

Waukesha County Executive Dan Vrakas' 2008 Proposed Budget Speech



Note: The County Executive's 2008 Proposed Budget Speech was given during the County Board's morning meeting on Tuesday, September 25, 2007.

Slide 1: Introduction/Title Page

Good morning and thank you for providing me with an opportunity to present my 2008 budget to you today, which I like to call a "Roadmap to Success".

At this time, I'd like to take a moment to thank County Board Chair Jim Dwyer, Finance Committee Chair Pat Haukohl, and the other County Board committee chairs that took time out of their busy schedules to sit in budget preparation meetings with my staff. I truly believe that their participation was beneficial to this process and helped strengthen our strong working relationship.

I'd also like to thank our elected officials, department heads, budget staff, and other key personnel that worked so hard to help us craft a budget that holds the line on spending and meets the needs of a growing County. I am thoroughly impressed with their dedication and willingness to embrace some of the difficult challenges that we were faced with this year.

Slide 2: Executive Budget Outcomes

As County Executive, I'm very excited to present my 2nd budget to you and I'm proud to announce that it achieves our "Roadmap to Success" by effectively lowering the County's property tax rate for another consecutive year by implementing a property tax freeze.

Many people think that lowering taxes means cutting services, but I want to assure you that this budget maintains service levels and makes justice and public safety my top priority, along with protecting at-risk and our most vulnerable citizens. It also demonstrates my commitment to our infrastructure, which helps fuel economic development and contributes to our significant growth in equalized value.

The public generally assumes that services need to be cut in order to save tax dollars. Instead of slashing the important programs and services that our residents depend on, my administration was able to keep taxes in check by limiting spending, focusing on efficiencies, undertaking strategic partnerships, and investing in projects that promote a sustainable future.

Slide 3: Tax Freeze for Homeowners

As you already know, tax performance can be measured many different ways, but I strongly believe that my neighbors and your neighbors compare last year's tax bill with this year's tax bill to track how we are doing.

That being said, if the County Board adopts this budget as proposed, the vast majority of our residents will see no increase, or in some cases a decrease, in the County portion of their property tax bill. Next year, the tax rate will be reduced from \$1.83 to \$1.78 per \$1,000 of value, which keeps the average County tax on a home at or below last year's level.

Slide 4: Budget Drivers

No matter what sector of the economy you're in, there are some costs that can be extremely difficult to manage. For instance, rising costs for healthcare have a significant impact on many organizations and groups of people. But, I'm happy to announce that even though Waukesha County's health insurance costs will increase by 5% next year, this increase is below the national average. Thankfully, we've been able to achieve these remarkable results by instituting co-pays, deductibles, wellness programming, and preventative care strategies.

Another factor driving the County's budget is the rise in inmate population at the Jail. As inmate costs continue to escalate, we will realize a \$300,000 tax levy increase for corrections-related services next year.

In addition, increased demand for mental health, long-term care, and other human services put a significant pressure on the budget. Within the mental health area alone, this budget projects a \$335,000 tax levy increase, primarily due to institutional costs that we're mandated to cover.

Lastly, it is hard for me to imagine that there are residents in our great County that haven't been burdened by rising energy costs. As we tighten our family budgets to put gas in our cars and heat our homes, government must do the same. It's estimated that energy costs will rise faster than the rate of inflation next year, and we anticipate that we'll incur a 4.7% increase for electricity, a 7.6% increase for water, a 2.4% increase for natural gas, and a vehicle fuel increase of 3.1%, and that's on top of a 25% increase in 2007. Ultimately, higher budgeted costs of nearly \$100,000 will be needed to cover these necessary energy expenses.

Slide 5: Tax Dollar Spending by Functional Area

This chart clearly demonstrates how our tax dollars are spent by functional area. As you can see, since taking office two years ago, justice and public safety has been my top priority. With a \$1.3 million dollar increase this year, the category accounts for over 70% of our total tax levy increase of \$1.8 million. As a result of this spending commitment, my administration worked tirelessly to limit costs so that service quality wasn't

compromised and the tax rate could be reduced. To that end, General Administration and Non-Departmental tax levy support was decreased by 17.8%. I think that the public will be pleased with our efforts to cut our administrative overhead. I know that I am.

Slide 6: Partnerships

As we look for new ways of doing business more efficiently, my administration continues to invest in developing collaborative partnerships that seek to enhance service offerings, reduce dependency on tax levy support, and generate new revenue streams for the County.

One of the largest partnerships included in my budget proposal is the creation of an Aging & Disability Resource Center or ADRC. As part of the State's effort to reform Long Term Care services, this cutting edge venture will provide our most vulnerable residents with an end to wait lists and move towards instant access to a variety of critical services. I expect that the ADRC will be funded with a \$1.8 million grant from the State, which will provide a \$100,000 County tax levy savings in the first year of operation and will save both the State and the County money in the long run.

I'm also pleased to share with you that a multi-jurisdictional plan to fund the I-94/Highway P interchange in the Oconomowoc area is included in this budget, which calls for using \$1.75 million of Capital Project funds to pay for the County's share of a \$4.5 million project.

In 2008, it's my hope that the Sheriff's Department will partner with the Village of Sussex in the creation of a new substation that will provide our exceptional law enforcement agency with an opportunity to expand its coverage area under contract to include the Villages of Sussex and Merton. And, what will make this investment even more valuable is your approval of the service agreement with the Town of Lisbon, which I hope you vote favorably on.

In addition, the Communication Center is looking forward to adding the Village of Mukwonago to its list of dispatch partners. This shift in dispatching, from locally operated to the consolidated center, will save the municipality tax dollars and will provide the residents living there with access to state-of-the-art dispatch services.

Lastly, the Child Support Division will embark on the second phase of a pilot project to privatize its call-taking and basic customer service functions in partnership with a Fortune 500 firm called ACS. This contract will enable the Division to unfund two clerical positions resulting in a \$29,000 tax savings.

Slide 7: Sustainability Initiative

The Sustainability Initiative is another way for us to attain our "Roadmap to Success" by identifying new ways of doing business more efficiently through a variety of environmentally-friendly facility improvements and operational changes that save real, on-going tax dollars.

I'm excited to share with you that we had a number of initiative successes this year, like replacing existing metal halide lights with linear fluorescent lights at the County's two ice arenas, which not only brightens the space but is estimated to save us \$10,000 in energy costs per calendar year with a payback in 3.8 years. We also installed LED traffic signals over the last year-and-a-half. This change was projected to save us \$20,000 in electricity cost annually, but it pleases me to share with you that the fully implemented project has resulted in an on-going savings of \$60,000.

Next year, we'll utilize a salt pre-wetting process on winter roads that allows for a more effective product application and less salt usage; we'll study the return on investment for projects that upgrade plumbing fixtures, as well as the replacement of manual lighting switches with occupancy sensors; and we'll transition to more efficient boilers.

Slide 8: County Budget in \$\$ Millions

Here are the budget numbers plain and simple. As you'll notice, this budget proposal is balanced.

Slide 9: 2007 Employees per Capita Comparison of Similar Counties

When comparing us to other counties, we have significantly fewer employees per 1,000 residents. Wisconsin is known as a high-public service State. To efficiently deliver the services that residents' desire, effective use of public employees is necessary. I believe that Waukesha County is perfectly positioned to handle its workload and service demand with our existing staff, and where necessary, we're adjusting staffing needs to help focus on our core priorities.

Slide 10: Levy Rate

This slide illustrates our success at reducing the tax rate for another consecutive year. If passed in its entirety, my 2008 proposed budget would provide our residents with a 5-cent tax rate reduction per \$1,000 of equalized value.

Slide 11: 2007 County Property Tax Rates

Proudly, we continue to have the lowest county tax rate in the state for counties that have not implemented a county-imposed sales tax. Yet, even when comparing us to those counties with an enacted sales tax, I'm pleased to share with you that Waukesha County's tied for 71st place out of 72 counties for the lowest tax rate.

In addition, we're one of about 40 county government agencies out of more than 3,000 throughout the nation to hold the coveted AAA/Aaa bond rating status, which is reflective of our exemplary financial management practices and allows us to lower the County's borrowing costs, and ultimately, the tax rate.

I 'm confident that this proposed budget will help us keep this impressive ranking and that we'll continue to hold our place as Wisconsin's low tax, quality service leader.

Slide 12: 2007 Comparative Property Tax Rates Of Contiguous Counties

When comparing property tax rates, it's important to look at it from a regional perspective so that we know how we stack-up against our neighbors. As you can see from this table, Waukesha County has the lowest property tax rate of the 7 counties that surround us. For example, a Milwaukee County resident could own 2 homes in Waukesha County and pay less County taxes on both properties than what they pay for one just to the east of us. What does this mean? Our low tax rate makes for a family-friendly County, and we're fortunate that it's such a great place to live, work, raise a family and retire!

Slide 13: 2007 Comparative County Property Taxes On \$2.5 Million Business Property

To further illustrate our tax advantage, a \$2.5 million business property in Waukesha County will pay not quite \$4,600 in County property taxes, whereas a business of the same value will pay almost \$10,000 in Milwaukee County and nearly \$13,000 in Dodge County. What does this mean? Waukesha County's open for business. Our low County property tax rate helps us recruit new businesses and retain the ones that are here.

Slide 14: Statistics & Trends

In addition to our impressive ranking as a low tax, quality service leader, I'd also like to share with you that Waukesha County's:

- The 3rd largest County in the State for population;
- The 2nd largest County in the State for equalized value;
- Has the highest household income in the State;
- And, has an unemployment rate average lower than the State's and the nation's.

Slide 15: Conclusion

Again, thank you for the opportunity to present my 2008 Executive Budget. I'm confident that it provides our great County with a "Roadmap to Success" as we chart our way to a sustainable future!