

Daniel P. Vrakas
County Executive



September 23, 2008

Dear Honorable County Board Supervisors:

It is my privilege to advance to you the proposed 2009 County Executive Budget themed "Committed to Excellence". Waukesha County is recognized across the State and throughout the nation as a public sector government innovator, and I am proud to say that our commitment to excellence is inherent in all that we do. Because of the strong partnership that has been established between Waukesha County's Executive and Legislative branches, our talented staff, who are experts in their respective fields, are empowered to make critical recommendations that have a direct impact on short and long-term operations. As you begin your rigorous budget review process, I would like to thank you for your continued willingness to work with my administration and staff to pass a budget that maintains high quality service levels and our position as a low tax leader. By adopting this proposal in its entirety, the budget caps County spending at three-tenths of one percent over last year's budget.

The 2009 County Executive Budget makes justice and public safety my top priority, effectively serves at-risk individuals and families, and proposes strategic investments in our roads and buildings to ensure their useful life while maintaining them in a safe and functional manner.

LIMITING TAXES AND SPENDING

Waukesha County has a long tradition of being "Committed to Excellence" when it comes to limiting taxes and spending. We continue to have the lowest county tax rate in the state for counties that have not implemented a county-imposed sales tax. Yet, even when comparing our County to those with an enacted sales tax, it pleases me to share with you that Waukesha County ranks 70th out of 72 counties in the state for the lowest tax rate. Additionally, we are one of about 40 county government agencies out of more than 3,000 throughout the country to hold the coveted AAA/Aaa bond rating status, which is reflective of our exemplary financial management practices and allows us to lower the County's borrowing costs and keep taxes low.

I am proud to announce that the 2009 County Executive Budget maintains our low tax rate by limiting expenditure increases to three-tenths of one percent. The proposed Expenditure Budget totals \$256.4 million (up \$864,400 from 2008), of which \$237.0 million is committed to operational costs that ensure the delivery of core services and \$19.4 million is dedicated to capital project infrastructure improvements.

For 2009 budget purposes, the 2008 County property tax (General and Federated Library tax) totals \$95.8 million. At an increase of 2.8% from last year's budget, it is well below the rate of inflation and is below the State of Wisconsin's limit on tax levy increases. Controlling personnel costs is one of the key areas that has enabled us to keep spending in check. Additionally, I am proud to disclose that my proposed budget continues this fervent practice by limiting the cost of health insurance increases to 4% and generating a cost avoidance of over \$800,000 by discontinuing funding for 12 Full Time Equivalent positions, which maintains our low Employee per Capita ratio of 3.6 employees to 1,000 residents.

515 W. Moreland Blvd. AC320
Waukesha, Wisconsin 53188
Phone: (262) 548-7902 • Fax: (262) 896-8510
TDD: (262) 548-7903
www.waukeshacounty.gov

TAX IMPACT ON HOMEOWNERS

As my administration works in partnership with the County Board to limit spending and taxes, there is a direct, positive impact to our residents. Despite the lowest County tax base increase in 22 years, if the County Board adopts my budget as presented, the average Waukesha County homeowner will only realize a \$3 increase in the County portion of their property tax bill. Even with a downturn in the housing market, the County's tax rate will increase by only one penny from \$1.78 to \$1.79 per \$1,000 of equalized value.

I believe a true measure of the County's property tax performance compares property tax control over time. Since being elected to serve as your County Executive, I am pleased to share with you that our residents have benefited from the County's ability to control taxation. When I took office in 2005, the County portion of the tax bill on the average home of \$256,700 was \$504. My commitment to maintaining low taxes is realized yet again with this proposed budget, which will place the County tax on the average home of \$281,100 at \$503.

BUDGET DRIVERS

During an economic slowdown, the County is faced with increased demands for service and rising costs for their effective delivery, many of which are greater than the rate of inflation. With more than 40% of the County's budget dedicated to federal and State mandates, discretionary spending is at a minimum after the cost-to-continue these operational needs have been funded: jail inmate costs, snow removal and road salt prices, workers compensation claims, and energy cost increases. There are also a number of major federal and State revenue sources that have been reduced, eliminated, or frozen for several years, which have a great impact on this year's budget. Some of the key government revenue losses that must be sustained in the 2009 County budget follow:

Reduced or Eliminated Revenues:

- E-911 Grant to sunset in 2008
- Alcohol Treatment Court grant of \$100,000 ends in 2008
- Homeless grants for jail transition and treatment programs
- Federal Byrne Grant for Metro Drug enforcement reduced by 50% in 2009

Frozen Revenues:

- State Court Support Grant (\$1.1 million since 2000)
- State Human Services Community Aids/BASIC County Allocation (\$11.4 million since 1996)
- State Transportation Aids (\$5.4 million currently)

PARTNERSHIPS & EFFICIENCIES

As we plan for the future, the proposed 2009 County Executive Budget identifies a number of business efficiencies that will be accomplished through strategic partnerships that enable us to leverage resources and reduce operational costs while providing new or better service. Some of the recommended projects are highlighted below:

- Establish a cost effective pilot project for transit van pool service or alternative transit options with partnering business to bring workers to jobs where traditional bus routes are not sustainable.
- Decentralize record imaging and reduce record storage and retrieval costs for Circuit Court Services and the District Attorney's Office.
- Complete the State's Long Term Care reform to Family Care through the Department of Health & Human Services and the Aging & Disability Resource Center by jointly assessing client needs and determining eligibility for benefits. By the end of 2008, staff will transition 1,200 existing waiver-funded client cases to two Managed Care Organization partners, and will begin addressing service eligibility for nearly 800 additional individuals on Long Term Care service waiting lists.

- Designate a dog exercise area at Nashotah Park through a partnership between the Department of Parks & Land Use, Waukesha Kennel Club, and local municipalities.
- Through the Department of Administration, implement the first phase of a countywide cashiering system to consolidate nine stand-alone systems into one enterprise-wide application for these departments during the second half of 2008 and into 2009: the Treasurer's Office, the Department of Parks & Land Use, the Medical Examiner's Office, and the Waukesha County Airport.
- Study potential strategic alliances with the Aging & Disability Resource Center, Department of Health & Human Services, the Veterans Service Office and between the Departments of Public Works and Parks & Land Use.

INFRASTRUCTURE INVESTMENTS

In continuing Waukesha County's legacy of fiscal responsibility and to demonstrate that we are "Committed to Excellence", the proposed 2009-2013 Capital Projects Plan strikes a balance between maintaining our important infrastructure and delivering critical services to ensure the County's growth and economic viability while holding taxes at a minimum level. It also introduces a number of environmentally sustainable initiatives that minimize our impact on the ecosystem and save significant, ongoing dollars in the future. For your convenience, project highlights have been broken down into four key areas: Facilities, Transportation, Technology, and Parks.

Facilities:

As we embark on the 50th anniversary of the Courthouse next year, the proposed 2009-2013 Capital Projects Plan addresses long-term facility needs. It includes the construction of a new secure connector to separate the public from inmate movement in the Courthouse. The plan also calls for the general maintenance of the existing Courthouse facility and its equipment until a major infrastructure renovation happens in 2016. Other facility projects include: planning for the construction of a new Human Services Center; expanding space at the Medical Examiner's Office to address current and projected County and contracted service needs; and investing in facility upgrades at the UW-Waukesha campus.

Transportation:

About 57% or \$54 million in plan spending is dedicated to highway improvements, of which more than \$21 million will be spent on repaving roads, repairing bridges, and making safety improvements. It also provides the necessary funding to enhance safety at three highly traveled intersections over the next year, and these important projects: C.T.H. Y (Racine Avenue); C.T.H. VV (Silver Spring Drive); and completing the second phase of roadwork on C.T.H. L (Janesville Road).

Technology:

The plan makes significant technology investments within the Justice and Public Safety areas. At the top of this list is the replacement of the Computer Aided Dispatch (CAD) system at the Communications Center, as well as a new project to migrate the radio technology from analog to digital in 2014 with cooperative funding from municipal partners.

Parks:

Park projects include \$2.3 million for park roadway maintenance improvements and \$775,000 for paving the Lake Country and Bugline Recreational Trails. New park facility infrastructure projects include multi-year building upgrades and a phased replacement of two remaining parks maintenance buildings for almost \$1.3 million. In an effort to maintain a high level of service at our parks facilities, the plan proposes replacing 18 of the 22 concrete vault restrooms that predate the Americans with Disabilities Act with new facilities along reserved picnic areas in six County parks.

The Capital Projects planning process is an excellent opportunity for us to make infrastructure improvements and operational changes that save real, ongoing tax dollars through environmentally friendly conservation efforts. I am proud to announce that Waukesha County's 2009-2013 Capital Projects Plan identifies a number of "green" projects and project applications that are better for the environment and can be accomplished at a lower cost than when using conventional approaches. When appropriate, County staff recommend recycling existing pavement and reusing it in construction projects and implementing energy efficient facility improvements, such as the use of low flow fixtures, waste composting systems, solar thermal water heating, solar electric lighting, as well as solar powered and natural ventilation systems to minimize utility connections.

PROJECT FUNDING AND DEBT MANAGEMENT:

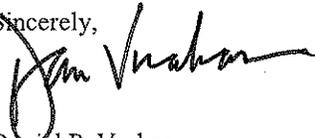
Waukesha County remains "Committed to Excellence" with reference to our prudent capital budgeting and debt management practices. To cover costs associated with infrastructure improvements, the proposed 2009 County Executive Budget ensures that the 2009-2013 Capital Projects Plan is funded with a tax levy down payment of \$3.0 million or 24% of the net Capital expenditures. In addition, debt borrowing is being reduced to \$10 million in 2009, which is a decrease in borrowing of \$1.85 million from the 2008 Adopted Capital Projects Plan.

Due to the prepayment of the 2000 bond issue, which reduced the 2009 payment by \$1.2 million, the 2009 Debt Service budget is estimated to increase by less than 1%. The ratio between the Debt Service expenditure budget and total governmental operating expenditure budget is projected at 7.1%, which is considerably lower than the County's performance measure target of less than 10%. Maintaining borrowing costs at this low level assures that it will not affect the County's ability to fund direct services for generations to come.

ACKNOWLEDGEMENTS

Being "Committed to Excellence" guarantees that we are ensuring a sustainable future by focusing on core service priorities, establishing strategic partnerships, implementing business efficiencies to achieve real, ongoing cost-savings. I would like to take this opportunity to thank Waukesha County's devoted employees, entrusted appointed representatives, and capable elected officials for their professionalism and dedication in helping me to prepare a 2009 County Executive Budget that delivers important services and invests in critical infrastructure while maintaining a low tax rate. As the County Board begins its budget deliberations, I ask for your support of my proposal in its entirety. I believe that you will find that it balances service delivery needs while controlling spending.

Sincerely,



Daniel P. Vrakas
County Executive