



September 25, 2012

Dear Honorable County Board Supervisors:

It is my privilege to present the proposed 2013 County Executive Budget that confirms our “Commitment to Excellence.” It is that commitment that has distinguished Waukesha County as a leader in Wisconsin and the nation. In all that we do here at Waukesha County, that commitment is clear. I am so proud of the Waukesha County employees who have repeatedly proven this by providing excellent service to all of our County residents. This budget reaffirms this commitment by providing the outstanding services we are known for while respecting the taxpayer.

I would like to thank you in advance for your continued contribution to the County’s “Commitment to Excellence.” I greatly appreciate your willingness to work collaboratively with my administration on the passage of our County’s budget and keeping our citizens and taxpayers in mind.

TAX IMPACT ON HOMEOWNERS AND BUSINESSES

My administration diligently works in partnership with the County Board of Supervisors to limit property taxes on hard working families and job creating businesses. Based on the budget I am proposing, **a homeowner, with a median valued home estimated at \$243,200, will see a \$2 decrease on the County portion of their property tax bill** and businesses would pay less than half the County property taxes invoked on a similarly valued property in Milwaukee County. I remain committed to maintaining our low tax rate for County residents and businesses.

REDUCING SPENDING & LIMITING TAXES

Waukesha County is “Committed to Excellence” and has a long history of fiscal prudence. When it comes to limiting spending and taxes, I am proud to announce that the 2013 County Executive Budget maintains our reputation as a low tax leader while maintaining quality core services. Our goal is for Waukesha County to continue to have the lowest spending per capita of all 72 counties in the State.

We 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 one of only ten counties that have not implemented such a sales tax, and should be proud of it. 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 counties, out of more than 3,000 nationwide, to hold the coveted AAA/Aaa bond rating status. This rating reflects our exemplary financial management practices and allows us to borrow funds at the lowest rate possible and helps keep our taxes low.

County Departments have worked diligently to be innovative, use technology to improve efficiency and seek collaborative efforts and partnerships to help us continue to control spending. The proposal cuts spending by \$10.9 million, taking total expenditures down to \$273.7 million. Our operating Budget appropriates \$245.8 million to delivering our high quality, core services, with the remaining \$27.9 million dedicated to our capital

infrastructure investments. This budget maintains our low employee per capita ratio of 3.5 employees to 1,000 residents, the lowest in the state, by controlling positions and limiting net personnel costs increases overall to 1.5%.

COLLABORATION & COOPERATION

Waukesha County continues to be “Committed to Excellence” by working together with other municipalities and County governments to gain economies of scale and streamline government services while saving taxpayers millions dollars. Over the past few years, the County has reached out to municipalities seeking mutually beneficial partnerships that have saved local taxpayers over \$2.0 million. These partnerships and collaborations include Countywide emergency dispatch services, Sheriff’s contracts for police patrol services, Public Works highway projects and operations, Parks and Land Use services and others. This proposed 2013 County Executive Budget includes several areas where strategic, cooperative efforts allow us to leverage our limited resources and reduce taxes.

- Emergency Preparedness Communication Center will provide emergency 9-1-1 dispatching to the City of New Berlin, resulting in an estimated net cost saving to City taxpayers of about \$650,000 a year.
- Radio Service operations are working with Milwaukee County representatives to address the design phase of the digital Radio Upgrade project to work toward interoperable digital radio communications across County lines – a plan that would save both counties money.
- Parks and Land Use management is working with an interested citizen group to raise funds for at least one-third of the cost to develop a new dog exercise area planned to open at Mukwonago Park mid-year 2013.
- Prompted by the state, Waukesha County Health and Human Services has joined with four other counties (Fond Du Lac, Ozaukee, Walworth and Washington) to form the Moraine Lakes Consortium in 2012. Income Maintenance programs assist low-income families through Medicaid, BadgerCare, FoodShare, Child Care, and other programs. Participating counties are seeking continuous improvement and efficiencies by collaborating in call center duties, document processing and client interviews. Staff is rotated and cross-trained in these duties with the goal of increasing productivity.
- The Register of Deeds and Administration - Records Management Division are cooperating to image a backlog of real estate documents and redact social security information from those records.
- The County Board Office is working cooperatively with the County Executive’s Office, and numerous other agencies throughout the County, in effort to improve economic development coordination.

BUDGET DRIVERS

The 2013 budget addresses certain areas where revenue streams are still soft or declining, and therefore must be addressed, while escalating operational costs need to be funded. Cost in certain key areas are increasing greater than inflation rates, such as Jail inmate medical costs, vehicle fuel prices, mental health and related prescription drugs costs, and workers compensation costs.

The slower than expected economic recovery, historically low interest rates and slow real estate market recovery continue to have a significant negative impact on revenue sources throughout this budget. Several key Revenue and Expenditure impacts addressed in the 2013 County budget are listed below:

- State youth aids funding to Health and Human Services used for juvenile prevention, intervention and corrections programs is reduced over \$200,000, now totaling \$630,000 in the past three years.
- State Circuit Court Support grant (which has basically been frozen since 2000) and other court related funding is estimated to drop by another \$30,000, while tax levy funding necessary to provide adequate on-going Court support services is increased by \$135,000.
- Investment income in the Treasurer’s budget is reduced by \$280,000 due to historically low interest rates of return for an extended period.
- Tax levy impact to fund the higher costs of on-going adult corrections in the County’s Jails is over \$350,000.
- The Medical Examiner’s Office expenditures are budgeted to increase by \$113,600 to address growing caseloads. This includes adding staff and contracting for additional autopsy coverage.
- Emergency Preparedness expenditures increase by over \$367,000. This includes the addition of 3.0 full-time Telecommunicators (additional personnel costs of \$213,000) for the transfer of New Berlin dispatch activity to the Communications Center.

- State mental health institute placement costs for Human Services adult and youth clients are budgeted to increase by nearly \$312,000.
- Mental Health Outpatient and Support Services expenditure are budgeted to include an anticipated increase in room, board and treatment costs for the Comprehensive Community Services clients, Community Recovery Services clients and residential care placements. Costs increase by about \$270,600, based on management anticipated increase in days of care.
- Mental Health and Alcohol and Other Drug related pharmaceutical and medical supply costs are budgeted to increase by nearly \$170,000.

INVESTING IN INFRASTRUCTURE

The County has consistently demonstrated its prudent financial planning as it is “Committed to Excellence” by continuing to make sound strategic investment decisions to maintain our critical infrastructure. My proposed 2013 Capital Budget follows our capital plans to phase down capital spending by over \$12 million in 2013 to \$27.9 million, after funding major portions of construction costs on our two largest building and highway projects to date (the new Health and Human Services building and expanding CTH L - Janesville Road in the City of Muskego) in last years adopted budget. We continue to reinforce our mutual objectives of striking a balance between maintaining our important infrastructure assets to ensure the County’s economic viability while delivering critical core services to those people in the community who need them most.

Major 2013 Capital budget spending highlights are outlined in the following key areas: County Facilities, Transportation, Technology and Parks projects.

County Facilities

- The proposed capital budget includes nearly \$10.3 million for the second year of construction funding on the County’s \$35.2 million Health and Human Service building project which is \$7.8 million less funding than included in the 2012 adopted budget. This proposed budget reduces the overall building project cost by another \$1.0 million on top of a \$500,000 reduction in last year’s budget because of favorable weather conditions for construction and a very competitive building bid market. The new building, which replaces the current building built in 1911 and the existing Public Health Center, is planned to open by the fourth quarter of 2013.
- Prioritized building infrastructure improvement projects are budgeted at a total of over \$1.4 million in 2013. These projects include nearly \$950,000 for the replacement of the chiller and controls at the County owned UW-Waukesha campus. Energy efficiency improvements are budgeted at \$333,000 to provide more cost effective lighting upgrades. This projects is expected to achieve reduced energy consumption and cost savings in the range of 10 to 20 percent. Fueling Site upgrades at County facilities are expected to be completed with second year funding of \$82,000. In addition, design work to address the chiller equipment at the Mental Health Center is budgeted at \$48,000 with plans for future replacement.

Transportation

The County’s first rate County Trunk Highway (CTH) system is a critical contributor to our strong economic future. These important infrastructure assets promote public safety and economic development. My proposed 2013 capital budget devotes over \$9.0 million to key highway improvements including \$1.5 million for road surface repaving, intersection signal and safety improvements. Three significant priority corridor projects totaling over \$6.0 million are outlined below:

- By far the largest County highway project to date, CTH L (Janesville Road), in the City of Muskego, is set to be completed with a total project cost of over \$27 million. This budget includes the final year construction cost of nearly \$3.4 million of County funding, \$2.2 million of city revenue reimbursement for locally requested amenities.
- \$1.5 million is budgeted for the second phase of CTH VV (Silver Spring Drive) in the Village of Menomonee Falls where 1.5 miles of road will be reconstructed into multi-lane sections.
- Additional planning and design costs of \$1.2 million are budgeted for the Waukesha West Bypass project.

Technology

The Capital Budget continues to make key technological investments to improve operational efficiencies with over \$2.2 million in funding for 2013. For the Justice and Public Safety areas, projects include \$20,000 for the design of the jail system software upgrade and \$775,000 for the planned digital upgrade of the Countywide interoperable public safety trunked radio system. The design plans, budget and concept work related to this system is being coordinated for a possible joint system with Milwaukee County. Waukesha County's portion of this project has an estimated total cost of \$9.5 million. County funding is being supplemented with contributions by municipal partners.

Other technology projects funded in the 2013 budget include an additional \$275,000 for the Workforce Management system project to extend scheduling and provide consultant assistance to minimize the impact of implementation work on regular staff. A multi-year project in the Register of Deeds office to remove social security numbers from electronic real estate records will continue with redaction fee revenue funding of \$300,000. A document fee surcharge provides funding needed for software and third party work. A project to redact old files is also planned, and will be done with in-house staff. An Enterprise Content Management project is funded at \$250,000 to complete the automation process for storage of electronic records. In addition, a study of the County's Election System is planned at a cost of \$70,000.

Parks

Nearly \$4 million is provided for major Parks projects in the 2013 Proposed Budget. The multi-year restroom renovation projects, at reserved picnic sites throughout County parks, continues at Minooka Park with \$700,000 in funding. Paving the Bugline bike trail continues in 2013 with \$2.5 million, funded in part with \$1.9 million in Federal funds. Additional projects include the first year design work for bridge replacements at Wanaki Golf Course at a cost of \$50,000; demolition of the abandoned Menomonee Park Maintenance Building at a cost of \$325,000; and \$285,000 for the replacement of the Eble Ice Arena Roof.

PROJECT FUNDING AND DEBT MANAGEMENT

The County's "Commitment to Excellence" is built on a solid foundation of strategic, long-range capital planning, budgeting and debt management policies and practices. Our prudently planned infrastructure improvements (capital investments) are funded with a planned borrowing of \$17 million, cash balance down payments of over \$5.0 million which includes \$2.0 million of County property tax levy, for a total of 22.5% of net Capital expenditures.

The County's 2013 debt service payment is budgeted at \$14.8 million, which is well within the County's key benchmark ratio of Debt Service expenditure to the total governmental operating expenditures. Maintaining debt service on borrowing at a lower level than 10%, in the range of 7% -7.5%, assures the County will be able to concentrate funding on direct services for future generations.

ACKNOWLEDGEMENTS

The County remains committed to our standard of excellence by focusing on our core service priorities, establishing strategic partnerships and implementing business process efficiencies to streamline operations and 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 2013 County Executive's Budget. 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 taxes and spending.

Sincerely,



Daniel P. Vrakas
County Executive