



December 8, 2011

Dear Honorable County Board Supervisors:

The 2012 Adopted County Budget is themed “High Standards of Excellence” as Waukesha County continues our commitment to set high standards and excels at delivery of quality services.

The 2012 Budget maintains public safety services as a top priority and provides additional resources to effectively serve at-risk individuals and families in need. This budget also makes additional resources available for strategic investments in our roads, building and technology to maintain our infrastructure, a continued priority even in difficult and uncertain economic times.

FREEZES TAXES FOR HOMEOWNERS

During these challenging times, the 2012 Adopted Budget meets our benchmark standards by keeping taxes low, while continuing to maintain high quality services. In fact, this budget will result in no increase in the County portion of the tax bill to most homeowners.

For 2012 budget purposes, the adopted 2011 County General property tax levy totals \$98 million; an increase of \$615,000 limiting the increase to only 0.6% from the prior year budget, the same percentage increase as new construction impacts the tax base this past year.

The adopted expenditure budget totals \$284.6 million, of which \$244.6 million is for operational costs . This is a \$3.4 million or 1.4% reduction from the 2011 budget. The Capital expenditure budget includes nearly \$40 million for infrastructure investments including major construction funding for the planned replacement of the Health and Human Services building and major road construction funding for the widening of County Trunk Highway L – Janesville Road in the City of Muskego.

The special Federated Library System tax applied to those communities without libraries is \$2.88 million an increase of 1.0%, about \$30 K. County managers and staff have worked diligently on consolidating service delivery, outsourcing services where cost effective, and absorbing additional workload while reducing staff or leaving positions vacant. Also, staff are working on private/public partnerships and collaborative efforts with other government units to help us control our personnel costs and continue providing efficient services. For 2012, this budget discontinues funding for nearly 19 net full time equivalent positions at a net cost saving of nearly \$1,050,000 and helps to maintain our low employee per capita ratio of 3.5 employees to 1,000 residents.

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BUDGET CHALLENGES

During this period of continued economic instability, the County's budget continues to be challenged by the fragile economic recovery and declining property values. Also, this year we have been faced with significant impacts from the State Budget which has resulted in several areas of declining revenues by over \$2.5 million. In addition, rising costs, many of which are greater than the rate of inflation, impact the cost of services provided in this budget are previously mentioned in the Executive's Budget message.

The County budget is being driven by higher public safety operational costs including Sheriff's jail inmate related costs, Circuit Court services and court security, emergency response, and highway safety and road maintenance needs. Additionally, increasing costs for growing demands in human services related to seniors, children and families at risk, and the unemployed are all impacting this budget. Federal and State under-funded mandates continue to shift responsibilities to county government and continues to put pressure on the budget while discretionary spending is held to a minimum.

Despite these significant budget challenges, we have successfully addressed many of these areas despite limiting tax levy growth to be below the State's imposed levy limit. We have been able to accomplish this by making difficult priority decisions and through operational efficiencies. The County continues to be well-positioned to meet it's strategic outcomes while focusing on core essential services due to it's prudent prior investments made in technology, energy conservation and infrastructure to help address these challenges we now face.

CAPITAL PROJECT FUNDING AND DEBT MANAGEMENT

Waukesha County maintains its "High Standard of Excellence" with strategic long-term capital planning, budgeting and debt management practices. To cover costs associated with making investments in infrastructure improvements, the adopted 2012 County Budget ensures that the Capital Projects Budget is funded with the same level of tax levy (\$2.4 million) as the prior year and utilizes savings from past years to fund a planned down payment of over \$12.1 million or 37% of net Capital expenditures.

Debt borrowing is planned at \$20 million in the 2012 budget. Debt service payments total nearly \$14.7 million with tax levy funding of \$13.4 million an increase of \$110,000 and debt service fund balance of nearly \$1.3 million. The County will still maintain its key benchmark ratio of the debt service expenditure budget to total governmental operating expenditures which is projected to be at 7.5%, and considerably lower than the County's performance measure target level of less than 10%. Maintaining borrowing costs at this low percentage level continues the County's high standard to assure that the County will avoid future financial stress from debt and continue to focus resources on funding direct services in future years.

ACKNOWLEDGEMENTS

We believe you will find the 2012 Adopted County Budget balance essential service delivery needs while keeping taxes low. We take this opportunity to thank the County Board for its very thorough review and continued support. Certainly, this budget could not be accomplished without the cooperation of department administrators and their hard working, dedicated staff continuing the County's "High Standards of Excellence".

Sincerely,


Norman A. Cummings,
Director of Administration


Keith K. Swartz,
Budget Manager