



December 9, 2010

Dear Honorable County Board Supervisors:

The 2011 Adopted County Budget is themed "History of Excellence" as Waukesha County continues our commitment to set high standards and excel at everything we do.

The 2011 Adopted Budget maintains public safety as a top priority and provides additional resources to effectively serve at-risk individuals and families in need. This budget continues to make strategic investments in our roads, building and technology infrastructures to improve safe and efficient functionality while preparing for future growth.

### **RESTRAINED TAXES AND SPENDING**

During these challenging times, the 2011 Adopted Budget meets our benchmark objective of keeping taxes low while maintaining high quality services. The adopted expenditure budget totals \$268.1 million, of which \$248.1 million is committed to operational costs that ensure the delivery of quality core services. The remaining \$20.0 million is dedicated to our capital project infrastructure improvements budget.

For 2011 budget purposes, the adopted 2010 County General property tax levy totals \$97.4 million; an increase of \$1.7 million limiting the increase to 1.8% from the prior year budget. This portion of the annual tax bill has averaged only a 1.4% increase over the past 10 years. The special Federated Library System tax applied to those communities without libraries is \$2.85 million an increase of \$80 K. County Departments continue to work diligently on consolidating service delivery, outsourcing services where cost effective, absorbing additional workload without adding staff and work on private/public partnerships and collaborative efforts to help us control our personnel costs which is major budget driver. For 2011 this budget includes discontinuing funding for about 11 net full time equivalent positions at a cost saving of over \$550,000 and helps to maintain our low employee per capita ratio of 3.6 employees to 1,000 residents.

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## **BUDGET CHALLENGES**

Due to the most severe economic crisis since the Great Depression and the slower than normal recovery, especially in the real estate market, together with State budget deficits which have led to the reductions of State revenue sources. The County is seeing significant impacts on this year's revenues with reductions totaling over \$1.1 million as summarized in the County Executive's budget message.

During this period of economic instability, the County's budget continues to address several areas of declining revenue and rising costs, many of which are greater than the rate of inflation. Federal and State under-funded mandates and shifting of responsibilities to county government continues to put pressure on the budget while discretionary spending is held to a minimum. The County budget is being driven by higher public safety operational costs including jail inmates, circuit court services, emergency response, and highway safety and maintenance needs. Additionally, increasing costs for growing service demands related to children and families at risk, seniors and the unemployed are all significantly impacting this budget.

Despite these significant budget challenges, the County continues to be well-positioned to meet its strategic outcomes focusing on core essential services due to prudent prior investments made in technology, energy conservation and infrastructure to help address the challenges we now face.

## **EFFICIENCY GAINS THROUGH COOPERATION**

The 2011 County Budget includes a number of cooperative team efforts and strategic partnering that allows the County to leverage its limited resources to gain efficiencies while reducing operational costs. These efficiency gains will position the County for an even better future continuing our history of excellence. Several of these cooperative team efforts are highlighted below:

- The Criminal Justice Collaboration Council is working with Judges, the District Attorney, the Public Defenders office, the Circuit Court system and a private sector service provider and a program evaluator to expand the Alcohol Treatment Court using federal grant funds of \$1.2 million over three years with the goal of providing 150 offenders the opportunity to learn the skills necessary to better themselves and prevent reoffending and the costs of incarceration.
- Plans to implement several key strategic objectives between the Departments of Parks and Land Use and Public Works to improve operational efficiencies. This includes working together on the selections of an Enterprise Asset Management System allowing the County to utilize one common technology system platform for both buildings and roadway infrastructure maintenance which will save future operational costs.
- Public Works working together with Administration's Purchasing division to save taxpayers over \$145,000 by contracting out more housekeeping services and by fine tuning various building maintenance service contracts and identifying better pricing options to lower costs.
- The County Board Chair's Office is working more efficiently to reduce personnel costs resulting in saving taxpayers nearly \$95,000 by reassigning the work of a vacant Legislative Analyst position and underfilling a full-time Office Services Coordinator position.
- The Register of Deeds (ROD) and Emergency Preparedness departments have teamed up to engage in a cooperative pilot program to share a ROD position between the two departments. This position will provide the Department of Emergency Preparedness with professional fiscal support, which may help avoid the creation of an additional position in the future.

## **INFRASTRUCTURE INVESTMENTS**

The County continues its “History of Excellence” with its legacy of prudent fiscal responsibility. The adopted 2011-2015 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. 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. Five projects address major through routes in the County. Construction funds of \$1.2 million will complete the reconstruction of County Trunk Highway (CTH) VV (Silver Spring Drive) in the Village of Menomonee Falls and CTH X (St. Paul Avenue) in the City of Waukesha. Land acquisition funds are included for CTH L (Janesville Road) in the City of Muskego, the Waukesha West Bypass and the second phase of CTH VV (Silver Spring Drive).

### **County Facilities:**

The proposed 2011-2015 Capital Projects plan addresses the County’s long-term facility needs led by the first stage of building a new Health and Human Services Center replacing a building nearly 100 years old. Investments are also planned for facility upgrades at the UW-Waukesha campus (where the County owns the buildings) and to address infrastructure needs identified at our Northview facility.

### **Technology:**

The five-year Capital Plan makes significant technology investments for Public Safety equipment upgrades. The plan includes updating the County’s 9-1-1 phone system and the radio equipment used by the County Communications Center and municipal public safety responders, including police and fire departments. Also, a project is planned to migrate the existing radio technology from analog to full digital technology in 2014 at a cost estimated at \$9.5 million with funding contributions from municipal partners.

### **Parks:**

Parks projects in 2011 include dollars allocated for park roadway maintenance improvement projects, a roof replacement at the Exposition Center and Bugline bikeway pavement improvements. The final year funding of the Energy Efficiency and Conservation Block Grant funds will complete investments for implementing energy efficiency projects with short term paybacks.

## CAPITAL PROJECT FUNDING AND DEBT MANAGEMENT

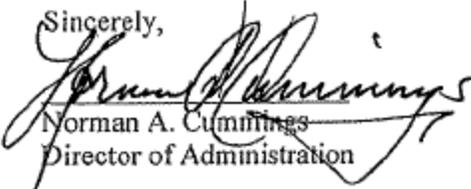
Waukesha County maintains its "History of Excellence" with prudent long-term capital planning, budgeting and debt management practices. To cover costs associated with making investments in infrastructure improvements, the adopted 2011 County Budget ensures that the Capital Projects Budget is funded with a tax levy and cash balance down payment of over \$6.0 million or 37% of net Capital expenditures.

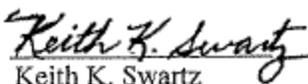
Debt borrowing is planned at \$10 million in the 2011 budget, which will bring outstanding debt to \$83.9 million. Increased debt service costs are funded with a property tax levy increase of \$300,000 and \$600,000 of Debt Service Fund Balance (which is a combination of prior year jail assessment fees and from prior year investment earnings). The key benchmark ratio of Debt Service expenditure budget to total governmental operating expenditures is projected to be at 7.3%, which is considerably lower than the County's performance measure target level of less than 10%. Maintaining borrowing costs at this low percentage level assures that the County will limit future financial stress from debt and continue to focus resources on funding direct services in future years.

## ACKNOWLEDGEMENTS

We believe that you will find the 2011 Adopted County Budget continues to balance essential service delivery needs while restraining taxes and spending. We take this opportunity to thank the County Board for its very thorough review and continued support. Certainly, this budget could not be accomplished without the cooperation of department administrators and their hard working, dedicated staff continuing the County's History of Excellence.

Sincerely,

  
Norman A. Cummings  
Director of Administration

  
Keith K. Swartz  
Budget Manager