

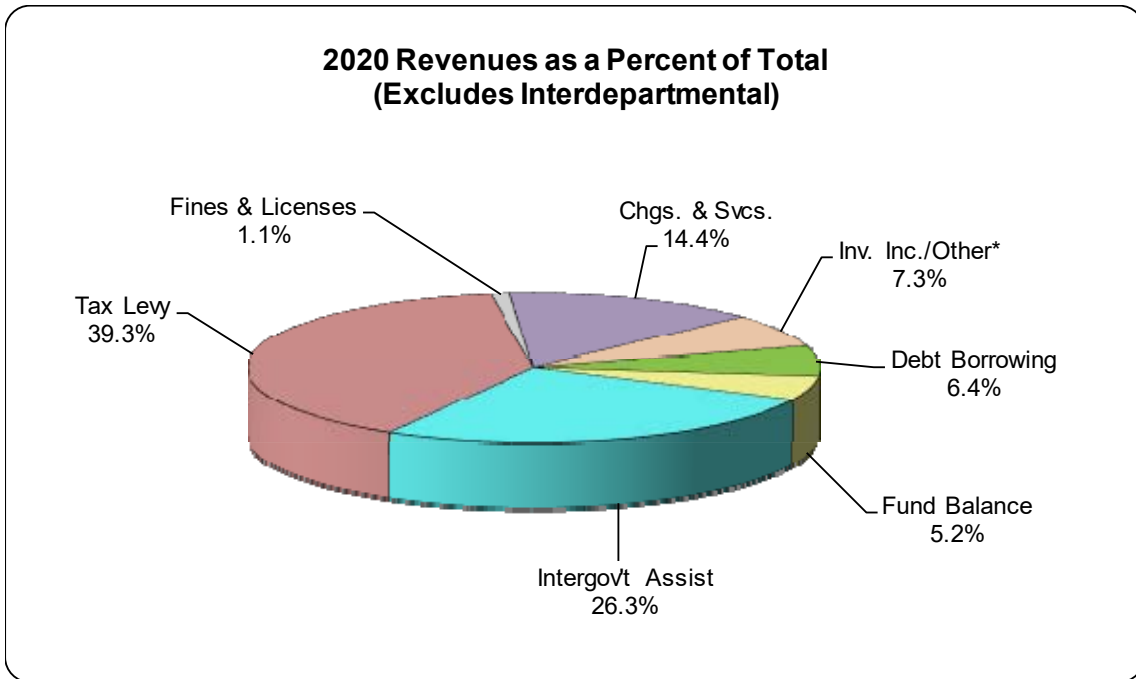
2020 REVENUE HIGHLIGHTS

Revenue Budget:

The 2020 revenue budget (excluding property tax levy, fund balance appropriations and revenue generating proprietary fund retained earnings) totals \$196,011,404, an increase of \$9,893,100 or 5.3% from the 2019 Adopted Budget. The revenue budget includes \$40,289,700 of interdepartmental revenues (mostly from internal service funds, e.g., Health and Dental Insurance Fund).

The 2020 budgeted revenues consist of departmental operating revenues at \$173,527,500 and capital project revenues at \$22,483,900 including \$18,000,000 from planned borrowing. Overall, the operating revenues increase nearly \$9.3 million or 5.7% from the prior-year budget, while capital project revenues increase by \$591,800.

The graph below reflects the ratio of revenue sources budgeted for 2020 to all revenue sources (after excluding interdepartmental revenues), with tax levy of 39.3% and Intergovernmental Assistance of 26.3% as the major revenue components.



* Excludes Retained Earnings

Revenue Projection Methodology

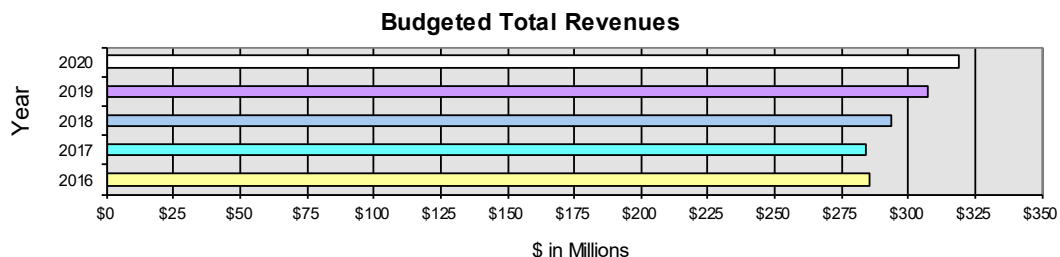
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The county combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

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 2016-2020. Total revenues are budgeted to increase \$13.0 million or 4.2% to \$320.3 million.



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

The 2020 revenue budget increases by \$13.0 million to \$320.3 million, largely due to increases in intergovernmental contracts and grant revenues of \$5.4 million to \$73.4 million. This includes \$3.1 million in Health and Human Services (HHS) pass-through payments related to the Children’s Long Term Support (CLTS) Third Party Administrator (TPA) program, another \$460,000 in case management revenues and state reimbursement of indirect costs as part of a state mandate to eliminate the CLTS wait lists, and \$578,000 in state allocations to support growing child protective and juvenile justice cases. Charges for services increases \$1.3 million to \$40.2 million, partially due to increases in HHS client fee revenues of \$404,600 for psychological and social rehab programming in the Community Recovery Services (CRS) program. Interdepartmental revenues increase \$1.2 million to \$40.3 million, largely due to increases in Non-Departmental-Health and Dental Insurance Fund premiums charged to county departments and employees, reflecting a 5% premium rate based on trends. Debt borrowing to fund capital project expenditures increases \$500,000 to \$18.0 million. Fund balance appropriations increase \$1.26 million, and the county general tax levy (excluding the special library tax) increases \$1,839,437 or 1.76%.

The 2019 revenue budget increased 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 increased 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 decreased 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%.

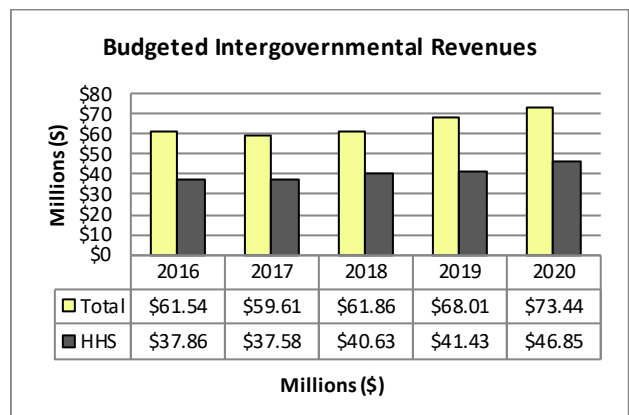
The 2016 revenue budget increased approximately \$8.11 million to \$285.5 million, mostly due to increases in intergovernmental revenues of \$4.3 million to \$61.5 million, related to a \$2.60 million increase in capital project revenues related to local and county highway projects, as well as an increase 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%.

Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2019 to the 2020 Revenue Budget, by source, follows.

Intergovernmental Contracts & Grants:

Combined, total 2020 intergovernmental contracts, grants, state/federal aids, and state shared revenues together reflect a budgeted increase of \$5,435,200 or 8.0% from the 2019 Adopted Budget (as indicated below).

- **H&S Functional Area** Intergovernmental Revenue increase by approximately \$5.4 million to nearly \$46.9 million as follows:
 - **Department of Health and Human Services (H&S) – Children with Special Needs Program** includes an increase in case management revenue reimbursements related to the Children’s Long Term Support (CLTS) program of \$3.1 million to \$8.8 million. The increase is mostly due to the state mandate to eliminate



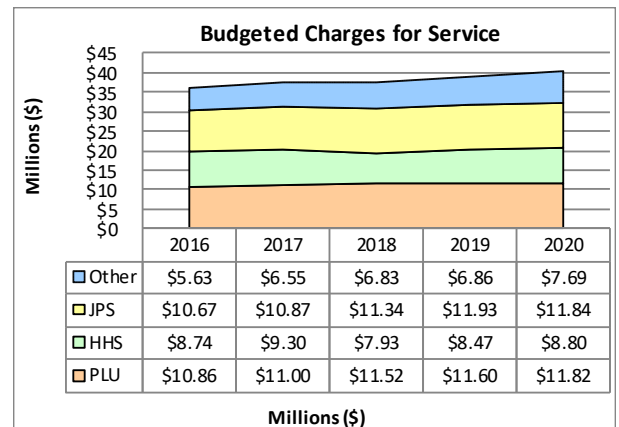
2020 REVENUE HIGHLIGHTS

- CLTS wait lists and an increase in contracted staff and CLTS waiver clients served.
- **H&HS – Children & Family Services Program** increases \$578,000 related to an increase in the state contract allocation of \$550,000. This increase supports the growth in both child protective and juvenile justice cases.
- **H&HS – Children with Special Needs Unit – (includes Birth to Three Program)** increases \$460,400 mostly due to increases in case management revenues and state reimbursement of indirect costs, related to the State mandate to eliminate CLTS wait lists and the subsequent increased volume of both contracted staff and CLTS Waiver clients served.
- **H&HS – Mental Health Outpatient Clinical and Intensive Program** revenues increase \$580,700 largely due to increased grant allocations for the substance use block grant of nearly \$189,700, Women’s Health and Recovery Project of \$100,000, and \$158,000 for the Justice and Mental Health Collaboration program grant to safely reduce low-risk individuals with mental health or substance abuse disorders in local jails.
- **H&HS – Aging and Disability Resource Center (ADRC) Program** increases \$158,300 or 6% related to increased allocations in the supportive services, nutrition, and caregiver support grants.
- **H&HS – Intake and Shared Services Program** increases nearly \$135,000 mostly due to an increase in the allocation of Kinship care assessment revenues of \$106,000.
- The **Transportation Fund’s** budget includes an increase of about \$570,700, mainly due to an increase in Wisconsin Department of Transportation reimbursements for state highway maintenance work of \$253,000 and additional state General Transportation Aid revenue allocated to this fund of \$317,600, partially offset by a decrease of \$55,000 allocated to the Capital Project Fund for county highway repaving.
- **Capital Project** intergovernmental revenues decrease \$623,000 to \$3.3 million, mainly due to a decrease of \$1.1 million in federal, state, and municipal cost share revenues mostly related to the one-time construction of an underpass for the Lake Country Trail underneath State Highway 67 in the city of Oconomowoc and design/engineering of the project to build a 3.5 mile trail between the cities of Brookfield and Pewaukee; a decrease in Community Development Block Grant (CDBG) funding of \$129,000; and a decrease in state General Transportation Aids of \$55,000. This is partially offset by \$445,000 in local cost shares from the City of Brookfield for their share of amenities related to the project to widen CTH M (North Avenue) and \$250,000 from the villages of Menomonee Falls and Sussex for half of the project costs to build a dog exercise area in Menomonee Park.

Fines and Licenses: Fine and license revenues increase \$26,000 or less than 1% to \$3,173,300 in 2020. This includes the **Medical Examiner** with an increase of \$24,000 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 \$25,000 in septic permits and \$12,000 in restaurant and retail food licenses. The **Treasurer’s** budget includes a nearly \$25,000 increase in agriculture use conversion penalties based on an increase in real estate activity. This is partially offset by decreases of \$30,600 in **Health and Human Services** intoxicated driver program revenues based on current and prior year history, and \$25,100 in **Circuit Court Services** in various criminal fines and services fees based on trends.

Charges for Services: User fees are budgeted to increase \$1.3 million or 3.4% to approximately \$40.2 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 \$330,700 to \$8.8 million. Community Recovery Services (CRS) Medicaid reimbursements increase \$404,600 for psychological and social rehabilitation services in the Mental Health Outpatient-Intensive program, partially offset by reductions in Comprehensive Community Services (CCS) reimbursements of \$149,200. In addition, client fees increase \$69,000 related to increased charges for services provided under the state mandated 24/7 crisis intervention program.
- **Justice and Public Safety (JPS)** functional area charges for service revenues decrease by \$81,500 to \$11.8 million, including a decrease in **Medical Examiner** charges of \$420,600 as a result of restructuring regional medical examiner services, and no longer providing services for Walworth County, resulting in a decrease of \$391,700 in regional contract revenues and \$43,300 in Walworth associated tissue recovery revenues. This is partially offset by an increase in **Sheriff-Jail Prisoner Board** revenues of \$86,900, assuming an increase in WI Department of Corrections holds from 19.17 to 20.23. In addition, **Sheriff-Municipal Patrol Contract** revenues increase \$352,700, reflecting the cost to continue to provide services and a 1.00 FTE Deputy Sheriff for a sunset Deputy Sheriff. **Circuit Court Services** revenues increase \$133,200, largely due to an increase in Guardian Ad Litem (GAL) cost recovery of \$100,000 and rate increases in Family Court of nearly \$30,000 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 \$222,500 to \$11.8 million. The increase is largely due to **Parks-General Fund** revenues increasing \$137,600 related to increases of \$94,000 in various park fees (e.g. annual stickers, reservation fees, etc.), and \$22,000 in erosion control fees based on increasing real estate development trends in the county.
- **Public Works** functional area revenues increase \$122,200, and includes an increase in **Airport** revenues of nearly \$82,000 mostly related to new hangar construction, the second fuel farm, and contractual increases on land lease agreements. The **Transportation Fund** also increases \$69,000 mostly related to municipal salt sales.

2020 REVENUE HIGHLIGHTS

Interdepartmental Revenues: 2020 interdepartmental revenues increase approximately \$1.17 million, or 3%, to \$40,289,700. 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 source or tax levy in the service consumer (user) department budgets.

- **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 increase by \$1.08 million or 6.2% to \$18.6 million mainly due to a budgeted 5% premium rate increase to county departments and employees to offset cost increase related to higher claim costs.
- Interdepartmental revenues in the **Public Works Functional Area** increase by about \$153,700 to \$8.1 million, largely due to increases in department charges for vehicle replacements of nearly \$80,500 to \$3.3 million related to increasing vehicle/equipment prices, improved technology, and regulatory requirements, as well as a \$57,100 increase in the Transportation Fund related to increased reimbursements for the sale of salt and services provided to other county departments.
- **DOA – Risk Management Fund** charges increase \$92,000 or 4%, related to increases in liability insurance costs.
- **DOA – General Fund** and **Non-Departmental-General Fund** revenues decrease \$152,100 mainly due to reductions in indirect cost recovery charged to county departments.

Other Revenues:

Other revenues (before excluding retained earnings) from various sources decrease \$141,500 or less than 1% in the 2020 Budget to a total of \$20.3 million.

- **Parks – Material Recycling Fund (MRF)** material sales revenues decreases \$1.1 million, reflecting a reduction in the revenue per ton of recyclable materials from \$100/ton to \$66/ton, based on current year trends in recycling revenues, a global decline in market demand for recyclable materials, as well as the impact from a revised agreement with the private MRF operator approved by the County Board in mid-2019.
- **Capital Project** contributions increase \$700,000 for several projects in 2020, largely due to \$484,300 in donated funds for a new, expanded parking lot at the Minooka Park mountain bike trail.
- Investment income in the **Treasurer's** budget increases \$350,000 reflecting improved rates of return on invested funds, but is partially offset by decreases in penalty and interest on delinquent taxes of \$140,000 as these revenues continue to decline.
- **Circuit Court Services** increase \$166,500 due to \$142,500 in Court Ordered Recoveries and a \$24,000 in investment income.
- **DOA – General Fund** recoveries revenues decrease \$133,400 due to the transfer of the 1.00 FTE Workforce Development Center Coordinator to the American Job Center Fund.

Debt Financing:

The 2020 Budget includes borrowing of \$18 million to finance a major portion of 2020 capital projects, an increase of \$500,000 from the 2019 Adopted Budget.

Appropriated Fund Balance:

To reduce the 2019 Tax Levy (for 2020 Budget purposes), the budget includes fund balance appropriations of approximately \$14.5 million for one-time projects and temporary expenditures or to phase-in the impact of significant revenue losses or new expenses, an increase of \$1.26 million from the previous year. This includes \$10.6 million for the operating budgets and \$3.9 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	Component Unit	Total
Administration - General Fund	\$38,000							\$38,000
Admin - American Job Center Fund		\$50,000						\$50,000
Admin - Collections Fund			\$50,000					\$50,000
Admin - End User Tech. Fund			\$768,667					\$768,667
Admin - Risk Mgmt Fund			\$265,500					\$265,500
Airport Fund				\$180,829				\$180,829
Bridges Library System Fund							\$266,782	\$266,782
Capital Projects Budget					\$3,954,900			\$3,954,900
Circuit Court Services	\$70,000							\$70,000
Contingency Fund	\$1,200,000							\$1,200,000
County Clerk Dept.	\$100,000							\$100,000
Debt Service Fund						\$690,279		\$690,279
District Attorney	\$12,000							\$12,000
Emergency Preparedness	\$135,000			\$750,421				\$885,421
Human Services Dept.	\$362,867							\$362,867
Medical Examiner	\$25,000							\$25,000
Non-Departmental	\$672,500		\$2,500,900					\$3,173,400
Parks and Land Use Dept.	\$155,000	\$400,000		\$285,000				\$840,000
Public Works Dept	\$100,000	\$331,500	\$101,083					\$532,583
Sheriff Dept.	\$898,839							\$898,839
Treasurer	\$160,000							\$160,000
UW Extension Dept.	\$2,500							\$2,500
Total by Fund Type	\$3,931,706	\$781,500	\$3,686,150	\$1,216,250	\$3,954,900	\$690,279	\$266,782	\$14,527,567

Tax Levy: The overall 2019 tax levy (for 2020 Budget purposes) is \$109,741,200, which represents an increase of \$1,854,662 or 1.72% from the 2019 Adopted Budget. The total tax levy consists of general county purpose levy of \$106,202,483, a \$1,839,437 or 1.76% increase from the 2019 Adopted Budget, and the special Bridges Library System tax levy of \$3,538,749, an increase of \$15,225 or 0.40% from the 2019 Adopted Budget, which are assessed to municipalities without libraries.