



COUNTY OF KENOSHA COUNTY EXECUTIVE

Jim Kreuser, County Executive

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Oct. 2, 2012

County Executive Jim Kreuser 2013 Budget Address

Chairman Gentz, Vice-chairman Kubicki, members of the County Board, circuit court judges, elected officials, distinguished guests and fellow citizens of Kenosha County.

I am again pleased to be here tonight.

Kenosha County is a great community: The biggest small town in the state of Wisconsin.

It is a great place to live, work and raise a family. It got that way because we, here in Kenosha County, work together to get things done and move on to the next thing.

As we walk through this budget process together in the coming weeks and as we work together in the future, let's concentrate on our collective vision – those things that will make Kenosha County progress – to continue to create a place where our grandchildren would like to live, and not focus on the insignificant issues that can get us off track.

The trick is to keep our vision up here and not get weighted down into the minutia down here. And, many of you County Board members have been very good at looking at the big picture.

By working together and focusing on our collective vision for a stronger Kenosha County, we have accomplished many things in the past four years.

This County Board, along with the administration, faced head-on and finished major projects and tackled important issues that had been neglected. I look at this year and next to be a time of wrapping up projects – like the parking structure, planned in 1999, will finally have gates – or things that were previously ignored, like the Courthouse – it's one to be proud of and it was properly restored – it will now also have low maintenance landscaping and even working exterior lights!

Petrifying Springs Park – the most popular county park – will have a road that won't take your car's exhaust system off, safer trails and improved access for all.

Through the generous donations from Dr. William Harris, Dr. William Carlisle and Mary Ellen Close, as well as from those who purchase annual dog park tags, two of the three county dog parks have lights so dogs can play in the evening and their humans can safely watch them.

One of the dog parks will also have a dog and human drinking fountain outside the gates and we're working on improving access for people with disabilities to get to the dog parks and our parks in general.

We have had many more successful collaborations, like working with the Village of Paddock Lake for the 2nd Annual Oktoberfest, and Kemper Center's Oktoberfest; working with the Kenosha Sportsfishing & Conservation Association on the Pike River Clean-up.

Joint Services, through our cooperative efforts with the City of Kenosha, is running smoothly after a successful transition to new facilities.

We also finally have an agreement with the City on the operations of the Health Department. It was a long time coming, but it's a good agreement for the health of all the citizens of Kenosha County.

We also appreciate the city's efforts in working with us in other areas, especially the replacing the communications tower on 60th St.

The Silver Lake Icehouse Trail will be completed by mid-November, allowing people to walk or bike ride around Silver Lake. It is a great addition to the Village of Silver Lake and I appreciate working with them on this project.

Work progresses to install high speed broadband across Kenosha County for public safety, commercial and private customers. We are the first county in the State to provide county-wide broadband focusing on areas that are unserved or underserved. As of the end of September, over 12 commercial customers have been installed through HierComm and are operational in the Bristol/Paris areas. Marketing campaigns are now targeting the Brighton and Wheatland areas with the remaining areas to be covered by the end of the year. Broadband continues to be deemed as critical infrastructure necessary to support economic growth and educational advancement.

We had an opportunity to honor our World War II veterans by bringing a scale model of the WWII Memorial in Washington DC in collaboration with the national organization, Pillars of Honor, also with the appreciated assistance from the Warrior's Watch.

These are the kinds of Quality of Place issues that motivate people to choose Kenosha County as a place where they want to move their business, and their people.

As we work on attracting new jobs and bolstering our infrastructure, we are wrapping up these many projects in county government. All the department and division heads, and the elected officials, along with their staff, can turn our attention to what will come next. Much of that is TBD (To Be Determined) by some key dates and events that are mostly out of our collective control.

What is going to happen Nov. 6?

What will Gov. Walker present in his state budget in February?

What will be in the biennial budget when it is passed by the State Legislature in June, which will affect our budgets in 2014 and 2015?

As you know about, 30% of our budget is tax levy – the remaining 70% comes from other sources.

That's why those key dates of November, February and June are so important.

We will need to stay very tuned in to what those changes might bring for our county.

Last year, at 1.88%, our tax increase was the lowest in the past 25 years. Through the many changes that were made to strengthen the finance department, overhaul and ramp up our information technology department and through various reorganizations, benefit adjustments and staff reductions, we gained efficiencies in many areas.

That is why I stand before you tonight with a zero increase in the 2013 budget for Kenosha County.

A special thank you to Sheriff Dave Beth for working with me to reach the zero levy. The Sheriff's Department is about 43% of our total levy, so our relationship is critical and it has been very good. Thank you, too, to all of the elected officials, the department and division heads, Chief Judge Mary Wagner, for their tireless work on helping us reach this budget goal of zero.

I also want to thank and recognize retiring Register of Deeds Louise Principe, whose leadership and guidance over the years has led to improved services at a lesser cost for the taxpayers. Thank you, Louise, you will be missed.

As a result of a slight increase in new construction in Kenosha County, average county taxpayers will see a modest decrease in their tax bill for county purposes. In many counties, there was no boost in new construction. I foresee more growth here in 2013. I base that on the fact that the phones in my office and at the offices of our economic development partners, KABA, are ringing more frequently. We are consistently on the short list.

I'm also hearing increasingly positive news from real estate agents and from many of you on the board. There are currently four companies looking to move here and the County's High Impact Fund is included in the packages to attract three of them. And, I can tell you, our infrastructure investments have helped.

Our budget challenge is to keep the big picture in mind and to keep great things happening in Kenosha County.

In 2013, I believe we will see more necessary collaborations, perhaps with Racine County and other entities, and more regional working relationships. We will pursue those collaborations that make fiscal sense for the taxpayers and common sense for the community.

You are not going to see a lot of initiatives in this budget. We have plenty to finish up. This is a budget that maintains high quality services at a fiscally responsible level and a zero increase.

This budget does address the very difficult issue of maintaining our core human services. We have faced increased mental health costs, a greater demand on Income Maintenance Services, the elimination of the W2 program that the state has picked up and challenging times with juvenile issues.

We will maintain a robust health department, which is a good value to all of the taxpayers, as we work to educate the community about healthier lifestyles, we will provide needed vaccines and services to the very young and young at heart.

This budget reduces the federal inmate census from 250 to 200.

We will bond less in 2013 than we did in 2012.

We have completed some major projects, like the Safety Building and the Courthouse.

The golf courses did finish in the black this year, as did Brookside Care Center.

We will delay a number of projects, including the planned, continued irrigation project at Brighton Dale Golf Course.

We will be completing the work on County Highway G (30th Avenue) next year and turning that over to the city upon completion, from Washington Road to 15th Street. Continued work on County Highway K (60th St.) will be delayed due in part to drainage issues. However, the bike trail will be completed on County Highway K to County Highway H, and then continue south on County Highway H to the State Line where it will meet the Des Plaines River Bike Path System in Illinois. Federal grant dollars are paying for the 90% of the project from State Highway 50 south. It is going to be another great addition to Kenosha County.

As we do the same, or more with less, I must compliment the great county employees I work with every day. They are dedicated to their jobs, are willing to go the extra mile / to help those in need or to ensure smooth operations. I know these are not the easiest times for county employees as changes occur on a state and federal level that impact their work and impact their pay. I thank them for their dedicated service to Kenosha County and the taxpayers.

As a government dedicated to serving the public and with a commitment to do that in the most cost effective and efficient manner, this budget makes changes in our employee health care program, building on some of the changes we made last year for half of our employees.

It emphasizes wellness, encourages employees to be educated consumers and it is competitive with private sector health insurance costs. In 2013, nearly all of our employees will be on one health care plan. This budget asks employees to pay a 5% premium, along with co-pays for nearly all services, and eliminates the county contribution to the flexible spending account for the 50% of employees who still had that benefit.

Under the new health care plan, dental coverage would not be county paid, but can be purchased, along with an additional option to purchase vision coverage, which had not been offered previously.

Wellness is a major component of our health care plan. By participating in wellness programs, employees can reduce the amount of the 5% premium down to 1% for achieving the highest wellness level based on verifiable assessments. We want to encourage employees, their spouses and dependents to be the healthiest they can be. This plan will do that.

These changes will bring the total employee contribution to health care coverage to 32%, up from 21% for the 50% of the employees who were covered by the new plan last year. Understand, too, that the increase will be more significant for those who were covered by the old health plans in 2012.

These changes are not made lightly and not without concern for potential impact on employees and their families. It is a fiscally responsible plan that is responsive to the market factors in Kenosha County and responsive to the taxpayers, while encouraging employees to make healthy choices and to use consumerism to make the plan more effective for them and their families.

A somewhat recent fiscal challenge is managing the liability of post-retirement employee benefits. For many years, employees have been able to retire with a portion of their post-retirement health benefit subsidized by the county.

When I was elected four years ago this liability, called OPEB (Other Post Employee Benefits), had grown to \$132 million dollars and might have affected our bond rating had we not taken action to reduce our OPEB. Steps we have taken to date have reduced our OPEB liability to \$88 million.

The next step is before you tonight: A reduction in the post-retirement health benefit, which will reduce the liability to \$70 million next year, and annually reduce the liability over the next several years.

There are 4 key points in this area. This is the Reader's Digest version:

1. Those employees who have earned it, have it;
2. Those under 10 years won't get it;
3. Those employees with over 15 years of service at retirement will get what active employees receive; and
4. Our long term obligation declines by \$18 million dollars in this budget and \$62 million over the past 4 years.

Health Care and OPEB are complex issues.

I ask this County Board to take the time to listen to the experts and county staff we have relied upon to develop these plans and to understand all of the factors taken in to consideration to develop these programs. These plans were many months in the making.

Members of the County Board, you and I don't like to cause discomfort. We all understand that change is difficult. By working shoulder to shoulder, we can make these necessary changes that maintain high quality, essential services, and strive to be competitive with private sector benefits and to be sustainable and affordable for taxpayers.

This is not a budget that offers major projects or many moving parts. We are clearing the decks and setting the stage to focus on the future challenges that are not even known to us, but will be once we know the outcome of November, February and June, the impact of federal and state changes, that will fall squarely on the county's shoulders.

We are up to this challenge.

But, our biggest challenge is to keep our vision of the great things that are and can and will happen in Kenosha County, while meeting our fiscal responsibilities head-on, without getting hung up by naysayers or getting distracted by the minutia.

I look forward to working with each and every one of you as we move through this budget process in the coming weeks and to make Kenosha County even better tomorrow than it is today.

Thank you and may God Bless Kenosha County.

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