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2018 BUDGET ASSUMPTIONS

Certain broad assumptions are determined in April through June 2017 to update the 2016 projections and to establish a basic foundation for building the County's budget, as the first year in the five-year budget projections. These general assumptions provide a framework to County staff, the County Executive, and the County Board of Supervisors for setting priorities, determining service levels, and allocating limited financial resources. Some adjustments have been made from updated information available during the summer months (June-August).

The following general assumptions are used in guiding the County's 2018 Budget development:

- Overall inflation factor estimates assumed for calculating the cost to continue to provide existing County services are projected to be moderate (1.8% to 2%) in 2018. Some major exceptions include cost rate increases for prescription drugs and medical services.

- Significant revenue issues linked to a slower economic recovery impact the 2018 budget

  - Investment Income budget is estimated to be reduced by $250,000 to $2,758,000 reflecting continued low rates of return on invested funds. The 2017 budget was reduced by $400,000. Higher interest rates are expected to impact investment income positively in 2018 as bond portfolios turnover. Also, the 2018 budget for estimated Delinquent Taxes Penalty and Interest (P&I) is reduced by $350,000 to $2,290,000 as Delinquent Taxes outstanding continued to decline during 2016 and into 2017.

  - The real estate market has shown increased property sales through the summer with expected increases in real estate transfer fees of $345,000 to $1,794,000. This is offset by a reduction of $36,000 in document recording fees due to reductions in home mortgage refinancing.

- Major state revenue funding areas include the following:

  - The Human Services basic community aids, General Transportation Aids, and the court support grant remained stable.

  - Increased charges for service revenue in Clinical Services are due to increased Medicaid reimbursements in mental health programming and improved intake and billing procedures.

  - State budget expected to address Children Long Term Support wait list with increased expenditures and revenues

- Net Personnel cost appropriations are expected to return to normal growth rates, after significant turnover savings and health insurance changes in previous year. Some savings are projected for increased participation in lower-cost health savings account plans and retirements and entry level replacements.

- Average fuel prices are budgeted to be conservatively reduced by 10% (from higher 2017 budget levels), with operating budget savings projected for Public Works, Parks and Land Use and the Sheriff Departments.

- Net utility costs were estimated to decrease from the 2017 adopted base budget levels by $50,000 for anticipated lower rates for natural gas and flat rates for water and electricity. Partial year impacts for increased utilities and housekeeping costs for the expanded communication center were estimated at $40,000.

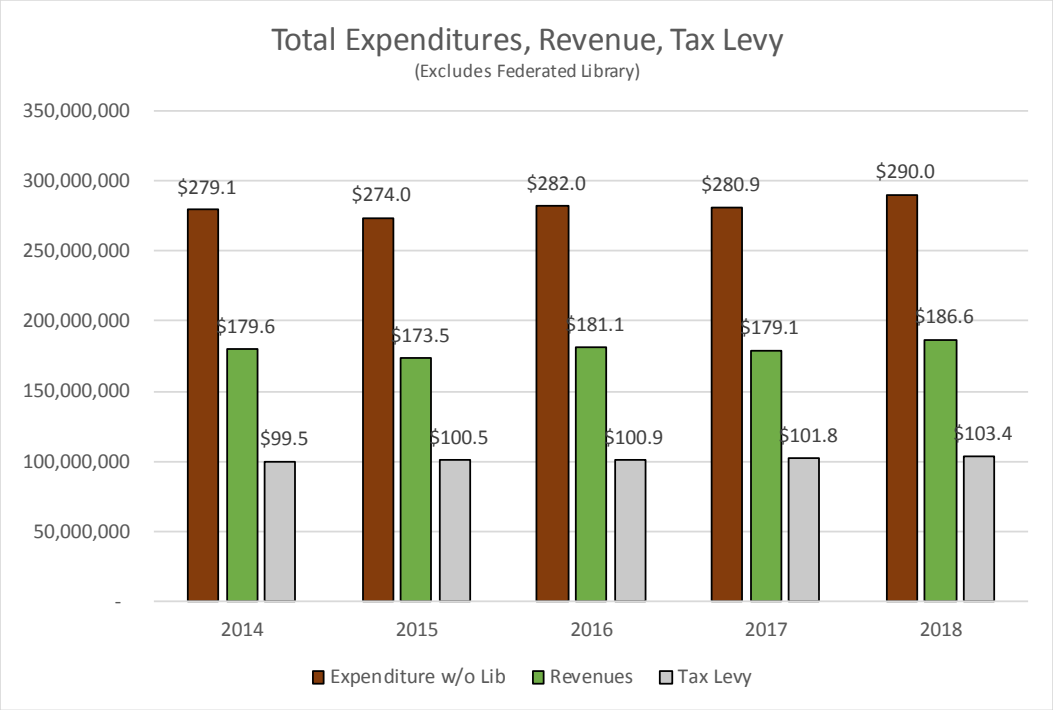
- The debt service tax levy increases by almost $345,000. The increase will accommodate larger bond issues anticipated by the five-year capital plan which includes a significant courthouse project. Capital project tax levy is estimated to remain the same in 2018.

2018 General County Tax Levy Summary

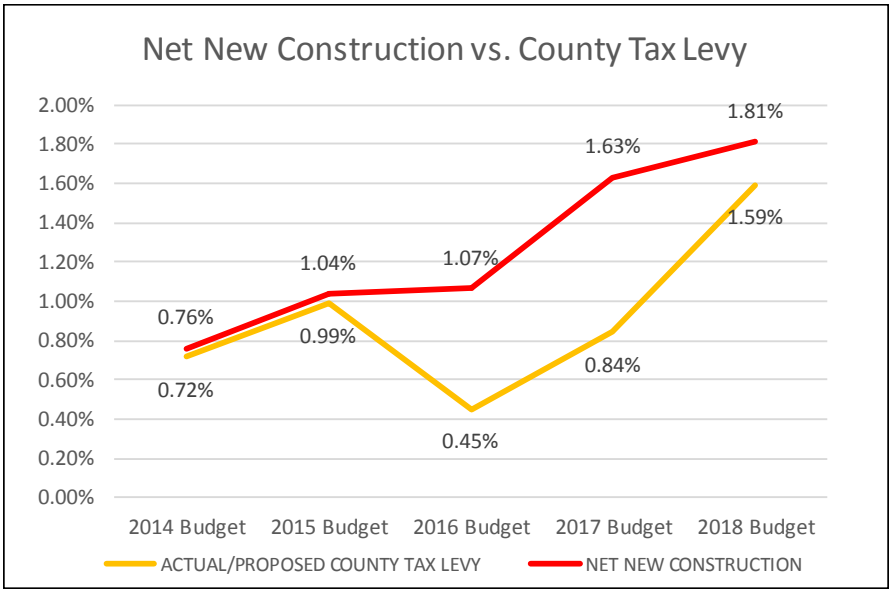
Section 66.0602 of the Wisconsin State Statutes, imposes a limit on property tax levies by cities, villages, towns, and counties. These entities cannot increase their tax levy by a percentage that exceeds their prior year change in equalized value due to net new construction.

The 2018 proposed budget requires a general County tax levy of $103,422,375, which is an increase of 1.59% or $1,623,276.

Trends in expenditures follow available revenue associated with state program changes and/or capital project needs using bond funding.



The chart below illustrates the allowable county tax levy limit due to changes in net new construction, compared to adopted/proposed increases in the 2014 to 2018 budgets.



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2018 BUDGET SUMMARY

	2017 Adopted Budget	2018 Budget	Incr/(Decr) From 2017 Adopted Budget $	%
OPERATING BUDGETS				
Gross Expenditures	$267,526,585	$274,818,700	$7,292,115	2.73%
MEMO: Less Interdept. Charges (a)	$38,043,018	$38,869,916	$826,898	2.17%
MEMO: Net Expenditures (a)	$229,483,567	$235,948,784	$6,465,217	2.82%
Less: Revenues (Excl. Retained Earnings)	$152,928,976	$158,909,321	$5,980,345	3.91%
Less Net Appropriated Fund Balance	$11,027,758	$10,733,880	($293,878)	
TAX LEVY - OPERATING BUDGETS	$103,569,851	$105,175,499	$1,605,648	1.55%
CAPITAL PROJECTS BUDGET				
Expenditures	$16,863,400	$18,786,300	$1,922,900	11.4%
Less: Revenues	$12,456,400	$14,344,100	$1,887,700	15.2%
Less: Appropriated Fund Balance	$2,660,000	$2,695,200	$35,200	
TAX LEVY-CAPITAL PROJECTS BUDGET	$1,747,000	$1,747,000	$0	0.0%
COUNTY TOTALS				
Expenditures (a)	$284,389,985	$293,605,000	$9,215,015	3.2%
Less: Revenues	$165,385,376	$173,253,421	$7,868,045	4.8%
Less: Appropriated Fund Balance	$13,687,758	$13,429,080	($258,678)	
County General Tax Levy (Excl Library)(c)	**$101,799,099**	**$103,422,375**	**$1,623,276**	**1.59%**
Federated Library Tax Levy (b)	$3,517,752	$3,500,124	($17,628)	-0.5%
Total County Tax Levy (c)	**$105,316,851**	**$106,922,499**	**$1,605,648**	**1.52%**

(a) **2018 operating budget net expenditures are $235,948,784 and total County net expenditures are $254,735,084 after eliminating interdepartmental chargeback transactions** (mostly from internal service fund operations and cross charges, e.g. Sheriff Bailiff and Conveyance services), included in gross expenditures to conform with GAAP, but in effect results in double budgeting.

(b) Special County Federated Library tax applied to those communities without a library.

(c) The Tax Levy (for 2018 Budget purposes) increase is within Wisconsin's Act 55 Tax Levy limit provisions (see Planning and Budget Policy Section).

2018 Budget Tax Levy Breakdown

(General County and Federated Library)

	2017 Adopted Budget	2018 Budget	Incr/(Decr) From 2017 Adopted Budget $	%
General County Tax Levy	$101,799,099	$103,422,375	$1,623,276	1.59%
General County Tax Rate	$1.9965	$1.9520	($0.0445)	-2.23%
General County Equalized Value	$50,989,620,500	$52,982,985,200	$1,993,364,700	3.91%
Federated Library Tax Levy	$3,517,752	$3,500,124	($17,628)	-0.50%
Federated Library Tax Rate	$0.2799	$0.2651	($0.0148)	-5.30%
Federated Library Equalized Value	$12,568,556,000	$13,205,088,000	$636,532,000	5.06%

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2018 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2018 EXECUTIVE PROPOSED BUDGET EXPEND.		REVENUES	FUND BAL ADJUST.	TAX LEVY	Tax Levy $ Change '17 - '18
JUSTICE AND PUBLIC SAFETY						
EMERGENCY PREPAREDNESS						
General	$6,590,245		$420,201	$242,750	$5,927,294	$237,000
Radio Services	$1,825,506	(a)	$2,132,010	($306,504)	$0	$0
Radio Svcs. Rtnd. Earn.	$0		($306,504)	$306,504	$0	$0
Radio Svcs. Fund Bal. Appr.	$0		($751,676)	$751,676	$0	$0
DISTRICT ATTORNEY	$2,718,446		$850,109	$12,000	$1,856,337	$33,000
CIRCUIT COURT SERVICES	$9,183,413		$3,877,600	$45,000	$5,260,813	($215,368)
MEDICAL EXAMINER	$2,284,765		$1,279,155	$0	$1,005,610	$20,000
SHERIFF	$40,808,960		$11,859,284	$433,195	$28,516,481	$415,000
Subtotal: Justice & Public Safety	$63,411,335		$19,360,179	$1,484,621	$42,566,535	$489,632
HEALTH AND HUMAN SERVICES						
CORPORATION COUNSEL						
Child Support (General Fund)	$2,611,912		$2,235,182	$0	$376,730	($2,145)
HEALTH & HUMAN SERVICES						
Human Services (General Fund)	$75,286,846		$48,892,563	$340,305	$26,053,978	$474,000
Aging and Disability Resource Center Contract (ADRC) Fund	$3,358,215		$3,358,215	$0	$0	$0
Subtotal: Health and Human Services	$81,256,973		$54,485,960	$340,305	$26,430,708	$471,855
PARKS, ENVIR, EDUC. & LAND USE						
REGISTER OF DEEDS	$1,361,199		$3,376,500	$50,000	($2,065,301)	($76,000)
UW-EXTENSION: EDUCATION	$461,077		$111,814	$2,500	$346,763	$2,000
FEDERATED LIBRARY						
County	$3,500,124		$0	$0	$3,500,124	($17,628)
State Aids	$1,798,606		$1,655,606	$143,000	$0	$0
CAFÉ Shared Automation	$415,446		$428,446	($13,000)	$0	$0
CAFÉ Rtnd. Fund Balance	$0		($13,000)	$13,000	$0	$0
PARKS & LAND USE						
General	$11,872,177		$4,750,167	$123,000	$6,999,010	($35,000)
Community Development	$2,700,991		$2,700,991	$0	$0	$0
Land Information Systems	$896,987		$851,300	$45,687	$0	$0
Tarmann Parkland Acquisitions	$400,000		$0	$400,000	$0	$0
Golf Courses	$3,253,662	(a)	$3,250,100	$3,562	$0	$0
Golf Course Rtnd. Earnings	$0		$3,562	($3,562)	$0	$0
Golf Course Fund Bal. Appr.	$0		$0	$0	$0	$0
Ice Arenas	$1,235,157	(a)	$1,073,000	$162,157	$0	$0
Ice Arenas Rtnd. Earnings	$0		$162,157	($162,157)	$0	$0
Ice Arenas Fund Bal. Appr.	$0		$0	$0	$0	$0
Material Recycling Facility	$4,439,339	(a)	$5,021,505	($582,166)	$0	$0
MRF Retained Earnings	$0		($582,166)	$582,166	$0	$0
MRF Fund Bal. Appr.	$0		($1,230,000)	$1,230,000	$0	$0
Subtotal: Parks, Env., Ed. & Land Use	$32,334,765		$21,559,982	$1,994,187	$8,780,596	($126,628)

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

2018 BUDGET SUMMARY BY FUNCTIONAL AREA BY AGENCY BY FUND

AGENCY NAME	2018 EXECUTIVE PROPOSED BUDGET EXPEND.		REVENUES	FUND BAL ADJUST.	TAX LEVY	Tax Levy $ Change '17 - '18
PUBLIC WORKS						
DEPARTMENT OF PUBLIC WORKS						
General	$8,605,746		$466,922	$100,000	$8,038,824	($1,056)
Transportation	$15,341,524		$12,203,483	$90,000	$3,048,041	$101,056
Central Fleet Maintenance	$3,884,561	(a)	$3,885,986	($1,425)	$0	$0
Central Fleet Rtnd. Earnings	$0		($1,425)	$1,425	$0	$0
Central Fleet Fund Bal. Appr.	$0		($101,083)	$101,083	$0	$0
Vehicle/Equipment Replacement	$3,387,309	(a)	$3,577,533	($190,224)	$0	$0
Veh. Replace Rtnd. Earnings	$0		($190,224)	$190,224	$0	$0
Veh. Replace Fund Bal. Appr.	$0		$0	$0	$0	$0
Airport	$1,208,997	(a)	$935,605	$180,829	$92,563	($30,000)
Subtotal: Public Works	$32,428,137		$20,776,797	$471,912	$11,179,428	$70,000
GENERAL ADMINISTRATION						
COUNTY EXECUTIVE						
General	$568,865		$0	$0	$568,865	$0
COUNTY BOARD	$1,068,236		$0	$0	$1,068,236	($2,356)
COUNTY CLERK	$673,299		$244,489	$80,000	$348,810	($32,000)
TREASURER	$700,250		$5,412,100	$250,000	($4,961,850)	$347,000
ADMINISTRATION						
General	$6,644,507		$1,840,553	$123,000	$4,680,954	$45,000
Risk Management	$2,811,174	(a)	$2,811,174	$0	$0	$0
Collections	$997,041	(a)	$997,041	$0	$0	$0
Collections Fund Bal. Appr.	$0		($50,000)	$50,000	$0	$0
End User Technology	$7,519,143	(a)	$7,532,529	($13,386)	$0	$0
End User Technology Rtnd. Earn.	$0		($13,386)	$13,386	$0	$0
End User Tech. Fund Bal. Appr.	$0		($744,615)	$744,615	$0	$0
CORPORATION COUNSEL						
General	$1,442,035		$529,518	$0	$912,517	($1,855)
Subtotal: General Administration	$22,424,550		$18,559,403	$1,247,615	$2,617,532	$355,789
NON DEPARTMENTAL						
GENERAL	$2,005,900		$1,415,000	$544,700	$46,200	$0
HEALTH & DENTAL INSURANCE	$24,864,200	(a)	$22,752,000	$2,112,200	$0	$0
CONTINGENCY	$1,200,000		$0	$1,200,000	$0	$0
Subtotal: Non-Departmental	$28,070,100		$24,167,000	$3,856,900	$46,200	$0
DEBT SERVICE--GENERAL	$14,892,840		$0	$1,338,340	$13,554,500	$345,000
Subtotal: Operating Budget	$274,818,700		$158,909,321	$10,733,880	$105,175,499	$1,605,648
CAPITAL PROJECTS	$18,786,300		$14,344,100	$2,695,200	$1,747,000	$0
GRAND TOTAL	$293,605,000		$173,253,421	$13,429,080	$106,922,499	$1,605,648

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

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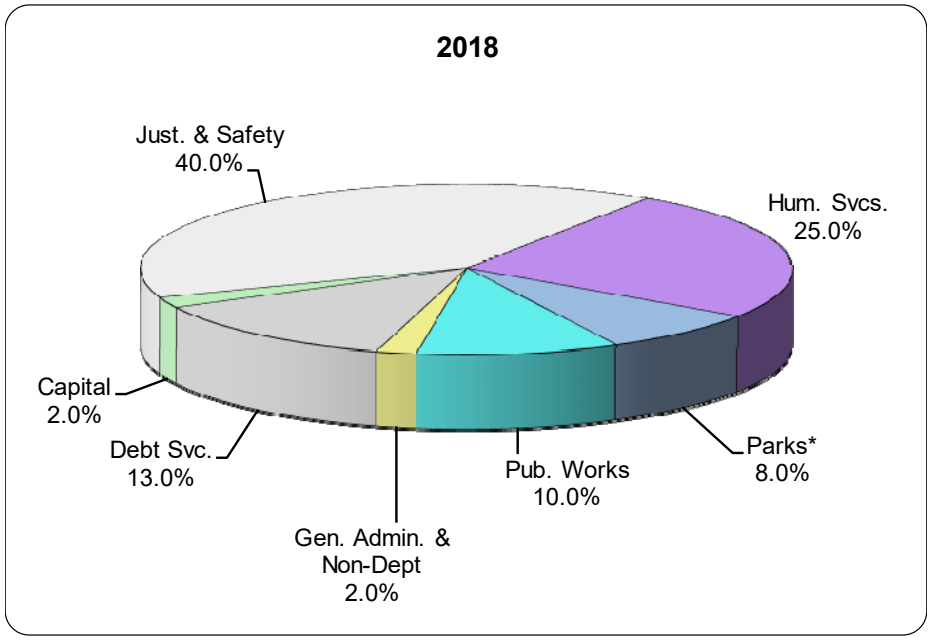
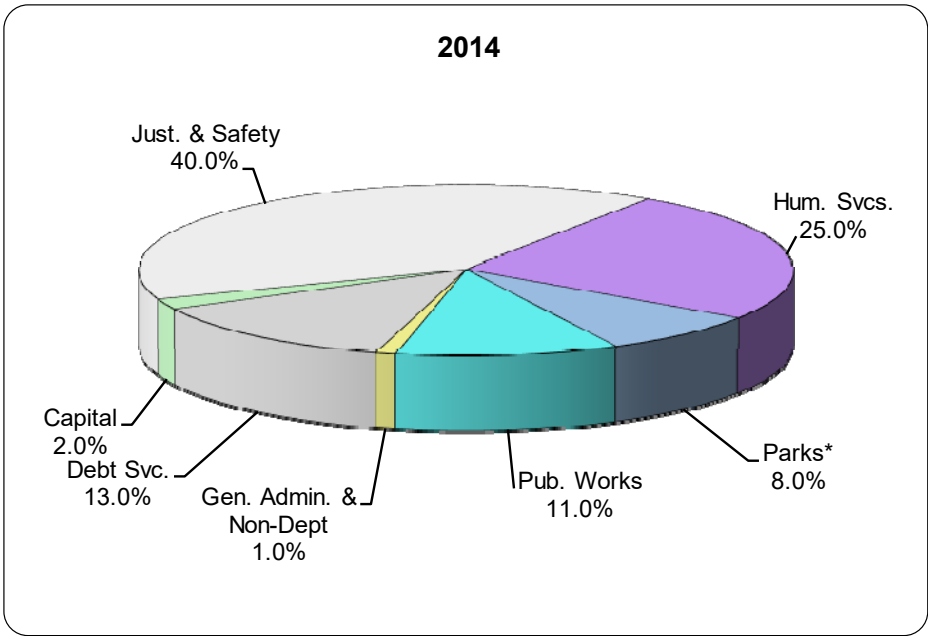
TAX LEVY BY FUNCTIONAL AREA



Tax Levy Trends:

- Justice & Public Safety and Health & Human Services: These two functional areas continue to receive the largest share, nearly two-thirds, of the county's general tax levy revenues.
- General Administration: The increasing share of tax levy is related to an increase in county tax levy assigned to the Treasurer's budget to offset an anticipated decrease in investment income revenues.

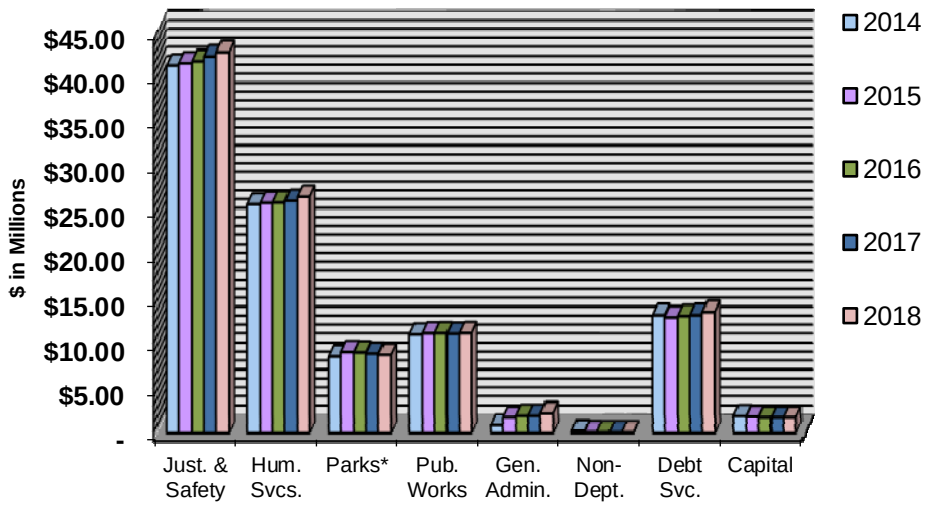


* Includes Parks, Environment, Education, and Land Use

2017-2018 TAX LEVY BY FUNCTION
(COMBINES ALL FUNDS)

BY FUNCTION	2017 Adopted Budget		2018 Budget	Incr/(Decr) From 2017 Adopted Budget $	%
Justice & Public Safety	$42,076,903		$42,566,535	$489,632	1.2%
Health & Human Services	$25,958,853		$26,430,708	$471,855	1.8%
Parks, Env., Educ. & Land Use	$8,907,224		$8,780,596	$(126,628)	-1.4%
Public Works	$11,109,428		$11,179,428	$70,000	0.6%
General Administration	$2,261,743		$2,617,532	$355,789	15.7%
Non-Departmental	$46,200		$46,200	-	0.0%
Debt Service	$13,209,500		$13,554,500	$345,000	2.6%
Capital Projects	$1,747,000		$1,747,000	-	0.0%
Total Tax Levy	**$105,316,851**		**$106,922,499**	**$1,605,648**	**1.5%**

2014-2018 Budgeted Tax Levy by Functional Area



The chart above shows the majority of recent tax levy growth trend to be primarily within the Justice and Public Safety and Health and Human Service Functional areas.

* Includes Parks, Environment, Education and Land Use

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2016 - 2018 EXPENDITURE SUMMARY

APPROPRIATION UNIT	2016 Actual	2017 Adopted Budget	2017 Estimate (a)	2018 Budget	Incr/(Decr) From 2017 Adpt. Budget
Personnel Costs	$117,778,194	$120,837,078	$120,392,466	$124,203,743	$3,366,665
Operating Expenses	$102,491,237	$109,578,882	$108,755,240	$113,406,757	$3,827,875
Interdepartmental Charges	$19,903,220	$20,960,105	$20,549,583	$21,094,710	$134,605
Fixed Assets & Imprvmnts (b)	$951,813	$1,239,620	$1,114,179	$1,220,650	$(18,970)
Debt Service-Excl Proprietary (b)	$14,353,616	$14,910,900	$14,731,180	$14,892,840	$(18,060)
Capital Projects (a)	$18,660,515	$16,863,400	$19,776,172	$18,786,300	$1,922,900
Total Expenditures	**$274,138,595**	**$284,389,985**	**$285,318,820**	**$293,605,000**	**$9,215,015**

FUNCTIONAL AREA	2016 Actual	2017 Adopted Budget	2017 Estimate (a)	2018 Budget	Incr/(Decr) From 2017 Adpt. Budget
Justice & Public Safety (a)	$59,172,802	$62,183,751	$63,232,617	$63,411,335	$1,227,584
Health & Human Services (a)	$76,231,696	$76,742,308	$77,883,436	$81,256,973	$4,514,665
Parks, Env., Educ. & Land Use	$31,178,093	$32,039,331	$31,302,895	$32,334,765	$295,434
Public Works	$31,130,946	$32,398,460	$31,785,120	$32,428,137	$29,677
General Administration	$20,538,095	$22,041,735	$21,241,104	$22,424,550	$382,815
Non-Departmental	$22,872,832	$27,210,100	$25,366,296	$28,070,100	$860,000
Debt Service-Excl Proprietary (b)	$14,353,616	$14,910,900	$14,731,180	$14,892,840	$(18,060)
Capital Projects (a)	$18,660,515	$16,863,400	$19,776,172	$18,786,300	$1,922,900
Total Expenditures	**$274,138,595**	**$284,389,985**	**$285,318,820**	**$293,605,000**	**$9,215,015**

(a) Estimated expenditures exceed budget due to prior year appropriations carried forward and expended in current year and/or other budget modifications approved by County Board through an ordinance or fund transfer.

(b) Proprietary Fund (Internal Service and Enterprise funds) expenditure appropriations exclude fixed asset and Debt Service principal payments to conform with generally accepted accounting standards. Fixed Asset purchases and Debt Service principal payments will be funded through operating revenues, Tax Levy, or Fund Balance appropriations and are included, as applicable, in each agency budget request.

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2018 EXPENDITURE HIGHLIGHTS

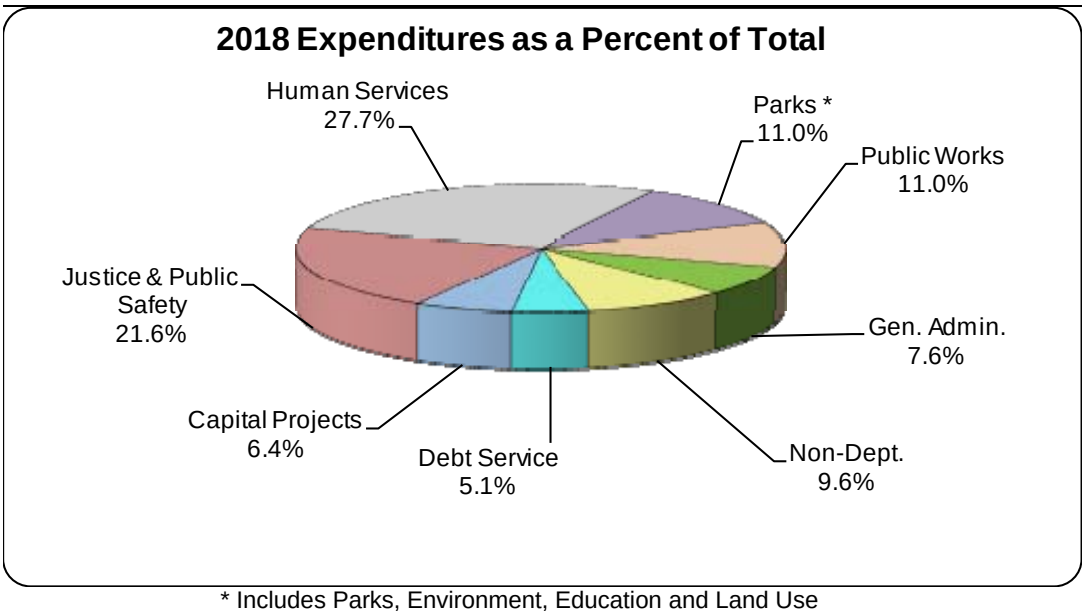
Expenditure Budget:

The 2018 total gross expenditure budget is $293,605,000, an increase of $9,215,000 or 3.2% from the 2017 adopted budget. The 2018 budget appropriations consist of departmental operating budget and debt service expenditures totaling $274,818,700 and capital project spending of $18,786,300. The total operating budget increases by $7,292,100 or 2.7% from the 2017 adopted operating budget while capital project expenditures increase by $1,922,900 or 11.4% from the 2017 adopted budget.

The net total operating expenditure budget after excluding $38,869,900 of interdepartmental charges, mainly from Internal Service Funds (which are double budgeted), is $235,948,800, an increase of $6,465,200 or 2.8%.

The budget includes net personnel costs totaling $124.2 million or about 45% of the total operating expenditure budget. Personnel costs are budgeted to increase by about $3,366,665, or 2.8% from the 2017 adopted budget level.

Operating expenditures (including purchased services, operating expenses and interdepartmental charges) increase by $3.96 million or 3% from $130.5 million in the 2016 budget to $134.5 million in this budget. Fixed assets and improvement expenditures (excluding capital projects) are budgeted at $1.2 million, a decrease of $19,000 from the 2017 budget. Debt service payments are budgeted at $14.9 million, which is a decrease of $18,100 from the 2017 budget level or about 7% of governmental fund expenditures (and well within the County's performance measure benchmark of less than 10%).



* Includes Parks, Environment, Education and Land Use

Functional Area	Expenditure Budget	% of Total Expenditure Budget
Justice & Public Safety	$63,411,335	21.6%
Human Services	$81,256,973	27.7%
Parks *	$32,334,765	11.0%
Public Works	$32,428,137	11.0%
Gen. Admin.	$22,424,550	7.6%
Non-Dept.	$28,070,100	9.6%
Debt Service	$14,892,840	5.1%
Capital Projects	$18,786,300	6.4%
Total Expenditures	$293,605,000	100.0%

* Includes Parks, Environment, Education and Land Use

2018 EXPENDITURE HIGHLIGHTS

A brief summary of the major changes in the past five adopted budgets are explained below:

The 2018 Budget expenditure level increases by $9.2 million to $293.6 million. This reflects a $1.9 million increase in capital project expenditures, mostly due to increases in Public Works projects which include buildings, highways and the airport. Operating expenses increase $3.8 million or 3.5% and reflect modest increases across most functional areas. Personnel costs also increase by about $3,366,700 or 2.8% and reflect costs to continue, net increase of budgeted position changes of $684,000.

The 2017 Budget expenditure level decreases by $1.1 million to $284.4 million. This reflects a $3.9 million decrease in capital project expenditures, mostly due to reductions of Public Works projects which include buildings, highways and the airport. Operating expenses increase $1.7 million or 1.6% and reflect modest increases across most functional areas. Personnel costs also increase by about $1,046,000 or 0.9% and reflect costs to continue, net reduction of budgeted position changes of $88,900.

The 2016 expenditure level increases by $8.1 million to $285.5 million. This reflects a $4.6 million increase in capital project expenditures, mostly due to the addition of $2.4 million for the replacement of HVAC equipment at the Law Enforcement Center and additional expenditures for highway projects. Operating expenses increase $2.1 million or 2% and reflect modest increases across most functional areas. Personnel costs also increase by $879,800, or 0.7% and reflect costs to continue, net reduction of budgeted position changes of $520,300.

The 2015 Budget expenditure level decreases by $4.69 million to $277.4 million. This reflects an $11.85 million reduction in capital project expenditures, mostly due to the removal of $9.6 million related to the upgrade of the upgrade of the County's public safety radio technology from an analog to a digital signal and the replacement of corresponding radio console equipment at the County's Dispatch Center. This reduction is offset by a $4.8 million increase in operating expenses, mostly related to a $1.7 million increase for the Material Recovery Facility (MRF) budget for the implementation of the joint agreement with the City of Milwaukee. Personnel cost increases of $1.7 million, or 1.5% reflect costs to continue (partially offset by a $163,700 net reduction for budgeted position changes).

The 2014 Budget expenditure level increases by $8.3 million to $282.1 million. This reflects a $6.65 million increase in operating expenses largely related to a $3.25 million increase to reflect the State of Wisconsin's opinion that payments the Children with Long-Term Support Needs (CLTS) Third Party Administrator (TPA) makes to service providers must be included in the HHS budget and a $1.4 million increase to the Health and Dental Insurance Fund budget in Non-Departmental, mainly due to the first time budgeting for a shared on-site medical/wellness center. Personnel costs also increase by $1.5 million, with cost to continue increases being partially offset with approximately $459,500 in savings from Sheriff's Department staff (deputies, detectives, and command staff) contributing to the Wisconsin Retirement System (partially offset by a $53,200 net reduction for budgeted position changes).

Future Projections and trends:

External factors will continue to play a key role in significantly impacting future trends and projections including how Federal and State structural budget deficits may likely affect local funding policies and services carried out by local governments, changing the way government services are provided. Also, continued volatility of fuel, energy and commodity prices and increasing medical and health insurance costs are likely to have future budget impacts. In addition, internal factors include high costs of Jail inmates, Emergency Preparedness 9-1-1 dispatch communications, and future debt service payments as a result of infrastructure projects including the Courthouse renovation and funding of major highway projects.

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major 2018 funding changes, which impact expenditures by functional area, follows:

2018 EXPENDITURE HIGHLIGHTS

Justice and Public Safety

- The 2018 **expenditure budget** for this functional area totals $63,411,300, an increase of $1,227,600 or 2.0% from the 2017 Adopted Budget.
- **Emergency Preparedness** operating expenses increase by $138,800, mainly due to the new support costs of the e911 system. Department staff anticipate the completion of the Communications Center expansion in 2018, which will allow the county to add additional partners and better manage large scale incidents. Starting in the 4th quarter of 2017, the Communications Center will provide fire dispatching service to the City of Oconomowoc.
- **Radio Services** will fully transition to its new digital radio system environment in 2018, meeting new Federal Communications Commission (FCC) standards, and phasing out outdated analog technology to provide better service and reliability to county operations and community partners. System maintenance costs are charged to users, based on the formula established by contract.
- **Sheriff** expenditures increase $1,083,200 or 2.7% on a base of over $39.7 million. This increase is largely personnel which increases $902,700 or 2.9% on a base of $31.2 million.
- The budget creates 1.00 FTE lieutenant position costing $115,100 to add a second shift lieutenant for dedicated supervision for Village of Sussex contract.
- Other personnel changes in the Sheriff's budget include additional administrative support of 0.20 FTE extra help increase in Special Investigations, and an overall grant funded overtime increase of 0.12 FTE in Special and Investigations, as well as, General Patrol.
- **Inmate Medical** costs are budgeted to decrease $45,800 or 2.5%, mostly due to the favorable results from a new medical services contract, which totals $1.8 million. Inmate food service costs increase $131,700 or nearly 17% including an increase in commissary items purchases by inmates.
- The Sheriff's budget includes non-corrections equipment of $199,800 for the third year of an equipment replacement plan. The Jail equipment replacement plan remains at the 2017 budget level of $155,000
- **Circuit Court Services** expenditures decrease $118,500 or about 1.3%, mostly due to personnel costs reductions of $100,300 in 2018, due to utilization of technology and business process improvements to better fit department needs outlined below.
    - Creation of 1.00 FTE programs and projects analyst which was offset by the abolishment 2.00 FTE with a favorable personnel budget impact of $7,000.
    - With business process improvements, the department has implemented significant business changes, mostly eFiling, that have improved customer and business efficiencies. With these changes, the department has unfunded 1.00 FTE fiscal assistant, 1.00 FTE administrative assistant, and 1.00 FTE senior administrative specialist, resulting in a favorable budget impact of $160,700.
- **Circuit Court Services** increases $25,000 for one-time equipment costs for the transition of microfilming to the Circuit Courts to facilitate better customer service.
- The **District Attorney's** budget includes second year adjustments for prior year new grant funded positions based on actual prosecution expenses, resulting in reductions in operating expenses.
- The **Medical Examiner's Office** operating expenditures and personnel increase due to rising medical costs and costs to continue.

2018 EXPENDITURE HIGHLIGHTS

Health and Human Services

- The 2018 **expenditure budget** for this functional area totals $81,257,000, an increase of $4.5 million or 5.9% from the 2017 Budget.
- **HHS Administrative Services division** personnel costs include the unfunding of 1.0 FTE office services coordinator position.
- **Economic Services Administration and Support Program** Increased expenses related to a 0.50 FTE temporary extra help fraud investigator positon.
- **Children and Family Services** out of home care expenses for children increases $300,000, which includes a $150,000 increase in residential care expenditures, a $105,000 increase in foster care expenditures, and a $45,000 increase in group home expenses. This is partially offset by the elimination of the centralized intake contract of $50,500 and a decrease of $23,000 in post reunification expense due to lower enrollment of eligible children.
- Services provided through the **Children with Long Term Support Needs (CLTS) – Third Party Administrator (TPA)** pass through expenses increase $1,500,000.

  Contracted staff costs increase $475,000, and the Birth to Three contract is increased $101,000. In addition, pass through parental fee expenses increases $50,000 and pass through county P-Card expenses related to autism services increases $30,000. These increases are offset by a $221,500 decrease for client services - Family Support program COP direct services and a $102,200 decrease to Children's COP contracted staff and direct services.
- **The Family and Juvenile Services** budget includes the refunding of 1.0 FTE social worker that had been unfunded in the 2017 budget. Contracted services is reduced $255,000. Increasing numbers of children being placed in alternate care settings results in a $100,000 increase in residential care expenditures and a $60,000 increase in foster care expenditures, offset by a $60,000 decrease in group home expenditures.
- Overall, **Juvenile Center** expenditures decrease by $72,300. Interdepartmental transportation costs associated with placements at the secure female detention facility will decrease $18,700 as the projected census decreases.
- The **Aging & Disability Resource Center (ADRC) General Fund - Adult Protective Services-** operating expenses increases by $36,800 for volunteer and corporate guardians. In addition, the annual Marsh Country Health Alliance assessment fee increases $34,000 for county residents receiving ongoing care at Clearview Nursing Home and Facility for Individuals with Intellectual Disabilities (IID) in Dodge County.

  The **Aging & Disability Resource Center (ADRC) General Fund - Community Services-** operating expenses are budgeted to increase about $53,700 primarily due to increased nutrition program food costs of $45,200 related to increases in the number of meals to be served and a 3% vendor cost increase. Respite personal care and in home care services costs are anticipated to increase $29,400 and $5,800, respectively. Transportation service expenses increase about $19,200 due to a Rideline contract vendor rate increase. These increases are offset by the Alzheimer's grant related services decrease of $25,500, as a result of a reduced state grant award. Other decreases include $17,700 for health screening and $8,300 in contracted services.
- **The Aging & Disability Resource Center (ADRC) Contract Fund** Personnel costs are budgeted to increase approximately $137,700. This includes a 1.0 FTE marketing coordinator sunset position to comply with additional state contract requirements, and 0.16 FTE increase for an extra help ADRC specialist.
- **Mental Health Outpatient-Clinical** expenditures increase nearly $1.2 million or 13% to $10.3 million, mainly due to increases in State mental health institute costs of $640,600 to $2.89 million, to more accurately reflect prior year experience and current year projections. In addition, continuing grant projects awarded in mid-year 2017 represent a budget-to-budget increase of $121,500 for the Prevention of Drug Overdoses grant and $40,700 in costs for the State Targeted Response to Opioid Crisis grant project. The projects will serve clients by providing residential treatment services, case management, drug testing, and medication assisted treatment. Personnel costs increase $343,000, and include 2.00 FTE new clinical therapists to assist with the implementation of 2015 State of Wisconsin Act 55, state mandated continuous crisis intervention services; and 1.00 FTE health and human services supervisor (offset by the abolishment of 1.00 FTE senior substance abuse counselor) to provide primary supervision over second shift staff providing crisis intervention services.

Mental Health Outpatient-Intensive budget includes the addition of 1.00 FTE clinical therapist to assist with CCS programming aimed at providing treatment services to children, the addition of 0.50 FTE clinical therapist to assist with quality assurance in the CCS and CRS programs, and the transferring in of 1.00 FTE clinical therapist from the Mental Health Outpatient-Clinical program area to more accurately reflect the work being done in this program area.

- **Mental Health Center (MHC)** expenses increase nearly $100,000, including a $193,400 personnel cost increase that includes the addition of 3.23 FTE in extra help and overtime to provide adequate staffing. The budget removes $75,000 in fixed asset costs budgeted in 2017 related to a medication dispensing machine. Upon further review, department staff determined that it would be more cost effective overall by leasing this equipment from a registered pharmacy. Medication dispensing lease costs are included in the budget at $30,000, which is anticipated to generate efficiencies in medication administration and distribution. In addition, interdepartmental charges are budgeted to decrease nearly $81,100 in various building safety upgrades in the 2017 budget that are not repeated. In 2018, the budget includes $40,000 for resurfacing two seclusion rooms, $25,000 for installing suicide prevention bathroom doors throughout the facility, and $10,000 to paint the mental health center lobby. In addition, the additional extra help and overtime coverage should allow for additional client treatment, instead of diverting clients to alternative facilities like the state mental health institutes.
- **Criminal Justice Collaborating Council (CJCC) -** A new, three-year Substance Abuse and Mental Health Services Administration (SAMHSA) grant expands substance abuse treatment capacity in the Waukesha County Drug Court by $302,000. The new SAMHSA grant, in conjunction with a continuing state Treatment Alternatives and Diversion (TAD) grant allocation in 2018 of nearly $140,000, will create opportunities to provide expanded case management and drug testing, residential and medication assisted treatment, and recovery coaching to enrolled clients. In addition, the new grant allows for the expansion of treatment capacity from 50 to 60 clients in 2018.
- **Public Health** expenditure budget includes the unfunding of 1.0 FTE Public Health Nurse position and the reduction of 0.68 FTE in extra help related to reduced WIC funds.
- **Corporation Counsel-Child Support** includes the transfer of 0.10 FTE of the Corporation Counsel position to the Child Support division to more accurately reflect time spent in this area. Overall, personnel costs include a 0.50 FTE increase for an attorney position at an estimated cost of $42,300. This position is fully funded by the elimination of $50,400 of paralegal and legal expenses historically used to fund a contract attorney.

Parks, Environment, Education, and Land Use

- The 2018 **expenditure budget** for this functional area totals $32,334,800, an increase of nearly $295,400 (after excluding proprietary fund capitalized fixed asset item purchases), or 0.9% from the 2017 adopted budget.
- **Register of Deeds** (ROD) Vital Records program budget includes the transfer of 0.50 FTE administrative specialist from the Cashiering program area, in response to additional volume created due to changes in statewide vital records issuance. Beginning in January 2017, customers may visit any certified ROD office in the state to obtain copies of their vital records.
- **Parks and Land Use General Fund** 3 Year Maintenance and Projects Plan increases $23,500 to $352,000. mostly due to a $25,000 boat ramp improvement project and a $10,000 accessible archery facility at Mukwonago Park. The 2018 budget also includes $34,100 for various facilities maintenance projects at the Expo Center, $30,000 for repairs at the Naga Waukee boat launch pier, $23,000 to cover demolition costs of the Mukwonago Park beach house, $20,000 for boardwalk upgrades at Retzer Nature Center, $15,500 for pavement/parking lot projects at various facilities and several smaller projects.
- **Parks and Land Use – Community Development Fund** expenditures from the Department of Housing and Urban Development (HUD) are budgeted to decrease from 2017 budgeted levels for the Community Development Block Grant (CDBG) program by about $131,800 to $1,186,100 based on anticipated changes in federal funding. In addition, expenditures from HUD for the HOME program are budgeted to decrease by $112,100.
- **Parks and Land Use Land Information Systems (LIS) Fund Parks and Land Use Tarmann Land Acquisition Fund** expense budgets continue to be maintained at the 2017 budgeted level of $400,000.
- **Parks and Land Use - Golf Course Fund** budgeted projects of $35,000, include: $20,000 for replacement of irrigation controls at Naga-Waukee Golf Course; and $15,000 for replacement of a pedestrian bridge at Moor Downs Golf Course.
- **Parks and Land Use - Ice Arena Fund** expenditures increases of $24,100. Fixed asset projects in 2018 include: $21,000 to fund several door replacements and $11,000 for a new scoreboard at Eble Ice Arena, and $22,500 for

locker room door replacements at Naga-Waukee Ice Arena.

- The **Parks and Land Use – Material Recovery Facility (MRF) Fund** expenditures are budgeted to increase $157,100 to $4.4 million, largely due to an increase of $87,000 in charges paid to the county's contracted processor of recyclable materials. Dividend payments and other disbursements to participating municipal partners are budgeted to remain at $1.750 million. Other community recycling grants are budgeted to increase slightly by $10,000 to $95,000, due to a new pilot program with the Waukesha School District and Carroll University for the development of a kindergarten through fifth grade environmental education curriculum.
- **Federated Library System State Aids Fund** funded projects include $54,000 for library technology projects to replacement routers and survey equipment to measure library services and programming, $50,000 in grants for libraries to digitize historical documents or newspapers, $30,000 in continued funding for the *Overdrive* Advantage "Booster" program for the purchase of library e-content, and $9,000 to fund a contracted vendor to perform accessibility scans of participating member libraries to gauge compliance with the Americans with Disabilities Act (ADA).
- **Federated Library System State Aids Fund** will initiate a $40,000 pilot program to develop a collaborative partnership between Waukesha and Jefferson County workforce development programs and member libraries in the Bridges Library System.

Public Works

- The 2018 **expenditure budget** for this functional area totals $32,428,100 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of $29,700 or 0.1% from the 2017 Adopted Budget.
- **Road Salt expenditures for county highway snow removal operations** are budgeted to decrease by about $25,400 in 2018. Salt rates are decreasing $1.55 per ton or 2.5% from $62.13 per ton to $60.58 per ton. Estimated salt usage on county highways is estimated to remain at the 2017 budgeted level of 16,400 tons. Road salt purchased and then sold to municipalities is budgeted to decrease by $9,300, also due to the decrease in salt price, with estimated volume remaining at the 2017 budget level of 6,000 tons. Salt provided to the Department of Parks and Land Use for snow and ice removal on park roads and county parking lots decreases by about $7,100 due to the lower salt price and a reduction in estimated volume from 700 tons to 600 tons.
- The **County Highway Maintenance** program budgets for $40,000 of one-time equipment purchases, including $30,000 for a replacement attenuator crash pad for protection on highway trucks performing maintenance on busy roads. Another $10,000 is budgeted for replacement of electronic arrow boards.
- The **Central Fleet Repair and Maintenance** budget decreases by about $39,200, mostly for lower vehicle parts and commercial repair services by $35,000 in anticipation of lower service requests from the Highway Operations division after some costly patrol truck models are removed from the fleet in 2018.
- **Energy and utility budget costs for county facilities** are budgeted to decrease by about $85,300, largely due to lower anticipated natural gas costs by about $90,000 based on lower contracted natural gas rates. The electrical utility budget increases about $4,500 largely for a modest 0.4% increase in anticipated consumption, with rates estimated to remain at the 2017 budgeted level. The water utility budget remains near the 2017 budget level. Costs are maintained through prior-year energy efficiency improvements (e.g., lighting replacement, more efficient boilers/chillers).
- The **Building Improvement Plan (BIP)** totals $1,050,000 in the 2018 budget. The base BIP remains budgeted at $950,000. In addition to the base BIP, the plan includes $75,000 for maintenance and improvements at the Mental Health Center (MHC). Another $25,000 is budgeted for replacement of conference room tables in the Administration Center and funded with one-time use of General Fund Balance.
- The **Central Fleet Vehicle Fuel** budget assumes a 10% decrease in fuel prices from the 2017 budget.

General Administration

The 2018 **expenditure budget** for this functional area totals $22,424,600 (after excluding proprietary fund capitalized fixed asset item purchases), an increase of about $382,800 or 1.7% from the 2017 Adopted Budget.

- The **County Clerk's Office** expenditure budget increases by $61,900, mainly due to an increase for election costs that occur in even-numbered years, when there are more elections held.

2018 EXPENDITURE HIGHLIGHTS

- The **Department of Administration (DOA) General Fund** includes a new 1.00 FTE buyer position budgeted at $62,600, and an increase in extra help of 0.50 FTE budgeted at $11,700. Operating expenses in 2018 include $58,000 for a one-time salary study, $32,000 for a short-term café subsidy, and $4,000 for one-time chair purchases.
- **DOA End User Technology (EUTF)** budgeted expenditures decrease $54,900. This includes the transfer of 0.25 FTE office services coordinator to the general fund. Other decreases include lower communication costs due to reduction in lines and lower mailing costs. Software costs include the elimination of one-time law records software purchases, mainly the Spillman NIB (National Incident Based Reporting) module software accounting for $25,000 which was partially offset by increased help desk support of $51,200.
- The **DOA – Collections** expenditures increase $110,600, mostly due to the addition of 0.25 FTE administrative assistant and 1.00 FTE collections specialist. In addition, 1.60 FTE contracted third party temporary help is converted to County extra help positions.

The Corporation Counsel – General Legal Services The budget includes the creation of 0.50 FTE attorney position. This is offset with reductions in contracted services and outside legal service expenses.

Non-Departmental

- The 2018 **expenditure budget** for this functional area totals $28,070,100 an increase of $860,000 or 3.2% from the 2017 Adopted Budget.
- **Non-Departmental General Fund**: In 2017 Waukesha County has contracted with the Waukesha County Center for Growth, to serve as the economic development organization to implement a business mission to drive economic growth in Waukesha County and a vision to make Waukesha County the best place to do business. The county contribution to this program is $250,000 in 2018.
- **The Waukesha Employee Health and Wellness Center (Health and Dental Insurance Fund):** Overall program expenditures increase by about $128,000, mostly due to the following:
  - Contracted clinic staffing by $74,000, largely due to additional physician assistant staffing needs and for a new physical therapist assistant.
  - Pharmaceutical costs by $40,000 due to higher clinic utilization.
  - Other program expenditures include contractor management and consulting fees, budgeted at $183,800, and facility-related expenses, budgeted at $55,500.

Debt Service

- The Debt Service expenditure budget for general governmental purposes is $14,892,840, a decrease of $18,060 or less than 1% from the 2017 Adopted Budget. To fund the 2018 Capital Project Budget, $12.5 million is planned to be borrowed, which is an increase of $2.5 million from the 2017 adopted budget level. Retiring approximately $13 million of principal in 2018 will reduce the county's total debt outstanding to approximately $74.6 million, well below the allowable levels set by State statutes.

Capital Projects

- The 2018 **Capital Project expenditure budget** of $18,786,300 increases $1.9 million from the 2017 Adopted Budget. The 2018 Capital Budget identifies funding for existing and new projects at a net county cost of $17.6 million (after direct project revenues of $659,000 and proprietary and restricted special revenue fund balance appropriations of approximately $498,000 are applied).

2016-2018 REVENUE SUMMARY

SOURCE	2016 Actual	2017 Adopted Budget	2017 Estimate	2018 Budget	Incr/(Decr) From 2017 Adpt. Budget
Intgov't Contracts & Grants	$56,177,632	$54,158,180	$54,580,639	$56,307,430	$2,149,250
State Transportation Aids	$4,608,644	$4,617,114	$4,429,140	$4,617,114	-
State Shared Revenues	$1,158,338	$835,000	$835,000	$940,100	$105,100
Fines & Licenses	$3,031,110	$2,902,142	$3,003,426	$3,047,725	$145,583
Charges for Services (a)	$34,076,277	$37,720,796	$37,058,472	$37,619,725	$(101,071)
Interdepartmental Revenue	$36,470,546	$38,043,018	$36,516,767	$38,869,916	$826,898
Other Revenues (a)	$16,368,903	$11,961,734	$15,548,137	$15,244,751	$3,283,017
Interest/Penalty on Delinq Taxes	$1,813,920	$2,640,000	$1,800,000	$2,290,000	$(350,000)
Investment Inc-Unrestricted Funds	$2,091,077	$3,007,646	$1,899,202	$2,757,646	$(250,000)
Debt Borrowing	$11,500,000	$10,000,000	$10,000,000	$12,500,000	$2,500,000
Appropriated Fund Balance	$6,589,136	$13,687,758	$15,809,084	$13,429,080	$(258,678)
Retained Earnings (a)	$(4,159,259)	$(500,254)	$(1,477,898)	$(940,986)	$(440,732)
Tax Levy	$104,412,271	$105,316,851	$105,316,851	$106,922,499	$1,605,648
Total Revenues	**$274,138,595**	**$284,389,985**	**$285,318,820**	**$293,605,000**	**$9,215,015**

FUNCTION	2016 Actual	2017 Adopted Budget	2017 Estimate	2018 Budget	Incr/(Decr) From 2017 Adpt. Budget
Justice & Public Safety	$18,652,737	$18,920,366	$19,575,939	$19,666,683	$746,317
Health & Human Services	$50,896,036	$50,121,580	$51,630,784	$54,485,960	$4,364,380
Parks, Env, Educ & Land Use	$21,651,994	$21,248,458	$21,753,435	$21,989,429	$740,971
Public Works	$20,860,408	$20,781,487	$20,257,470	$20,968,446	$186,959
General Administration	$17,062,667	$18,903,339	$17,096,955	$18,572,789	$(330,550)
Non-Departmental	$23,380,374	$23,454,000	$22,899,800	$24,167,000	$713,000
Debt Borrowing	$11,500,000	$10,000,000	$10,000,000	$12,500,000	$2,500,000
Capital Projects	$3,292,231	$2,456,400	$2,456,400	$1,844,100	$(612,300)
Appropriated Fund Balance	$6,589,136	$13,687,758	$15,809,084	$13,429,080	$(258,678)
Retained Earnings (a)	$(4,159,259)	$(500,254)	$(1,477,898)	$(940,986)	$(440,732)
Tax Levy	$104,412,271	$105,316,851	$105,316,851	$106,922,499	$1,605,648
Total Revenues	**$274,138,595**	**$284,389,985**	**$285,318,820**	**$293,605,000**	**$9,215,015**

(a) Includes revenues from proprietary fund (e.g., Radio Services) user fees and other revenue which are estimated to result in retained earnings. Revenues in excess of expenditures from proprietary funds that are retained in the appropriate fund and not used to offset the overall county tax levy.

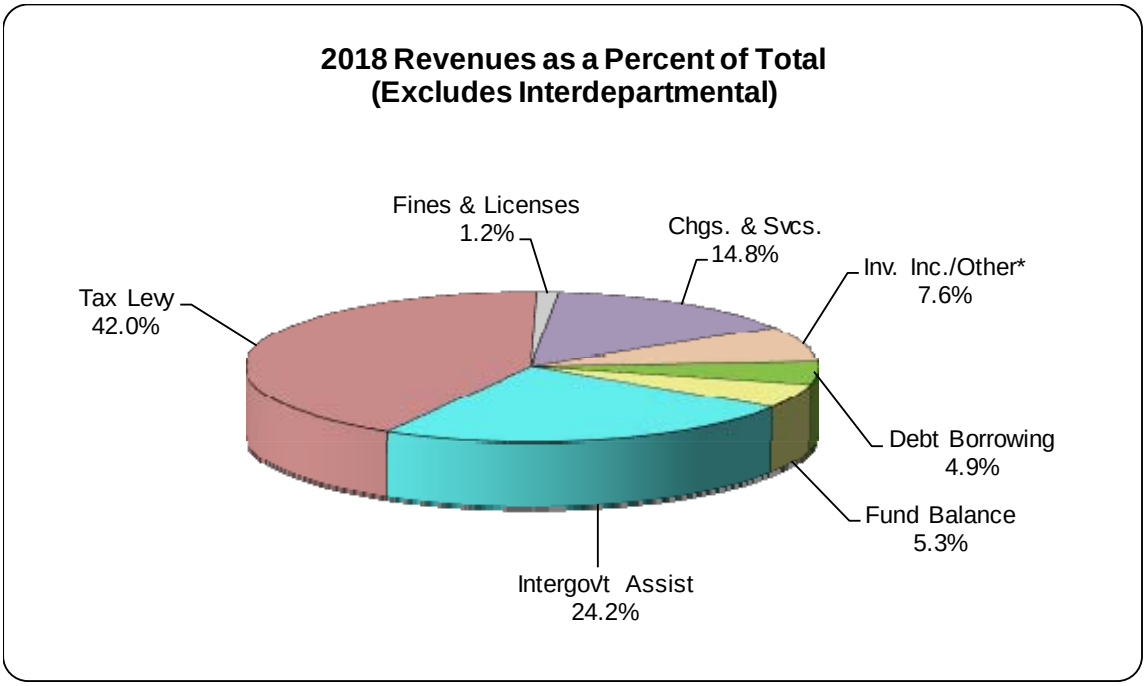
2018 REVENUE HIGHLIGHTS

Revenue Budget:

The **2018 revenue budget (excluding property Tax Levy, Fund Balance appropriations and revenue generating proprietary fund retained earnings) totals $173,253,421,** an increase of $7,868,000 or 4.8% 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 $158,909,300 and capital project funds at $14,344,100 including $12,500,000 from planned borrowing. Overall, the operating revenues increase $5.98 million or 3.9% 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

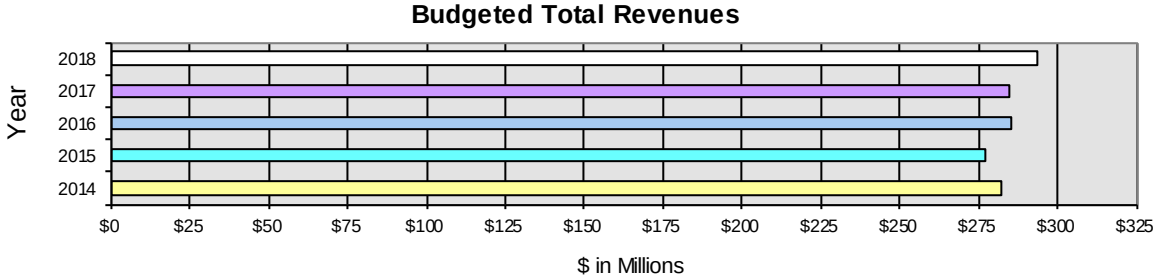
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The County combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

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 $258,700, 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%.

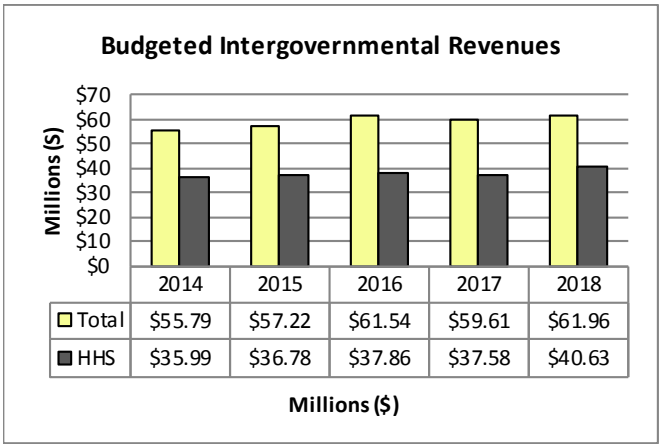
The 2014 revenue budget increases nearly $8.3 million to $282.1 million, largely for an increase of $10.8 million of fund balance appropriations to nearly $23 million. This offsets a decrease of $7 million of Debt Borrowing to fund capital project expenditures. Intergovernmental revenues increase by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

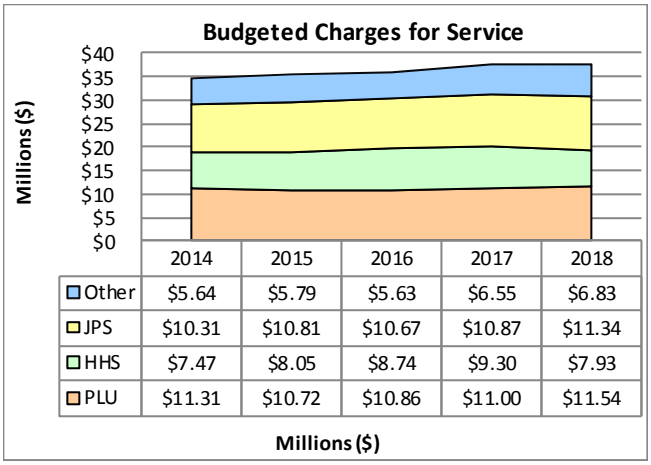
- **H&HS Aging and Disability Resource Center (Contract Fund)** net general government revenues increase nearly $181,800, mainly due to an increase of nearly $107,600 in ADRC grant funding, a $40,000 increase related to the Dementia Care Specialist grant, and $34,500 increase for the new Dementia Crisis 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.



	2014	2015	2016	2017	2018
Other	$5.64	$5.79	$5.63	$6.55	$6.83
JPS	$10.31	$10.81	$10.67	$10.87	$11.34
HHS	$7.47	$8.05	$8.74	$9.30	$7.93
PLU	$11.31	$10.72	$10.86	$11.00	$11.54

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 **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.

- 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 $2.68 million or 15.2% in the 2018 Budget to a total of about $20.3 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 $250,000 to $2.8 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 $13.4 million for one-time projects and temporary expenditures or to phase in the impact of significant revenue losses, a decrease of about $258,700 from the previous year. This includes $10.7 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
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
Federated Library Fund		$143,000					$143,000
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	$250,000						$250,000
UW Extension Dept.	$2,500						$2,500
Total by Fund Type	**$3,546,450**	**$678,687**	**$3,007,898**	**$2,162,505**	**$2,695,200**	**$1,338,340**	**$13,429,080**

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 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.

DECISION MAKING CRITERIA FOR NEW POSITIONS

County government has an obligation to meet the needs of its citizens in a fiscally prudent manner. One of the largest costs of government is personnel cost. Unlike capital projects that are paid for in a set period of time, position costs continue each year as long as the position exists. Therefore, before new positions are authorized, a careful review of the justification of these requests is warranted. In reviewing these requests, the following types of questions are asked.

1) Does the reason a position is being requested support the strategic plan for the County and the department?
2) Can the work be accomplished in any other way?
3) Does the proposed position improve customer service?
4) Does the proposed position provide direct services as opposed to administrative support, supervision, or management?
5) Will the investment in the proposed position allow the department to increase revenues or decrease expenditures beyond the cost of the position?
6) Is there outside (non-County Tax Levy) funding available for the proposed position, such as state or federal grants?
7) Can the position costs be offset by eliminating or reducing a lower priority function?
8) Has the organization been reviewed for efficiency? Is the organization a re-engineering candidate?
9) What will be the effect if the proposed position is not created?

BUDGETED POSITIONS 2016-2018

SUMMARY BY FUNCTIONAL AREA

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

FUNCTIONAL AREAS:	2016 Year End	2017 Adopted Budget	2017 Modified Budget	2018 Adopted Budget	17-18 Change
Justice and Public Safety	547.15	554.90	554.90	551.90	(3.00)
Health and Human Services	415.44	411.74	412.04	416.84	5.10
Parks, Env., Educ., and Land Use	128.20	126.90	126.90	126.90	-
Public Works	138.60	137.60	137.60	137.60	-
General Administration	124.65	123.00	123.00	125.40	2.40
Non-Departmental	-	-	-	-	-
Total Regular Positions Countywide	**1,354.04**	**1,354.14**	**1,354.44**	**1,358.64**	**4.50**
Temporary Extra Help	112.48	118.27	118.27	122.32	4.05
Overtime	22.39	23.08	23.08	24.09	1.01
Total Position Equivalents Countywide	**1,488.91**	**1,495.49**	**1,495.79**	**1,505.05**	**9.56**

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

Significant Changes for 2018

- Budgeted Full Time Equivalents (FTEs) increases by a net of 9.56 FTE, including temporary extra help and overtime.
- There is a net increase of 4.5 FTE budgeted regular positions, mostly due to the creation of 11.5 FTE positions. Also, 1.0 FTE that was unfunded in a prior year in the Health and Human Services budget is refunded. This is offset by the abolishment of 5.0 FTE. Also, 5.0 FTE are unfunded in 2018.
- Temporary extra help increases a net of 4.05 FTE or about 8,400 hours.
- Budgeted overtime increases a net of 1.01 FTE or about 2,100 hours.

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

Current-Year Changes in 2017

- Creation of 1.0 FTE Clinical Therapist by enrolled ordinance.171-64.
- Refunded 1.0 FTE Administration Assistant unfunded in a previous year.

FUNCTIONAL AREA SUMMARY BY FUND TYPE

2018 BUDGET

REVENUES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
JUSTICE & PUBLIC SAFETY	$18,286,349		$1,380,334				$19,666,683
HEALTH & HUMAN SERVICES	$51,127,745	$3,358,215					$54,485,960
PARKS, ENV., EDUC., LAND USE	$8,238,481	$5,636,343	$8,114,605			$100,000	$22,089,429
PUBLIC WORKS	$466,922	$12,203,483	$935,605	$7,362,436		$559,000	$21,527,446
GENERAL ADMINISTRATION	$8,026,660			$10,546,129		$13,685,100	$32,257,889
NON DEPARTMENTAL	$1,415,000			$22,752,000			$24,167,000
FUND BALANCE APPROPRIATION	$3,546,450	$678,687	$2,162,505	$3,007,898	$1,338,340	$2,695,200	$13,429,080
RETAINED EARNINGS	$0	($13,000)	($722,951)	($205,035)			($940,986)
TAX LEVY	**$84,980,271**	**$6,548,165**	**$92,563**	**$0**	**$13,554,500**	**$1,747,000**	**$106,922,499**
TOTAL REVENUES	$176,087,878	$28,411,893	$11,962,661	$43,463,428	$14,892,840	$18,786,300	$293,605,000
EXPENDITURES							
JUSTICE & PUBLIC SAFETY	$61,585,829		$1,825,506			$6,575,000	$69,986,335
HEALTH & HUMAN SERVICES	$77,898,758	$3,358,215					$81,256,973
PARKS, ENV., EDUC., LAND USE	$13,694,453	$9,712,154	$8,928,158			$2,422,000	$34,756,765
PUBLIC WORKS	$8,605,746	$15,341,524	$1,208,997	$7,271,870		$7,922,300	$40,350,437
GENERAL ADMINISTRATION	$11,097,192			$11,327,358	$14,892,840	$1,692,000	$39,009,390
NON DEPARTMENTAL (a)	$3,205,900			$24,864,200		$175,000	$28,245,100
TOTAL EXPENDITURES	$176,087,878	$28,411,893	$11,962,661	$43,463,428	$14,892,840	$18,786,300	$293,605,000

(a) Includes Contingency Fund.

APPROPRIATION UNIT SUMMARY BY FUND TYPE

2018 BUDGET

REVENUES	GENERAL FUND (a)	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	DEBT	CAPITAL PROJECTS	TOTAL
INTERGOVT. CONTRACTS/GRANTS	$42,096,245	$17,271,299	$1,000,000	$33,000		$1,464,100	$61,864,644
FINES & LICENSES	$2,917,725	$130,000	$0	$0			$3,047,725
CHARGES FOR SERVICES	$24,664,861	$1,968,968	$6,024,675	$4,961,221			$37,619,725
INTERDEPART. REVENUES	$3,744,143	$631,230	$577,864	$33,916,679			$38,869,916
OTHER REVENUES	$14,138,183	$1,196,544	$2,828,005	$1,749,665		$12,880,000	$32,792,397
FUND BALANCE APPROPRIATION	$3,546,450	$678,687	$2,162,505	$3,007,898	$1,338,340	$2,695,200	$13,429,080
RETAINED EARNINGS	$0	($13,000)	($722,951)	($205,035)			($940,986)
TAX LEVY	**$84,980,271**	**$6,548,165**	**$92,563**	**$0**	**$13,554,500**	**$1,747,000**	**$106,922,499**
TOTAL REVENUES	$176,087,878	$28,411,893	$11,962,661	$43,463,428	$14,892,840	$18,786,300	$293,605,000
EXPENDITURES							
PERSONNEL COSTS	$105,413,053	$9,933,539	$3,070,382	$5,786,769			$124,203,743
OPERATING EXPENSES	$56,171,111	$12,835,625	$7,366,935	$37,033,086			$113,406,757
INTERDEPARTMENTAL CHARGES	$13,660,564	$5,265,229	$1,525,344	$643,573			$21,094,710
FIXED ASSETS & IMPROVEMENTS	$843,150	$377,500	$0	$0		$18,786,300	$20,006,950
DEBT SERVICE	$0	$0	$0	$0	$14,892,840		$14,892,840
TOTAL EXPENDITURES	$176,087,878	$28,411,893	$11,962,661	$43,463,428	$14,892,840	$18,786,300	$293,605,000

(a) Includes Contingency Fund.

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