



December 14, 2012

Dear Honorable County Board Supervisors:

The 2013 Adopted County Budget is themed "Commitment to Excellence" as Waukesha County continues to commit to high standards and excels at delivery of quality services.

The 2013 Budget leads the way with public safety services and infrastructure improvement as top priorities while also providing additional resources to effectively serve at-risk individuals and families in need. This budget makes strategic investments in our roads, buildings and technology to provide future benefits to our Citizens in these uncertain economic times.

REDUCES SPENDING AND LOWER TAXES FOR HOMEOWNERS

During these challenging times, the 2013 Adopted Budget beats our benchmark standards by keeping taxes and spending low, while continuing to maintain high quality services. Waukesha County continues to be the lowest per resident spending County in the State and has the lowest tax rate per \$1,000 for Counties without a sales tax.

This budget will result in an estimated \$2 reduction in the County portion of the property tax bill to most homeowners.

For 2013 budget purposes, the adopted 2012 County General property tax levy totals \$98.8 million; an increase of \$761,000 limiting the increase to only about 0.8% (less than 1%) from the prior year budget, which is below percentage increase net new construction impacts the tax base this past year.

The adopted expenditure budget totals \$273.8 million, a reduction of \$10.8 million. This includes \$27.9 million for Capital project investments in County infrastructure and \$245.9 million for operational costs. The special Federated Library System tax applied to those communities without libraries is \$2.9 million, an increase of 1.6%, about \$47K.

County management and their staffs work diligently on shared services collaborations, consolidating service delivery, outsourcing services where cost effective, and absorbing additional workload while reducing staff or leaving positions vacant and starting lean initiatives to help control personnel costs as we continue to maintain our low employee per capita ratio of 3.5 employees to 1,000 residents.

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BUDGET CHALLENGES NOW & FOR THE FUTURE

During this period of continued economic uncertainty, the County's budget continues to be challenged by the fragile economic recovery, and costs in certain areas rising faster than the rate of inflation. Despite this the County budget identifies several efficiencies through investments in technology and collaborative efforts to help maintain vital services without impinging on future budgets.

For 2013, we continued to have stagnant or revenue reductions due to the economy, and additional State budget impacts of over \$265,000 from further State Youth Aids reduction and lower funding of the Victim Witness program, which have been addressed in this budget. Also, historically low interest rates are impacting Investment Income returns resulting in the need to reduce the budget by nearly \$300,000 from the prior year budget. In the future years, the Federal Budget funding reductions being discussed in Washington D. C. for domestic programs may impact Medicaid and Medicare reimbursements, the social services block grant, public health funding, community development funding and other areas.

The County budget continues to be driven by higher Justice and Public Safety operational costs which requires the majority of new tax levy support. This includes \$240K for the Sheriff's budget mostly for jail inmate related costs, \$200K for Emergency 9-1-1 response primarily due to the City of New Berlin dispatch operations being assumed by the County Communication Center, and \$135K for Circuit Court Services. Also, highway safety and road maintenance needs are being addressed with added levy support of \$200K. Additionally, increasing costs for growing demands in human services programs related to seniors, children and families at risk, child support and the unemployed are impacting this budget by over \$160K. Federal and State under-funded mandates continue to shift responsibilities to county government adding to budget pressures and leaving less discretionary decisions for local officials.

Despite these significant budget challenges, we have successfully addressed many of these areas while limiting tax levy growth to below the State's imposed levy limit. We have been able to accomplish this by making difficult priority decisions and through identifying operational efficiencies without making dramatic service reductions.

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 increasing challenges now and in the future.

CAPITAL PROJECT FUNDING AND DEBT MANAGEMENT

Waukesha County maintains its "Commitment to Excellence" with strategic long-term capital planning, financial forecasts, prudent budgeting and debt management practices. To cover costs associated with making investments in infrastructure improvements, the 2013 Adopted County Budget ensures that the Capital Projects Budget is funded with tax levy of \$2.0 million and utilizes savings from past years to fund a planned down payment at 22.5% of net Capital expenditures.

Debt borrowing is planned at \$17 million in the 2013 budget, down \$3 million from 2012. Budgeted Debt service payments total \$14.8 million with tax levy funding of nearly \$13.4 million; a decrease of \$60K, and the use of debt service fund balance of \$1.4 million; reflecting savings from refinancing the 2005 and 2006 bond issues (without extending the original term). The County still maintains its key benchmark ratio of the debt service expenditure budget to total governmental operating expenditures, which is projected to be in the range 7% to 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 and assures that the County will avoid future financial stress from debt allowing us to continue focusing our resources on funding direct services in future years.

ACKNOWLEDGEMENTS

We believe you will find the 2013 Adopted County Budget balances essential service 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 very dedicated hard working staff continuing the County's "Commitment to Excellence".

Sincerely,


Norman A. Cummings,
Director of Administration


Keith K. Swartz,
Budget Manager