

2015 Executive Budget Message

(Intro Slide)

Good Evening, I want to begin tonight by expressing my deep sadness with the passing of our friend Walter Kolb. For 22 years, Walter respectfully served this body and our County with great dignity. The thoughts and prayers of my family go out to his wife Anita, his son, County Supervisor Robert Kolb and the entire Kolb family. He will be missed.

It was with Walter and other County Supervisors, that I began the budget process several months ago. Since then, the budget team, led by Linda Witkowski, and I have held countless meetings and have had many discussions on the 2015 Executive Budget. I want to thank you for providing me the opportunity to present the result of that hard work to you tonight. As in years past, my 2015 budget maintains Waukesha County's outstanding services and holds the line on County property taxes.

I'd like to thank County Board Chairman Paul Decker, Finance Committee Chair Jim Heinrich as well as other supervisors – Chairman Dave Swan, Chairman Peter Wolff, Chairman David Zimmermann, Supervisor Eric Highum, Supervisor Richard Morris, Supervisor Larry Nelson, Supervisor Duane Paulson, Chairman Gilbert Yerke, Supervisor Bill Zaborowski, Supervisor

Steve Whittow and our friend, and County Board 1st Vice-Chairman, Walter Kolb – who sat beside me in countless meetings creating a 2015 budget of which we can all be proud. I appreciate your continued willingness to work with my administration on the passage of the County’s 2015 Budget.

Each spring, along with the budget team and key staff, I embark on the process of creating the County’s budget. This process requires prioritization, strategic thinking and making difficult decisions, but also provides the opportunity to examine new and innovative ways to save tax dollars.

Part of the budget process involves seeking public input. As in the past we held three traditional town halls meetings around the County. We met with folks in New Berlin, Oconomowoc and right here in the County Courthouse. This year, however, we added a fourth Town Hall meeting, an online Town Hall meeting on Twitter. The live event allowed people who were unable to attend one of the face to face meetings the opportunity to ask questions and get real-time answers and to provide feedback on the County budget. It was a first of its kind event for Waukesha County and was a great success.

I am proud of the innovations, partnerships and strategic decisions we have made and thank the citizens of Waukesha County for their valued participation.

Again this year we maintain our commitment to our top priorities of public safety and maintaining vital infrastructure while addressing the County's alcohol and drug problems by supporting treatment courts and planning for the future by investing in technology.

The budget I am presenting to you tonight, if adopted, will cut expenditures by \$3 million, lower the tax rate, freeze the County's portion of a homeowner's property tax bill and, for the 30th year in a row, we refuse to implement a county sales tax that would cost taxpayers \$35 million dollars a year.

(Executive Budget Highlights Slide)

Our budget outcomes represent our commitment to key strategic priorities.

This budget emphasizes and extends our strategic partnerships and commitment to the privatization of services. With our new partnership with Lad Lake, to provide juvenile shelter care services, we have now privatized 64 programs that were once provided by county employees.

Through privatization, teamwork and strategic partnerships we are able to save money, maintain our high level of service and become more efficient. I believe this is one of

the reasons why we are the lowest spending per capita County is the state of Wisconsin.

Our dedicated employees, exceptional department heads and outstanding budget team have worked diligently to innovate, become more productive and form partnerships to control spending. Our budget team is extremely talented and provides great fiscal management for Waukesha County.

(Highest Possible Bond Rating Slide)

Maintaining our triple A bond rating is not only a key fiscal priority for the county, it is a standard – a “Triple A standard” – we embrace in all our services and decision making. This year marks the 26th consecutive year that Moody’s Investors Service, and the 17th consecutive year that Fitch Ratings have assigned AAA/Aaa bond ratings to our County.

In confirming Waukesha County’s AAA/Aaa bond ratings, Moody’s has 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 solid reserve levels and ample financial flexibility.”

(Restraining County Spending Slide)

In the 9 years that I have had the honor and privilege to serve as your County Executive, our residents have seen very little change in the County portion of their tax bill. Yet in that same 9 years the county has covered the significant expense of adding new dispatch partners at the Waukesha County Communication Center, while saving millions of dollars for local taxpayers.

We've built a \$30 million dollar Health and Human Services Building to guarantee that for the next 50 years our citizens with the greatest needs will have a place to receive care and services to assist them. Additionally, we've reconstructed, expanded and maintained the largest County highway system on the state and funded the most expensive highway project in the history of our County, Janesville Road in the City of Muskego. You are to be commended for holding down our taxes while meeting the demands of a growing county.

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)

In addition to local tax dollars, a large portion of the County's budget is funded through state and federal funding. That external funding can fluctuate from year to year and affect county programs and operations. Overall, the 2013-2015 State Budget provided Waukesha County stable funding for most County programs with the exception of a drop in General Transportation Aids.

Revenue from County operations is also known to fluctuate from year to year. We have experienced reductions in revenue from Circuit Court activities and the Sheriff's Department prisoner revenue. Additionally this year, due to the sixth consecutive year of historically low interest rates and long-standing restrictions on how county governments are able to invest money, we have dramatically decreased our projected investment income in this budget.

That being said, due to sound fiscal management Waukesha County is well positioned to handle these challenges.

(Executive Proposed Budget)

As I've often said, it's rare to have a County where the Executive and Legislative branches are able to work so well together to resolve difficult issues and create a balanced budget committed to key priorities and consistently keeping the taxpayer at the forefront of our minds.

I'm proud to say our budget is a balanced budget.

(County Tax Levy Funding Slide)

Waukesha County's key priorities are well in line with the expectations of our taxpayers. In recently conducted focus groups, taxpayers clearly stated that their top priorities are public safety and human services. As you can see from this slide and you can read in this budget, over 65% of our County tax levy is dedicated to those priorities.

(Capital Projects Plan Slide)

The goal of the County's 5-Year Capital Plan is to maintain the County's existing infrastructure while also planning for growth and anticipating the future needs of our residents.

In Fiscal Year 2015, there is a \$10 million decrease in Capital Budget spending as a result of completing key

projects this year including the Emergency Dispatch Radio System upgrades and the Joint Materials Recycling Facility.

Facility projects in the plan include UW-Waukesha roofing improvements and the replacement of HVAC units on campus with new, more energy-efficient equipment.

Also in the plan is a project to expand the County's Communications Dispatch Center to accommodate additional partner agencies. That same project will expand the County's Emergency Operations Center to provide the needed space for handling large-scale emergency events and trainings.

(Partnerships and Efficiencies)

A key to the County's success in controlling spending has been the strategic partnerships we've formed to save money.

Over the past several years, the County has worked with other governments to collaborate to save tax dollars. This year, I am pleased to announce that we have worked with the Medical Examiner's Office to reach an agreement with Walworth County and expect to come to a similar agreement with Washington County to take on their medical examiner responsibilities. This regional effort will bring enhanced services and professional medical oversight

to the contract counties and will provide additional stability to Waukesha County's Medical Examiner operations. I want to thank Dr. Linda Biedrzycki for her continued dedication and service to the County.

In the coming months, two long-planned collaborative projects will begin operations: the opening of the Employee Health and Wellness Center in partnership with the City and School District of Waukesha, and the joint Materials Recycling Facility in partnership with the City of Milwaukee. Both projects are expected to save County residents significant tax dollars.

Relationships with non-profit providers are equally important to our success. Next year, Lad Lake will begin providing shelter care services for juveniles. This contract will save the Health and Human Services Department \$130,000 annually, that money will be reinvested into key programs within the department.

Also next year, the County will begin project design for the expansion of Camp Pow Wow in Menomonee Park in conjunction with the Association for the Rights of Citizens with Handicaps, or ARCh. The camp, which provides recreational opportunities for adults and children with disabilities, has seen an increase in demand and warrants expansion. Waukesha County and ARCh will equally share in the project costs and everyone will benefit.

As with all County programs, agreements with our private sector partners need to be examined on an annual basis to ensure the prioritization of tax dollars for needed services. This year, we took a long, hard look at two entities partially funded by County taxpayers, the Waukesha County Museum and the Waukesha County Economic Development Corporation (WCEDC).

Most of you here tonight are very familiar with the board's continued debate over funding for the Waukesha County Museum. I am proud of our commitment to the museum for the past 12 years – 2 years beyond the County's original contract.

However, upon examination of our priorities, the difficult decision was made to end Museum funding. I continue to encourage the Museum Board to explore partnerships with the private sector and develop a self-sustaining plan moving forward. I sincerely hope there is an opportunity to work with the museum in another capacity in the future.

While museum funding has been widely debated by this body, the idea of performance-based funding for the Waukesha County Economic Development Corporation is a topic that I have been thinking about for some time.

The WCEDC is the organization responsible for managing the County's Community Development Block Grant revolving loan program. A few months ago, the WCEDC

informed us that due to the time commitment required to manage the loan program, at years end, it would no longer be providing the County that service.

Since that time we have conducted a great deal of research on the economic development activities of our peer counties around the country and counties right here in Wisconsin. We have decided to solicit information, through an RFI process, from potential private sector, contract agencies to continue County economic development efforts.

I believe the RFI process is the best way to ensure that County taxpayers will get the biggest return on their investment.

For a long time our county has been able to grow by simply welcoming businesses and assisting them with their expansion plans in Waukesha County.

Times have changed.

We need to actively pursue economic development opportunities and let the job creators from around the region; state and the nation know that we want them here in Waukesha County.

(2013 Employees Per Capita)

Prioritizing services, collaborating and innovating, are keys to the County achieving a low number of employees per capita when compared to other counties in the state.

As you can see from this slide, Waukesha County has significantly fewer employees per one-thousand residents than similar sized counties.

Also key to the County's high productivity is our investment in Lean Initiatives designed to streamline existing processes, identify efficiencies and save money.

To date, over 100 employees have been trained on Lean principals and have participated in projects saving over \$100,000. With continued investment in Lean Training in 2015 we expect these numbers will continue to grow.

(2014 Comparative Property Taxes (Business))

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

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

tax leader. In fact, Waukesha County ranks 70th out of 72 counties in the State for the lowest tax rate.

Statistics & Trends

Beyond our reputation for low taxes, Waukesha County is also 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 county in Wisconsin and growing.

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 of the budget I present to you this evening. Through strategic and innovative thinking, partnerships and tough decision making; we are able to ensure efficient delivery of County services and cost-savings to our taxpayers.

This budget, if adopted, will cut expenditures by \$3 million, lower the tax rate, freeze the County's portion of the property tax bill and do so without a county sales tax all the while ensuring that the essential County services we value will continue to be provided at an outstanding level.

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 what I believe is an outstanding 2015 budget.

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