

2013 Executive Budget Message

(Intro Slide)

Good Evening and thank you for providing me the opportunity to present my 2013 budget that confirms our commitment to excellence.

I'd like to applaud past and present supervisors, elected officials, and other leaders in our County that have contributed to Waukesha County's commitment to excellence.

I'd like to thank County Board Chairman Paul Decker, Finance Committee Chair Pat Haukohl as well as all other Committee Chairs – Swan, Paulson, Heinrich, Yerke and Falstad – who sat alongside me in numerous meetings to work with Department leaders and Budget Manager, Keith Swartz, and our budget team to prepare a budget that provides outstanding services to Waukesha County while being respectful of our taxpayers. I appreciate your continued willingness to work with my administration on the passage of the County's 2013 Budget.

One of the things that sets us apart is that we have a tradition of working closely with the County Board to prepare the County budget. Since I've had the honor and privilege to serve as County Executive, I've set a precedent by bringing the board in on budget discussions early on to allow for input from representatives throughout the County.

I am proud to tell you that the budget I'm presenting to you tonight once again sets a standard for government. This budget, if adopted, will cut the County's portion of the property tax bill, for Waukesha County homeowners and businesses.

Last year we were able to freeze taxes on a median valued home, this year, through hard work and reducing our spending we are going a step further. This year, a County homeowner with a median valued home will see a \$2 decrease on the County portion of their tax bill.

(Executive Budget Outcomes Slide)

This budget achieves our goal of maintaining low taxes while continuing the high-quality delivery of essential services and our commitment to infrastructure and environmental sustainability. Through teamwork and strategic partnerships, we're able to identify and carry out operational efficiencies in our departments.

Our dedicated employees, exceptional department heads and outstanding budget team have worked diligently to be innovative, use technology to improve efficiency and seek partnerships to control spending. Our budget team is extremely talented and provides great fiscal management for Waukesha County.

I would like to take a moment to recognize our outstanding budget team and the leadership of Keith Swartz. This is Keith's 27th Budget as Budget Manager.

Our department heads and employees are committed to providing outstanding services at a low cost to our taxpayers by identifying and practicing ways to collaborate and cooperate for efficiency.

This year marks the 24th consecutive year that Moody's Investors Service, and the 14th consecutive year that Fitch Ratings have assigned AAA/Aaa bond ratings to our County.

Earlier this year, in confirming Waukesha County's AAA/Aaa bond ratings, Moody's noted that they expect Waukesha County's "financial position to remain strong due to [our] history of conservative budgeting practices," and Fitch ratings noted that the county benefits from a "strong, proactive financial management team."

(Restraining County Spending Slide)

If you, distinguished members of the County Board, adopt this proposed budget, Waukesha County's taxes will remain among the lowest in the state. In fact, Waukesha County will continue to have the lowest tax rate among our contiguous counties and the very lowest tax rate in entire the state, among the few counties in Wisconsin without a county sales tax.

This is due, in part, to our commitment to fiscal prudence. This proposed budget cuts spending by over \$10.9 million.

Since being elected as County Executive it has been my pledge to hold the line on taxes and spending. I'm proud to tell you today that since I first stood before you as County Executive, we have continued to hold the line on taxes and spending and we've done this without imposing a county sales tax, and I pledge to continue us on this path.

(Budget Drivers Slide)

But, even though we are leading the state in so many areas, we continue to be affected by the lagging economy. The slowly recovering real estate market continues to suppress revenue sources from our investment income and private sector real estate transactions.

This is coupled with rising costs to provide the same level of service to our clients and customers. Certain key areas increasing at rates greater than inflation include jail inmate medical costs, vehicle fuel prices, mental health and related prescription drugs costs, and workers compensation costs.

Other areas that are impacted include:

- State youth aids funding to the Department of Health and Human Services used for juvenile programs reduced over \$200,000.
- While low interest rates are helping the struggling housing market, it also means investment income in the Treasurer's budget is reduced by \$280,000 due to historically low interest rates of return for an extended period.
- The tax levy required to fund higher costs of on-going adult corrections in the County Jail is up over \$350,000.
- The Medical Examiner's Office expenditures are budgeted to increase by \$113,600 to address growing caseload activity.

- And State mental health institute placement costs for Human Services' patients are budgeted to increase by nearly \$312,000.

(County Tax Levy Funding Slide)

Public safety and serving at-risk individuals and families in need remain our top priorities. As you can see from this slide, my budget reflects this. Over 65% of our County tax levy is dedicated to Justice, Public Safety and Human Services.

Administration remains the leanest tax levy portion – less than one percent of the entire budget. This demonstrates that our major focus remains on the delivery of services to our residents.

(Capital Projects Plan Slide)

This proposed budget maintains strategic investments in our infrastructure. Our commitment to excellence can be seen in our capital plans. Waukesha County is committed to maintain our infrastructure while planning for future growth. This commitment helps Waukesha County retain, grow and attract families, businesses and jobs to the area, and provide safe, high-quality roads, bridges, public buildings and top-quality emergency services to our residents.

The proposed 2013 Capital Budget reduces borrowing by \$3 million and spending by \$12 million. Next year, Waukesha County will complete our largest road and building projects in our history with the completion of the new Health and Human Services Building and the expansion of Janesville Road in the City of Muskego.

In this year's plan we were able to reduce the cost of the Health and Human Services Building by an additional \$1 million. In total, due to a favorable bidding climate for both materials and labor as well as great construction weather, we have saved \$1.5 million on the project.

The completion of Janesville road, right in the heart of downtown Muskego, is much anticipated by the City and is critical for economic development and public safety. In total, since 2001, Waukesha County has invested over \$37 million in road projects in Muskego. This is a tremendous investment in this community and an important investment for the County.

We operate our County like a business. When we invest in a road or a building project, we put a minimum of 20% down, we receive the lowest interest rate available because of our AAA/Aaa bond rating and we pay off the entire bond issue in ten years or less.

This is an extraordinary standard, for government or the private sector, a standard we can all be proud of.

(Partnerships and Efficiencies)

Over the past couple of years, the County has worked with municipalities to cooperate and collaborate to save tax dollars. I'm proud to tell you that in the past two years, Waukesha County has saved local

taxpayers over \$2.0 million through partnerships and collaborations. Countywide emergency dispatch services, contracts for police patrols, Public Works highway projects and others, have contributed to this savings.

Seeking partnerships between departments, other governments and the private sector to implement efficiencies and ultimately save tax dollars has been key to Waukesha County's strong fiscal health. Once again our proposed budget introduces efficiencies through strategic partnerships and teamwork.

Counties in Southeastern Wisconsin are now migrating radio systems from analogue to digital. Next year, Waukesha County will begin the design phase to make the same public safety migration. As part of the upgrades, Waukesha County is cooperating with Milwaukee County to jointly fund a study to layout a possible road-map where our two counties will share a new, state-of-the-art digital radio tower system. This, in turn, will increase public safety communication between our respective counties and save tax dollars for both counties.

At midnight on September 1st, our Communication Center began providing emergency 9-1-1 dispatching to residents of the City of New Berlin. According to New Berlin's independent study, this will save the City of New Berlin an estimated \$900,000 per year. **This is the power of collaboration.**

We are collaborating in other areas too. After the successful creation of a consortium with four other counties last year, our HHS Income Maintenance Division, which assist low-income families, will improve efficiency by sharing call center duties, document processing and client interviews.

The Department of Public Works is working with the University of Wisconsin system to increase energy efficiency in order to save utility costs, at UW-Waukesha. Through cost-sharing the County will save significant dollars on the purchase of equipment while the college will save on heating and cooling energy bills.

Our libraries are working together as well. With the addition of New Berlin and Menomonee Falls libraries this year, the Federated Library System has finally achieved complete countywide usage of its CAFÉ automated system. This allows all Waukesha County residents to search for books and other library materials from any and all of the sixteen member libraries in the County using this centralized database.

(Executive Proposed Budget)

I am proud to represent a County where the Executive and Legislative branches are able to work together to create a balanced budget that both guarantees that high quality services are available to our constituency but also keeps the taxpayer at the forefront.

As you can see from this slide, we're presenting a balanced budget.

(2011 Employees Per Capita)

When comparing Waukesha County to similar counties in the state, the efficiency in which we function is clear. Waukesha County has significantly fewer employees per one-thousand residents than similar sized counties.

Our County is committed to efficiency. Departments are consistently seeking innovative ways to work with employees, our most important asset, to help them work in the most efficient way possible.

Department leaders are identifying ways for their employees to collaborate, they're cross-training their employees, sharing employees, and where possible, they're keeping positions open in order to limit the size of our government while still providing uninterrupted, high-quality service to our residents.

This year, Waukesha County has engaged in Lean Initiatives designed to streamline existing processes, identify efficiencies and save money. To date over 50 County employees have been trained in Lean Initiatives. Our Department of Administration, Collections Division is using Lean Six Sigma techniques to identify and improve collector performance. The pilot project has resulted in decreased costs and increases in the number of debtors contacted, accounts paid in full and total revenue.

(2011 Comparative Property Taxes (Business))

When comparing our County's tax impact on businesses to contiguous counties, Waukesha County is clearly the low tax leader.

One of the key ways Waukesha County is able to support economic development, and retain and attract businesses to the County, is by keeping our property taxes low.

As I have pointed out, Waukesha County ranks 70th out of 72 counties in the State for the lowest tax rate. Because of our low-tax philosophy, County taxes on a business located in Waukesha County will be less than half of the County taxes on an equally valued business located in Milwaukee County.

Statistics & Trends

Beyond our reputation for low taxes, Waukesha County is a leader in Wisconsin in so many other ways:

We are the lowest per capita spending county in the state. We have the 2nd highest per capita income and 2nd highest median household income in the State.

Waukesha County, at 390,000 residents, is the 3rd largest, and one of the fastest growing, counties in the State.

Additionally, we are one of the select few counties in the nation to receive the coveted AAA/Aaa bond ratings.

(Conclusion)

What truly matters most is how the taxpayer will be impacted. What residents really want to know is ‘what is happening to my tax bill?’ I am proud to tell you and our taxpayers that, if this proposed budget is adopted, Waukesha County is reducing the County portion of your property tax bill while continuing to provide high quality services.

Waukesha County is one of the fastest growing counties in the state, we have no county sales tax, we continue to maintain our AAA/aaa Bond rating and we respect the Waukesha County taxpayer. We’re able to do all of this because we seek out opportunities to collaborate, to cut costs and operate with efficiency.

Mr. Chairman and Supervisors, I would like to thank my administration and all of our devoted employees, appointed Board and Commission members, advisory groups and elected officials for their dedication in helping me prepare a 2013 budget we can all be proud of that is committed to excellence.

God Bless America, God Bless the great State of Wisconsin and God Bless Waukesha County. Thank you.