



December 9, 2009

Dear Honorable County Board Supervisors:

The 2010 Adopted County Budget is themed "Maintaining Excellence" as Waukesha County continues our commitment to excellence in all that we do. As we prepared for the 2010 Budget process, we knew that this would likely be the most difficult budget to prepare in the last twenty years or more. As unemployment continues to rise during these tough economic times, the demand for County services becomes even greater. One important strategic goal of the County is to maintain the excellence we are known for while also maintaining our position as a low tax leader.

The 2010 Adopted Budget maintains public safety as a top priority and provides the resources to effectively serve at-risk individuals and families in need. Additionally, this budget continues our efforts to make strategic investments in our roads and building infrastructures to maintain safe and efficient functionality while anticipating and preparing for future growth.

LIMITING TAXES AND SPENDING

The 2010 Adopted Budget maintains our benchmark of low taxes while maintaining quality services. The proposed budget, before the Sheriff's police service contract to the City of Pewaukee, limited the expenditure increase to 1.5%. The Adopted Budget at a 2.1% gross expenditure increase, includes \$2.0 million in new expenditures and revenues to provide contract police services to the City of Pewaukee. The adopted expenditure Budget totals \$261.8 million, \$242.4 million of which is committed to operational costs that ensure the delivery of quality core services. The remaining \$19.4 million is dedicated to our capital project infrastructure improvements budget.

For 2010 budget purposes, the adopted 2009 County property tax levy (general and Federated Library tax) totals \$98.5 million; an increase of \$2.65 million. County Departments have worked hard on increasing collaborative efforts to help us control our personnel costs. This includes discontinuing funding for about 15 net full time equivalent positions at a cost saving of over \$1.0 million. This serves to maintain our low employee per capita ratio of 3.6 employees to 1,000 residents. The County's health plans for 2010 are expected to increase by less than 2% based on the County's actuary reports. This is also a key area that has enabled us to keep spending in check. These efforts at limiting spending have allowed us to limit the County tax levy to a 2.8% increase, in line with the 2009 Adopted Budget and below the State of Wisconsin's allowable tax levy limit.

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TAX IMPACT ON HOMEOWNERS

The administration continues to work in partnership with the County Board to limit spending and taxes. Despite a reduction in the overall County tax base (the first time in over 30 years), the Waukesha County homeowner will see an average increase of only 1.2% on an average valued home of \$272,100. The increase will be about \$5 in the County portion of the property tax bill. The County portion of the annual property tax bill has averaged a 1.4% increase over the past ten years.

BUDGET DRIVERS

During this period of economic recession, the County is facing declining revenue streams and rising costs, many of which are greater than the rate of inflation. Federal and State underfunded mandates and shifting of responsibilities to local government continue to mount while discretionary spending is kept to a minimum. The County budget is being driven by the need to fund operational costs of jail inmates, the courts, snow removal and high road salt prices. Additionally, increasing costs for growing service demands related to children and families at risk, and increasing unemployment are budget drivers as well.

Due to the most significant economic downturn since the Great Depression, especially in the real estate market, together with reductions or elimination of Federal and State revenue sources, the County has seen a significant impact on this year's revenues with reductions or eliminations totaling over \$2.5 million as listed in the County Executive's budget message.

Despite these drastic revenue reductions, the County was well-positioned to meet the budget challenges and maintain excellence mainly due to prior investments in technology, energy conservation efforts and our infrastructure to address the challenges we now face.

COOPERATION, TEAMWORK & EFFICIENCIES

As we position the County for an even better future, the Adopted 2010 County Budget includes a number of cooperative teamwork efforts and strategic combinations/partnerships to enable us to leverage resources and reduce operational costs while providing improved or more efficient services. Several of these cooperative efforts are highlighted below:

- Enhance services and respond to our growing population of Veterans and Seniors by merging the departments of Health & Human Services, Aging & Disability Resource Center, and Veteran Services Office to leverage resources, facilitate even more cooperative teamwork, and take advantage of back office efficiencies.
- Implement key strategic objectives between the Departments of Public Works and Parks & Land Use to improve operational efficiencies. This includes working together on implementing the American Recovery and Reinvestment Act of 2009 (ARRA) Energy Efficiency Block Grant of \$2.2 million expected to result in operational saving paybacks in less than 5 years. This will also include \$440,000 of revolving loans to small businesses to help with investments such as energy efficient lighting projects.
- The Criminal Justice Collaboration Council is planning to explore the future of the Huber (work release) Facility, its programs, and possible facility alternatives.
- Through a select committee, with representatives from the County Board and administrative staff, we will re-evaluate and make recommendations regarding the current organizational structure of the Airport.
- UW-Extension is working with numerous agency partners to implement the Federal Drug Free Communities program which will include a countywide coalition aimed at reducing the serious problem of drugs, alcohol, and tobacco use and abuse by youth in the County.
- The Sheriff is increasing its patrol services to communities with a \$2.0 million police services contract with the City of Pewaukee. The City will disband its local department beginning in 2010 when the Sheriff police patrol services begin.

INFRASTRUCTURE INVESTMENTS

The County has maintained its legacy of prudent fiscal responsibility. To illustrate “Maintaining Excellence,” the adopted 2010-2014 Capital Projects Plan strikes a key balance between investments in our important infrastructure and delivering critical services that will ensure the County’s future growth and economic viability. It introduces several environmentally sustainable initiatives that will help improve the environment while saving significant tax dollars over the long term. For your convenience, major highlights have been broken down into four key areas: Transportation, County Facilities, Technology, and Parks.

Transportation:

The County’s first rate County Trunk Highway (CTH) system is a critical component in our continued growth and economic health. About 37% or \$41 million of planned spending is dedicated to highway improvements. When all the Federal aid the County is utilizing for road improvements is included the result is over 50% of the Capital Plan being dedicated to improving our roadways to improve public safety and help spur economic growth.

County Facilities:

As we celebrate the 50th anniversary of the Courthouse, the 2010-2014 Capital Projects Plan addresses the County’s long-term facility needs. The plan calls for continuing general maintenance of the existing Courthouse facility and equipment including renovation of the District Attorney’s offices until major infrastructure renovation occur beginning in 2016. It addresses the public’s safety, by including the construction of a new secure connector to separate the public from inmate movement in the Courthouse at a cost of \$1.7 million. Also, the County’s largest facility project, a new efficient Health and Human Services Center, is planned to begin construction in 2012 at an estimated cost of nearly \$37 million. In addition, future investments are planned for facility equipment upgrades at the UW-Waukesha campus and to address infrastructure needs identified at the Northview facility.

Technology:

The five-year Capital Plan makes significant technology investments within the Justice and Public Safety areas. A top priority in future years will be a new project to migrate the radio technology from analog to full digital technology in 2014 at an estimated cost of \$9.5 million with cooperative funding from municipal partners.

Parks:

Park projects include \$2.3 million for park roadway maintenance improvements and \$704,000 for bikeway pavement improvements. Also, almost \$1.5 million of ARRA (Federal stimulus) funding is provided for paving the Lake County trail in 2010. This funding is administered and managed by the State and not included in the County’s budget. In addition, Parks facilities improvements include roof replacement at the Exposition Center and construction of the new Retzer Nature Center maintenance building.

SUSTAINABILITY

The Capital Projects planning process continues to provide the opportunity for the County to make infrastructure improvements and operational changes that save on-going tax dollars through environmentally friendly conservation efforts. We are proud to point out that the Retzer Nature Center maintenance building facility will adhere to Leadership in Energy and Environmental Design criteria and will qualify for an \$85,000 renewable energy incentive. As proposed, this maintenance building will use geothermal system technologies that will be funded as part of a new Federal Energy Efficiency and Conservation Block Grant estimated at \$1.65 million. In a separate project, ARRA (Federal stimulus) funding will also be used to implement energy savings mainly on interior and exterior lighting upgrades at various County facilities.

PROJECT FUNDING AND DEBT MANAGEMENT

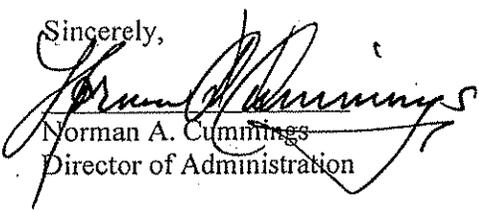
Waukesha County is "Maintaining Excellence" with our prudent capital planning, budgeting and debt management practices. To cover costs associated with infrastructure improvements, the adopted 2010 County Budget ensures that the 2010 Capital Projects Budget is funded with a tax levy and cash balance down payment of over \$4.3 million or 29.4% of the net Capital expenditures.

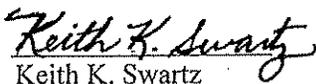
Debt borrowing is being held at \$10 million in 2010. As the result of borrowing \$2 million less than what was budgeted for 2009 and a debt refunding, the County's 2010 debt service payment is limited to increase approximately \$268,000 from the 2009 budget level to \$13.7 million. This increase is funded with a property tax levy increase of \$132,000, versus the nearly \$400,000 previously planned. In addition to tax levy, Debt Service fund balance is increased about \$136,000 (a combination of prior year jail assessment fees and debt service fund balance from prior year investment earnings). The key ratio of Debt Service expenditure budget to total governmental operating expenditure budget is projected to be at 7.0%, which is considerably lower than the County's performance measure target of less than 10%. Maintaining borrowing costs at this low level assures that the County will limit fiscal stress in continuing to fund direct operational services into the future.

ACKNOWLEDGEMENTS

We believe that you will find the 2010 Adopted County Budget continues to balance service delivery needs while controlling taxes and spending. We take this opportunity to thank the County Board for its thorough review and continued support. This budget could not be accomplished without the cooperation of department administrators and their staffs hard work and dedication to Maintaining Excellence.

Sincerely,


Norman A. Cummings
Director of Administration


Keith K. Swartz
Budget Manager