

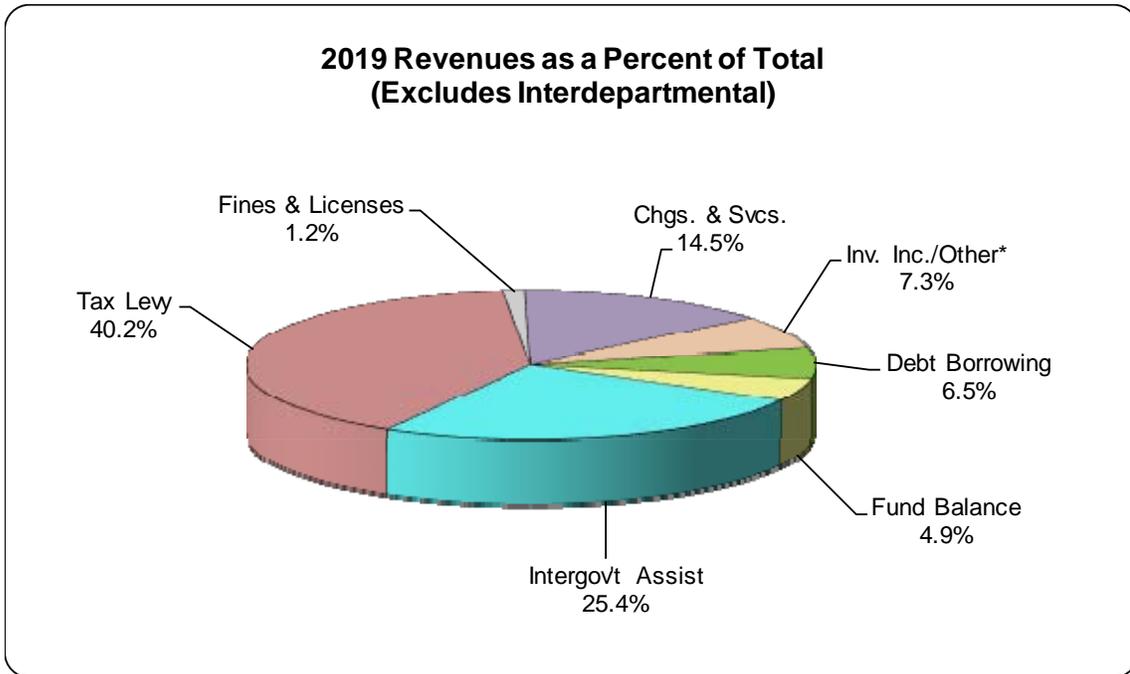
2019 REVENUE HIGHLIGHTS

Revenue Budget:

The **2019 revenue budget (excluding property tax levy, fund balance appropriations and revenue generating proprietary fund retained earnings) totals \$186,118,346**, an increase of \$13,114,900 or 7.6% from the 2018 Adopted Budget. The revenue budget includes \$39,117,400 of interdepartmental revenues (mostly from internal service funds, e.g., Health and Dental Insurance Fund and cross charges such as Sheriff bailiff, and court security, etc.).

The 2019 revenues consist of departmental operating revenues at \$164,226,300 and capital project revenues at \$21,892,100 including \$17,500,000 from planned borrowing. Overall, the operating revenues increase \$5.6 million or 3.5% from the prior-year budget, while capital project revenues increase by \$7.5 million.

The graph below reflects the ratio of revenue sources budgeted for 2019 to all revenue sources (after excluding interdepartmental revenues), with tax levy of 40.3% and Intergovernmental Assistance of 25.1% as the major revenue components.



* Excludes Retained Earnings

Revenue Projection Methodology

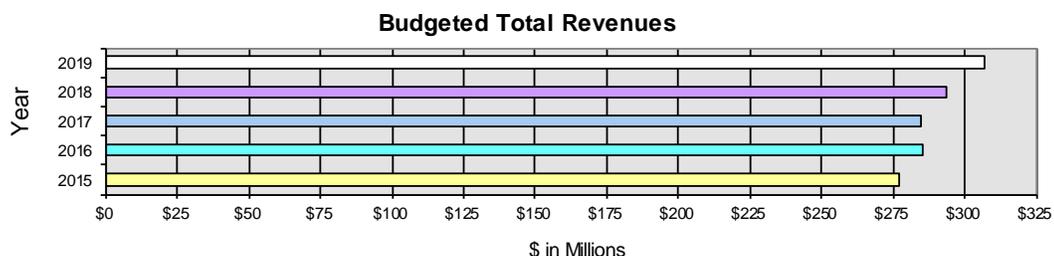
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The county combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

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 disruption in the economic recovery, a change in the increased interest rate trend impacting county investments, and a change in moderate inflation trends. Also, other impacts which could impact future revenue trends include 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 2015-2019. Total revenues are budgeted to increase \$13.7 million or 4.7% to \$307.3 million.



2019 REVENUE HIGHLIGHTS

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

The 2019 revenue budget increases by \$13.7 million to \$307.3 million, largely due to increases in intergovernmental contracts and grant revenues of \$6.1 million to \$68.0 million. This includes \$1.7 million in grant funds for the new Workforce Innovation and Opportunity Act (WIOA) Fund program to provide services to regional residents to find employment, a \$2.4 million increase in capital project funding mostly related to intergovernmental cost share revenues for trail improvements, and the new state personal property aid payment of \$744,000 offsetting the loss of tax levy resulting from a new state law exempting machinery, tools, and patterns (not used in manufacturing, which were mostly already exempt). Charges for services increases \$1.2 million to \$38.9 million, partially due to increases in Health and Human Services Clinical inpatient and outpatient services for psychological and social rehabilitation of nearly \$650,000. Debt borrowing to fund capital project expenditures increases \$5.0 million to \$17.5 million. Fund balance appropriations decrease \$395,400, and the county general tax levy (excluding the special library tax) increases \$940,671 or 0.9%.

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%.

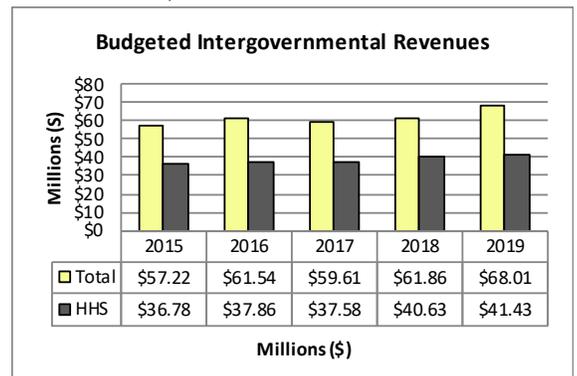
The 2015 revenue budget decreases by nearly \$4.67 million to \$277.4 million, mainly due to decreases in appropriated fund balance by nearly \$10 million to \$12.9 million. Intergovernmental revenues increase \$1.4 million related to increases in state pass-through revenues related to the Children with 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%.

Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2018 to the 2019 Revenue Budget, by source, follows.

Intergovernmental Contracts & Grants:

Combined, total 2019 intergovernmental contracts, grants, state/federal aids, and state shared revenues together reflect a budgeted increase of \$6,140,700 or 10% from the 2018 Adopted Budget (as indicated below).

- **Workforce Innovation and Opportunity Act (WIOA) Fund** includes a budgeted increase of \$1.7 million in federal grant funding. The 2019 budget is the first year that this fund will be part of the adopted budget process, and will be used to mainly provide contracted assistance to adults, youth, and dislocated workers to access employment and other support services to gain employment.
- **H&HS Functional Area** Intergovernmental Revenue increase by approximately \$808,300 to nearly \$41.4 million as follows:
- **Department of Health and Human Services (H&HS) – Children with Special Needs Program** includes an increase in case management revenue reimbursements related to the Children’s Long Term Support (CLTS) program of \$280,000. The increase is mostly



2019 REVENUE HIGHLIGHTS

- due to the state mandate to eliminate CLTS wait lists and an increase in contracted staff and CLTS waiver clients served.
- **H&HS – Criminal Justice Collaborating Council (CJCC) Program** increases \$192,800 related to a new Pretrial Diversion Project grant to examine alternatives for certain low-moderate risk possession of narcotics cases.
- **H&HS – In-home Safety/Out of Home Placement Services Program** includes a budgeted increase of \$182,000 related to an increase in the state Child and Families allocation, and new funding for the In-Home Safety Services program.
- **The H&HS Economic Support Program** increases \$134,700 largely due to a \$115,000 increase in Child Care Administration revenue related to state changes in reimbursement claims for services.
- **Capital Project** intergovernmental revenues increase \$2,403,000 to \$3.9 million, mainly due to \$887,000 in federal, state, and municipal cost share revenues related to the construction of an underpass for the Lake Country Trail underneath State Highway 67 in the city of Oconomowoc; additional state General Transportation Aids of \$325,000; \$240,000 in cost share revenue for the design/engineering phase of the project to build a 3.5 mile trail between the cities of Brookfield and Pewaukee; and \$744,000 in state personal property aid payments related to new changes in state law exempting machinery, tools, and patterns (not used in manufacturing, which were mostly already exempt) from the personal property tax.
- **Parks and Land Use-Community Development Block Grant (CDBG) Fund** budgeted intergovernmental revenues include an increase of \$240,800 in CDBG HUD grant revenue and \$461,600 in HOME Investment Partnership HUD grant revenue, based on anticipated changes in federal funding.
- The **Transportation Fund's** budget includes an increase of about \$340,800, mainly due to an increase in Wisconsin Department of Transportation reimbursements for state highway maintenance work of \$191,000 and additional state General Transportation Aid revenue allocated to this fund of \$150,000.

Fines and Licenses: Fine and license revenues increase \$99,650 or 3.3% to \$3,147,400 in 2019. This includes the **Medical Examiner** with an increase of \$48,000 in cremation permit revenues due to fee increases and the number of permits expected to be issued. The **Parks and Land Use-General Fund** budget includes an increase of \$15,000 in restaurant and retail food licenses, and \$20,000 in septic permits. The **Treasurer's** budget includes a \$10,100 increase in agriculture use conversion penalties based on an increase in real estate activity.

Charges for Services: User fees are budgeted to increase \$1,232,000 or 3.3% to approximately \$38.8 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. 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).

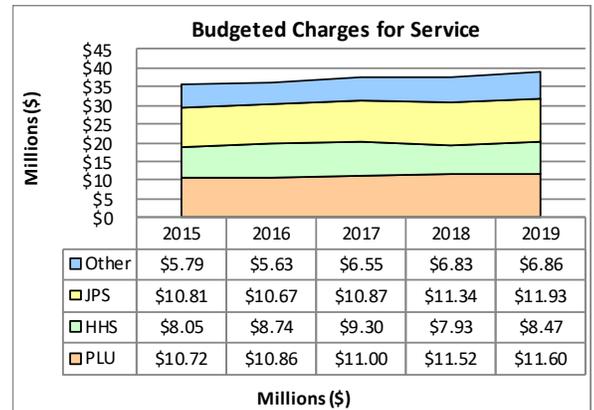
- **Health & Human Services (HHS)** functional area charges for service revenues increase by about \$540,000 to nearly \$8.5 million.

Mental Health Outpatient-Clinical program revenue increase \$178,000 due to increased billing for the 24/7 crisis intervention program. Comprehensive Community Services (CCS) Medicaid reimbursements increase \$249,200 for psychological and social rehabilitation services in the Mental Health Outpatient-Intensive program. In addition, Mental Health Center inpatient revenues are budgeted to increase \$207,000 to reflect an increasing trend in client days of care. These increases are partially offset by reductions of \$56,000 in Adult Protective Services client fees in the **ADRC-General Fund** based on prior year history and current year estimates, and \$48,600 in **Public Health** revenues mostly related to declining HealthCheck Medicaid reimbursements due to declining caseloads.

- **Justice and Public Safety (JPS)** functional area charges for service revenues increase by \$587,000 to \$11.9 million, including an increase in **Sheriff-Jail Prisoner Board** revenues of \$181,800, reflecting a change in the per day reimbursement for federal prisoners from \$77 to \$88. In addition, **Sheriff-Municipal Patrol Contract** revenues increase \$113,300, reflecting the cost to continue to provide services.

Medical Examiner charges for services increase \$165,200 mostly related to a model change in tissue recoveries, reflecting a new per-session recovery model for all cases instead of a fixed contract (previously budgeted in other revenues). **Circuit Court Services** revenues increase \$72,300, largely due to rate increases in Family Court of nearly \$40,000 for mediation services and volume increases for child custody and visitation studies based on an increase in assigned cases.

- **Parks, Environment, Education & Land use (PLU)** functional area charges for service revenues are budgeted to increase by \$74,300 to \$11.6 million. This includes an increase in **Bridges Library System** revenues of \$51,200 mostly related to charge-backs to member libraries and other library systems for continuing education, support costs, and e-content related software costs. In addition, **Parks-General Fund** revenues increase \$122,300 (not including LIS, mentioned below) related to a new \$60,000 hazardous waste disposal contract to allow Washington County residents access to Waukesha County disposal sites, and increases of \$42,200 in various park fees (e.g. annual stickers, reservation fees, etc.) The **Land Information Systems (LIS) program** is discontinued as a Special Revenue Fund in 2019 and becomes a separate program in the **Parks-General Fund**. Document recording fee revenues in this program decrease \$104,800 or 13,100 documents to better reflect prior year actuals and 2018 estimates due to a decline in mortgage refinancings.
- **Public Works** functional area revenues increase \$67,800, and includes an increase in **Airport** revenues of nearly \$50,000 mostly related to new hangar construction and contractual increases on land lease agreements. The **Transportation Fund** also increases \$16,900 related to municipal salt sales.



2019 REVENUE HIGHLIGHTS

Interdepartmental Revenues: 2019 interdepartmental revenues increase approximately \$247,500, or about 1/2%, to \$39,117,400. 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.

- Interdepartmental revenues in the **Public Works Functional Area** increase by about \$177,000 to nearly \$8.0 million, largely due to increases in department charges for vehicle replacements of nearly \$165,100 to \$3.2 million related to increasing vehicle/equipment prices, improved technology, and regulatory requirements.
- **DOA – Risk Management Fund** charges increase \$111,400 or 5%, related to increases in liability insurance costs.
- **District Attorney** interdepartmental revenues increase \$91,300 largely reflecting a \$78,600 cross-charge with the Health and Human Services-CJCC program pertaining to staffing and supply costs attributable to the new Pretrial Diversion Project grant.
- **DOA – End User Technology Fund (EUTF)** net revenues increase \$72,800, after reflecting a programmatic shift of \$426,000 in Records Management program postage, records storage, and imaging costs as a result of the program transferring to the DOA-General Fund. The net increase includes charges for computer maintenance and replacement increasing \$106,800 or 2%, as well as fixed and cellular phone charges increasing \$48,600. In addition, due to the programmatic transfer listed previously, \$50,000 in microfilm cross-charges to the Register of Deeds are no longer budgeted.
- **Non-Departmental-Health and Dental Insurance Fund** interdepartmental revenues consist of the county's share of employee health and dental premiums and are budgeted to decrease by \$244,000 or 1.4% to \$17.5 million due to employees shifting from Point of Service (POS) plans to lower-cost health plans with a Health Savings Account (HSA).

Other Revenues:

Other revenues (before excluding retained earnings) from various sources increase about \$360,300 or 1.8% in the 2019 Budget to a total of \$20.4 million.

- Investment income in the **Treasurer's** budget increases \$540,000 reflecting improved rates of return on invested funds, but is partially offset by decreases in penalty and interest on delinquent taxes of \$310,000 to \$2.0 million as these revenues continue to decline.
- **HHS – Mental Health Outpatient-Intensive** other revenue increases \$141,000 to reflect higher settlement payments for prior-year services provided through the Comprehensive Community Service and Community Recovery Service program areas.
- **DOA - Risk Management** investment income and insurance dividends decrease \$165,600 based on prior year history and current year estimates.

Debt Financing:

The 2019 Budget includes borrowing of \$17.5 million to finance a major portion of 2019 capital projects, an increase of \$5 million from the 2018 Adopted Budget.

Appropriated Fund Balance:

To reduce the 2018 Tax Levy (for 2019 Budget purposes), the budget includes fund balance appropriations of approximately \$13.3 million for one-time projects and temporary expenditures or to phase-in the impact of significant revenue losses or new expenses, a decrease of about \$415,400 from the previous year. This includes \$11.2 million for the operating budgets and nearly \$2.1 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 - General Fund	\$60,000						\$60,000
Admin - Collections Fund			\$150,000				\$150,000
Admin - End User Tech. Fund			\$663,448				\$663,448
Admin - Risk Mgmt Fund			\$191,548				\$191,548
Airport Fund				\$180,829			\$180,829
Bridges Library System Fund		\$168,700					\$168,700
Capital Projects Budget					\$2,057,200		\$2,057,200
Circuit Court Services	\$20,000						\$20,000
Contingency Fund	\$1,200,000						\$1,200,000
Corporation Counsel Dept.							\$0
County Clerk Dept.	\$0						\$0
Debt Service Fund						\$886,018	\$886,018
District Attorney	\$12,000						\$12,000
Emergency Preparedness	\$162,750			\$751,520			\$914,270
Human Services Dept.	\$430,845						\$430,845
Non-Departmental	\$557,500		\$2,641,000				\$3,198,500
Parks and Land Use Dept.	\$129,196	\$400,000		\$1,053,100			\$1,582,296
Public Works Dept	\$100,000	\$100,000	\$101,083				\$301,083
Register of Deeds	\$25,000						\$25,000
Sheriff Dept.	\$1,009,481						\$1,009,481
Treasurer	\$210,000						\$210,000
UW Extension Dept.	\$2,500						\$2,500
Total by Fund Type	\$3,919,272	\$668,700	\$3,747,079	\$1,985,449	\$2,057,200	\$886,018	\$13,263,718

Tax Levy: The overall 2018 tax levy (for 2019 Budget purposes) is \$107,886,570, which represents an increase of \$964,071 or 0.90% from the 2018 Adopted Budget. The total tax levy consists of general county purpose levy of \$104,363,046, a \$940,671 or 0.91% increase from the 2018 Adopted Budget, and the special Bridges Library System tax levy of \$3,523,524, an increase of \$23,400 or 0.70% from the 2018 Adopted Budget, which are assessed to municipalities without libraries.