

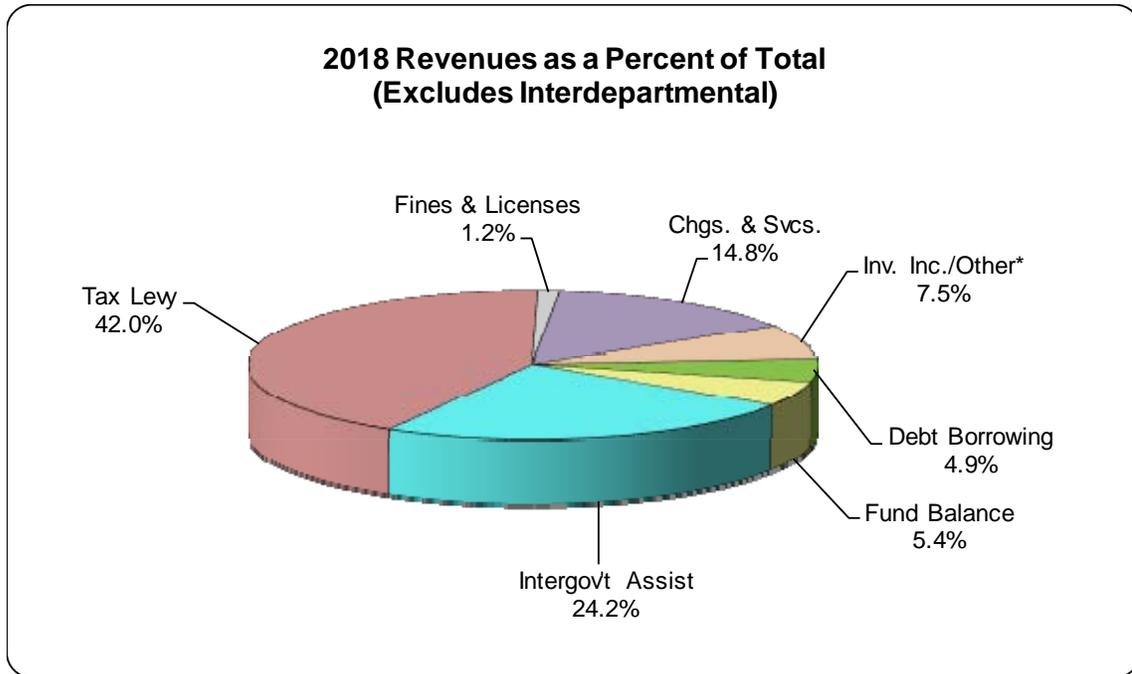
# 2018 REVENUE HIGHLIGHTS

## Revenue Budget:

The 2018 revenue budget (excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings) totals \$173,003,421, an increase of \$7,618,000 or 4.6% from the 2017 Adopted Budget. The revenue budget includes \$38,869,900 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 2018 revenues consist of departmental operating revenues at \$158,659,300 and capital project funds at \$14,344,100 including \$12,500,000 from planned borrowing. Overall, the operating revenues increase \$5.73 million or 3.7% from the prior year budget, while capital project revenues increase by \$1.89 million or 15.2%.

The graph below reflects the ratio of revenue sources budgeted for 2018 to all revenue sources, with tax levy of 42.0% and Intergovernmental Assistance of 24.2% (after excluding Interdepartmental revenues) as the major revenue components.



\* Excludes Retained Earnings

## Revenue Projection Methodology

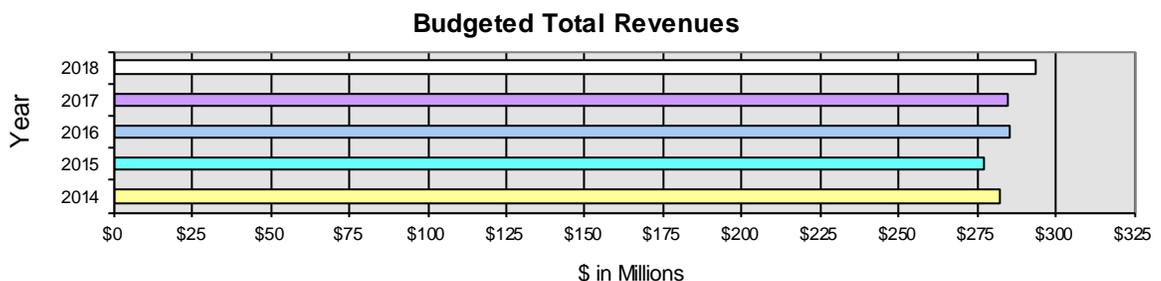
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The County combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

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, historically low interest rates impacting County investments, 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 2014-2018. Total revenues are budgeted to increase \$9.2 million or 3.2% to \$293.6 million.



## 2018 REVENUE HIGHLIGHTS

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

The 2018 revenue budget increases by \$9.2 million to \$293.6 million, partially due to increases in other revenue accounts of \$2.68 to \$20.29 million, related to prior year Comprehensive Community Services (CCS) revenue as recognized in the most recent Wisconsin Medical Assistance Cost Report (WIMCR) settlement, and over \$448,000 in additional Materials Recycling Fund (MRF) recycling revenue due to improving market conditions and increased tonnage. Intergovernmental revenues increase \$2.25 million to nearly \$61.9 million largely due to \$1.50 million in Health and Human Services (HHS) pass-through payments related to the Children's Long Term Support (CLTS) Third Party Administrator (TPA) program, and an increase of \$430,000 in various grant funds aimed at preventing and treating opioid and other drug abuse. Debt borrowing to fund capital project expenditures increases \$2.50 million to \$12.5 million. Fund balance appropriations decrease about \$8,700, and the county general tax levy (excluding the special library tax) increases \$1,623,276 or 1.59%.

The 2017 revenue budget decreases by \$1.10 million to \$284.4 million, largely due to decreases in Intergovernmental revenues of \$1.9 million to \$59.6 million, largely attributable to about \$2 million in municipal contributions for highway capital projects budgeted in 2016 that are not repeated in the 2017 budget. In addition, debt borrowing to fund capital project expenditures decreases \$2 million to \$10 million. This is partially offset by increases in charges for services revenues of \$1.8 million, including higher employee contributions toward health care premiums (5% point cost shift) by \$779,000, increases in HHS-Clinical Services Outpatient Mental Health client fee revenues of \$355,100 for services provided as part of the Comprehensive Community Services (CCS) program and Community Recovery Services (CRS) program, and increases in the Mental Health Center client fee revenue of \$172,300 based on prior year actuals and an intergovernmental agreement with Jefferson County to accept their clients at the facility. Fund balance appropriations increase about \$283,300, and the county general tax levy (excluding the special library tax) increases \$850,947 or less than 1%.

The 2016 revenue budget increases approximately \$8.11 million to \$285.5 million, mostly due to increases in intergovernmental revenues of \$4.3 million to \$61.5 million, related to a \$2.60 million increase in capital project revenues related to local and county highway projects, as well as an increase of \$574,000 pass-through revenues related to the Children with Long Term Support Needs (CLTS) Third Party Administrator (TPA). In addition, debt borrowing to fund capital project expenditures increases \$2 million to \$12 million. Charges for services increase \$693,000 mainly due to increases in HHS-Mental Health Outpatient program revenues related to the Comprehensive Community Services (CCS) program. Other revenues decrease \$255,000 mostly due to reductions in investment income of \$200,000 based on low interest rates. Overall fund balance appropriations increase about \$500,000 and the county general tax levy (excluding the special library tax) increases by \$455,900 or less than 0.50%.

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 \$728,000 and Public Works State Highway operations funding of \$925,000 to \$5.6 million. Other revenues increase by \$920,000 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%.

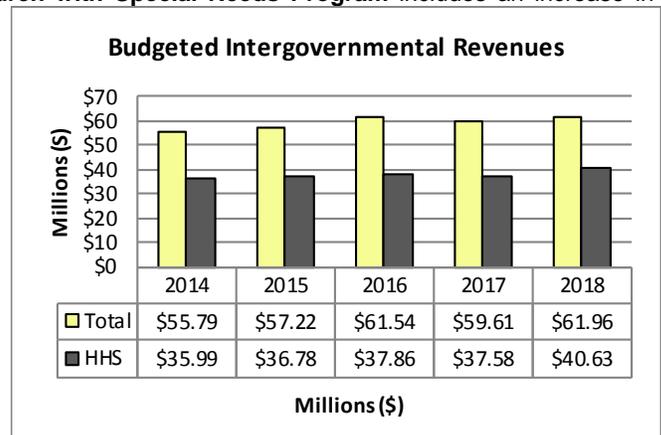
The 2014 revenue budget increases nearly \$8.3 million to \$282.1 million, largely for an increase of \$10.8 million of fund balance appropriations to nearly \$23 million. This offsets a decrease of \$7 million of Debt Borrowing to fund capital project expenditures. Intergovernmental revenues increase 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.

Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2017 to the 2018 Revenue Budget, by source, follows.

### **Intergovernmental Contracts & Grants:**

Combined, total 2018 intergovernmental contracts, grants, state/federal aids and state shared revenues together reflect a budgeted increase of \$2,254,400 or 3.8% from the 2017 Adopted Budget (as indicated below).

- **H&HS Functional Area** Intergovernmental Revenue increase by approximately \$3.0 million to nearly \$40.6 million as follows:
  - **Department of Health and Human Services (H&HS) – Children with Special Needs Program** includes an increase in pass-through intergovernmental State revenue reimbursements related to the Children's Long Term Support (CLTS) Third Party Administrator (TPA) program of \$1.5 million to serve children with long-term support needs, \$473,000 in CLTS case management revenue, and \$243,500 in indirect cost reimbursement. The increase is due to the Governor's proposal to eliminate CLTS wait lists by the end of 2018, and an increase in volume of contracted staff and CLTS waiver clients served.
  - **H&HS – Mental Health Outpatient-Clinical Program** includes a budgeted increase of \$225,000 related to the department receiving a State of Wisconsin – Prevention of Drug Overdose grant, to fund activities to scan the county's opioid overdose environment, train and distribute naloxone, and develop anti-opioid prevention programs.



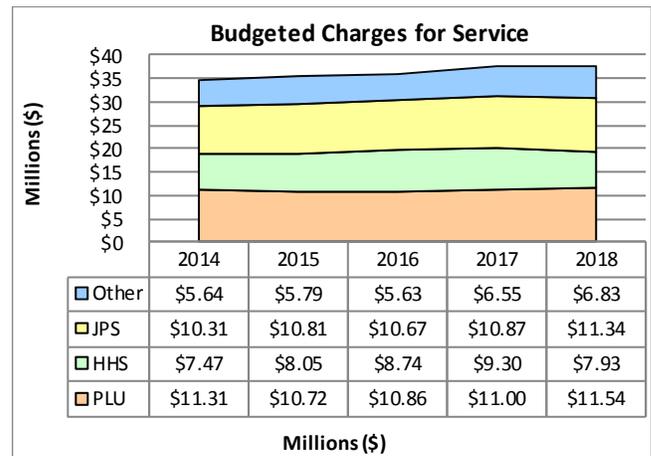
## 2018 REVENUE HIGHLIGHTS

- **The H&HS Criminal Justice Collaborating Council (CJCC) Program** increases \$205,300 due to the receipt of a new, three-year drug court expansion grant, allowing for additional client services and an expansion of clients admitted to the drug court from 50 to 60.
- **H&HS Aging and Disability Resource Center (Contract Fund)** net general government revenues increase nearly \$181,800, mainly due to an increase of nearly \$107,600 in ADRC grant funding, a \$40,000 increase related to the Dementia Care Specialist grant, and \$34,500 increase for the new Dementia Crisis Innovation grant awarded in 2017.
- **Capital Project** intergovernmental revenues decrease \$692,300 to \$1.46 million mainly for decreases in municipal cost share revenues related to the Communication Center expansion project, not continued in the 2018 budget.
- **Parks and Land Use-Community Development Block Grant (CDBG) Fund** budgeted intergovernmental revenues include a decrease of \$131,800 in CDBG HUD grant revenue and \$112,100 in HOME Investment Partnership HUD grant, based on anticipated changes in federal funding.
- The **Transportation Fund's** budget includes an increase of about \$89,400, mainly due to an increase of routine maintenance agreement/traffic maintenance agreement funding of \$177,300, mostly due to an increase in reimbursable equipment expenses. This revenue increase is partially offset by a reduction in Performance-based maintenance funding of \$89,400 to better reflect prior year trends.

**Fines and Licenses:** Fine and license revenues increase \$145,600, or 5.0% to \$3,047,700 in 2018, and includes the following: **Parks and Land Use-General Fund** budget includes an increase of \$33,000 in restaurant and retail food licenses, and \$10,000 in septic permits. The **Treasurer's** budget includes a \$14,800 increase in agriculture use conversion penalties based on an increase in real estate activity; and the **Medical Examiner** includes an increase of \$41,700 in cremation permit revenues due to an increase in the fee and increase in the number of permits expected to be issued. In addition, the **Health and Human Services (HHS)** budget includes a \$21,700 increase in Intoxicated Driver Program (IDP) driver improvement surcharge revenues, to more closely reflect prior year trends.

**Charges for Services:** User fees are budgeted to decrease \$101,100 or 0.3% to approximately \$37.6 million. 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 (PLU) functional area; client treatment, inpatient and outpatient residential services fees in the Health and Human Services (HHS) 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 decrease by about \$1.36 million to nearly \$7.93 million, and includes **Clinical Services division** decreases of about \$1.3 million to about \$6.7 million, mostly related to Mental Health Outpatient-Clinical client fee revenue decreases of approximately \$1.1 million in psychological and social rehabilitation services billed to Medicaid under the Comprehensive Community Services (CCS) program, and the shifting of anticipated prior year recoveries revenue to the other revenues appropriation in 2018. In addition, Community Recovery Services (CRS) program activities, that provide community living support services, including employment and peer support through psychosocial rehabilitation, decreases \$271,500 to more accurately reflect prior year history.



**Parks, Environment, Education & Land use (PLU)** functional area Charges for Service revenues are budgeted to increase by

\$534,000 to \$11.5 million mainly due to an increase in **Register of Deeds (ROD)** revenues of \$315,500, related to an increase in real estate transfer fee revenues of \$345,500 to reflect recent trends in residential and commercial real estate activity. In addition, **Parks-General Fund** revenues increase \$163,100 mostly related to increases for various park fees (e.g. annual stickers, reservation fees, etc.). The **Bridges Federated Library System** revenues increase \$80,300 mostly related to charge-backs to member libraries for CAFÉ license and database/e-content related software costs. This increase is partially offset by a \$12,700 decrease in **UW-Extension** revenues due to a planned restructuring of state programming fees and related costs, and a \$12,200 decrease in **Parks-Ice Arena** contract ice revenues to better reflect prior year history.

- **Justice and Public Safety (JPS)** functional area charges for service revenues increase slightly by approximately \$465,600 to \$11.3 million, mainly due to an increase in **Sheriff-Municipal Patrol Contract** revenues by \$292,800, which includes the addition of 1.00 FTE Lieutenant position to provide second shift supervision for the Village of Sussex. In addition, prisoner board revenues increase \$126,500 to reflect trends in Wisconsin Department of Corrections holds.
- **Non-Departmental** functional area revenues increase \$260,000, and includes an increase in health insurance premiums paid by retirees (retirees pay 100% of premium costs) based on an increase in retiree enrollment.

**Interdepartmental Revenues:** 2018 interdepartmental revenues increase approximately \$826,900, or 2.2%, to \$38,869,900. 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.

- **Non-Departmental-Health and Dental Insurance Fund** interdepartmental revenues are budgeted to increase by \$503,000 or 2.9% to \$17.8 million, and reflects an increase in the county's share of insurance premiums charged to operating departments.

## 2018 REVENUE HIGHLIGHTS

- Interdepartmental revenues in the **Public Works Functional Area** increase by about \$103,600 to nearly \$7.8 million. Department charges for vehicle replacements increase nearly \$350,000 to \$3.1 million, due to increasing vehicle/equipment prices, related to improved technology and regulatory requirements. This increase is partially offset by a decrease in fuel charges by \$139,000 or 10%, and a slight reduction in repair and maintenance charges related to several costly pieces of highway equipment aging out of the county fleet. Additional items include cross-charges for projects related to the Building Improvement Plan, which decrease \$86,400 mostly for one-time projects at the Mental Health Center to address items identified in a State inspection report, not repeated in 2018.
- **DOA-Collections Fund** charges increase \$60,700, related to anticipated volume based on recent history and the addition of collection resources in 2018.
- **Sheriff** charges to HHS and Courts for transporting clients and prisoners increases by \$51,000.

**Other Revenues:**

Other revenues (excluding retained earnings) from various sources increase about \$2.43 million or 13.8% in the 2018 Budget to a total of about \$20 million.

- **Department of H&HS – Clinical Services Division** prior year revenues are budgeted to increase by about \$2.4 million to \$2.7 million, to more accurately reflect and track Wisconsin Medical Assistance Cost Reporting (WIMCR) program reimbursements related to the Comprehensive Community Services (CCS) program area, previously budgeted in charges for services.
- The **Materials Recycling Fund (MRF)** budget increases \$448,100 to \$2.8 million, mostly due to an increase in material sales revenues due to improving markets for recyclable materials as well as increase in tonnage, of 2,500 tons to 31,500.
- Interest and penalty on delinquent taxes in the **Treasurer’s budget** decreases by \$350,000 to \$2.3 million as these revenues continued to decline in 2016 and 2017, and investment income decreases by \$500,000 to \$2.5 million reflecting continued low rates of return on invested funds.

**Debt Financing:**

The 2018 Budget includes borrowing of \$12.5 million to finance a major portion of 2018 capital projects, an increase of \$2.5 million from the 2017 Adopted Budget.

**Appropriated Fund Balance:**

To reduce the 2017 Tax Levy (for 2018 Budget purposes), the budget includes fund balance appropriations of approximately \$13.7 million for one-time projects and temporary expenditures or to phase in the impact of significant revenue losses, a decrease of about \$8,700 from the previous year. This includes \$11.0 million for the operating budgets and \$2.7 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	\$123,000						\$123,000
Admin - Collections Fund			\$50,000				\$50,000
Admin - End User Tech. Fund			\$744,615				\$744,615
Airport Fund				\$180,829			\$180,829
Bridges Federated Library Fund		\$143,000					\$143,000
Capital Projects Budget					\$2,695,200		\$2,695,200
Circuit Court Services	\$45,000						\$45,000
Contingency Fund	\$1,200,000						\$1,200,000
Corporation Counsel Dept.							\$0
County Clerk Dept.	\$80,000						\$80,000
Debt Service Fund						\$1,338,340	\$1,338,340
District Attorney	\$12,000						\$12,000
Emergency Preparedness	\$242,750			\$751,676			\$994,426
Human Services Dept.	\$340,305						\$340,305
Non-Departmental	\$544,700		\$2,112,200				\$2,656,900
Parks and Land Use Dept.	\$123,000	\$445,687		\$1,230,000			\$1,798,687
Public Works Dept	\$100,000	\$90,000	\$101,083				\$291,083
Register of Deeds	\$50,000						\$50,000
Sheriff Dept.	\$433,195						\$433,195
Treasurer	\$500,000						\$500,000
UW Extension Dept.	\$2,500						\$2,500
<b>Total by Fund Type</b>	<b>\$3,796,450</b>	<b>\$678,687</b>	<b>\$3,007,898</b>	<b>\$2,162,505</b>	<b>\$2,695,200</b>	<b>\$1,338,340</b>	<b>\$13,679,080</b>

**Tax Levy:** The overall 2017 Tax Levy (for 2018 Budget purposes) is \$106,922,499, which represents an increase of \$1,605,648 or 1.52% from the 2017 Adopted Budget. The total Tax Levy consists of General County Purpose Levy of \$103,422,375, a \$1,623,276 or 1.59% increase from the 2017 Adopted Budget, and the Special Bridges Federated Library Tax Levy of \$3,500,124, a decrease of \$17,628 or 0.50% from the 2017 Adopted Budget, which are assessed to municipalities without Libraries.