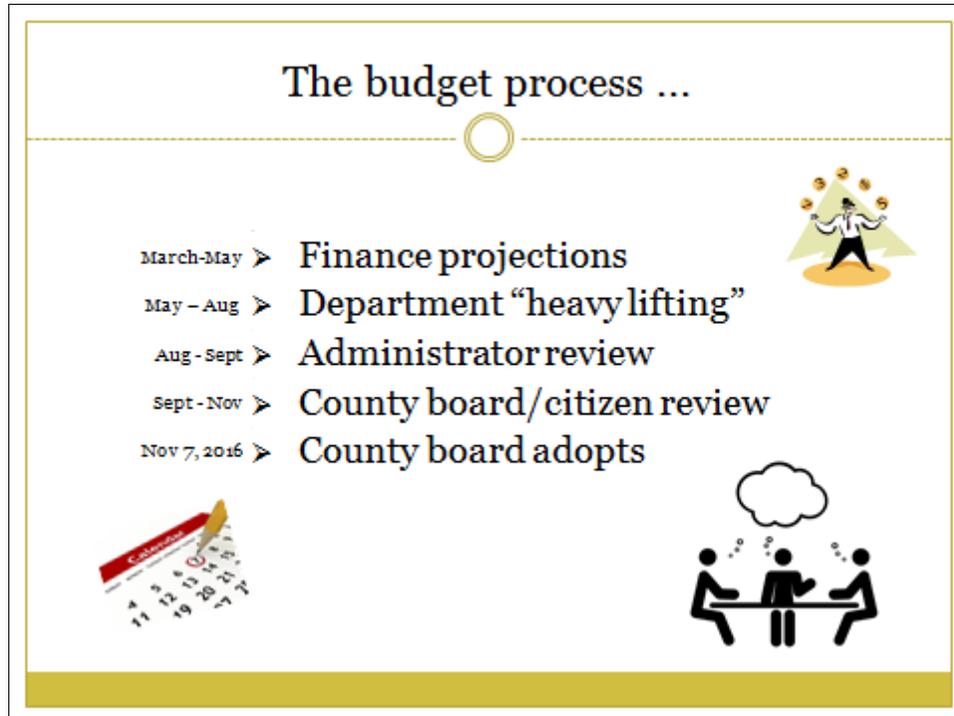


Walworth County: The Value of Having a Plan

On behalf of the County Board, I would like to present the County's 2017 preliminary budget. Walworth County once again is proposing a conservative budget that results in a tax levy increase of 0.3% over last year.

The County's ultimate goal is to keep our operations functioning effectively and efficiently within the State's strict levy limits during this time of continued low growth in our County's overall tax base.

This year you will notice a significant amount of attention focused on our debt service success story. We have strategically utilized debt for past capital projects, but are now preparing for a future without debt payments and borrowings.



Budget Calendar:

Walworth County carefully considers its use of your tax dollars during its budget process, which begins shortly after the first of the year in the Finance Dept.

County staff are busy throughout the spring and summer as program strategies are discussed, capital projects defined and personnel needs reviewed.

In August, the county administrator reviews department requests and develops and presents his budget.

In September, several Committees review and propose amendments to the Administrator’s budget. The Finance Committee ultimately submits the preliminary budget to the County Board, which is what we present to you tonight.

After tonight, the Board will reconvene on Monday, November 7 at 3:30 pm to make final decisions and adopt the 2017 budget.

Shortly thereafter, the County will submit the required tax information so your tax bill can be calculated.

Historical Tax Levy Increases

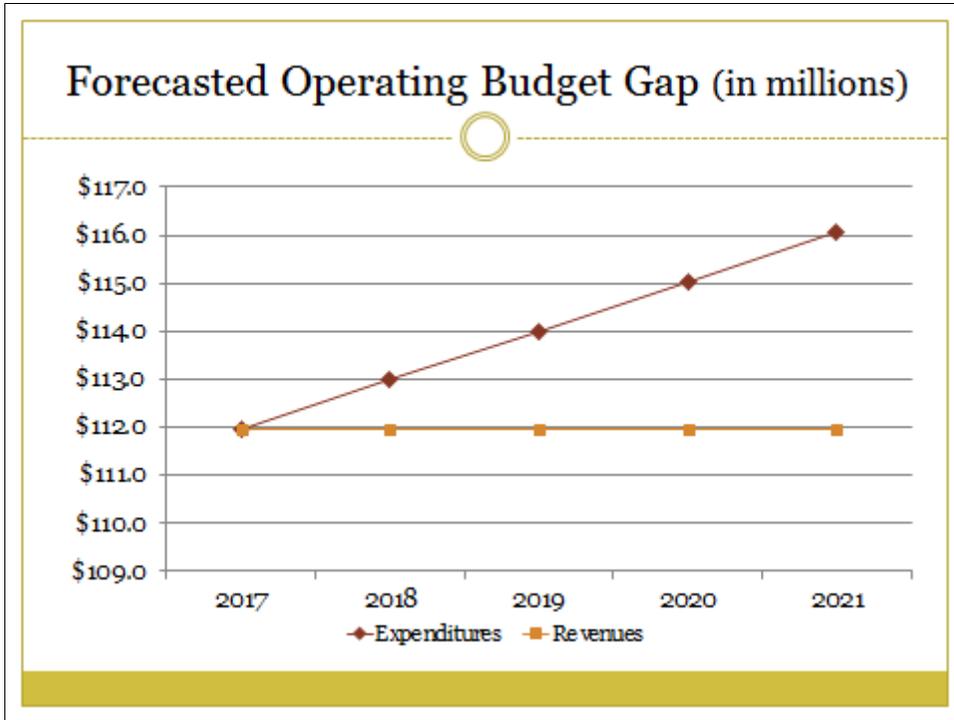
Budget Year	Tax Levy	Increase/ (Decrease)	% Change	CPI Change*
2013	\$60,879,863	(\$189)	0.00%	3.48%
2014	\$60,877,860	(\$2,003)	0.00%	1.94%
2015	\$61,133,471	\$275,611	0.45%	1.77%
2016	\$61,530,110	\$396,639	0.65%	1.23%
2017	\$61,736,378	\$186,268	0.30%	(0.53)%

*CPI change for 2015 is used during 2017 budget development

Historical Tax levy Increases

For comparison's sake, I have included the total levy change and the Consumer Price Index change over the last 5 years to demonstrate how the County levy increases compare to inflationary factors.

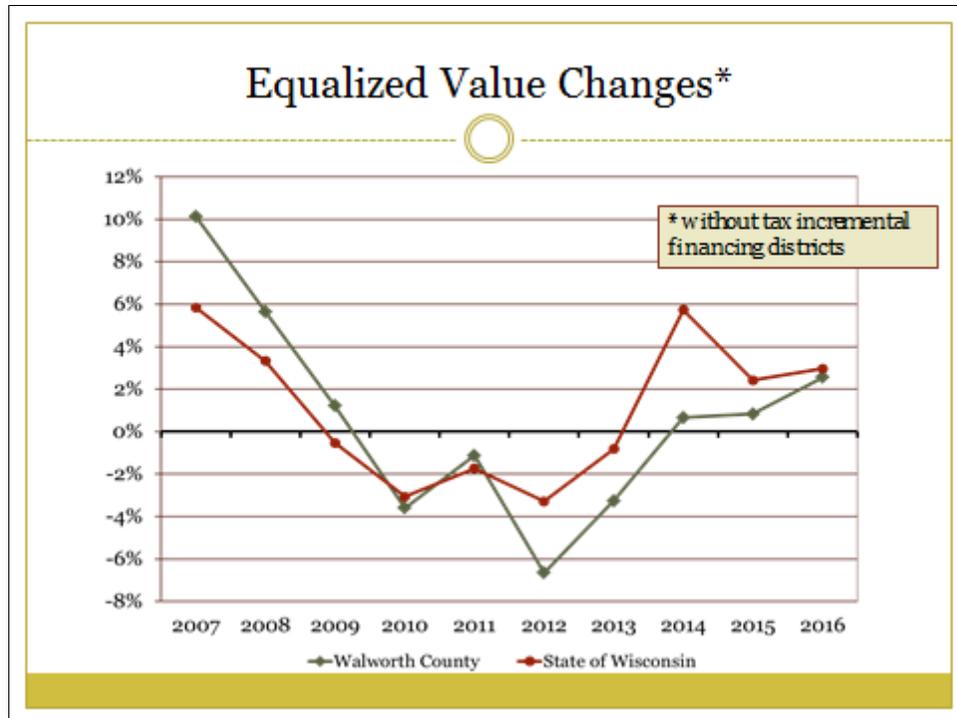
If the County's levy had grown at the same level as CPI over this same 5 year timeframe, the levy would currently be \$5.2 million higher or 8.4% more than its current level.



Forecasted Operating Budget Gap

While we can celebrate that we have continued to find ways to keep the levy contained and beneath the state cap, we must also think of the future. After eliminating capital items and costs charged between departments, this graph reflects the \$112 million of ongoing operational costs currently required to keep the County going. Assuming an inflationary factor, this graph demonstrates that we must continue to make tough choices year after year to maintain a near zero levy increase. Options include raising fees charged, finding cost saving measures, or determining which services can no longer be offered.

The other primary factor that affects the ability for the levy to increase is equalized value growth.



Equalized Value:

The County's equalized value is the property values of each municipality in total as determined by the state.

Walworth County's Equalized Value with Tax Incremental Financing Districts is equal to over \$13.6 billion.

For tax allocation purposes, the County utilizes equalized value less tax incremental financing districts. As seen in this graph, the County's equalized value increased by an average of 2.56% in comparison to the overall state increase of 2.96%. While Walworth County was once seen as one of the fastest growing counties in Wisconsin, the state average increases higher than Walworth County's increase each of the last 5 years. While 21 counties have fully recovered and are exceeding the high values of 2009, Walworth County currently has \$1.9 billion less equalized value than in 2009. Only 5 counties continue to fair worse in percentage of overall growth recovery than Walworth County.

Levy Growth – Tax Levy Change

Growth	2017
Net new construction	\$346,961
Close of the Lake Geneva TID	127,566
Close of the Darien TID	36,731
Change in Debt Service	4,857
Subtotal levy growth allowed	516,115
Change in included levies	<u>516,078</u>
Under/(Over) levy cap	\$37

Tax Levy	2017
Included levies	\$516,078
Excluded levies:	
CDEB	(309,839)
Charitable & Penal	(1,173)
Library	(18,798)
2017 Tax Levy	<u>\$186,268</u>

Effect of Growth on the Levy Limit:

So how did we achieve a 0.3% tax levy increase if the state is limiting us to a zero levy limit?

Each year, we look at the County’s equalized value growth, charted on the left, because the County is allowed to increase its levy by the change in net new construction. The theory being that new construction requires increased service levels. Walworth County has seen very limited construction growth in the last 10 years.

The County is also allowed to increase the levy by the change in debt service and ½ of the allowable levy increase created by a closing tax incremental financing district. This year we were fortunate to have 2 districts close.

The grand total we could theoretically increase our levy is just over \$516,000.

However, if you shift your attention to the right chart, there are a number of items that are exempt from this limit. These items include the change in CDEB levy, charitable and penal charges, and the Lakeshores library levy.

The decrease in the CDEB special education levy was helpful in achieving the final \$186,268 overall levy increase.

Please be aware that growth within individual municipalities in Walworth County can vary greatly, with 18 of the 30 municipalities changing by less than the county average. These variances will impact the percentage of the county tax levy that will be collected from their associated constituents.

Preliminary Average Mill Rate

Library Levy	\$1,628,230	\$0.121225
Debt Service Levy	1,611,230	0.119959
CDEB Levy	7,002,636	0.521360
Operating Levy	51,494,282	3.833850
Total County Levy	\$61,736,378	\$4.596394

Out of 72 counties, Walworth County is:

- Ranked 51st lowest for the 2015 mill rate at \$4.70.
The State average mill rate is \$5.35.

Average Mill Rate:

The average total county mill rate in 2015 was \$4.70 compared to \$4.60 in 2016, a decrease of about 10 cent per thousand of equalized value or a 2.1% average mill rate decrease.

Budget processes from other counties are still in process, so it is not possible to compare this mill rate to other counties at this time. Looking at last year's levy rate, the Wisconsin Taxpayers Alliance statistical information shows the County comparing well. Walworth County continues to rank better than 50 of the 72 counties for lowest calculated average mill rates.

The mill rate listed here is most likely not going to be what you see on your tax bill. There are several factors that go into computing your individual tax rate. The rate shown here is a county-wide average. The County portion of your tax bill we are discussing tonight is approximately 24% of your total tax bill. Depending on the municipality where you reside, the county share of your tax bill may actually be as low as 16% or as high as 35% of your total tax bill.

I have also included a brief explanation page at the end of tonight's handout to explain how to calculate the Walworth County portion of your taxes.

County Tax Levy Comparison

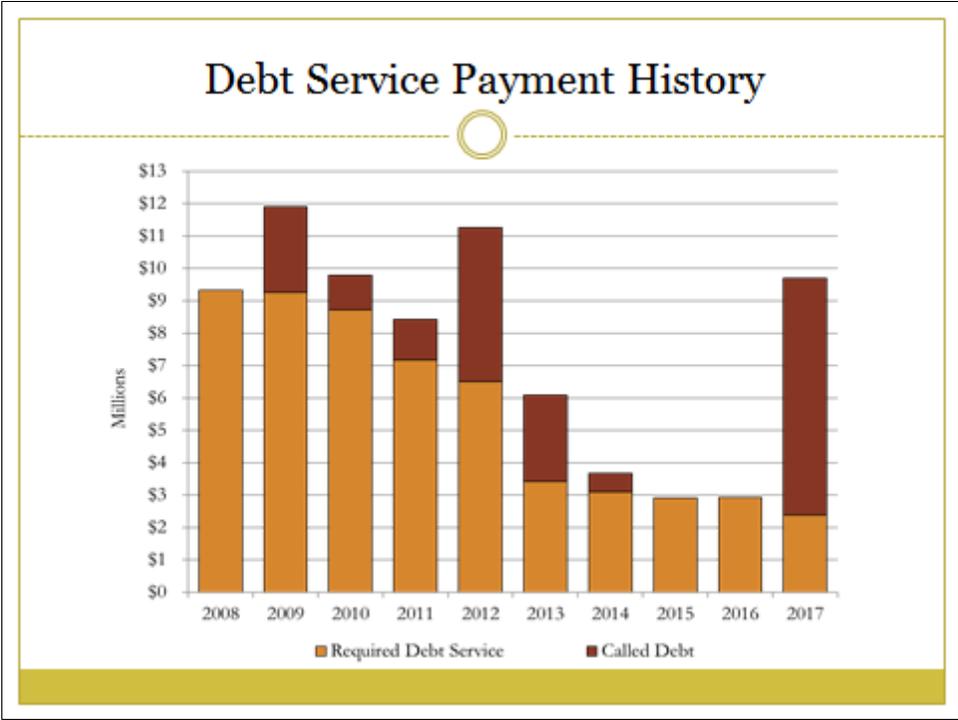
	2016 Tax Levy	2017 Tax Levy	Difference	% Chg
Library	\$1,647,028	\$1,628,230	(\$18,798)	(1.14%)
Debt Service	\$1,628,096	\$1,611,230	(\$16,866)	(1.04%)
CDEB	\$7,312,475	\$7,002,636	(\$309,839)	(4.24%)
Operating	\$50,962,511	\$51,494,282	\$531,771	1.04%
Total Levy	\$61,550,110	\$61,736,378	\$186,268	0.30%

County Tax:

The Walworth County portion of your bill is further broken down into 4 parts. Your County tax will be made up of between 2 and 4 of these parts depending on where you live within the County.

For example, towns and villages that do not have a library within their municipality will pay a portion of the library tax line item. Municipalities that have their own library will not pay the library line item as their library is part of their municipality's tax.

This table compares the breakout of the tax levies for the 2016 and 2017 budgets. The total levy for the 2017 budget is \$61.7 million or approximately \$186,000 more than last year.

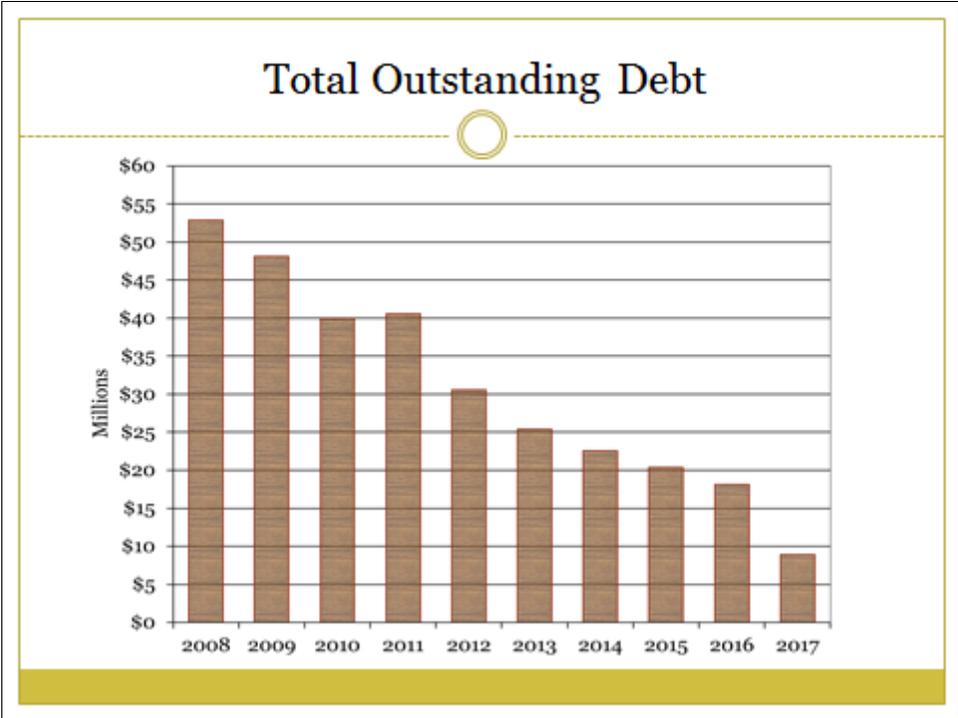


Debt Service Annual Payments History:

As part of Walworth County’s conservative budget plan, the County has looked for opportunities to call outstanding debt early when funds are available, which is depicted by the darker shaded area in this graph.

This chart shows the drastic decline in required annual debt service payments seen in the lighter shaded areas from more than \$9 million per year to \$2.8 million per year for 2017.

The 2017 budget includes calling the 2007 Lakeland School related debt of \$5,545,000 and the 2009 Build America Bonds related to road construction for \$1,340,000.



Total Debt Outstanding:

The success of the rapid decrease in debt payments is apparent when looking at the total remaining outstanding debt. In 2008, outstanding debt was over \$52 million. At the end of 2017, only 17% of that total remains at \$8.9 million.

Debt Service Interest Saved

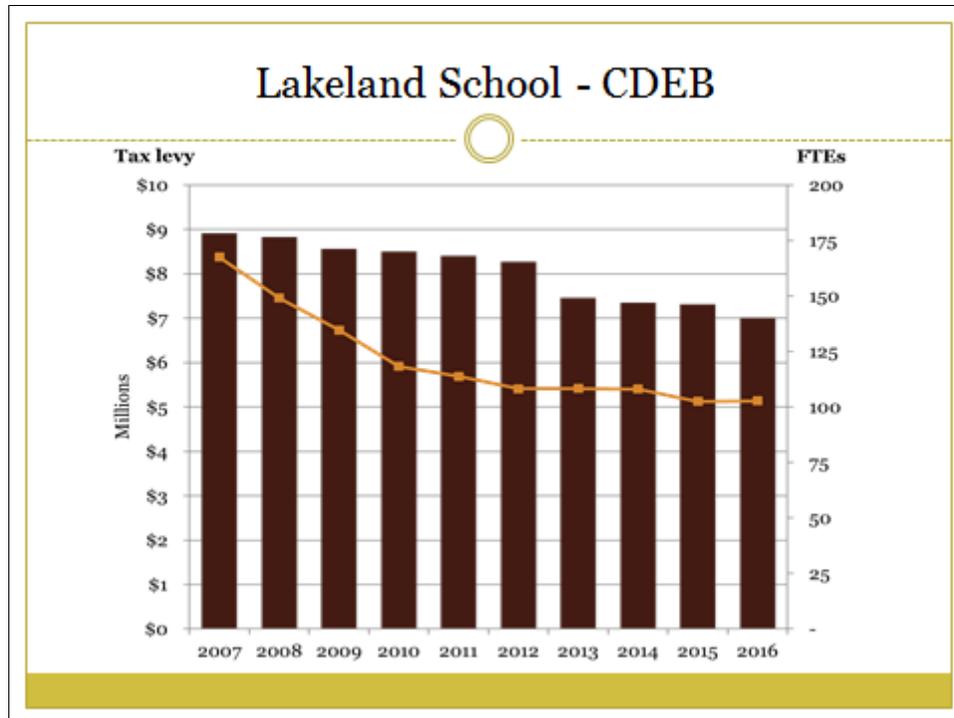
Debt Obligation	Year Called	Principal Paid	Interest Saved
2002 borrowing	2010	\$1,065,000	\$87,330
2003 borrowing	2011	1,250,000	58,674
2004 borrowing	2012	1,420,000	73,795
2005 borrowing	2012	3,335,000	229,058
2006 borrowing	2013	2,665,000	201,691
2007 borrowing	2014	570,000	47,770
2007 borrowing	2017	5,545,000	1,362,155
2009 borrowing	2017	1,340,000	63,704
	Totals	<u>\$17,190,000</u>	<u>\$2,124,177</u>

Debt Service Interest Saved

The County has saved almost \$700,000 of interest costs by making early payments in the last 7 years.

The interest saved from school debt to be called in 2017 will be \$1,362,155. Interest saved from road project debt to be called in 2017 is an additional \$63,704. This brings us to a total of over \$2.1 million of interest costs saved by calling debt early.

The next opportunity to call debt will occur in 2018, when all remaining debt for the County, which includes both the school and road projects, will become callable.



CDEB History:

Over the last several years, excess CDEB funds were set aside at yearend into a school debt service reserve. These funds will be utilized to allow all of the 2007 borrowing to be paid off in 2017. \$3.37 million will remain in the CDEB reserve, which is 69% of the funds needed to call the remaining outstanding 2008 bonds callable in 2018. If all outstanding school debt is successfully called in 2018, the County will save almost \$2.4 million in interest costs over the remaining 10 years it would have taken to pay this debt.

By the summer of 2017, CDEB will have fulfilled its' financial commitment related to the original transfer of service agreement with the local school districts. This graph shows how operating costs have seen a gradual reduction as seen by the bars in the graph, with the transition of the teachers and aides over the last 10 years. FTEs have also declined as shown by the line. Over the course of the entire 10 year agreement, over 96 teacher and student aide positions have been eliminated from the County payroll.

During 2016, one full-time physical therapist was eliminated in order to add a data coordinator of compliance. The 2017 budget adds 0.2 FTEs as a physical therapist is reclassified to a full time position to help balance the anticipated increase in student needs.

Health & Human Services



HHS Building Plan

The Public Works Committee has spent the last year reviewing the needs and discussing options of the Health and Human Services department as it relates to its current facility, pictured here. The building was constructed in 1971 with 2 major addition/remodels completed in 1994 and 2002. While remodeling would be a little less expensive in the short term, it would not solve the current problems of the inefficient layout of hallways and office space, as well as security concerns. In addition, the costly maintenance and operating costs, especially related to heating and cooling, would continue to be a problem. After significant discussion, it was determined that a new facility would better meet the department's long term needs.

Over the last several years, the County has set aside capital funds to maintain our infrastructure. These savings will help to provide the funding for a new Health and Human Services building currently estimated at \$24.1 million. \$1.55 million has been included in the 2017 budget to begin planning and engineering services with a planned 2018 construction.

Please note, this building will not need any new debt to be incurred in order to build this facility. In fact, based upon the proposed 5 year capital plan, there is no new debt scheduled for the next five years.

Road/Bridge Contingency Funds

Year	Planned Add/(Use)	Balance
Current balance		\$5,467,503
2017	\$1,090,000	6,557,503
2018	\$140,000	6,697,503
2019	(740,000)	5,957,503
2020	(411,000)	5,546,503
2021	(400,000)	5,146,503

Road/Bridge Reserves:

Savings from public works operations and excess road project levy funds have been strategically saved with a current \$5.5 million balance in the road and bridge construction committed fund balance account. Once again, this had been an expense that had required debt service in the past. The current road and bridge savings reserve leaves room for inflation, price increases, and unexpected issues that can arise in roads and bridges that haven't seen major reconstruction since they were originally built.

Our current road and bridge construction plan results in a relatively constant annual levy impact of approximately \$2.7 million. Funds in the 2017 budget will fund CTH H from Genoa City's North Village Limits to Highway 12, CTH DD Honey Creek Bridge, and CTH H from CTH A to Elkhorn. Some engineering for next year's scheduled projects will also occur. Finally \$1,090,000 will be added to the road and bridge account to be saved for future projects.

Departments - Levy Changes

Department	2016	2017	Levy Change	% Change
County Board	\$274,157	\$383,211	\$109,054	39.8%
Elections	168,244	550,233	381,989	227.0%
Administration	1,066,352	1,273,189	206,837	19.4%
Finance	1,456,352	1,647,691	191,339	13.1%
Clerk of Courts	1,617,467	1,801,672	184,205	11.4%
Health & Human Services	11,126,924	11,227,947	101,023	0.9%
Public Works	5,691,307	6,010,107	318,800	5.6%

Departments with Levy Increases > 10% OR \$100,000

Departments – Levy Increases

With the State’s strict levy limit, all department budgets must be carefully scrutinized. While the overall goal is to balance the budget and meet the levy cap, Walworth County does not take the approach that each department must be a zero increase. Instead, savings and increased needs must be prioritized and balanced throughout the county departments. This chart is a list of departments with tax levy increases greater than 10% or \$100,000. The next couple of highlights and slides will explain these increases.

The Board will upgrade video equipment and technology in its County Board room to provide better viewing capabilities for those watching meetings available on the County website. This is a budgeted cost of \$115,000 in the 2017 budget.

The County Clerk’s increase relates to the purchase of new election equipment and software across the County to ensure federal requirements are met and election results continue to be recorded accurately. This \$495,000 purchase is funded 52% by monies set aside over the last several years for this purpose.

Administration’s largest increase relates to the growth of transportation services as the County looks for new ways to increase services for County residents requiring basic transportation assistance for access to food, medical services and prescriptions. The County has added a mobility manager position to continue to develop this program during 2016. In addition, a fire/EMS joint review committee is forming in conjunction with local municipalities. The County has budgeted \$35,000 for potential costs associated with this review process.

The Finance department is adding one position. As budgets grow tighter, grant requirements increase, and technology changes; the demand for financial assistance and oversight grows. This position allows for additional assistance in financial system administration and some redistribution of accounting duties for increased staff workloads.

Court Initiatives

Description	1995	2010	2015
OWI Court Graduates (48-60 week completion)	No program	No program	29 graduates*
District Attorney State Funded Positions	5 positions	5 positions	5 positions
County Population	80,407	102,228	104,469
Jail/Huber Inmates Daily Avg Population	184 inmates	354 inmates	247 inmates
Electronic Monitoring Daily Avg Population	No program	12 inmates	52 inmates

*As of September, 2016, 95 OWI graduates in total, with an 87.2% completion rate.

Court System Initiatives

Walworth County remains committed to providing court programs such as the OWI court and the drug treatment court. These programs assist with reducing time spent in jail, without compromising public safety. In addition, participants' lives and those around them are changed for the better. A \$215,000 grant has recently been awarded to the County to continue this program. One position has been added in Clerk of Courts to help administer services related to the OWI and drug court program participants. An additional position related to this program has been transferred from Clerk of Courts to HHS, where services can be billed for this program. While the grant helps offset much of these costs, the department does see an increase in expenditures and a decrease in fee and penalty revenues which leaves a levy impact of 11.4% increase or just over \$184,000.

Park Growth



White River Park



Park Growth:

The County must carefully review its capital improvements, especially when operational costs increase instead of decrease. This is seen in two instances in the public works department.

First, the County has committed to continuing to improve its parks. In addition to the annual \$50,000 levy request for future park expansion, the parks operational budget has increased by an additional \$50,000.

The increase of capital improvements such as the White River Park bridges, prairie restoration areas, dog park, and park buildings require more maintenance. Maintenance includes items such as bridge repair, bridge inspection, maintenance of prairie restoration sites, and garbage collection.

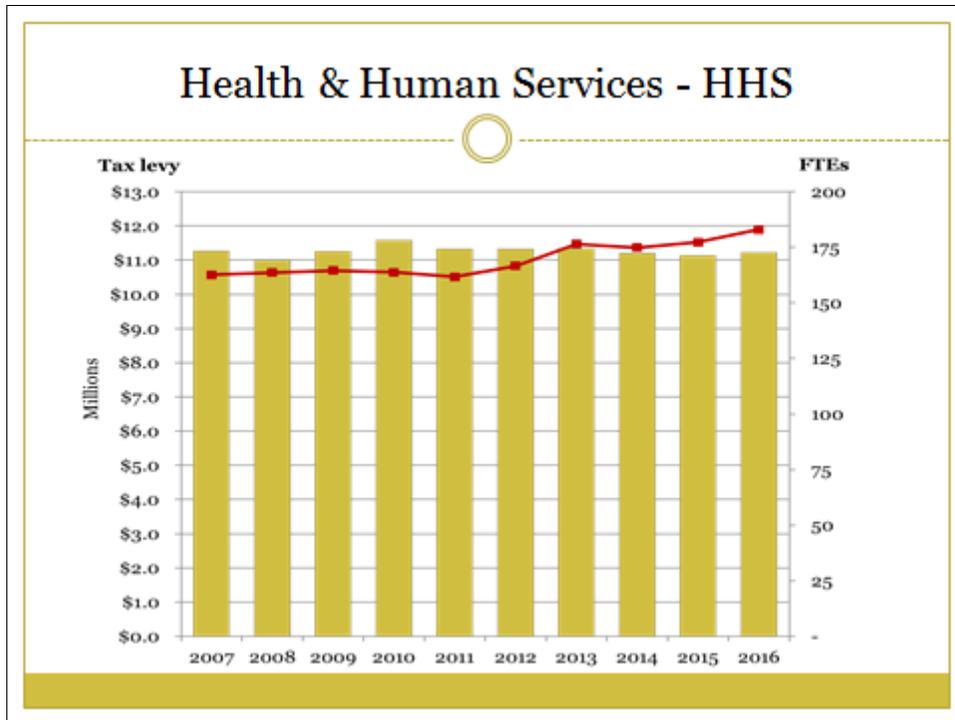
Public Works Renovation/ Expansion



Public Works Renovation/Expansion

Second, the Public Works department is also responsible for oversight of the purchasing division, facilities and grounds, and the Highway divisions. Just as the decision to expand parks causes operational increases, the decision to build a new Public Works facility in 2016 has increased budgeted operational costs of maintenance and depreciation for an approximate annual increase of \$300,000 beginning next year.

The original public works garage was constructed in 1976 and no significant additions or alterations have been made to the facility to compensate for the changes in size and composition of the County's fleet. The new building, pictured here, provides added space and efficiencies for maintenance and storage of equipment for the County's public works fleet.



Health and Human Services Operations:

The Health and Human Services department is the fastest growing department in the County when it comes to the number of positions required to offer its many necessary and worthwhile programs and services to our citizens.

The department has seen constant change in the way the State requires programs and services to be administered, yet the department has managed to hold the line on its levy over the last 10 years. The County's focus on prevention and safety has allowed for cheaper at home alternatives to service needs rather than the more expensive past practice of utilizing full care facilities.

HHS adds a net of 3.35 positions in 2017. Those not yet mentioned include eliminating a 0.5 FTE to utilize the funding support for a recently added public health position. A speech and language pathologist increased by 0.25 FTE for increased birth to three program needs. A dental hygienist 0.6 FTE has also been added to reduce more costly contracted costs. Finally, two new HS Specialist position have been created, one for a new Medicaid reimbursable program for Community Recovery Services and one supported by the treatment court program grant.

Departments – Levy Changes (0.3% or below)

Department	2016	2017	Levy Change	% Change
Medical Examiner	\$532,899	\$530,958	(\$1,941)	(0.4%)
Veteran Services	\$273,626	\$261,489	(\$12,137)	(4.4%)
Sheriff	\$24,552,087	\$24,625,639	\$73,552	0.3%
UW-Extension	\$564,614	\$526,835	(\$37,779)	(6.7%)
Register of Deeds*	(\$222,895)	(\$328,101)	(\$105,206)	(47.2%)
Land Use & Resource Mgmt	\$1,130,115	\$1,104,304	(\$25,811)	(2.3%)
Non-Departmental*	(\$6,011,909)	(\$6,745,814)	(\$733,905)	(12.2%)
Children w Dis Education Bd	\$7,312,475	\$7,002,636	(\$309,839)	(4.2%)
Lakeland Health Care Center	\$3,285,998	\$3,079,312	(\$206,686)	(6.3%)

*Departmental revenues exceed expenditures

Departments with Levy Decreases

While tough choices must be made to decide where to increase costs, we commend the departments who are able to hold their levy close to neutral as this is no small task with the unending need for more services and inflationary factors.

One success worth noting is the County's transition from the Coroner model to the Medical Examiner model for death investigation services. The County has developed a strong relationship with Waukesha County for these services. Going into this transition 2 years ago, it was difficult to tell how well this arrangement would work and how it would affect the costs involved. Through the efforts of staff at both counties, this new method of working together has improved services and allowed for shared costs.

We have a new Veterans Service Officer with the retirement of Chris Jordan and promotion of Nathan Bond. To continue to provide quality services and benefit assistance to a growing and aging Veterans population, the addition of a part time position has been added to the budget. The overall Veteran's budget is still below last year's levy.

Sheriff Indoor Range Facility



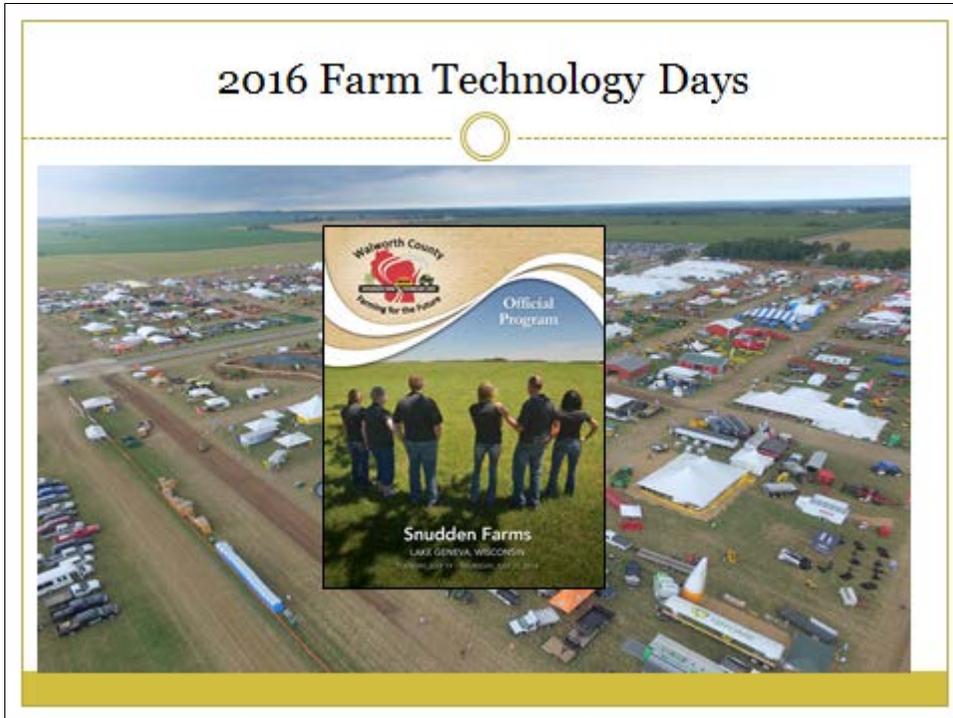
Sheriff's Office

The Sheriff's Office, which already sees very little revenue offsets, is facing revenue decreases when the State placed new limits on inmate fees and commission charges collected by the County. They also anticipate a decline in evictions and civil processing fees. Despite these revenue decreases, they were able to assist the County in keeping the budget levy request low. Operational cost savings have been created in purchased services. Additionally, 2 capital projects were moved out of the 2017 capital plan. The capital project for equipment for the new indoor range, pictured here, has been moved up to 2016 and will be funded primarily with payroll savings. The Sheriff's Office lobby renovation has been pushed back in the capital plan to 2018.

While maintaining costs, public safety continues to be of importance, as 2 new positions are added for 2017. A new property room coordinator position is added to maintain evidence and records. A new deputy sheriff position is also added primarily for county building safety, more specifically, the school and health and human service buildings.

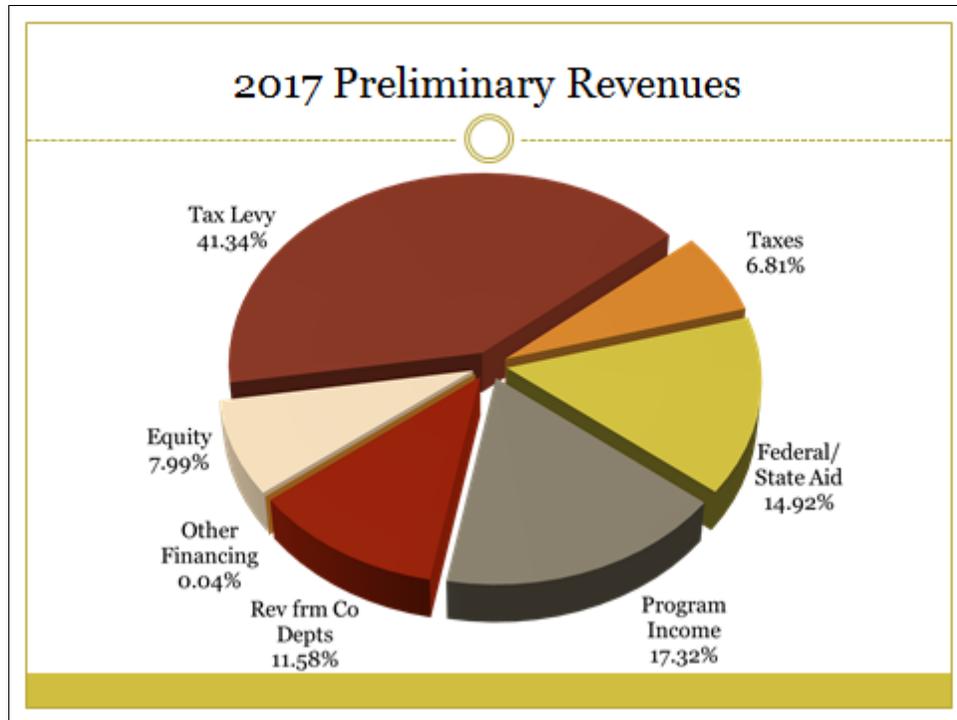
Public safety services have also increased as substations located in townships recently expanded this fall. Deputy sheriff staff are now operating out of the township substations in Lyons, Darien, Troy and Whitewater. This change is expected to increase visibility of officers as well as time savings.

2016 Farm Technology Days



UW-Extension Changes/Farm Technology Days

UW-Extension celebrates the successful completion of Farm Technology Days held in Walworth County this past summer. With the completion of this event, a second agriculture agent will no longer be funded by the County in 2017. Overall changes to the UW-Extension program at the state level are in process and the impact to the County is currently unknown. The State is currently researching the idea of regionalizing the overall program to combine services offered with other area counties.



Preliminary Revenues:

The next couple of slides will focus on the departments whose levy was lower than last year due in part to revenue increases.

This graph shows the overall budget allocations of the revenues funding the County’s budget, without transfers. There is a heavy reliance on the tax levy and federal/state grants and revenues from other departments which fund 68% of the County’s expenditures. That leaves 32% of the budget that the County has some limited control to modify and change.

ROD, LURM and Sales Tax Revenues

	2016	2017	Increase	% Change
Register of Deeds Fees	\$736,984	\$855,480	\$118,496	16.1%
Land Use & Resource Mgmt Fees	\$370,947	\$405,895	\$34,948	9.4%
Sales Tax	\$7,800,000	\$8,000,000	\$200,000	2.6%

Revenues Increasing:

In 2016, we were able to point to one major revenue source, the County's 0.5% sales tax revenues, providing an indication that improved economic conditions might be on the horizon. In 2017, we look to raise revenue expectations in a couple of areas that appear to be seeing increased activity. The County is optimistic about revenue recoveries, but continues to budget conservatively in 2017 to ensure we do not find ourselves with a shortfall. Register of Deeds and Land Use and Resource permits and fees can both be an indication that growth and stability may be on the horizon for Walworth County citizens.



Lakeland Health Care Center Levy:

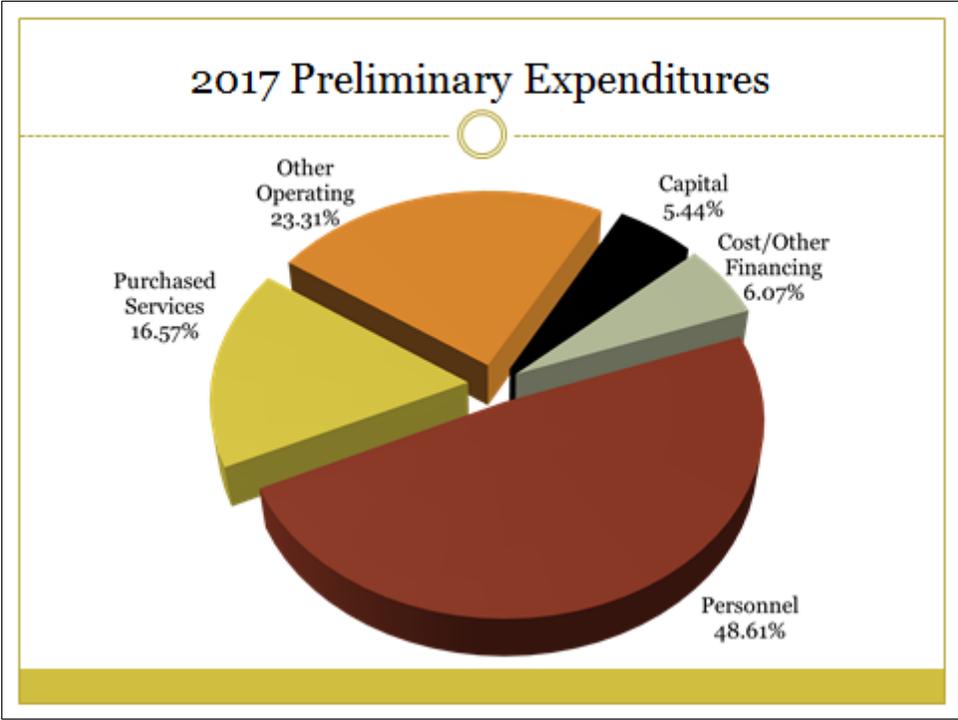
One method to increase revenues, which does not occur naturally by economic changes, is by increasing fees charged. The County typically looks to avoid this approach when possible, however when looking at nursing home resident fees, it is prudent to stay in line with other nursing homes in the area.

The 2017 budget includes a resident fee increase, from \$263 to \$300 per day; the first increase since 2014. Our fee continues to remain the lowest for area nursing homes accepting Medicaid residents. This revenue increase also allows for a decrease in levy. The Lakeland Health Center’s levy is at an all-time low since 2003, before construction of the new facility began. Since paying off its debt in 2013, the LHCC levy has decreased a total of 16.6% or just over \$600,000.

With the levy in check, there is still much to focus on at LHCC. The quality of life resident care requirements continue to change with the State of Wisconsin’s Advancing Excellence Initiative and the federal nursing home code. The County works to maintain its five star rating, and thus continues to further develop training, implementing best practices, and expanding and improving its programs and services. 4 CNA Team Coach positions were added to develop programing and assist with training of CNA staff.

During 2016, 1.28 vacant CNA positions were eliminated for a new scheduling approach to better meet both employee and County scheduling needs.

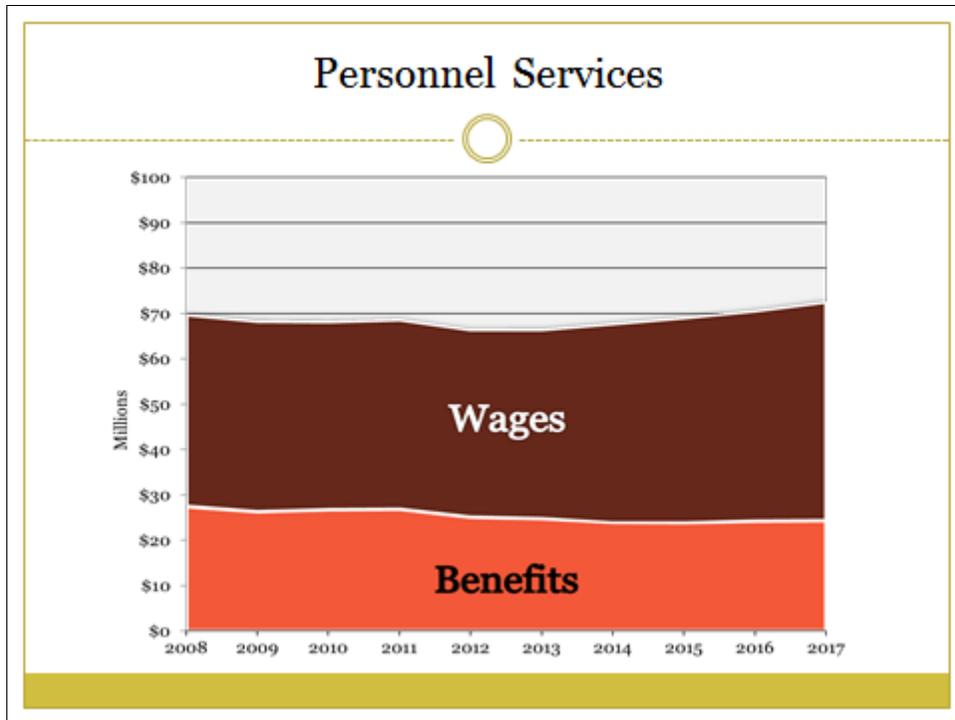
A vacant management position at the Lakeland Health Care Center has recently been reclassified to a new assistant administrator position to help collaborate and provide additional oversight of the many changes in regulations. Additionally, an administrative assistant position was also added during 2016 to allow senior management more available time to interact with staff and residents.



Preliminary Expenditures:

After taking a look at several specific department levies, I would like to take a step back and look at the breakout of the County’s expenditure budget by types of spending.

Government’s general purpose is service related, and so it is not surprising that wages and benefits make up close to half of the County’s budget. The County completed a market study in 2016 and has incorporated its findings as part of the 2017 budget within the parameters necessary to meet the County’s budget restraints. The overall goal was to provide fair and equitable pay and benefit packages, as well as draw and retain high performing staff at all staffing levels to ensure the County’s continued program success.



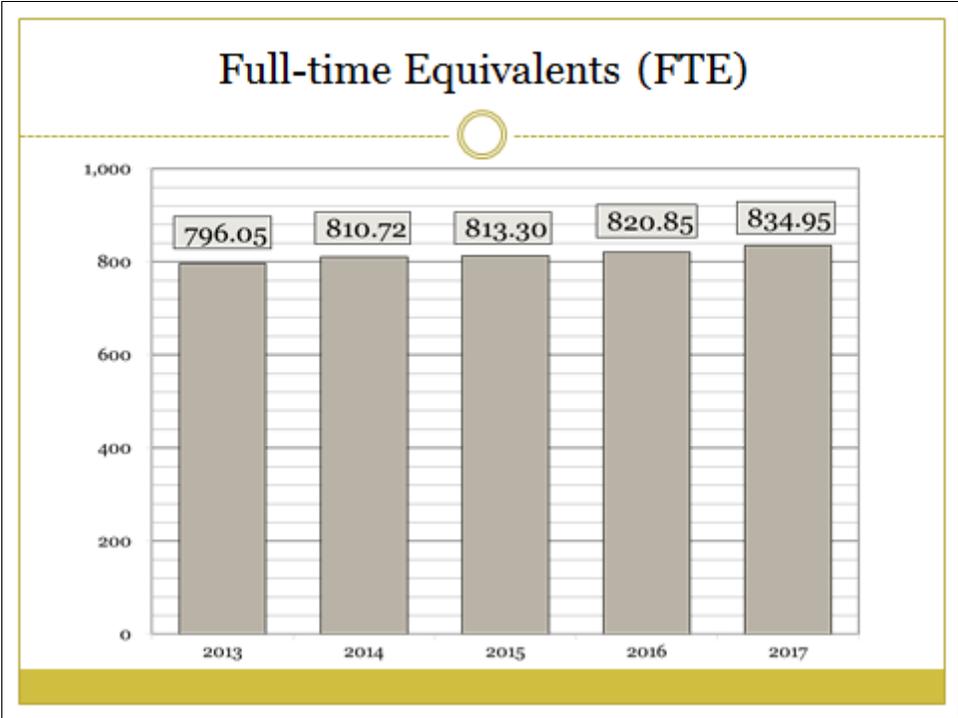
Wage and Benefits

The 2017 budget continues to hold the line on county department benefit costs.

For every \$1 spent on pay, we spend 50 cents on fringe benefits.

This graph helps to depict the important fact that in the last 10 years, the total cost of wage and benefits has risen by only 4.1%. However, if we compare the facts, we also have 52.25 less positions on the County's payroll than 10 years ago. With the downsizing of LHCC and CDEB now behind us, the County has added positions each of the last 4 years.

When we look at the change from the 2016 budget to the 2017 budget, we see that total wages have risen 2.87% or just over \$2 million in total. \$1.3 million or less than a 1.85% increase in total relates to the pay study results. The majority of the remaining increase relates to new positions added.



County-wide Full Time Equivalents:

An FTE is the number of positions in terms of full time equivalents. Each full time position is equal to 1.0; therefore a person working 1/2 of those hours would be a .5 FTE.

The County has added an average of almost 8 FTEs per year over the five years shown in this chart. The current level of staffing is 834.95 full time equivalent positions.

FTE Changes

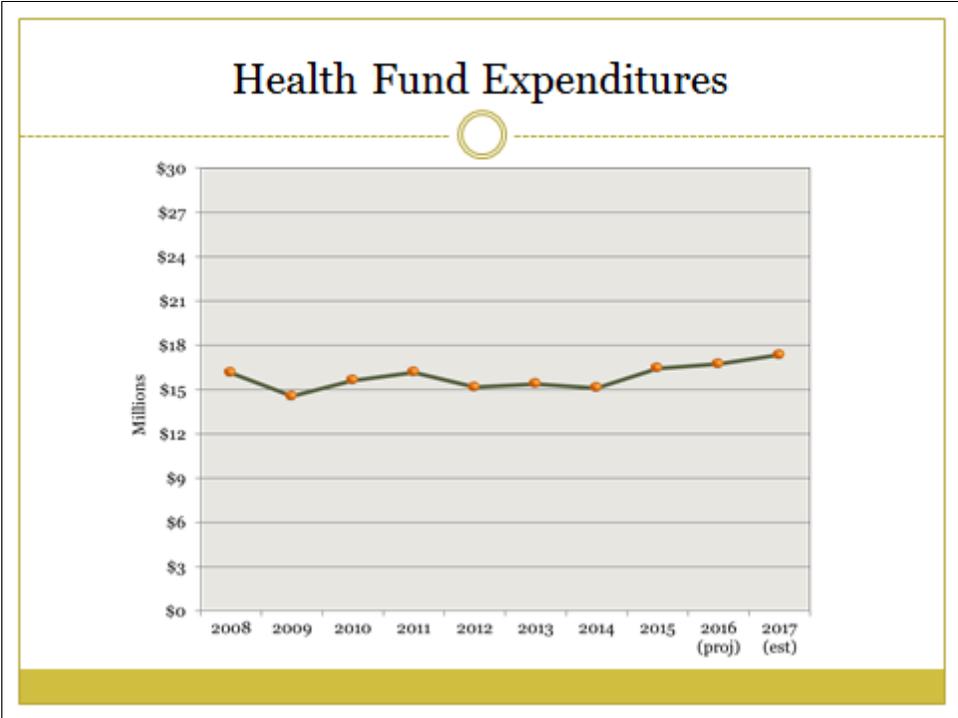
Department	FTE Change*
Administration	1.00
Finance	1.00
Veteran Services	0.50
Sheriff's Office	2.00
Health & Human Services	4.68
Children with Disabilities Education Board	0.20
Lakeland Health Care Center	4.72
Total Changes	14.10

* Change from November, 2015 through December 31, 2017

FTE Changes:

This is a list of the departments with personnel changes. These changes have already been shared with the previous slides of department budget changes.

During 2016, 7.05 FTEs were added through County Board actions. The 2017 budget includes an additional net increase of 7.05 FTEs.

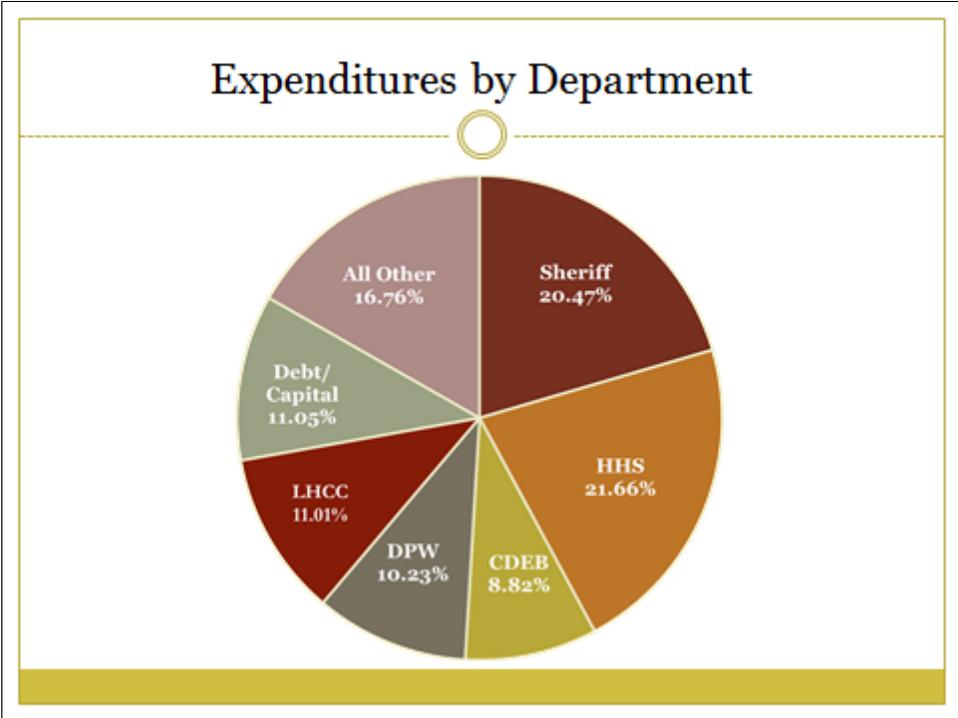


Health Insurance Fund:

While some employees have found themselves in a new pay scale which may leave room for growth, it is not expected that the County’s benefits will increase in value. The County continues to look for strategies to stay within the looming federal health insurance benefit limits, and avoid penalties down the road.

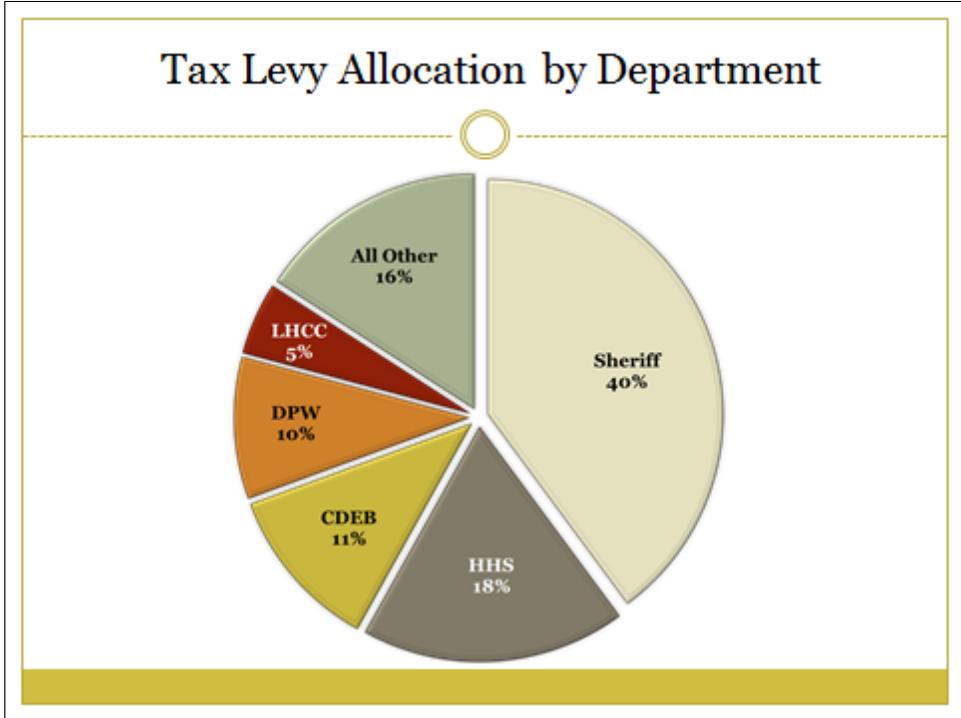
While health care cost trends have increased around 8-10% each of the last 6 years, the County’s total health costs have remained relatively stable due to numerous and varied changes made in our self-insured plan. This has allowed premiums to be held to 0% increases and in some cases decreases. 2017 will be the seventh consecutive year without an increase.

The 2017 health plan includes changes to increase co-pays for medical visits and higher deductibles. Reserves continue to remain healthy, allowing for a slow utilization of these funds to help offset the increasing costs.



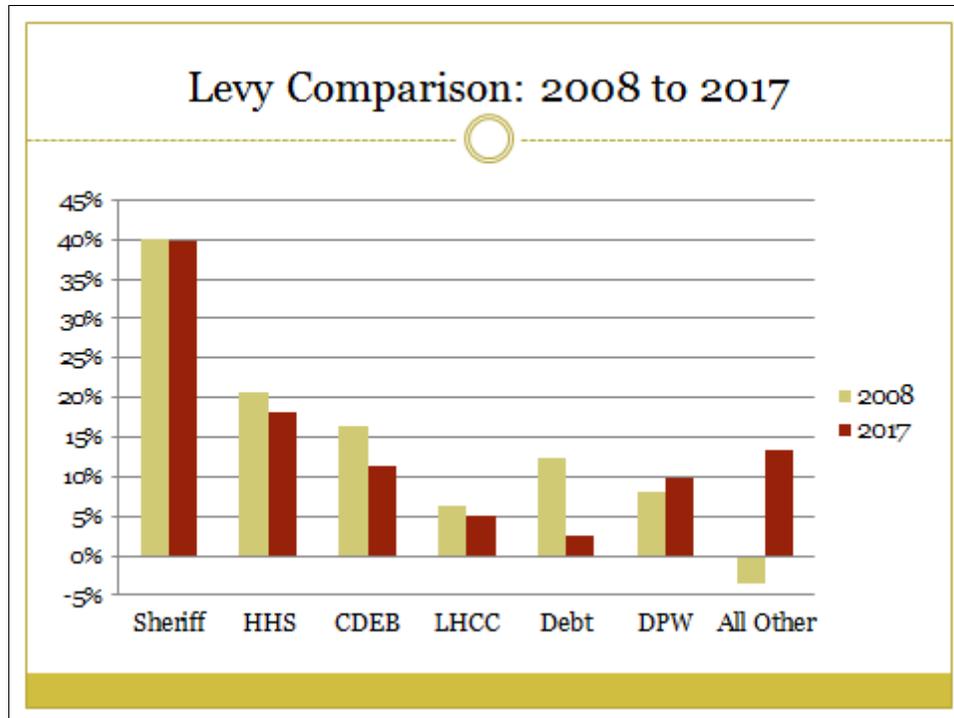
Expenditures by Department:

There are many ways to slice up the expenditure budget. This graph takes a look at the total expenditure budget by department, without internal service funds or transfers. It depicts how much of the overall spending is occurring in each department.



Departmental Tax Levy Allocation:

While the last pie chart looks at the expenditure budget by department, this pie chart shows how reliant each department is on the County’s levy. Some departments, such as the Lakeland Health Care Center rely heavily on service charges; others, such as Health and Human Services rely heavily on grant funds, despite the size of their expenditure budget. The Sheriff’s Office public safety function continues to rely most heavily on your tax dollar.



Levy Comparison: 2008 to 2017

When we look at a comparison bar graph which shows each department as a percent of the total levy in 2017 and 10 years ago in 2008, we get a feel for the changes that have occurred in how we fund our departments. You will notice that the Sheriff department continues to receive the same % of the levy as it did 10 years ago. HHS, CDEB and LHCC are down. Increases in the use of levy include Public Works, with the main levy increase change being the all other departments category. This large swing is partly due to economic revenue declines in areas such as investment income and various fees collected.

This graph also provides one last look at how the decline in payment of debt service has provided levy funds for operational needs. As we look to the future, the County will need to continue to make tough choices on how to best use levy funds without declining debt service to provide room for operational growth.

The 2017 Walworth County
Preliminary Budget is available for
review in the County Clerk & Finance
offices and on the County's website.

Thank you for your kind attention.



www.co.walworth.wi.us

Conclusion:

In conclusion, the 2017 preliminary budget increases the total tax levy 0.3% from last year, with a spending plan of almost \$159.1 million dollars of expenditures.

For those of you interested in reading this year's preliminary budget book of 332 pages, it is available for review in the County Clerk & Finance offices and on the County's website. We expect this one to be an award winner, so don't miss out on this great read!

It's a definite page turner that will keep you on the edge of your seat to the very last page. Coincidentally, the last page includes the cliff hanger – a one page - full list of phone numbers of departments, just in case the book doesn't provide quite enough specific detail for you to understand the whole story.

For the rest of you, I understand you are probably more interested in waiting for the sequel, otherwise known as the financial statements, once the year is complete. So in that case, I hope this cliff notes presentation gives you the assurance you need that the County's 2017 budget plan provides services and programs Walworth County needs most.

Thank you for your time and interest in this year's County budget.