



December 13, 2013

Dear Citizens of Waukesha County:

It is my privilege to present the 2014 Adopted Budget which holds the line on taxes, supports our vital infrastructure and reflects our County values. Last year, Waukesha County began updating and reenergizing the County's strategic plan. As the first step of this process our Strategic Planning Committee compiled a list of the County's core values. Among them were collaboration, ethics and integrity, innovation, efficiency and our Aaa/AAA standard. We reference these values in our daily decision making, a practice that is clear in the 2014 Budget.

TAX IMPACT ON HOMEOWNERS

My administration diligently works in partnership with the County Board of Supervisors to limit property taxes on hard working families and job creating businesses. Under the 2014 Adopted Budget, a **County homeowner, with a median valued home estimated at about \$238,900, will see no change on the county portion of their property tax bill.** Businesses and citizens in the County will continue to benefit from our stable tax environment and the fact that Waukesha County has the lowest county property tax rate among counties without a county sales tax. I remain committed to maintaining low taxes for County residents and businesses.

COLLABORATION & COOPERATION

Waukesha County exercises its value of collaboration by working with other governments to gain economies of scale and streamline government services while saving money. The 2014 budget includes several new areas where we will join forces with other governments to reduce taxes. These partnerships include:

- Radio Service operations working with Milwaukee County on the Digital Radio Upgrade project allowing for interoperable radio communications across county lines while saving both county's taxpayers money for capital investment and annual operating costs.
- Partnering with the City of Milwaukee to jointly process recyclables in a single stream facility and leverage over 20,000 tons each of recyclables to obtain optimal private sector processing proposals.
- Soliciting proposals for an on-site medical/wellness center with City and School District of Waukesha to save on health insurance costs.
- Studying courthouse remodel/replacement options that may include co-locating with City of Waukesha.

BUDGET DRIVERS

The 2014 budget addresses areas where revenue streams are declining and holds personnel expenditure increases to below 1.5% with the help of lower health insurance costs including plan design changes, premium costs share changes and greater health savings account (HSA) participation. Some areas are seeing rate increases greater than inflation, such as jail inmate costs - especially medical and food costs, vehicle fuel prices, mental health and related prescription drugs costs.

Several key revenue and expenditure highlights in the 2014 budget are listed below:

- Most major State revenue funding sources remained at or near their current 2011-2013 levels.
- Reduced prisoner board revenue for Federal prisoners and Huber room and board totaling \$259,000 and reduced fines and forfeiture and court fee revenues \$180,000 based on prior year actuals.
- Full year costs of both the transfer of New Berlin dispatch activity to the Communications Center and the implementation of the new computer aided dispatch software increasing expenditures \$269,000.
- \$212,000 increased levy support to offset reduced investment income expenses as historically low rates continue.
- State/Federal revenue increases of \$667,000 related to the 2013 mid-year creation of ten regular full time Economic Support Specialist positions to assist individuals applying for health insurance under the Affordable Care Act. These positions will sunset when the funding is reduced or terminated in 2015.

INVESTING IN INFRASTRUCTURE

The County has consistently demonstrated its value of prudent financial planning by continuing to make sound strategic investment decisions to maintain our critical infrastructure. The 2014 Capital Budget continues capital spending at \$28.0 million but holds borrowing to \$10 million.

The capital budget devotes \$6.7 million for key highway improvements including \$3.2 million for road surface repaving, intersection signal and safety improvements. The remaining \$3.5 million includes roadway rehab and expanded capacity including \$1.5 million for the last phase of CTH L (Janesville Road) expansion in the City of Muskego.

Building infrastructure improvements total about \$1.5 million and technology investments include \$1.2 million for the first year of a two-year plan to implement the County's election system through process improvements and automated system enhancements.

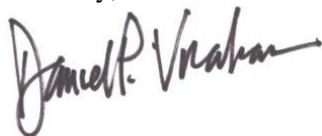
The Capital Budget continues a \$9.5 million project migrating the County's public safety radio technology from an analog to a digital signal in 2014. The budget also includes a project to replace radio console equipment for \$900,000, funded with previously reserved funds designated for equipment replacement at the Communications Center.

Parks and Land Use capital spending includes \$5.4 million as the County's share for a project to develop a collaborative Material Recycling Facility with the City of Milwaukee in 2014. Other funding will continue restroom renovations at reserved picnic sites throughout County parks and begin preliminary design work for a multi-use trail connecting Frame Park in the City of Waukesha to Mitchell Park in the City of Brookfield.

ACKNOWLEDGEMENTS

We are ensuring the County maintains its key values by focusing on our core service priorities, establishing strategic collaborative partnerships and using teamwork to continue 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 preparing and passing the 2014 Adopted Budget. The County strives to deliver quality services and make wise investments for the future to ensure we maintain our low taxes. I believe this budget strikes an important balance between funding the County's service needs and controlling taxes and spending.

Sincerely,



Daniel P. Vrakas
County Executive