

Daniel P. Vrakas
County Executive



September 28, 2010

Dear Honorable County Board Supervisors:

It is my privilege to present the proposed 2011 County Executive Budget celebrating Waukesha County's "History of Excellence." I am very proud of this budget which provides for effective and efficient delivery of services while keeping our taxes low. This budget continues the history of excellence Waukesha County is known for while maintaining our position as a low tax leader.

The 2011 County Executive Budget continues our efforts to streamline the delivery of County services, makes public safety my top priority and effectively serves at-risk families and individuals. Additionally, this budget includes investments in our buildings, roads and technology infrastructures to improve their safety and functionality while preparing for continued economic growth and vitality for generations to come.

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

LIMITING TAXES AND SPENDING

Waukesha County has a long history of "Excellence" when it comes to limiting taxes and spending. Based on analysis by the Wisconsin Taxpayers Alliance, Waukesha County has the lowest per capita spending compared to all the other 71 counties in the state. I am proud to announce that the 2011 County Executive Budget maintains this benchmark reputation of low taxes and spending while maintaining quality services by limiting our overall tax levy growth to 1.9 % which is well below the State of Wisconsin's tax levy allowable limit.

We also continue to have the lowest county property tax rate in the State among counties that have not implemented a county-imposed sales tax. We are only one of twelve counties not implementing the County sales tax option. When comparing our County to those with an enacted sales tax, I am pleased to point out that Waukesha County ranks 70th out of 72 counties in the State for the lowest tax rate. Additionally, we continue to be one of a select few county government agencies, out of more than 3,000 throughout the country, to hold the coveted AAA/Aaa bond rating status. This coveted status is reflective of our exemplary financial management practices and allows us to borrow funds at the lowest cost possible while helping to keep our taxes low. In this year's AAA rating analysis, Fitch Investors Services stated that "Waukesha County's financial performance is strong and supported by conservative budget practices."

For 2011 budget purposes, the proposed 2010 County general property tax levy totals \$97.55 million. County Departments have worked hard on increasing collaborative efforts and partnering to help us control our personnel costs. The proposed Expenditure Budget totals \$267.8 million of which \$247.6 million is committed to operational costs ensuring the delivery of quality core services. The remaining \$20.2 million is dedicated to our capital project infrastructure improvements. This budget maintains our low employee per capita ratio of 3.6 employees to 1,000 residents by reducing funding for over 11 full-time equivalent positions and controls net personnel cost increases to about 2 percent.

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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 County homeowner, with a median valued home at about \$260,700, will see an average tax increase of only 1.2% or about \$6, based on the budget I am proposing.

My commitment to maintaining stable, low taxes is again realized with this 2011 budget proposal. 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 our residents have benefited from the County's ability to control taxation. Since the 2006 budget, the tax bill on the median home, now valued at \$260,700, is \$514 or \$10 more over this five year period, which is less than 2% per year.

TEAMWORK, COOPERATION & EFFICIENCIES

As the County continues to position itself for an even better future, the proposed 2011 County Executive Budget identifies several key efforts of teamwork, cooperation and strategic combinations that enable us to leverage limited resources and reduce operational costs to taxpayers while providing improved and more efficient service delivery. Several of my recommended cooperative efforts are highlighted below:

- Through a select committee, with representatives from the County Board, the Airport commission and administrative staff, we have evaluated and recommended that Airport Operations be part of the Department of Public Works to better utilize resources.
- The Criminal Justice Collaboration Council (CJCC) and the Sheriff's department will work cooperatively with the Circuit Court Judges on service expansion of the Day Report Center program with a goal of reducing the inmate population. This program expansion is funded with additional tax levy of \$83,000 to increase the average daily number of participants from 45 to at least 57.
- The Sheriff's Department, working with Public Works and Parks and Land Use, will expand the Huber Jail Workforce initiative providing inmates a work alternative to daily incarceration to perform work around the County's central campus and along County highways that would not otherwise be done. This initiative is expected to save taxpayers over \$60,000 from a reduction in inmate jail days.
- The County Board Chair's Office personnel costs decreased by \$93,955, or 9%, mainly due to unfunding one full-time Office Services Coordinator position in 2011 and underfilling the vacant Legislative Policy Analyst position.
- The Public Works and Parks & Land Use departments are implementing key collaborative, strategic objectives to improve operational efficiencies. This includes using one-time American Recovery and Reinvestment Act of 2009 (ARRA) Energy Efficiency Block Grant funding of \$2.2 million to make investments expected to result in significant operational saving paybacks in less than 8 to 10 years.
- Public Works is working with Administration's purchasing division to contract out more housekeeping services at a net cost savings to taxpayer of over \$80,000. Also, the departments are working together to identify better pricing and fine tuning various building maintenance service contracts which is expected to lower costs by an additional \$66,000.
- The Register of Deeds (ROD) and Emergency Preparedness departments will engage in a cooperative pilot program to share a ROD position between the two departments. The position will provide the Department of Emergency Preparedness with professional fiscal support and may help avoid the creation of an additional position in the future.

BUDGET DRIVERS

This budget addresses several areas of declining revenue streams that the County must address while also funding the escalating operational costs of jail inmates which requires over \$600,000 of the levy increase. Also, county highway and road maintenance costs, including snow removal, require about \$290,000 in new tax levy.

Major revenue sources continue to be affected by the slower than expected economic recovery, historically low interest rates, difficulties in the real estate market recovery and the State budget deficits continue to have a significant negative impact on revenues in this budget. Some of the key revenue reductions dealt with in this 2011 County budget are:

- Investment income is reduced by \$430,000 due to historically low interest rates of return.
- Real Estate Transfer and Recording Fees are reduced by over \$100,000.
- Health & Human Services Alcohol and Drug Abuse funding block grant funds are reduced by about \$93,000.
- Health and Human Services WI Medicaid reporting (WIMCR) funding is reduced \$75,000.
- Parks' land use and real estate related inspection revenues decline by about \$65,000.
- State Transportation Aids are decreased by nearly \$100,000.
- State highway maintenance revenues and related expenditures decline by over \$280,000.
- State Shared Revenues are reduced by \$50,000.
- Agricultural land use conversion fee revenues are reduced by \$50,000.

This budget also includes the following significant revenue growth areas:

- Interest and Penalty on Delinquent taxes increase by \$450,000 due to higher delinquencies.
- Health and Human Services Children long-term support service revenue reimbursements for related expenditures increase by over \$800,000.
- Health and Human Services Community Recovery Service reimbursement revenues increase by \$493,000 based on eligible, reportable expenditures.
- Health and Human Services Comprehensive Community Services are increasing by about \$116,000 also based on eligible, reimbursable expenditures.
- Parks user fees revenue increase by \$55,000.

SUSTAINABILITY & ENERGY CONSERVATION

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 conscious conservation efforts. 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, the Retzer maintenance building will use geothermal system technologies. Additionally, a solar thermal water heating system is planned for the Justice Center. Both projects will be funded as part of a Federal Energy Efficiency and Conservation Block Grant.

INFRASTRUCTURE INVESTMENTS

The County has a legacy of prudent fiscal responsibility and this budget ensures our "History of Excellence" is sustained. The proposed 2011-2015 Capital Plan balances maintaining our important infrastructure and delivering critical services to ensure the County's economic viability and growth. The proposed Capital Plan also includes a number of environmentally sustainable initiatives that improve our impact on the environment while saving significant ongoing costs. Major highlights have been categorized into four key areas: Transportation, County Facilities, Technology and Parks.

Transportation:

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.

County Facilities:

As we celebrate the 50th anniversary of the Courthouse, the proposed 2011-2015 Capital Projects Plan addresses the County’s long-term facility needs. Investments are planned to be made in facility upgrades at the UW-Waukesha campus and to address infrastructure needs identified at our Northview facility.

Technology:

The County’s 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.

PROJECT FUNDING AND DEBT MANAGEMENT

The County’s “History of Excellence” is built on a strong foundation of prudent capital planning, budgeting and debt management practices. To cover costs associated with planned infrastructure improvements (capital investments) and limit borrowing, the proposed 2011 County Executive Budget ensures that the 2011 Capital Budget is funded with a tax levy and cash balance down payment of over \$6.3 million or 37.7% of net Capital expenditures.

Debt borrowing is being held at \$10 million for 2011. The County’s 2011 debt service payment is budgeted at \$14.6 million, which adheres to the County’s key benchmark ratio of the Debt Service expenditure budget to the total governmental operating expenditures target of less than 10%. Maintaining the debt service on borrowing at this level assures that the County will be able to concentrate funding on direct services for generations to come.

ACKNOWLEDGEMENTS

We are ensuring the County’s History of Excellence is sustainable for the future by focusing on our core service priorities, establishing strategic collaborative partnerships and using teamwork to continue implementing 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 in preparing the 2011 County Executive’s Budget that continues our history of excellence. The County strives to deliver quality services and makes investments for the future to ensure we maintain our 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 this proposed budget balances the County’s service delivery needs while controlling spending.

Sincerely,



Daniel P. Vrakas
County Executive