

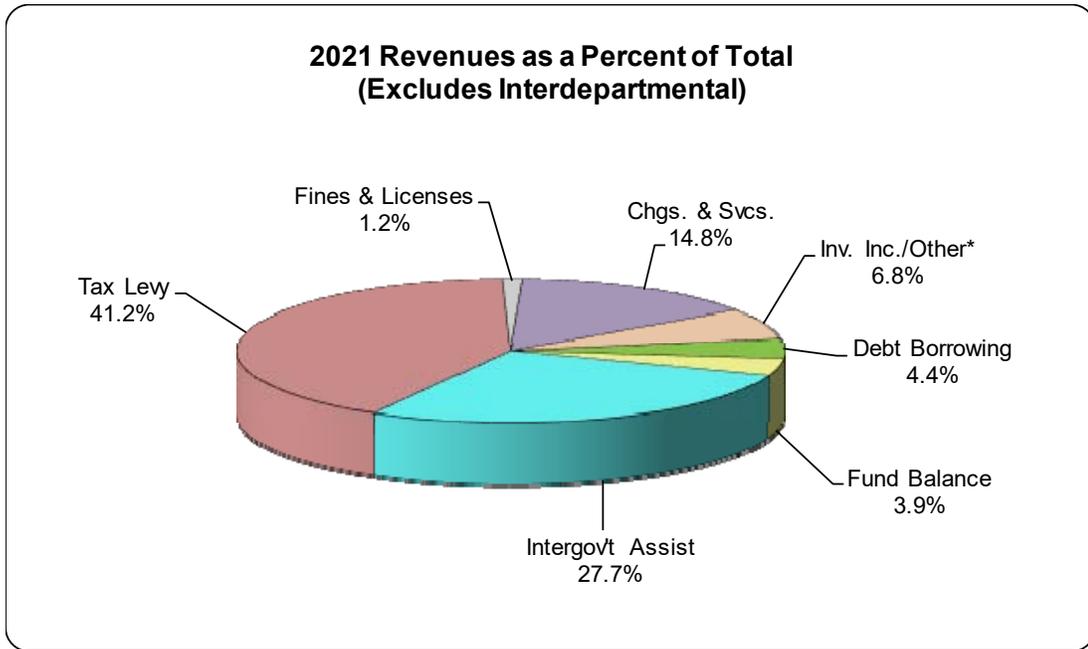
## 2021 REVENUE HIGHLIGHTS

### Revenue Budget:

The 2021 revenue budget (excluding property tax levy, fund balance appropriations and revenue generating proprietary fund retained earnings) totals \$190,665,835, a decrease of \$5,345,569 or 2.7% from the 2020 Adopted Budget. The revenue budget includes \$41,994,089 of interdepartmental revenues (mostly from internal service funds, e.g., Health and Dental Insurance Fund).

The 2021 budgeted revenues consist of departmental operating revenues at \$173,478,479 and capital project revenues at \$17,187,356 including \$12,000,000 from planned borrowing. Overall, the operating revenues slightly decrease \$49,052 or less than 0.1% from the prior-year budget, while capital project revenues decrease by \$5,296,517 or 23.6%.

The graph below reflects the ratio of revenue sources budgeted for 2021 to all revenue sources (after excluding interdepartmental revenues), with tax levy of 41.2% and Intergovernmental Assistance of 27.7% as the major revenue components.



\* Excludes Retained Earnings

### Revenue Projection Methodology

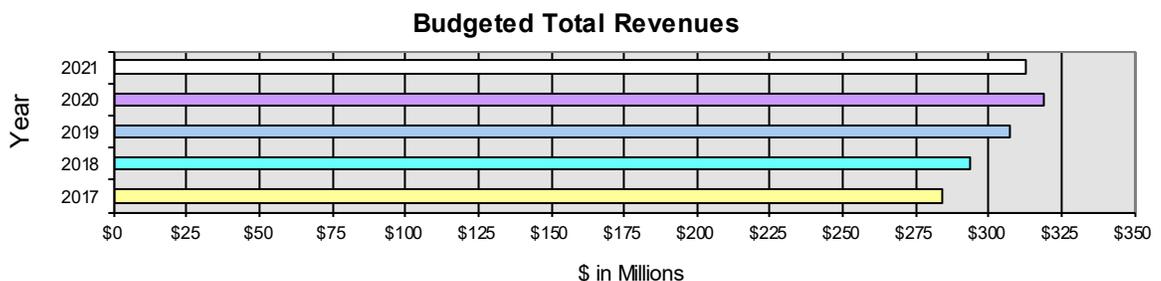
Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The county combines four primary projection methods, mentioned below, based on the unique characteristics of forecasted revenue.

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 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 2017-2021. Total revenues are budgeted to decrease \$7.6 million or 2.4% to \$312.7 million.



## 2021 REVENUE HIGHLIGHTS

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

The 2021 revenue budget decreases by \$7.6 million to \$312.7 million, largely due to a \$6.0 million decrease in debt borrowing to fund capital projects expenditures. Intergovernmental contracts and grant revenues increase \$1.4 million to \$74.8 million. This includes an additional \$1.0 million in case management and other revenues as part of a state mandate to eliminate the CLTS wait lists and an increase of \$772,600 in Community Aids revenue. Charges for services decrease \$169,600 to \$40.0 million, largely due to decreases in Golf Course revenues of \$1.2 million from the sale of Wanaki Golf Course in 2020. Interdepartmental revenues increase \$1.7 million to \$42.0 million, primarily from increases in Non-Departmental-Health and Dental Insurance Fund premiums charged to county departments and employees, reflecting a 13% premium rate based on trends. Other revenues decrease \$1.8 million and include a decrease of \$500,000 in investment income due to low interest rates as well as a \$700,000 reduction in contributions and donations needed for capital projects. Fund balance appropriations decrease \$3.94 million, and the county general tax levy (excluding the special library tax) increases \$1,610,912 or 1.52% to \$107,813,395.

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%.

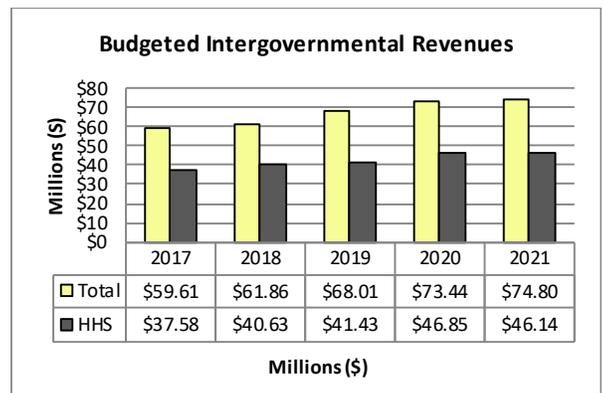
The 2017 revenue budget decreased by \$1.10 million to \$284.4 million, largely due to decreases in Intergovernmental revenues of \$1.9 million to \$59.6 million, largely attributable to about \$2 million in municipal contributions for highway capital projects budgeted in 2016 that are not repeated in 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%.

Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2020 to the 2021 Revenue Budget, by source, follows.

**Intergovernmental Contracts & Grants:**

Combined, total 2021 intergovernmental contracts, grants, state/federal aids, and state shared revenues together reflect a budgeted increase of \$1,360,600 or 1.8% from the 2020 Adopted Budget (as indicated below).

- **H&HS Functional Area** Intergovernmental Revenue decrease by approximately \$712,700 to \$46.1 million as follows:
  - **Department of Health and Human Services (H&HS) – Children with Special Needs Program** includes an increase in case



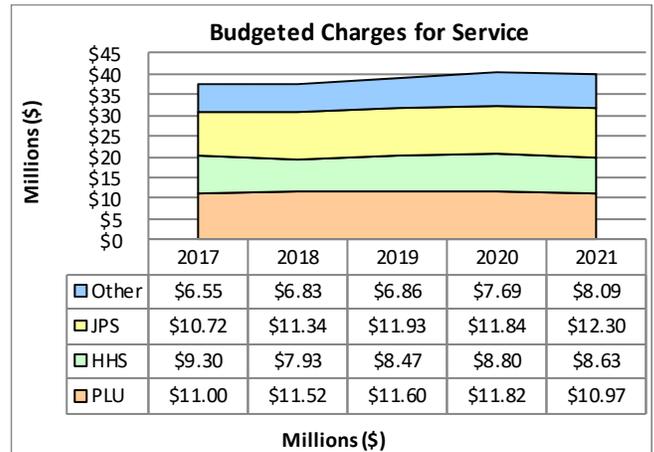
## 2021 REVENUE HIGHLIGHTS

management and other revenue reimbursements related to the Children's Long Term Support (CLTS) program of \$1.0 million to \$4.8 million as a result of the state mandate to eliminate CLTS wait list and the subsequent increased volume of clients served.

- The **Health and Human Services** budget for Community Aids revenue for H&HS programming increases \$772,600 to \$12,104,400 in 2021. This is the Department's primary source of discretionary intergovernmental revenue funding.
- **H&HS-Children with Long-Term Needs-Third Party Administrator** decreases \$2.7 million to \$6.1 million based on a reduction in the state allocation for the program. The pass-through funding has no impact on tax levy.
- **H&HS-Mental Health Outpatient Clinical and Intensive Programs** revenues decrease \$389,800 largely from decreased grant allocations for the substance use block grant of nearly \$189,700, as well as the ending of funding for the State Opioid Response grant of \$154,300 and Women's Health and Recovery Project of \$100,000, with anticipated replacement funding to be appropriated via off-cycle ordinances.
- **H&HS-Aging and Disability Resource Center (ADRC) Program** increases \$263,300 or 7.4% related to reallocation of ADRC grant funding from the **Health and Human Services-General Fund** to the ADRC Contract Fund.
- **H&HS-Public Health** increases \$138,400 mostly due to the inclusion of \$125,000 in Coronavirus Aid, Relief and Economic Security (CARES) Act funding to address COVID-19 activities of disease investigations and contact tracing.
- The **Transportation Fund's** budget includes an increase of about \$304,700 due to an increase in Wisconsin Department of Transportation reimbursements for state highway maintenance.
- The **Community Development Fund** revenues increase \$212,000 based on an increased federal allocation for the HOME Investments Partnerships Program of \$153,000 and the Community Development Block Grant of \$59,000.
- **Capital Project** intergovernmental revenues increase \$1.6 million to \$4.9 million, mainly due to budgeting \$1.7 million of state and federal funding to cover most of a project to build a 3.5-mile multi-use trail between the cities of Brookfield and Pewaukee.

**Fines and Licenses:** Fine and license revenues decrease \$19,200 or less than 1% to \$3,154,110 in 2021. This includes **Health and Human Services** with a decrease of \$48,100 in driver improvement surcharge revenues for Alcohol and Other Drug Abuse (AODA) outpatient services based on prior year trends, and a decrease of \$30,200 in **Circuit Court Services** in various criminal and traffic fines based on declining trends. This is partially offset by increases in the **Parks and Land Use-General Fund** budget of \$40,100, which includes an increase of \$33,000 for licensing in the Environmental Health division and a \$10,100 budgeted increase for zoning permits, both based on prior year trends and increasing fees in 2021. Additionally, further offsets include small budgeted increases of \$7,000 for **Public Works** engineering services' permits, \$7,000 in the **County Clerk's Office** for passport application fees, and \$5,000 for cremation permits in the **Medical Examiner's Office** department

**Charges for Services:** User fees are budgeted to decrease \$169,553 or less than ½% to approximately \$40.0 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).



- **Parks, Environment, Education & Land Use (PLU)** functional area charges for service revenues decrease by about \$852,600 to \$10.0 million. This decrease is largely driven by the sale of Wanaki Golf Course to a private golf course operator in 2020 and the removal of its \$1.2 million budgeted for golf course user fees. Offsetting this decrease are budgeted increases in **Parks and Land Use-General Fund** by \$174,600, primarily for park system fees (annual park stickers, entrance fees, camping, etc.) based on increasing park activity, and a \$135,400 increase in **Register of Deeds** revenues for real estate transfer fees and duplicating fees.
- **Justice and Public Safety (JPS)** functional area charges for service revenues increase by \$459,000 to \$12.3 million, including an increase in **Sheriff** charges of \$432,300 mainly due to an increases in municipal charges for police service based on changes to the City of Pewaukee patrol contract and changes to the cost sharing methodology for school resource officers. Additionally, smaller increases in charges for services include \$34,000 in **Emergency Preparedness** for municipal charges, \$14,900 in **Medical Examiner** including tissue recovery fees, and \$7,800 in the **District Attorney's** office for copy fees related to electronic storage media. This is partially offset by a decrease in **Circuit Court Services** revenues of \$30,000, including a budgeted reduction of \$20,000 in bail forfeiture revenue and \$10,000 in various statutory clerk fees.
- **Health and Human Services (HHS)** functional area charges for service revenues are budgeted to decrease by \$177,000 to \$8.63 million. Mental Health Outpatient-Intensive program client fees decrease \$296,200, including a \$248,000 decrease for services billed to Medicaid under Community Recovery Services (CRS) and a decrease of \$67,900 in Community Support Program revenue based on available reimbursement and billable services. Mental Health Outpatient-Clinical offset these decreases with a budgeted increase of \$115,000 in client fee revenue for clinical services attributable to adjustments to provider billing and increases in crisis intervention services utilization.
- **Non-Departmental** functional area charges for services increase \$362,500 within the **Health & Dental Insurance Fund** for revenues collected from employees for their share of estimated premiums.

**Interdepartmental Revenues:** 2021 interdepartmental revenues increase approximately \$1.7 million, or 4.2%, to \$41,994,100. Interdepartmental revenues are primarily related to internal service fund charges and cross-charges for services provided by one

## 2021 REVENUE HIGHLIGHTS

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 county contributions to employees' health savings accounts and are budgeted to increase by \$1.29 million or 6.9% to \$19.9 million mainly due to a budgeted 13% 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 \$247,100 to \$8.4 million, largely due to increases in department charges for vehicle replacements of nearly \$179,000 to \$3.49 million, related to increasing vehicle/equipment prices, improved technology and regulatory requirements. There is also a \$74,000 increase in the General Fund for building improvement plan charges, mainly related to the Mental Health Center and the Employee Health & Wellness Center.
- **DOA-End User Technology Fund** charges increase \$119,500 or 1.9%, reflecting an increase in rates charged to departments for computer maintenance and replacement.
- **DOA-Risk Management Fund** revenues increase \$79,800 due to increased liability insurance expenses and worker compensation costs.

### Other Revenues:

Other revenues (before excluding retained earnings) from various sources decrease \$1.8 million or 8.7% in the 2021 Budget to a total of \$18.5 million.

- **Treasurer** investment income is budgeted to decrease \$500,000 to \$2.9 million based on interest rate reductions instituted by the Federal Reserve at the outset of the COVID-19 pandemic.
- **Community Development Fund** – Community Development Block Grant revolving loan income decreases \$235,000 and is partially offset by an increase in program income of \$120,000.
- **Health and Human Services** collections revenue for county residents placed in state institutes decreases \$192,800 mainly due to a projected decrease in adult patient days of care and decreased reimbursement ratios based on current trends.
- **Capital Project** contributions and donations from individuals and organizations toward project costs decrease \$699,800.

### Debt Financing:

The 2021 Budget includes borrowing of \$12 million to finance a major portion of 2021 capital projects, a decrease of \$6 million from the 2020 Adopted Budget.

### Appropriated Fund Balance:

To reduce the 2020 Tax Levy (for 2021 Budget purposes), the budget includes fund balance appropriations of approximately \$10.6 million for one-time projects and temporary expenditures or to phase-in the impact of significant revenue losses or new expenses, a decrease of \$3.94 million from the previous year. This includes \$10.1 million for the operating budgets and \$499,000 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		\$41,000						\$41,000
Admin - Collections Fund			\$26,415					\$26,415
Admin - End User Tech. Fund			\$757,693					\$757,693
Admin - Risk Mgmt Fund			\$265,500					\$265,500
Airport Fund				\$219,582				\$219,582
Bridges Library System Fund							\$148,109	\$148,109
Capital Projects Budget					\$498,617			\$498,617
Circuit Court Services	\$50,000							\$50,000
Contingency Fund	\$1,200,000							\$1,200,000
County Clerk Dept.	\$0							\$0
Debt Service Fund						\$560,875		\$560,875
District Attorney	\$12,000							\$12,000
Emergency Preparedness	\$140,000			\$877,581				\$1,017,581
Human Services Dept.	\$589,167							\$589,167
Medical Examiner	\$0							\$0
Non-Departmental	\$625,900		\$2,106,079					\$2,731,979
Parks and Land Use Dept.	\$150,000	\$400,000		\$130,000				\$680,000
Public Works Dept	\$100,000	\$185,000	\$101,083					\$386,083
Sheriff Dept.	\$703,861							\$703,861
Treasurer	\$660,000							\$660,000
UW Extension Dept.	\$2,500							\$2,500
<b>Total by Fund Type</b>	<b>\$4,271,428</b>	<b>\$626,000</b>	<b>\$3,256,770</b>	<b>\$1,227,163</b>	<b>\$498,617</b>	<b>\$560,875</b>	<b>\$148,109</b>	<b>\$10,588,962</b>

**Tax Levy:** The overall 2020 tax levy (for 2021 Budget purposes) is \$111,473,173, which represents an increase of \$1,731,941 or 1.58% from the 2020 Adopted Budget. The total tax levy consists of general county purpose levy of \$107,813,395, a \$1,610,912 or 1.52% increase from the 2020 Adopted Budget, and the special Bridges Library System tax levy of \$3,659,778, an increase of \$121,029 or 3.4% from the 2020 Adopted Budget, which are assessed to municipalities without libraries.