</b>
<b>Net Revenue and Expenditures</b>	<b>-</b>	<b>(25,000)</b>	<b>(15,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>FTE</b>	<b>Snowmobile 07-243</b>	<b>Lakes Imp 07-807</b>	<b>Park Ded 07-808</b>	<b>Reg of Deeds 08-101</b>	<b>Treas 09-101</b>	<b>Law Enf 11-101</b>	<b>Emg Mngt 12-101</b>	<b>Reg Plan 13-101</b>	<b>CDBG 13-206</b>	<b>PH 14-101</b>	<b>PH - Bio 14-209</b>	<b>Birth to 3 14-218</b>
Officials/Administration	-	-	-	1.00	1.00	2.00	-	-	-	1.00	-	-
Professionals	-	-	-	-	-	3.00	1.00	-	-	10.36	1.78	2.00
Technicians/Para-Professionals	-	-	-	-	-	11.00	-	-	-	8.08	-	-
Administrative Support	-	-	-	3.00	2.00	4.80	-	-	-	3.70	-	-
Skilled Craft/Service Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Protective Service Workers	-	-	-	-	-	52.00	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.00</b>	<b>3.00</b>	<b>72.80</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>23.14</b>	<b>1.78</b>	<b>2.00</b>

**Polk County  
2012 Operating and Capital Budget**

<b>SUMMARY</b>	<b>WIC 14-221</b>	<b>Prenatal 14-222</b>	<b>Tobacco 14-223</b>	<b>Repro Health 14-224</b>	<b>Immun 14-226</b>	<b>Consolid 14-227</b>	<b>Enviro 14-228</b>	<b>Radon 14-229</b>	<b>GAM 15-601</b>	<b>HS 16-211</b>	<b>Aging 17-101</b>	<b>Aging 17-231</b>	<b>Vets 18-101</b>
<b>Revenues</b>													
General Property Tax	-	-	-	-	-	-	-	-	-	3,619,556	11,697	118,383	135,501
Other Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
State Aids	203,957	-	138,535	40,983	-	53,546	-	9,790	-	3,392,684	-	430,382	16,500
License & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Charge for Services	-	59,101	-	175,528	54,541	-	164,851	-	7,825,898	1,057,949	-	150,000	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	5,504	-	-	-	-	-	-
<b>Total Income</b>	<b>203,957</b>	<b>59,101</b>	<b>138,535</b>	<b>216,511</b>	<b>54,541</b>	<b>53,546</b>	<b>170,355</b>	<b>9,790</b>	<b>7,825,898</b>	<b>8,070,189</b>	<b>11,697</b>	<b>698,765</b>	<b>152,001</b>
<b>Expenditures</b>													
Personnel	181,223	55,676	117,797	155,311	27,205	51,052	133,280	5,794	5,881,716	4,459,390	3,287	351,835	124,141
Operating - 000	-	-	-	-	-	-	-	-	1,777,474	-	-	-	-
Professional Services	15,940	150	15,963	10,985	2,108	900	7,225	1,255	13,000	2,972,080	-	81,373	2,135
Supplies & Expenses	5,049	2,775	3,910	47,665	25,146	1,166	13,535	2,686	5,591	172,506	-	249,782	8,375
Fixed Charges	1,745	500	865	2,550	82	428	16,315	55	147,010	288,631	-	15,775	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Grants Contributions	-	-	-	-	-	-	-	-	-	159,229	-	-	17,350
Capital Outlay	-	-	-	-	-	-	-	-	-	18,353	8,410	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>203,957</b>	<b>59,101</b>	<b>138,535</b>	<b>216,511</b>	<b>54,541</b>	<b>53,546</b>	<b>170,355</b>	<b>9,790</b>	<b>7,824,791</b>	<b>8,070,189</b>	<b>11,697</b>	<b>698,765</b>	<b>152,001</b>
<b>Net Revenue and Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>FTE</b>	<b>WIC 14-221</b>	<b>Prenatal 14-222</b>	<b>Tobacco 14-223</b>	<b>Repro Health 14-224</b>	<b>Immun 14-226</b>	<b>Consolid 14-227</b>	<b>Enviro 14-228</b>	<b>Radon 14-229</b>	<b>GAM 15-601</b>	<b>HS 16-211</b>	<b>Aging 17-101</b>	<b>Aging 17-231</b>	<b>Vets 18-101</b>
Officials/Administration	-	-	-	-	-	-	-	-	1.00	1.00	-	1.00	1.00
Professionals	1.26	0.69	1.58	1.50	0.26	0.67	0.94	0.07	7.00	36.00	-	-	-
Technicians/Para-Professionals	0.32	-	-	-	-	0.02	-	-	21.60	11.00	-	1.00	-
Administrative Support	1.13	0.05	-	0.80	0.10	-	1.00	-	3.80	15.50	-	2.00	1.00
Skilled Craft/Service Maintenance	-	-	-	-	-	-	-	-	72.23	-	-	3.24	-
Protective Service Workers	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2.71</b>	<b>0.74</b>	<b>1.58</b>	<b>2.30</b>	<b>0.36</b>	<b>0.69</b>	<b>1.94</b>	<b>0.07</b>	<b>105.63</b>	<b>63.50</b>	<b>-</b>	<b>7.24</b>	<b>2.00</b>

**Polk County  
2012 Operating and Capital Budget**

<b>SUMMARY</b>	<b>Library 19-101</b>	<b>Museum 20-101</b>	<b>Extension 21-101</b>	<b>LWRD 22-101</b>	<b>Lime 23-602</b>	<b>Land Info 24-101</b>	<b>WI Septic 24-806</b>	<b>Fair 26-101</b>	<b>Corp Counsel 27-101</b>	<b>Forester 28-101</b>	<b>Forester 28-241</b>	<b>Highway 29-701</b>	<b>Admin 30-101</b>
<b>Revenues</b>													
General Property Tax	152,661	17,533	247,568	335,016	-	372,832	-	22,750	245,798	(91,226)	-	2,976,990	(2,809,697)
Other Taxes	-	-	-	-	-	-	-	-	-	-	-	-	766,120
State Aids	-	-	6,753	250,664	-	20,300	10,000	-	439,096	39,213	8,223	1,200,926	597,787
License & Fees	-	-	10	17,800	-	248,000	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Charge for Services	2,000	-	8,372	19,700	525,300	130,000	-	-	2,410	156,360	-	-	3,000
Intergovernmental Revenue	-	-	500	50,500	-	15,000	-	-	-	-	-	1,900,972	3,000
Miscellaneous Revenue	20,000	-	-	7,000	-	-	-	-	-	-	-	39,300	332,526
Other Financing Sources	18,942	-	-	-	-	15,000	-	-	-	-	-	250,000	2,284,930
<b>Total Income</b>	<b>193,603</b>	<b>17,533</b>	<b>263,203</b>	<b>680,680</b>	<b>525,300</b>	<b>801,132</b>	<b>10,000</b>	<b>22,750</b>	<b>687,304</b>	<b>104,347</b>	<b>8,223</b>	<b>6,368,188</b>	<b>1,177,666</b>
<b>Expenditures</b>													
Personnel	158,688	-	97,527	574,695	209,008	757,552	-	-	634,914	70,104	-	2,573,980	641,576
Operating - 000	-	-	-	-	-	-	-	-	-	-	-	1,106,885	88,000
Professional Services	5,140	17,533	133,226	62,785	107,915	18,530	-	11,750	26,730	10,025	500	263,670	140,515
Supplies & Expenses	29,775	-	32,450	43,100	65,748	22,750	-	-	23,060	24,218	-	1,888,000	16,725
Fixed Charges	-	-	-	-	5,930	2,300	-	-	2,600	-	-	90,235	290,850
Debt Service	-	-	-	-	-	-	-	-	-	-	-	700	-
Other Grants Contributions	-	-	-	100	-	-	10,000	11,000	-	-	-	600	-
Capital Outlay	-	-	-	-	85,000	-	-	-	-	-	-	55,484	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	509,950	-
<b>Total Expenditures</b>	<b>193,603</b>	<b>17,533</b>	<b>263,203</b>	<b>680,680</b>	<b>473,601</b>	<b>801,132</b>	<b>10,000</b>	<b>22,750</b>	<b>687,304</b>	<b>104,347</b>	<b>500</b>	<b>6,489,504</b>	<b>1,177,666</b>
<b>Net Revenue and Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,723</b>	<b>(121,316)</b>	<b>-</b>

<b>FTE</b>	<b>Library 19-101</b>	<b>Museum 20-101</b>	<b>Extension 21-101</b>	<b>LWRD 22-101</b>	<b>Lime 23-602</b>	<b>Land Info 24-101</b>	<b>WI Septic 24-806</b>	<b>Fair 26-101</b>	<b>Corp Counsel 27-101</b>	<b>Forester 28-101</b>	<b>Forester 28-241</b>	<b>Highway 29-701</b>	<b>Admin 30-101</b>
Officials/Administration	1.00	-	-	1.00	1.00	1.00	-	-	1.00	-	-	1.00	1.00
Professionals	-	-	-	2.00	-	4.00	-	-	1.00	1.00	-	4.00	2.00
Technicians/Para-Professionals	-	-	-	5.00	1.00	4.00	-	-	6.00	-	-	2.00	-
Administrative Support	1.00	-	1.80	1.00	-	1.00	-	-	1.00	-	-	1.00	3.00
Skilled Craft/Service Maintenance	-	-	-	-	1.23	-	-	-	-	-	-	31.15	-
Protective Service Workers	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2.00</b>	<b>-</b>	<b>1.80</b>	<b>9.00</b>	<b>3.23</b>	<b>10.00</b>	<b>-</b>	<b>-</b>	<b>9.00</b>	<b>1.00</b>	<b>-</b>	<b>39.15</b>	<b>6.00</b>

**Polk County  
2012 Operating and Capital Budget**

<b>SUMMARY</b>	<b>Admin- Debt 30-301</b>	<b>Admin - Cont 30-102</b>	<b>Admin -3.5 Bond 30-453</b>	<b>Info Tech 32-101</b>	<b>Emp Relations 34-101</b>	<b>Health Ins 32-721</b>	<b>ADRC 36-212</b>	<b>Totals</b>
<b>Revenues</b>								
General Property Tax	4,094,142	-	-	580,197	271,827	-	-	<b>20,993,608</b>
Other Taxes	-	-	-	-	-	-	-	<b>826,120</b>
State Aids	-	-	-	-	-	-	694,796	<b>8,526,731</b>
License & Fees	-	-	-	-	-	-	-	<b>316,035</b>
Fines & Forfeitures	-	-	-	-	-	-	-	<b>251,100</b>
Public Charge for Services	-	-	-	-	-	-	-	<b>12,370,647</b>
Intergovernmental Revenue	-	-	-	126,190	-	5,507,201	-	<b>7,724,883</b>
Miscellaneous Revenue	-	-	-	-	-	543,764	-	<b>996,690</b>
Other Financing Sources	40,000	165,000	-	-	-	-	-	<b>2,814,376</b>
<b>Total Income</b>	<b>4,134,142</b>	<b>165,000</b>	<b>-</b>	<b>706,387</b>	<b>271,827</b>	<b>6,050,965</b>	<b>694,796</b>	<b>54,820,190</b>
<b>Expenditures</b>								
Personnel	-	-	-	438,417	258,627	-	450,830	<b>29,126,597</b>
Operating - 000	-	-	-	-	-	-	-	<b>2,972,359</b>
Professional Services	-	-	-	224,120	1,900	6,050,965	7,555	<b>12,096,168</b>
Supplies & Expenses	-	-	-	43,850	8,200	-	38,071	<b>3,753,738</b>
Fixed Charges	-	-	-	-	3,100	-	5,450	<b>952,006</b>
Debt Service	4,134,142	-	-	-	-	-	-	<b>4,134,842</b>
Other Grants Contributions	-	-	-	-	-	-	192,890	<b>687,001</b>
Capital Outlay	-	-	-	-	-	-	-	<b>421,403</b>
Transfers	-	-	250,000	-	-	-	-	<b>900,663</b>
<b>Total Expenditures</b>	<b>4,134,142</b>	<b>-</b>	<b>250,000</b>	<b>706,387</b>	<b>271,827</b>	<b>6,050,965</b>	<b>694,796</b>	<b>55,044,777</b>
<b>Net Revenue and Expenditures</b>	<b>-</b>	<b>165,000</b>	<b>(250,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(224,587)</b>

<b>FTE</b>	<b>Admin - Debt 30-301</b>	<b>Admin - Cont 30-102</b>	<b>Admin -3.5 Bond 30-453</b>	<b>Info Tech 32-101</b>	<b>Emp Relations 34-101</b>	<b>Health Ins 34-721</b>	<b>ADRC 36-212</b>	<b>Totals</b>
Officials/Administration	-	-	-	1.00	1.00	-	1.00	<b>22.50</b>
Professionals	-	-	-	1.00	1.00	-	4.00	<b>90.11</b>
Technicians/Para-Professionals	-	-	-	3.00	-	-	-	<b>79.22</b>
Administrative Support	-	-	-	-	1.00	-	1.00	<b>67.88</b>
Skilled Craft/Service Maintenance	-	-	-	-	-	-	-	<b>119.57</b>
Protective Service Workers	-	-	-	-	-	-	-	<b>52.00</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.00</b>	<b>3.00</b>	<b>-</b>	<b>6.00</b>	<b>431.28</b>

Table 3

## 2012 Proposed Levy Allocation by Department

Department	2012 Levy	2011 Levy	Difference	Comments
Administration	(2,809,697)	(3,029,689)	219,992	State aid reductions and decreased other revenue
Debt service	4,094,142	3,829,513	264,629	Reflects past use of fund balance
ADRC	-	-	-	
Aging 231	118,383	163,178	(44,795)	
Aging 101	11,697	11,697	-	
Buildings	1,505,320	1,523,127	(17,807)	
Clerk	347,335	344,553	2,782	
Clerk of Court	484,214	447,819	36,395	Reduced state aid, increased court cost
Corp Counsel	245,798	239,723	6,075	
District Attorney	374,438	399,708	(25,270)	
Emergency Mgnt	37,138	39,265	(2,127)	
Employee Relations	271,827	269,468	2,359	
Extension	247,568	254,248	(6,680)	
Fair	22,750	22,750	-	
Family Court	26,447	26,447	-	
Forester	(91,226)	(91,235)	9	
Golden Age Manor	-	-	-	
Human Services	3,619,556	3,846,063	(226,507)	14,000 subtracted to IT for 0.2 FTE
Highway	2,976,990	2,961,863	15,127	
Hwy Bridge Aid	-	-	-	
Info Technology	580,197	521,360	58,837	70,000 from Human Services and Law Enforcement
Land Info	372,832	366,587	6,245	
Law Enforcement	6,644,057	6,864,509	(220,452)	56,000 subtracted to IT for 0.8 FTE
Library	152,661	154,414	(1,753)	
Act 150	-	-	-	
Lime Quarry	-	-	-	
Land and Water	335,016	340,256	(5,240)	
Med Examiner	86,267	88,237	(1,970)	
Museum	17,533	17,533	-	
PH 101	857,649	915,324	(57,675)	
PH 218	108,302	108,336	(34)	
PH 226	-	1,704	(1,704)	
PH 228	-	-	-	
Reg Planning - outside agencies	135,467	136,245	(778)	
Register of Deeds	(28,830)	(24,940)	(3,890)	
Treasurer	114,276	120,211	(5,935)	
Vets Service Ofc	135,501	138,486	(2,985)	
<b>Total</b>	<b>20,993,608</b>	<b>21,006,760</b>	<b>(13,152)</b>	

**Table 4**

**Survey of County Board Priorities  
Ten Highest-Ranked Programs by Importance and 2012 Funding Recommendation**

<b>Priority</b>	<b>Department</b>	<b>Program</b>	<b>Importance Rating</b>	<b>2012 Funding Recommendation</b>
1	Administration	Financial management	4.70	Full funding plus a recommended one-time expenditure to replace financial software (in 2011, reimbursed in 2012)
2	County Clerk	Elections administration	4.22	Full funding, with increase for election costs in 2012
3	Highways	County highway maintenance (incl. plowing)	4.17	Full funding, with increase for fuel costs
4	Law Enforcement	Communication division	4.17	Full funding
5	Administration	Recruitment, selection and supervision of department heads	4.13	Recommended one-time expenditure to undertake labor market survey (paid in 2011, reimbursed in 2012)
6	Land and Water	Lake protection	4.09	Full funding, with an additional one-time expenditure for water quality
7	Treasurer	Tax calculation and collection	4.05	Full funding
8	District Attorney	Criminal prosecution	4.04	Full funding, contingency account increased in case of excessive prosecution costs
9	Land and Water	Shoreland compliance	4.04	See lake protection, above
10	Law Enforcement	Law enforcement - field services	4.04	Full funding, with an increase for fuel costs and to return to current funding of vehicles