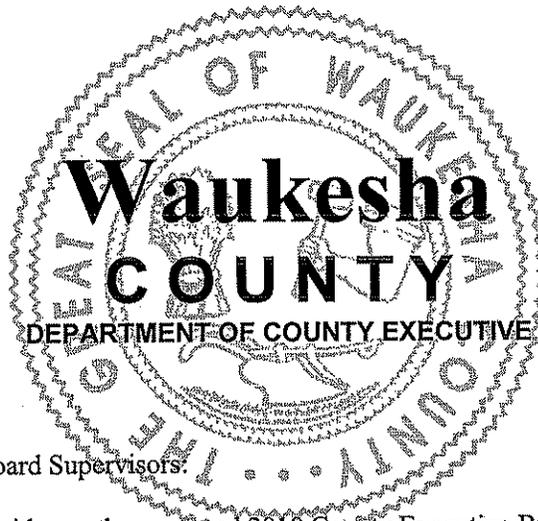


**Daniel P. Vrakas**  
County Executive



September 29, 2009

Dear Honorable County Board Supervisors:

It is my privilege to share with you the proposed 2010 County Executive Budget themed "Maintaining Excellence." I am very proud that Waukesha County has been recognized throughout the state and nationwide as a leader that continues to maintain our commitment to excellence in all that we do. As we prepared for my Executive Budget process, my staff advised me this would likely be the most difficult budget to prepare in the last twenty years or more. During tough economic times, with unemployment still on the rise, the demand for County services becomes greater. It is the goal of the County, and the intention of my proposed budget, to maintain the excellence we are known for while also maintaining our position as a low tax leader.

The 2010 County Executive Budget continues efforts to make public safety my top priority and effectively serves at-risk individuals and families. Additionally, this budget includes strategic investments in our roads and building infrastructures to maintain their safety and functionality while anticipating and preparing for growth.

I would like to thank you in advance for your continued commitment to maintaining excellence. I greatly appreciate your willingness to work with my administration on the passage of our County's budget while keeping our citizens and taxpayers in mind.

#### **LIMITING TAXES AND SPENDING**

I am proud to announce that the 2010 County Executive Budget maintains our benchmark, a reputation for low taxes while maintaining quality services, by limiting overall expenditure growth to 1.5 %, which is below the core consumer price index. The proposed Expenditure Budget totals \$260.2 million of which \$240.4 million is committed to operational costs that ensure the delivery of quality core services. The remaining \$19.8 million is dedicated to our capital project infrastructure improvements.

Waukesha County has a long tradition of "Excellence" when it comes to limiting taxes and spending. We continue to have the lowest county tax rate in the State among counties that have not implemented a county-imposed sales tax. Still, when comparing our County to those with an enacted sales tax, I am pleased to point out that Waukesha County ranks 70<sup>th</sup> out of 72 counties in the State for the lowest tax rate. Additionally, we continue to be one of less than 50 county government agencies out of more than 3,000 throughout the country to hold the coveted AAA/Aaa bond rating status; the only county in the State of Wisconsin. This status is reflective of our exemplary financial management practices and allows us to lower borrowing costs to the County and keep our taxes low.

For 2010 budget purposes, the proposed 2009 County property tax levy (general and Federated Library tax) totals \$98.5 million. County Departments have worked hard on increasing collaborative efforts to help us control our personnel costs. This includes discontinuing funding for about 15 full time equivalent positions.

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This maintains 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 keep the County tax levy stable with a modest 2.8% increase and in line with the 2009 Adopted Budget and below the State of Wisconsin's tax levy allowable limit.

## **TAX IMPACT ON HOMEOWNERS**

My 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 average Waukesha County homeowner will see an average increase of only 1.2% based on the budget I am proposing. This will result in an average increase of only about \$5 in the County portion of their property tax bill, well below the core CPI-U inflation rate.

One 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. With this budget, the tax bill on the average home now valued at \$272,100 is \$508 or less than 1 percent over this five year period. My commitment to maintaining stable, low taxes is realized again with this proposed 2010 budget.

## **BUDGET DRIVERS**

As we all work through this uncertain economic period, the County is faced with decreasing revenue streams and rising costs, many of which are greater than the rate of inflation. With more than 44% of the County's budget dedicated to Federal and State mandates, discretionary spending is at a minimum. The County has little choice but to fund operational costs of jail inmates, snow removal and high road salt prices, increasing costs of at risk children and families, and increasing unemployment. Major revenue sources related to the downturn in the economy, especially the real estate market, together with reductions or elimination of Federal and State revenue sources, have had a significant impact on this year's budget. Some of the key revenue reductions or eliminations that are dealt with in this 2010 County budget are as follows:

### **Reduced or Eliminated Major Revenues Total Over \$2.5 Million:**

- Real Estate Transfer Fee revenues decline by \$775,000.
- Health and Human Service Community aids funding is reduced \$425,000.
- Investment Income reduced by \$400,000.
- Child and Family incentive funding of over \$250,000 is eliminated.
- Parks and Land Use revenues decline by over \$250,000.
- State Transportation Aids are decreased by \$167,000.
- State funding of \$112,600 for Economic Support Fraud investigation has been eliminated.
- State Shared Revenues are reduced by \$150,000.
- State Court Support (\$1.1 million since 2000) declines by over \$35,000.

## **COOPERATION, TEAMWORK & EFFICIENCIES**

As we position the County for an even better future, the proposed 2010 County Executive Budget identifies 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 my recommended 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 in 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.

## **INFRASTRUCTURE INVESTMENTS**

The County has a legacy of prudent fiscal responsibility. To demonstrate "Maintaining Excellence," the proposed 2010-2014 Capital Projects Plan strikes a balance between investments in our important infrastructure and delivering critical services to ensure the County's growth and economic viability. It also introduces a number of environmentally sustainable initiatives that improve our impact on the environment while saving significant 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 in planned spending is dedicated to highway improvements. When you include all the Federal aid the County is utilizing for road improvements, the result is over 50% of the Capital Plan is dedicated to improving our roadways.

### **County Facilities:**

As we celebrate the 50<sup>th</sup> anniversary of the Courthouse, the proposed 2010-2014 Capital Projects Plan addresses the County's long-term facility needs. To address the public's safety, the plan includes the construction of a new secure connector, at a cost of \$1.7 million, to separate the public from inmate movement in the Courthouse. The plan also calls for the general maintenance of the existing Courthouse facility and equipment until major infrastructure renovation occurs in 2016. This includes renovation of the District Attorney's space. The largest facility project, a new Health and Human Services Center, begins construction in 2012 at an estimated cost of nearly \$37 million. Also, investments are planned to be made in facility equipment upgrades at the UW-Waukesha campus and to address infrastructure needs identified at the Northview facility.

### **Technology:**

The 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 a cost estimated at \$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 for paving the Lake County trail in 2010 will be 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 is an excellent opportunity for us to make infrastructure improvements and operational changes that save on-going tax dollars through environmentally friendly conservation efforts. I am proud to announce 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 funding estimated at \$1.65 million. In a separate project, this 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 proposed 2010 County Executive 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, the County's 2010 debt service payment is budgeted to increase approximately \$268,000 from the 2009 budget level to \$13.7 million. This increase is funded with a tax levy increase of \$132,000, versus the nearly \$400,000 as previously planned. Debt Service fund balance increase of about \$136,000 (a combination of prior year Jail assessment fees and debt service fund balance) is used to fund the remaining increase. The key ratio of the Debt Service expenditure budget to the total governmental operating expenditure budget is projected to be at 6.9%, 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 be able to continue funding direct services for generations to come.

**ACKNOWLEDGEMENTS**

We are ensuring that excellence is maintained for a sustainable future by focusing on our core service priorities, establishing strategic partnerships, and using teamwork to implement business efficiencies to achieve, 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 2010 County Executive Budget that maintains excellence by delivering quality services and making investments for the future while ensuring low taxes. As the County Board begins its budget deliberations, I ask for your support of my budget proposal. I believe that you will find that this proposed budget balances service delivery needs while controlling spending.

Sincerely,



Daniel P. Vrakas  
County Executive