

2014 Executive Budget Message

(Intro Slide)

Good Evening and thank you for providing me the opportunity to present my 2014 budget that reflects our county values.

I applaud past and present supervisors, elected officials, and other leaders in our County that have contributed to Waukesha County's success and I want to welcome our newest County Supervisor, Dave Zimmerman.

I'd like to thank County Board Chairman Paul Decker, Finance Committee Chair Pat Haukohl as well as all other Committee Chairs – Dave Swan, Duane Paulson, Jim Heinrich, Gil Yerke, Peter Wolff and former County Supervisor Dave Falstad. These Supervisors sat alongside me in numerous meetings to work with Department leaders, Budget Manager Linda Witkowski, and our budget team to prepare a budget that provides outstanding services to Waukesha County while being respectful of our taxpayers. I appreciate your continued willingness to work with my administration on the passage of the County's 2014 Budget.

In 2012, Waukesha County began updating and reenergizing the County's strategic plan. As the first step in this process our Strategic Planning Committee listed the County's core values. Among them were collaboration, ethics and integrity, innovation, efficiency and our Triple A standard. We use

these values in our daily decision making, and that is clear in the proposed budget before you.

One of the things that sets us apart is that we value the relationship between the executive and the legislative branch. Because of this, I have chosen to work closely with the County Board to prepare the County budget. Since I've had the honor and privilege to serve as your County Executive, I've set a precedent by bringing the board in on budget discussions early on to allow for input from Supervisors throughout the budget process.

I am proud to tell you that the budget I'm presenting to you tonight once again sets a standard for government. This budget, if adopted, will freeze the County's portion of the property tax bill for Waukesha County homeowners and businesses.

In Waukesha County we respect our taxpayers. Through efficiency, smart budgeting and sticking to our core values, we are able to hold the line on County property taxes for 2014.

(Executive Budget Outcomes Slide)

Our budget outcomes truly represent our County values.

This budget achieves our goal of maintaining low taxes while continuing the high-quality delivery of essential services and our commitment to infrastructure and sustainability. Through

teamwork and strategic partnerships, we are able to identify and carry out operational efficiencies within our departments.

Our dedicated employees, exceptional department heads and outstanding budget team have worked diligently to be innovative, use technology to improve efficiency and seek partnerships to control spending. Our budget team is extremely talented and provides great fiscal management for Waukesha County.

(Highest Possible Bond Rating Slide)

This year marks the 25th consecutive year that Moody's Investors Service, and the 16th consecutive year that Fitch Ratings have assigned AAA/Aaa bond ratings to our County.

Earlier this year, in confirming Waukesha County's AAA/Aaa bond ratings, Moody's noted that they expect Waukesha County's "financial position to remain strong due to a history of conservative budgeting," and Fitch ratings noted "prudent fiscal policies and budgetary conservatism have resulted in positive financial results."

(Restraining County Spending Slide)

If you, distinguished members of the County Board, adopt this proposed property tax freeze, Waukesha County's taxes will remain among the lowest in the state. In fact, Waukesha County will continue to have the lowest tax rate among our

contiguous counties and the very lowest tax rate in the entire state, among the few counties in Wisconsin, like Waukesha, that don't levy a county sales tax.

(Budget Environment Slide)

With our strong fiscal management and stable tax climate as a backdrop, the year began with the introduction and passage of the state budget in Madison. The 2013-2015 State Budget provides Waukesha County stable funding sources for County programs. However, at the County level, we have experienced revenue reductions in the Sheriff's Department and Circuit Courts and there is a continuing trend of decreasing investment income. The real estate market, however, has improved resulting in an increase in real estate transfer fees and document recording revenue in the Register of Deeds Office.

(Executive Proposed Budget)

I am proud to represent a County where the Executive and Legislative branches are able to work together to create a balanced budget that guarantees that high quality services are available to our constituents and keeps the taxpayer at the forefront of our decision making.

(County Tax Levy Funding Slide)

This past winter, Waukesha County held a series of strategic planning focus groups where constituents provided insight on County government and shared what they value as a taxpayer and community member. From those focus groups we clearly confirmed that public safety is the top priority of our residents.

As you can see from this slide, my budget reflects this. Over 65% of our County tax levy is dedicated to Justice, Public Safety and Human Services.

Taxpayers also said that they, much like all of us in Waukesha County, value government efficiency. Because of this we keep the percentage of County property taxes spent on the administrative functional area to less than one percent. This demonstrates that our major focus remains on the delivery of services to county residents.

(Capital Projects Plan Slide)

This proposed budget maintains strategic investments in our infrastructure. Our values of focusing on public safety, efficiency and collaboration can be seen in our capital plans. Waukesha County is committed to maintaining our infrastructure while planning for future growth. This commitment helps Waukesha County retain and attract families, businesses and jobs to the area, and provide safe,

high-quality roads, bridges and top-quality emergency services to our residents.

Highway projects in the plan include expanding a portion of County Highway O/Moorland Road in the City of New Berlin from two to four lanes and widening 2 miles of CTH M/North Avenue in the City of Brookfield. Highway rehabilitation projects include a portion of CTH F in Pewaukee, CTH I in the City of New Berlin and upgrades and a jurisdictional transfer of CTH C in the City of Delafield.

Because we value operating our County like a business, when we invest in a road or a building project, we put a minimum of 20% down, the funds we borrow are at the lowest interest rate available because of our AAA/Aaa bond ratings and each bond issue is paid off in ten years or less.

This is an extraordinary standard, for government or the private sector, a standard we can all be proud of.

(Partnerships and Efficiencies)

Over the past couple of years, the County has worked with municipalities to cooperate and collaborate to save tax dollars.

Seeking partnerships between these governments, departments and the private sector to implement efficiencies has been one of the keys to Waukesha County's strong fiscal health. Once

again our proposed budget introduces efficiencies through strategic partnerships and teamwork.

Counties around the country are migrating radio systems from analogue to digital. Next year, Waukesha County will implement its new digital system. As part of the upgrades, Waukesha County is cooperating with our neighbor, Milwaukee County, and jointly funding a study to layout a possible road-map where our two counties will share a new, state-of-the-art digital radio tower system. This partnership will increase public safety communication between our respective counties and save both counties tax dollars.

Additionally, in an effort to reduce employee health insurance costs, the County is partnering with the City of Waukesha and the Waukesha School District to develop an on-site medical clinic to be operated by a private sector contract in an existing County facility.

A recent study projected that this clinic will generate nearly \$7 million in savings over five years for the County, City and School District, by lowering health claims and prescription drug costs through private onsite management and encouraging greater use of primary care over specialty care.

And finally, based on consultant recommendations, next year Waukesha County will collaborate with the City of Milwaukee to pursue a joint material recycling facility. This joint project is expected to allow participating municipalities to move from

“dual stream,” recyclable processing, where materials must be sorted by residents, to a more efficient “single stream” system where all paper, bottles and cans are mixed together in a single container for collection and processing. This new system is expected to increase program revenues through higher recycling levels and will allow us to sustain and likely increase the annual dividends that Waukesha County sends to participating municipalities.

(2012 Employees Per Capita)

As I have already mentioned, a value Waukesha County takes great pride in is operating with efficiency. When comparing Waukesha County to similar counties in the state, the efficiency in which we function is clear. Waukesha County has significantly fewer employees per one-thousand residents than similar sized counties.

Department leaders are identifying ways for their employees to collaborate, they’re cross-training their employees, sharing employees, and where possible, they’re keeping positions open in order to limit the size of our government while still providing uninterrupted, high-quality service to our residents.

Waukesha County continues to engage in Lean Initiatives designed to streamline existing processes, identify efficiencies and save money. To date over 50 County employees have been trained in Lean Initiatives, and next year we expect to double this number.

(2012 Comparative Property Taxes (Business))

When comparing our County's tax impact on businesses to contiguous counties, Waukesha County is clearly the low tax leader.

One of the key ways Waukesha County is able to support economic development, and retain and attract businesses, is by keeping our property taxes low.

As I have pointed out, Waukesha County ranks 70th out of 72 counties in the State for the lowest tax rate. Because of our low-tax philosophy, County taxes on a business located in Waukesha County will be less than half of the County taxes on an equally valued business located in Milwaukee County.

Statistics & Trends

Beyond our reputation for low taxes, Waukesha County is a leader in Wisconsin in so many other ways:

We are the lowest per capita spending county in the state. We have the 2nd highest per capita income and 2nd highest median household income in the State.

Waukesha County, at 390,000 residents, is the 3rd largest, and one of the fastest growing, counties in Wisconsin.

Additionally, we are one of the select few counties in the nation to receive the coveted AAA/Aaa bond ratings.

(Conclusion)

I am very proud to help lead a County that “Leads the Way” with our key values. I am proud to tell you and our taxpayers that the budget I present you is a reflection of those strong values. And, if adopted, Waukesha County will freeze the County portion of your property tax bill while continuing to provide high quality services while staying focused on collaboration, ethics and integrity, innovation, efficiency and our Triple A standard.

Mr. Chairman and Supervisors, I would like to thank my administration and all of our devoted employees, appointed Board and Commission members, advisory groups and elected officials for their dedication in helping me prepare a 2014 budget we can all be proud of.

God Bless America, God Bless the great State of Wisconsin and God Bless Waukesha County. Thank you.