



TO: The Honorable Marathon County Board of Supervisors
FROM: Brad Karger, County Administrator
DATE: September 28, 2011
SUBJECT: 2012 BUDGET MESSAGE



I present this Financial Plan and 2012 Annual Budget to the County Board, as required by Wisconsin Statute 59.033(5). These are my recommendations to you as a County Board, after review and approval by the Finance, Property & Facilities Committee. The actual budget and tax levy for 2012 will be voted upon at the November meeting of the County Board. This document represents my recommendations for the operating budget for the year 2012, including funding for the 2012 Capital Improvements Program (CIP).

THANK YOU TO THOSE WHO CONTRIBUTED TO BUILDING THIS BUDGET

Before I delve into the details for the budget, I offer my thanks and appreciation to Kristi Kordus, and the team of County workers who support her, for their work in pulling together this budget recommendation. Kristi does a great job and I thank her and her staff for all they do for me, and all of us.

I also need to thank department heads and the administrative people who support them for their patience and cooperation with my directive that they submit a budget with a decrease in County levy. We have a great group of department heads. Some are appointed and report to me, others are elected and some are appointed and report to an independent board. What they all have in common is a strong commitment to the success of Marathon County. More than ever this year I appreciate their efforts and creativity in creating a financial plan for 2012 that will permit us to continue to provide high quality public services and is affordable.

A BUDGET BALANCED BY REDUCTIONS IN COUNTY EMPLOYEE COMPENSATION

Employee compensation (wages and fringe benefits) will be \$3,210,000 lower in 2012 than in 2011. This became possible by changes adopted by State Government in limiting the collective bargaining rights of most County employees. Specifically, County employees' compensation will be changed as follows:

	<u>2011 BUDGET</u>	<u>2012 BUDGET</u>
Retirement:	The County pays the full an employee contribution on behalf of its employees.	Most County employees pay the an employee contribution (5.8% of wages) toward their retirement benefit (\$2,045,000 savings)
Health Plan Premium Contribution:	Most employees contribute 5% toward the cost of their health care insurance.	Most employees contribute 12.6% toward the cost of their health care insurance (\$265,000 savings)
Health Plan Design:	Plan includes traditional deductibles (\$300 single, \$600 family)	Plan is consumer driven with higher deductibles (\$1,500 single, \$3,000 family) and a health reimbursement arrangement to fund half the new deductible. (\$900,000 savings)
Annual Adjustment:	A 2% annual adjustment on 1/1/11 and another 1% adjustment on 7/1/11 was funded.	No annual adjustment is included in the budget. There is funding for step progressions (annual adjustments is still a mandatory subject of bargaining with all employee unions, but the new law does not provide for arbitration if the parties fail to agree on the annual adjustment amount.) (\$1,150,000 savings had we provided the same annual adjustment in 2012 as we did in 2011.)

Additionally, we are funding less for overtime pay as we intend to change our policies about when an employee qualifies for overtime to more closely reflect the standards established by Federal and State law.

NO LAYOFFS

The proposed budget will not call for any current County employees losing their position to layoff. Not one. In this economy, with an unemployment rate of 7.4% in Wausau this is a great relief to many of my County co-workers.

COMMUNICATION WITH EMPLOYEES

The management team of the County has done a stellar job in communicating with employees about the changes in the State collective bargaining law and how that change will impact their employment. I personally conducted 12 employee meetings in an assortment of times and locations to explain the impact of Act 10. Mary Jo Maly and I conducted another 12 employee meetings to explain the changes in design of the health plan and the reasons that changes generating savings are necessary. I authored articles about the 2012 budget in the employee newsletter. I sent out weekly updates on the progress of Act 10 trying to help employees make sense of Democrat Senators leaving the State and then the open meetings legal challenge to the Act. More recently, Deb Hager has started a regular Wednesday update on the County's implementation of Act 10 on the County's intranet. We have made it a high priority to communicate well and communicate frequently with County employees, and the feedback I have received indicates that employees have appreciated our efforts.

STATE AND FEDERAL FUNDING

Almost all of our State funding is down. Two of the largest reductions are:

- Our shared revenue was reduced by 24% in 2012 (\$1,185,722 reduction)
- Our general transportation aids (GTA) which funds highway maintenance is reduced by \$331,695 in 2012.

In the Health Department where they receive State and Federal Grants which are comparatively small the most common reduction was 10% and a lot of small grants which fund programs focused on alcohol abuse, healthy eating, maternal child health, tobacco use, public health preparedness, etc. Individually, they are not very big cuts, but together the lost revenue totals \$233,582! This is just one example which is repeated in several departmental budgets which rely upon funding from other units of government.

To continue on with changes in intergovernmental grants and aids:

- Income Maintenance down 5.43% *
 - Child Support down 2.64% *
 - State Highway Contract up 2.27%
 - Youth Aids down 10.66%
 - Community Aids down .67% *
- * Match is down due to program expenditure reductions.

For next year our State intergovernmental revenues should be steady but watch out there is a wave that has not yet hit the shore:

Reductions in discretionary spending in the federal budget. We may be surprised to learn that a lot of the funds we receive from the State represent a mixture of State and Federal funds.

**THIS BUDGET IS BALANCED
AND THE PROPERTY TAX RATE IS THE SAME AS
2009, 2010 AND 2011**

The guidance from the Finance Committee was clear. The property tax rate will remain at \$5.17 and no use of one time funds to fund ongoing expenses. This combined with a 1.28% reduction in equalized values reduces our property tax levy by \$618,409. The guidance provided to me was helpful in my administrative role, but it does not restrict the County Board. The levy cap imposed by the State is on the tax levy, not the tax rate. You can increase the tax rate to \$5.28.

AVERAGE HOMEOWNER IMPACT

The average homeowner in Marathon County will see some minor reduction in the County portion of their property tax bill for 2012. For illustration the following chart compares the % average homeowner's tax bill from the City for 2010, 2011 and 2012:

<u>Budget Year</u>	<u>Property Value</u>	<u>Tax Rate</u>	<u>Tax Amount</u>	<u>\$ Change</u>	<u>% Change</u>
2010	141,500	5.17	731.56	- -	- -
2011	138,800	5.17	717.60	(13.96)	(.02%)
2012	137,023	5.17	708.41	(9.19)	(.013%)

NO MAJOR SERVICE REDUCTIONS

There are not a lot of new initiatives in this budget. We don't have money to start new programs. There are some service reductions, but there is not much of anything that the public will notice and there are no programs recommended for elimination. The Aquatic Therapy Pool, the Start Right Program and the Library's budget requests are all fully funded for 2012.

We were able to shift some money around to meet changing needs and priorities. Here is a summary:

1. Community Response Programs: I shifted a grant funded social worker position to tax levy funding in order to ensure the continuation of the Community Response Program (\$92,650). This social worker works with families which have problems but those problems are not severe enough to meet the State criteria where the County is required to intervene. Without the Community Response Program these families will be screened out of our system. Maybe they will resolve their own problems or access other resources or more likely as time passes the problems will get so severe that the County will be forced to respond to a new report of child maltreatment. The Community Response Program allows us to work with volunteer families earlier when their motivation for change is still high and while the problems are less severe.

The grant allowed us to assess the success of the program and there is early positive data in the outcome of these cases.

A key component of this program is the availability of flexible funds, used on average of \$400 per family. Car repairs, rental assistance, fuel assistance are some examples of how the flexible funds have been used. Marshfield Clinic is currently evaluating support of \$10,000 to the flexible fund as an investment in the health of our County.

2. Growth Investment Fund: The purpose of the growth investment fund (\$125,000) is to move forward the recommendations of the Hand Print Study and the Community Branding Strategic Plan with the ultimate goal of attracting a high skilled workforce and expanding the number of jobs that pay higher than median wages.

The idea is to establish a grant process where ideas which move forward a recommendation of one of the plans will be evaluated and prioritized in relation to the expected return on public investment.

3. Community Health: I recommend taking a vacant part-time Public Health Educator and filling it full-time to enhance our commitment to changing the culture around alcohol and obesity. (\$71,694). Changing a culture is never easy and it doesn't happen in days, weeks, or really even years. We may need to think about major changes in the context of decades. We need to change our culture around healthy eating and active living or we will experience, as a community, an increase in associated health issues including diabetes, back problems, asthma, depression and heart disease. Emory University Center on Health Outcomes estimates that between 8% and 20% of healthcare costs are due to the persistent rise in obesity. We also need to change our permissive drinking culture which accepts and promotes the use of alcohol at sporting, family and business events. Not changing it will threaten our public safety, grow our jail population and result in personal tragedies associated with addiction.
4. Parks: I eliminated County funding for a Park Supervisor position and reallocated the savings back (\$38,068) to the department to help them catch up on their small capital project needs. Additionally, I set funds aside in the Facilities and Capital Management budget (\$25,000) so that the Parks Department can charge the County for snow removal at the Courthouse, Library, Social Services Department and other non-park facilities.
5. Courts: I increased funding for legal fees by \$75,000. This account has always been under-funded and maybe this doesn't completely resolve the problem, but it is certainly a step in the right direction.
6. Partner for Progressive Agriculture (PPA): I have allocated \$20,000 to North Central Technical College so that they can continue to support the PPA group with the June Dairy Breakfast, Farm-City Dinner and other events. This proposal has a long history which I don't care to repeat. The bottom line is that the Technical College supports the positions in 2011, but with their cutbacks the positions will not be funded by NTC in 2012. Without staff support the group will not be able to sponsor events and activities which support Agri-business in Marathon County.
7. County Board Travel: I have added \$5,250 to the County Board's travel account over the request that was submitted to me by the County Clerk. An additional \$750 per standing committee. The County Board rule on requesting funding for travel of policy-makers has never gotten properly implemented. This should be enough money to meet the travel needs of our policy-maker groups. Now it will fall to the Executive Committee to administer the process for distributing the funds.

8. Jail Liability: In the summer of 2011, WMMIC (the County's liability carrier) conducted an audit of the jail's procedures and operations to determine if there were steps the County could take to reduce our liability related to jail operations. Two recommendations emerged that require additional funding. The first recommendation is to have a mental health professional working in the jail to address mental health concerns and issues during incarceration. The second recommendation is to have a health care professional dispense medication with the jail (currently corrections officers dispense medications). I have incorporated the Sheriff's requested funds for two contracted employees to provide these services. (\$170,000)

We have not experienced a big lawsuit related to the jail. The same is not true for all Wisconsin Counties. There have been some big awards assessed against Counties because of things that happen to inmates in the jails. We need to follow the advice of our insurance carrier and ensure that mental health issues are appropriately addressed and prescription medications are competently dispensed.

9. Emergency Management: Consistent with the 2011 Administration Work Plan this budget pulls Emergency Management out of the Sheriff's Department and creates a new Emergency Management Department. Funds are allocated to upgrade the Planner position to Emergency Management Director. (Cost of the Position Upgrade - \$7,646)
10. Comprehensive Planning: Funds have been set aside (\$50,000) for consulting support and other expenses to support an update of the County's Comprehensive Plan. We will have the County's Strategic Plan completed early in 2012 and at that point the Task Force will begin to focus more on the Comprehensive Plan.

Within departmental budgets there are other important shifts and reductions, in this section of the budget message I am just highlighting those of most significance or most likely to draw media and public attention.

ADULT DETENTION FACILITY

The Adult Detention Facility continues to operate with a minimum of shipping inmates to other Counties:

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	MONTHLY AVG
2005	304	300	316	337	324	337	353	339	327	353	357	361	4008	334.00
2006	357	361	381	387	376	375	366	334	350	337	327	317	4268	356.50
2007	326	326	330	319	322	334	326	323	341	357	349	334	3987	332.25
2008	336	340	350	346	347	359	346	355	352	359	354	328	4172	347.67
2009	303	315	326	317	334	335	326	339	338	324	326	315	3898	324.83
2010	303	298	298	312	302	296	303	312	300	302	292	284	3602	300.16
2011	287	293	305	303	298	305	298	301						

This is a great relief because there is just no way that we can afford to expand our jail facilities at this point in time.

However, we have not fully seen the impact of the 2010 OWI legislative changes, and now there are additional changes being proposed for 2011 which make the horizon stormier. Proposed OWI legislation (LRB-2144/I) would make first time OWI a crime, would prohibit release from jail for employment (Huber) or community service and home detention (electronic monitor). The direct result

would be the delay of persons into treatment through OWI Court and Intensive Supervision /SSTOP, loss of employment for offenders, and a further reduction in Huber fees as offenders (137 in 2010) would no longer be eligible for Huber or electronic monitor. In 2010, 6,667 jail bed days were saved (\$266,680) because of our ability to place offenders on electronic monitor. This legislation threatens the gains we have made in jail diversion, uniform assessments and getting offenders the right intervention at a time when they are most likely to benefit from services.

CHANGES IN F.T.E. POSITIONS AND COUNTY EMPLOYMENT

Overall positions have decreased in 2012 by 2.73 FTE. Details can be seen in the attached chart of county positions on the next page.

MARATHON COUNTY: FULL TIME EQUIVALENT EMPLOYEES

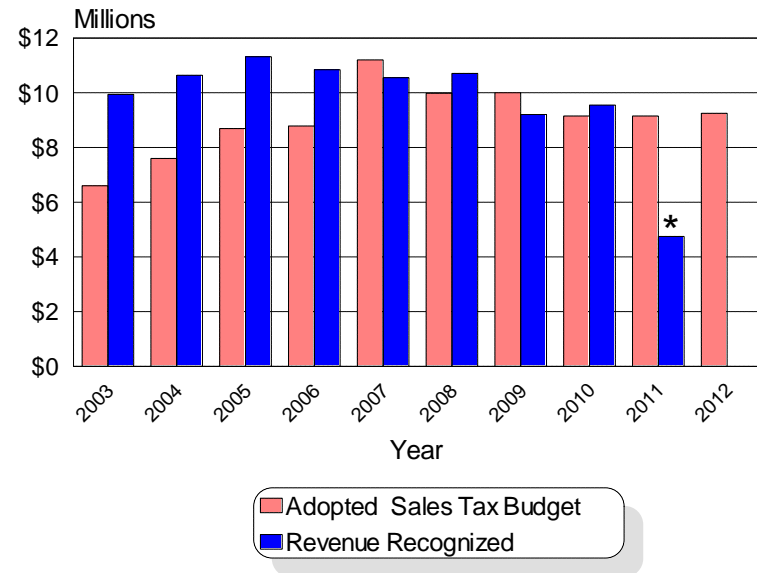
	2007	2008	2009	2010	2011	2012	+ Incr -Decr.	See Note
Clerk of Courts	39.00	40.00	40.00	39.00	39.00	39.00		
Conservation Planning Zoning	25.00	25.00	25.00	23.00	21.00	21.00		
Corporation Counsel	6.50	6.50	6.50	6.50	6.50	6.50		
County Administration	5.00	5.00	5.00	5.00	4.00	4.00		
County Clerk	5.00	5.00	5.00	4.50	5.00	4.50	-.50	(1)
District Attorney	23.00	23.90	23.90	23.90	23.70	23.70		
Emergency Government	0.00	0.00	0.00	0.00	0.00	2.00	2.00	(2)
Employee Resources	4.80	4.80	4.80	4.80	4.80	4.80		
Employment & Training	19.00	17.00	0.00	0.00	0.00	0.00		
Facilities & Capital Management	18.00	18.00	23.00	24.50	23.50	24.00	.50	(3)
Finance	10.25	10.25	9.25	9.25	7.50	7.50		
Health	44.70	45.70	46.70	45.70	43.70	43.70		
Highway	79.00	79.00	80.00	80.00	79.00	78.00	-1.00	(4)
Library	53.05	53.05	53.05	50.45	48.33	48.33		
Medical Examiner	1.00	1.00	1.00	1.00	1.00	1.50	.50	(5)
Park Recreation & Forestry	44.50	44.50	44.50	43.00	43.00	42.00	-1.00	(6)
Register of Deeds	8.00	8.00	8.00	7.50	7.50	7.50		
Sheriff	172.00	178.00	179.00	178.50	179.00	177.00	-2.00	(7)
Social Services	115.38	112.98	108.48	109.48	107.48	106.23	-1.25	(8)
Solid Waste	4.00	3.50	4.50	4.50	4.50	4.50		
Treasurer	6.00	6.00	5.00	5.00	5.00	5.00		
UW Extension	10.25	9.95	9.95	10.35	10.35	10.35		
Veterans	3.00	3.00	3.00	2.63	2.63	2.65	.02	(9)
Total	696.43	700.13	685.63	678.56	666.49	663.76	-2.73	
Discretely Presented Components Units								
Central WI Airport	21.10	21.10	21.10	21.10	22.10	22.10		
ADRC . CW	52.50	50.61	52.79	53.78	67.35	63.81		
Special Education	84.00	83.00	79.50	79.00	81.00	75.00		

NOTE
(1) .5 FTE Clerical Asst I not funded
(2) 1 FTE Emergency Govt Dir created & 1 FTE Clerical Asst I transferred from Sheriff
(3) .5 FTE Clerical Asst I expanded to 1.0 FTE Clerical Asst II
(4) 1 FTE Equip Service Mech not funded
(5) .5 FTE Chief Deputy Medical Examiner created
(6) 1 FTE PRF Op Supervisor not funded
(7) 1 FTE Emergency Govt Dir abolished & 1 FTE Clerical Asst I transferred to Emergency Govt Dept
(8) 1 FTE Social Worker unfunded and .25 FTE Family Support Spec unfunded
(9) Clerical Asst II expanded to .65 FTE

SALES TAX

Marathon County has collected sales tax since 1987. The main portion of the annual sales tax collection is used in the regular operating budget for the county. In previous years, we used extra sales tax retroactively to pay for some of our capital improvements, however that has now changed. The 2008 actual Sales Tax came in higher than budgeted. We don't see sales tax exceeding \$10 million a year in the near future. In 2012 we will need to designate \$9.25 million of the sales tax to cover current operations. The stagnant economic environment leads us to believe that this is a very tight estimate. We estimate that Sales Tax revenues will continue to remain flat in 2012 and 2013.

Budget Year	Adopted Sales Tax Budget	Sales Tax in General Fund Budget	Sales Tax in CIP Budget	Actual Sales Tax Collected
2003	6,600,000	6,600,000	0	9,942,101
2004	7,600,000	7,600,000	0	10,640,547
2005	8,690,000	8,490,000	200,000	11,316,392
2006	8,785,000	8,785,000	0	10,841,250
2007	11,200,000	11,200,000	0	10,550,263
2008	9,982,983	9,982,983	0	10,708,093
2009	10,000,000	10,000,000	0	9,205,182
2010	9,150,000	9,150,000	0	9,549,578
2011	9,150,000	9,150,000	0	*4,749,489
2012	9,250,000	9,250,000	0	N/A



*Through 8/31/2011 (6 months)

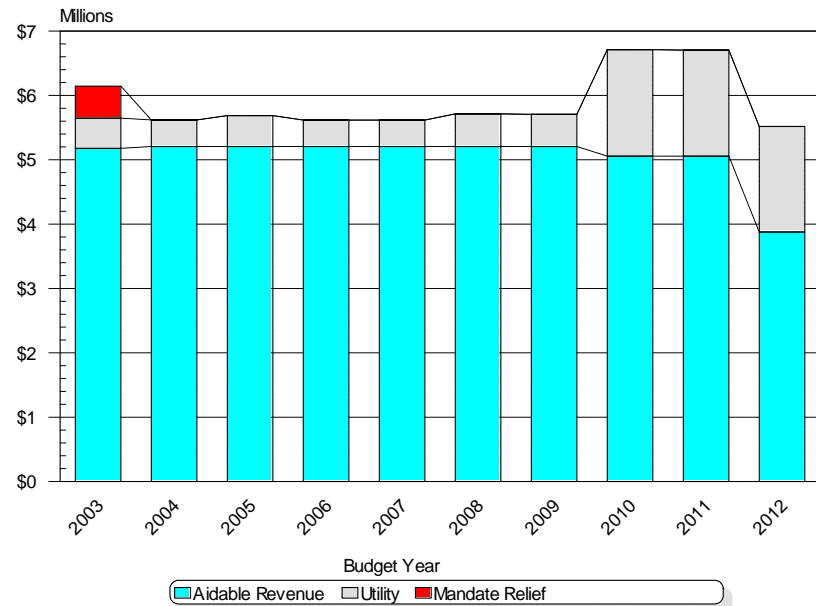
STATE SHARED REVENUE

Chapter 79 of the Wisconsin Statutes establishes several broad objectives in the state shared revenue formula:

1. Counties use state shared revenues to finance local expenditures which in turn reduces the amount needed to be raised from property taxes thereby providing property tax relief.
2. Compensate local units of government for taxes on certain public utility property that is not taxed locally.

Previous to 2004 the formula below shows how shared revenue was calculated based on aidable revenue and mandate relief: In addition an annual ad valorem payment for utility property that is located in the county that is taxed by the state is included in the formula. The largest portion of the formula is based on aidable revenues. In 2010 with Weston 4 on-line the utility portion has dramatically increased. In 2012, the state has reduced the County's aidable revenue by \$1,179,124. This will have a huge impact on the County's operations in 2012 and beyond.

Budget Year	Aidable Revenue	Utility	Mandate Relief	Total
2003	5,178,036	469,001	496,984	6,144,021
2004	5,205,718	412,415	0	5,618,133
2005	5,205,780	481,066	0	5,686,846
2006	5,205,780	411,411	0	5,617,191
2007	5,205,780	411,411	0	5,617,191
2008	5,205,780	507,382	0	5,713,162
2009	5,205,780	500,255	0	5,706,035
2010	5,056,841	1,653,929	0	6,710,771
2011	5,056,841	1,646,587	0	6,703,428
2012	3,877,717	1,639,989	0	5,517,706



FUND BALANCE POLICY

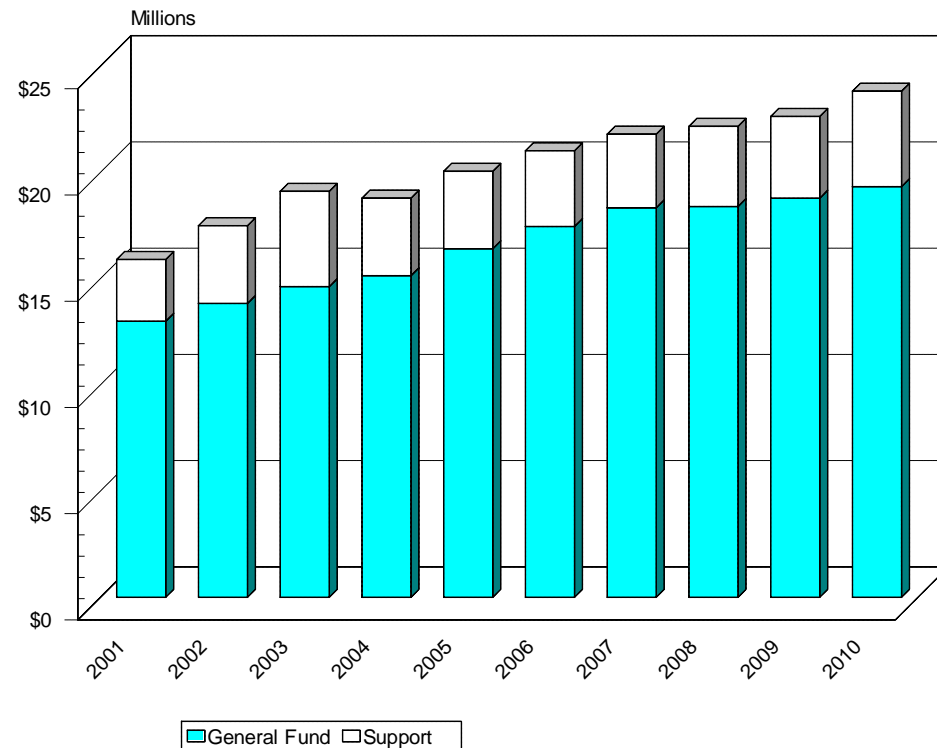
In 1989 the County Board adopted a policy for retaining working capital. This formula sets the minimum requirement for available funds on hand. This dollar value, which approximates 8.5% of the operating budget (10% of the Highway budget), is the basic minimum level of funding set by the county to ensure a sufficient cash flow balance.

The Working Capital Designation looks at two different types of funds that need to be included in the formula. The two types of funds are:

- 1) the General Fund,
- 2) any fund requiring tax levy for support

The following chart shows the history:

Year	General Fund	Support
2001	12,997,188	2,905,292
2002	13,836,315	3,658,516
2003	14,627,667	4,483,614
2004	15,140,972	3,652,107
2005	16,408,900	3,646,618
2006	17,458,620	3,563,226
2007	18,338,142	3,465,474
2008	18,398,598	3,772,537
2009	18,790,218	3,845,460
2010	19,334,963	4,492,611



5 - YEAR CAPITAL IMPROVEMENT PROGRAM (C.I.P.)

The County adopted its first five year C.I.P. in 1991, and continues to do so every year. Capital projects included in the CIP are defined as:

1. An expenditure that is for a County department, operation or in the best interest of the County
2. Generally non-recurring
3. Has a cost of over \$25,000
4. Has a service life of 7 years or more
5. Rolling stock and equipment replacement that is of critical importance to the functioning of the department involved

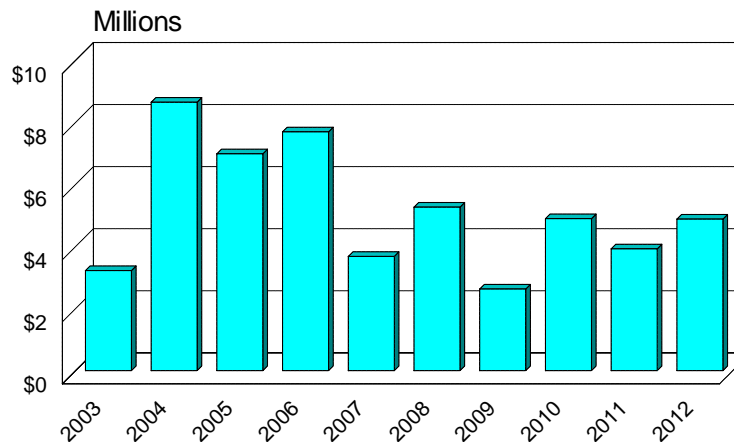
Major sources of funding are:

1. Prior year fund balance
2. Current year tax levy
3. Bonding (borrowing)
4. Revenues from enterprise funds (fees) to cover the cost to acquire replace or expand current capital needs

Using prior year undesignated fund balance allows for flexibility in the capital improvement process, provides stability to the tax rate because the unspent fund balance is not used to offset following years operating needs, and provides much needed funds for capital projects without borrowing. With this policy in place the departments are required to use only current revenues to finance their current operating needs. The following charts show the history of the funding used to finance capital projects. In 2004 the County Board formally adopted the CIP funding policy which states that undesignated funds remaining in the budget after the working capital formula is complete, are transferred, in the year following the audit, to the capital improvement program. The County has avoided borrowing for many projects by having this policy in place. Beyond 2011 we anticipate having fewer dollars available in fund balance since we are now using most of the available sales tax revenues to pay for current operations. This necessitates some discussion and debate as to how we will continue to fund capital projects in Marathon County for the future.

For the 2012 CIP budget, we allocated approximately \$4.9 million in fund balance, much of which came from undesignated fund balance remaining at the end of 2010.

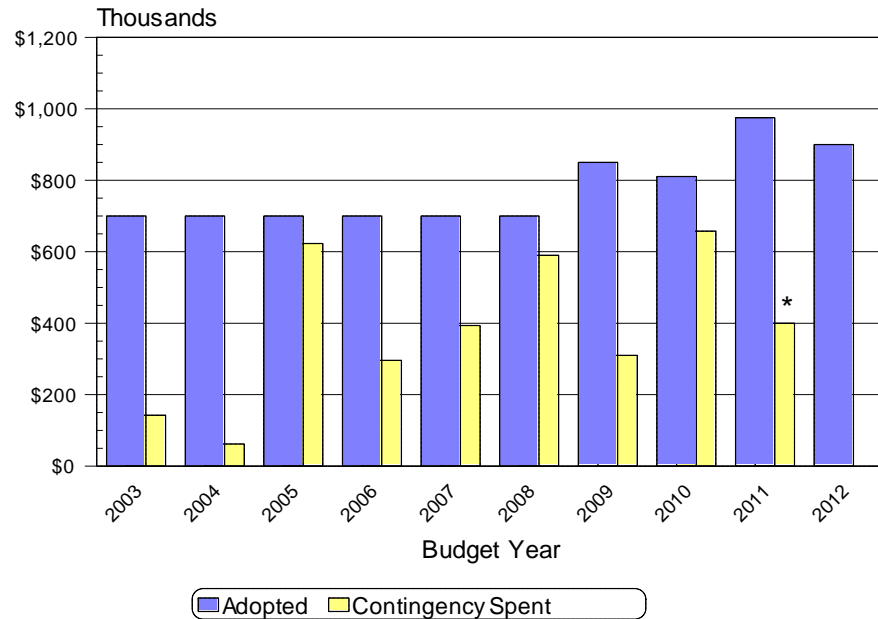
Year	CIP (Fund Balance transfers)
2003	3,225,060
2004	8,650,072
2005	6,987,747
2006	7,695,337
2007	4,145,962
2008	5,268,588
2009	2,630,781
2010	4,898,941
2011	3,925,026
2012	4,883,932



CONTINGENT FUND

For many years Marathon County had in place a Contingent Fund Policy which set the Fund at approximately .7% of the gross operating budget for the year. In 2003 the policy changed slightly, setting the Contingent Fund at a base amount of \$700,000, and adjusting it based on the CPI each year (Consumer Price Index) only if needed. I am recommending that \$50,000 of the Contingent Fund be made available in 2012 to be used by the Finance, Property & Facilities Committee for special funding requests and that the total fund for 2012 is \$900,000.

Budget Year	Net Adopted Budget	Adopted Contingent Fund	Contingent Fund Spent
2003	128,526,292	700,000	142,469
2004	128,841,814	700,000	61,946
2005	133,587,806	700,000	623,000
2006	131,108,441	700,000	295,985
2007	143,260,835	700,000	393,500
2008	143,009,546	700,000	590,000
2009	143,415,023	850,000	310,000
2010	141,629,852	810,606	657,805
2011	148,896,143	975,000	*400,000
2012	150,444,158	900,000	N/A

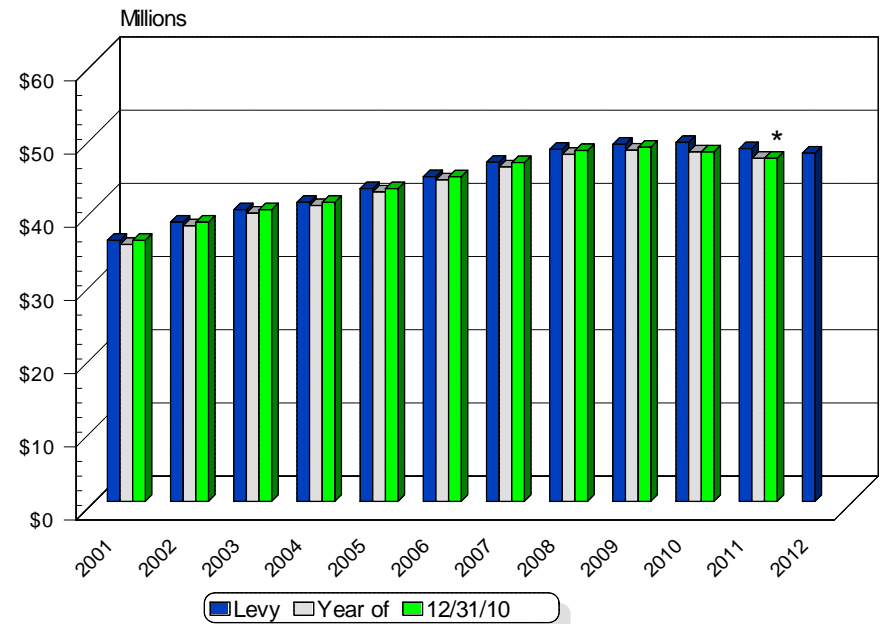


* estimate

DELINQUENT TAXES

Wisconsin Statute 74.29 provides that counties purchase delinquent real estate taxes from local taxing districts; i.e., schools, town, villages, cities and sanitary districts. The delinquent taxes purchased from local taxing units represent a reservation of the general fund balance. This commitment of funds subsequently is used in the determination of unreserved general fund balance. The percentage of delinquent taxes to the local taxes levied has remained relatively constant even though Marathon County has experienced an increase in the total tax levy in recent years. Approximately 98% of the total taxes levied are collected prior to December 31 of each year. The percentage value of delinquent taxes seems to stay approximately the same from year to year.

Year	Amount Levied	Collected Amount	% Collected	12/31/10	% Collected
2001	35,660,957	35,103,411	98.44%	35,659,437	99.99%
2002	38,149,579	37,644,343	98.68%	38,147,269	99.99%
2003	39,846,548	39,375,609	98.82%	39,844,170	99.99%
2004	40,850,300	40,416,211	98.94%	40,847,737	99.99%
2005	42,730,820	42,268,706	98.92%	42,725,884	99.99%
2006	44,360,284	43,918,046	99.00%	44,346,976	99.97%
2007	46,326,948	45,688,305	98.62%	46,286,227	99.91%
2008	48,093,638	47,406,556	98.57%	47,937,315	99.67%
2009	48,793,927	47,983,834	98.34%	48,376,798	99.15%
2010	48,653,812	47,740,402	98.12%	47,740,402	98.12%
2011	48,191,420	46,870,027	97.26%	*46,870,027	97.26%
2012	47,573,011	N/A	N/A	N/A	N/A

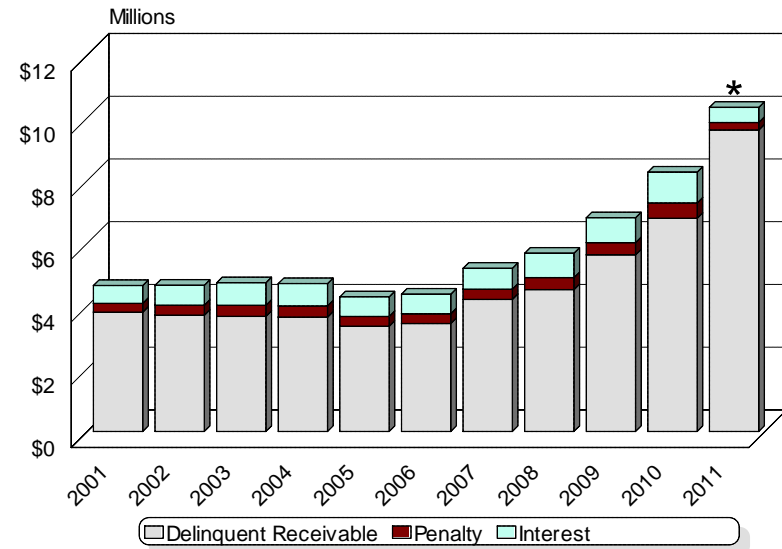


* Through 8/31/2011

INTEREST AND PENALTY COLLECTED ON DELINQUENT TAXES

The County has a very stable and reliable tax collection history. Total collections have reached the 99% bracket for longer than the history shown here. This collection can take place over a ten year process but normally reaches 99% within the first three years. Wisconsin Statute 74.47 allows for the collection of penalty and interest on those taxes not collected on time. Interest is collected by sub 1 of the statute and equates to a charge of 1% per month or portion of a month that taxes go uncollected. Sub 2 of the statute allows for a penalty to be collected over and above the interest charge. The penalty allows for a .5% per month or fractional charge. As can be seen in the chart below, the annual collections are an important part of the County budget process and provide a reliable source of funding.

Fiscal Year	Interest on Delinquent Taxes	Penalty on Delinquent Taxes	Total	Delinquent Taxes Receivable	Collected to Delinquent Receivable
2001	566,852	283,040	849,892	3,803,837	22.34
2002	635,026	318,014	953,040	3,708,647	25.70
2003	718,003	354,156	1,072,159	3,670,812	29.21
2004	712,463	355,711	1,068,174	3,647,154	29.29
2005	624,012	310,864	934,876	3,357,301	27.85
2006	624,919	308,328	933,247	3,444,085	27.10
2007	664,237	325,559	989,796	4,213,281	23.49
2008	777,625	380,196	1,157,821	4,525,730	25.58
2009	791,975	389,502	1,181,477	5,631,735	20.98
2010	982,150	488,615	1,470,765	6,798,447	21.63
2011*	482,760	239,806	722,566	9,613,010	7.52



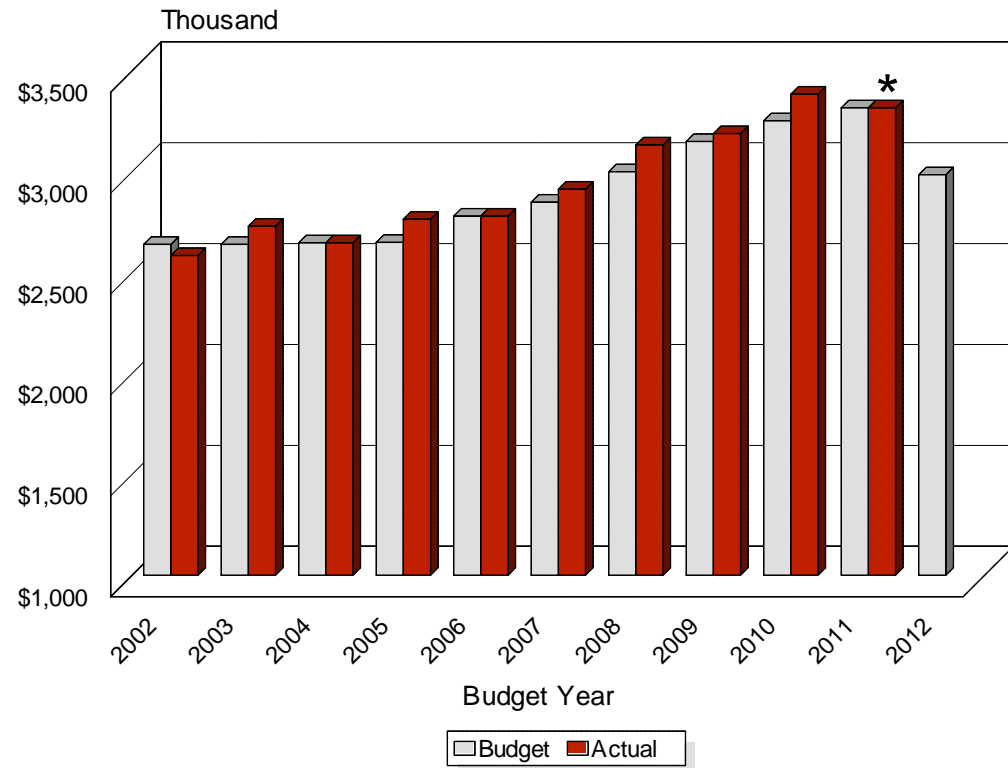
*through 8/31/2011

TRANSPORTATION AIDS

Marathon County is entitled to a share of revenue collected for transportation purposes (gas tax) and distributed by the State of Wisconsin. The County's share of such revenue is based on formulas set forth under Section 86.30(9). The County's share of transportation revenues provides for fundamental transportation needs including maintenance, operation, and construction of safe local roads. As can be seen in the chart below, we anticipate receiving a significant reduction in 2012.

TRANSPORTATION AIDS		
Year	Budget	Actual
2002	2,640,000	2,584,757
2003	2,640,000	2,730,106
2004	2,647,700	2,647,700
2005	2,650,000	2,764,792
2006	2,780,000	2,780,000
2007	2,849,000	2,913,492
2008	3,000,000	3,132,814
2009	3,150,000	3,189,059
2010	3,252,840	3,384,634
2011	3,316,942	3,316,942*
2012	2,985,247	N/A

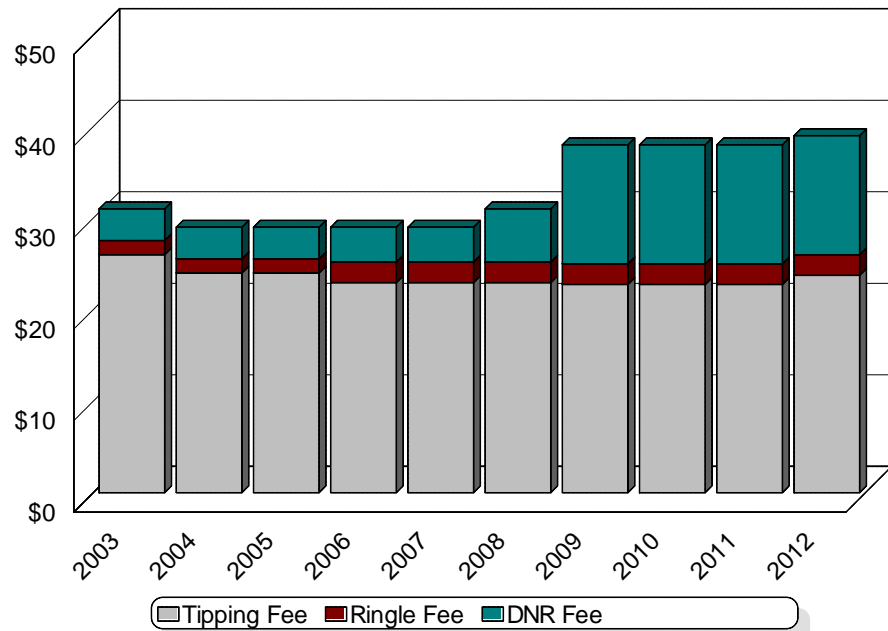
*Estimated



TIPPING FEE/SURCHARGE USAGE

Wisconsin Statute 59.70 (2) authorizes the county to create and operate a solid waste management system. For Marathon County the site is located in Ringle. The landfill is solely operated by the revenues derived from the tipping fee (history is listed below) and has never needed tax levy. In 2005, the City of Wausau chose to part ways with the County and sends their waste to a private landfill out of County. We hired a new Solid Waste Director in 2009. She and the Solid Waste Board are expecting that energy prices and improved relationships with municipalities will result in an increase in tipping fee revenues.

Pricing is per Ton					Fees Collected
Year	Tipping Fee	Ringle Fee	DNR Fee	Total	Total
2003	26.00	1.55	3.45	31.00	1,749,707
2004	24.00	1.55	3.45	29.00	1,734,702
2005	24.00	1.55	3.45	29.00	1,847,934
2006	22.95	2.25	3.80	29.00	1,392,887
2007	22.95	2.25	3.80	29.00	2,084,378
2008	22.95	2.25	5.80	31.00	2,884,111
2009	22.75	2.25	13.00	38.00	2,610,389
2010	22.75	2.25	13.00	38.00	2,759,570
2011	22.75	2.25	13.00	38.00	**2,396,780
*2012	23.75	2.25	13.00	39.00	N/A



* Proposed

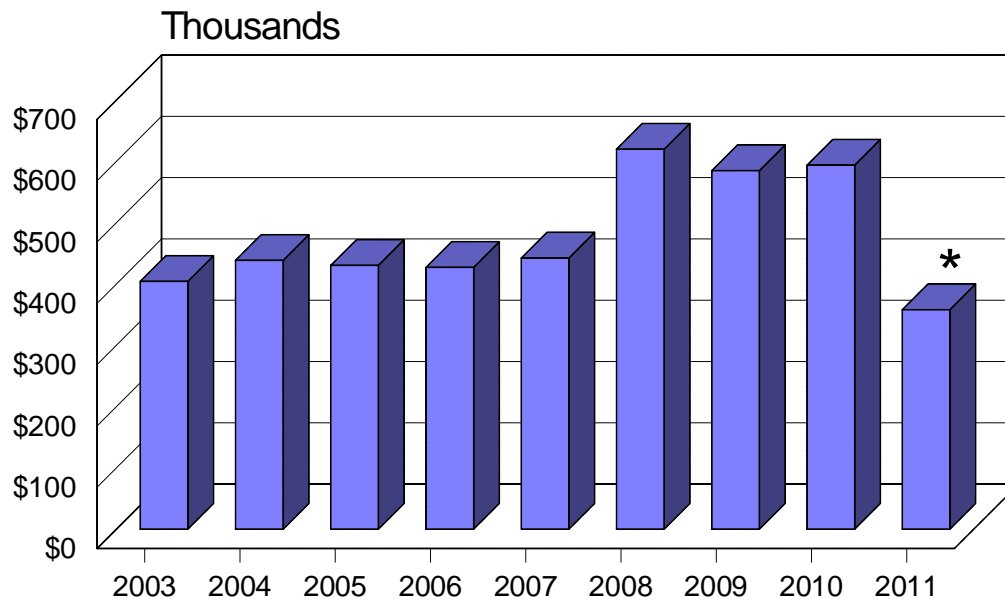
** Through 8/31/11

CENTRAL WISCONSIN AIRPORT (CWA) AND THE PASSENGER FACILITY CHARGE

Congress passed legislation in 1991 allowing airports to collect Passenger Facility Charges (PFCs) and that provision went into effect when the bill was signed into law in 1991. As of September 1, 2007, the PFC charge has been raised to \$4.50, which allows CWA to collect additional revenue for specific airport development projects. We continue to partner with Portage County to support the airport and determine the type of development needed in our regional airport that serves the entire Central Wisconsin area. In 2007 we negotiated an agreement that will allow CWA to move forward with a terminal remodeling project once the sources of funding have been identified and committed. We are currently waiting to hear from the FAA on their ability to partner on the terminal remodeling project.

PFC Revenue	
2003	404,221
2004	438,414
2005	430,343
2006	427,056
2007	442,291
2008	619,784
2009	584,936
2010	593,790
2011	*358,070

*Through 8/31/2011



BUDGET SUMMARY

2012 County Administrator Proposed Tax Rate:

Debt Service Levy =	\$.18
Operating Levy =	4.97
Special Purpose Levy =	<u>.02**</u>
Total Levy =	\$5.17

Changes by Finance Committee:

2012 Finance Committee Tax Rate \$5.17

** Bridge Aid

Note: 1¢ in 2012 levy = approximately \$92,000

1991 Tax Rate -	\$5.87
1992 Tax Rate -	\$6.01
1993 Tax Rate -	\$6.17
1994 Tax Rate -	\$6.16
1995 Tax Rate -	\$6.21
1996 Tax Rate -	\$6.21
1997 Tax Rate -	\$6.21
1998 Tax Rate -	\$6.21
1999 Tax Rate -	\$6.21
2000 Tax Rate -	\$6.21
2001 Tax Rate -	\$6.21
2002 Tax Rate -	\$6.09
2003 Tax Rate -	\$6.09
2004 Tax Rate -	\$5.89
2005 Tax Rate -	\$5.79
2006 Tax Rate -	\$5.69
2007 Tax Rate -	\$5.46
2008 Tax Rate -	\$5.38
2009 Tax Rate -	\$5.17
2010 Tax Rate -	\$5.17
2011 Tax Rate -	\$5.17
2012 Tax Rate -	\$5.17