



COUNTY OF KENOSHA

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FOR IMMEDIATE RELEASE

2018 Kenosha County Budget Address by County Executive Jim Kreuser:

Thank you, Chairwoman Breunig, Vice-Chairman Esposito, members of the County Board, elected officials, distinguished guests and fellow citizens of Kenosha County.

Every day, I am honored to be the Kenosha County Executive. And tonight I am presenting a budget that continues to move our County forward – improving services, while doing so in a frugal manner.

Whether it's the response from Sheriff's deputies and first responders to the devastating July floods, a social worker helping families be reunited, successfully moving 150-plus residents to the new half of the Brookside Care Center, or planning a successful 90th anniversary gathering for the Kenosha County Parks, Kenosha County employees, day after day, show how dedicated they are and show how much they care. I'm proud to be a part of such a terrific, dedicated team of professionals.

Over the last eight years, Kenosha County has proven it is the destination hot spot for economic development. We are attracting businesses from across the nation, and international businesses, like Haribo from Germany. And if a Taiwanese company locates to the county north of us, we will, no doubt, be the first choice for supply-chain businesses and housing.

We are also, more and more, becoming a place where new people want to live and raise a family. Almost all of our real estate is hot.

County government has had a significant role in helping our community lead the way in many, many areas. Over the last eight years, you, the County Board, have worked alongside the administration and employees to make many of the success stories possible. We continue that good, planful work tonight as I present to you the 2018 Kenosha County budget.

This budget ensures we will continue to work toward our goals of:

- Reaching an AAA bond rating status.
- Making the necessary infrastructure improvements that will continue to lead to economic development, which will lead to jobs.
- And continuing to implement cost-effective and more efficient ways to provide services to taxpayers.

As I said during the last State of the County Address, and I'm pleased to repeat it again,

Kenosha County is financially strong.

Since the time I came into office during the Great Recession, we have gone from an Other Post Employment Benefits obligation of \$132 million to about \$73 million. Equalized values, which had dropped in the throes of the Great Recession in 2012, are back up very, very close to 2007 levels at \$14.6 billion.

Our unassigned fund balance has grown from \$8.4 million to over \$19 million, or about 29 percent of operating budget this year, as you will see in this budget. The Fund Balance Reserve Policy is important to the rating agencies as it reflects creditworthiness, and of course it protects us against unforeseeable emergencies.

This budget, and all of the previous eight budgets, have been passed at among the lowest rates in the past 25 years. As you know, our bond rating has also improved a couple of clicks during that time. We are at AA+ and are continuing to work toward AAA.

The bond rating agencies, Fitch and S&P, are very pleased with Kenosha County's strong financial position.

In fact, the rating agencies stated:

- Fitch regards the county's Operating Performance as "exceptionally strong." The agency gave our Operating Performance an AAA factor assessment.
- Fitch says Kenosha County has "consistently strong fiscal resilience" aided by solid revenue streams.
- Fitch says "unemployment has declined markedly as new and varied employers have moved in and generated greater economic diversification." Unemployment is down to 4.3 percent in August.
- On that point, look at the unemployment rate in June of this year – the lowest ever in June!

Consider the contrast between Kenosha County and Lake County. Since 2007, our workforce has had steady growth while Lake County's workforce numbers are flat. This hasn't been the case in the past. Great things are happening in Kenosha County!

Back to Fitch, it says "the County's long-term liability is moderate when compared to its economic base" and also says "amortization is rapid with 81 percent of principal retired within 10 years." By the way, this measure includes GO notes and bonds, pension liability and OPEB.

Standard & Poor's said our rating reflects credit characteristics of:

- Strong economy, which is an upgrade by S&P in this metric.
- Very strong management, with strong financial policies and practices. Kenosha County has received the highest possible rating in this category.

- Very strong budgetary flexibility.
- Very strong liquidity.

And the vision of this budget continues on as the next building block, to advance our position from AA+ to AAA.

We are robust and strong on our financial practices, and this budget includes those many services we provide to make Kenosha County better tomorrow while achieving AAA in the near future.

This budget continues to fund KABA and the High Impact Fund. Since its inception, \$3.75 million has been awarded to companies and has contributed to:

- 1,475 jobs
- \$168 million in new private investment
- \$47,000 average annual salary
- \$69 million total new payroll

This board adopted and has supported the High Impact Fund and here is the result: From 2010 until the end for the first quarter of this year, Kenosha County has gained 13,400 jobs, as reported by the Department of Revenue and the U.S. Bureau of Labor Statistics.

Just since 2013, KABA has charted significant economic wins, making Kenosha County the envy of most counties in our region and the nation. KABA has created a lot of jobs. In addition to the wins gained from the High Impact Fund, it has also:

- Assisted 10-plus million square feet of development.
- Assisted in attracting \$1.2 billion in capital investment.

The Kenosha Area Business Alliance, our economic development partner, also administers three Revolving Loan Fund programs for Kenosha County. These programs include:

- Approximately \$12 million in total capital under management.
- 25 active/current loans.

These current loans are helping to leverage tens of millions in private investment and involve industrial development projects in the county that support several thousand jobs. Over time, and due to the revolving nature of these funds, more than 170 projects have benefitted from a KABA/County RLF loan.

KABA has also supported our efforts for more shovel-ready land. And the private sector is looking for it.

And our community has responded with a historic land agreement between the City of Kenosha, the Town of Paris, the Town and Village of Somers and Kenosha County. This land agreement is a win for all the municipalities involved and all of Kenosha County. I urge all of you to support that item, which is on your agenda tonight.

We are positioning ourselves for more success as a community and, I believe, our success is due in part to our infrastructure.

This budget continues Kenosha County paving enough County Trunk roads to stay ahead of the curve on our road plan.

Since 2009, we have paved over 134 miles of county trunk roads. We make road maintenance a priority because we know good infrastructure is a critical factor in attracting economic development, which leads to jobs.

Let's look at the roads we rebuilt and transferred to the City of Kenosha:

- 30th Avenue to County Trunk E
- County Trunk S between 39th Avenue and state Highway 31
- County Trunk M is now a Somers road, and
- County Trunk N.

County Trunk N, which we built for Gordon Foods knowing it would open up several other shovel-ready spots for economic development. Who would have thought Amazon would move in? No one saw that coming, but we were ready. And then who would have predicted Uline would build another wonderful facility and move most of their operations to Kenosha County?

Hard work, good planning, a County Board that could see the vision, and a little luck has changed that intersection and that part of the county forever. And then there was not one but two expansions of the Mars Cheese Castle.

Again, this budget includes the people, equipment and paving dollars to keep Kenosha County protective services, citizens, business and economic development rolling.

This budget also helps us to continue to get further ahead on our own building maintenance, and provides funds for enhancing our Downtown/Courthouse footprint.

This budget again includes more money for floodplain acquisition of properties.

This budget will increase health outreach services to the most vulnerable and very young.

We have taken steps to address our county's mental health care crisis, working with our community partners and the public.

2018 will see the KARE Center open so that more beds will be available to help people in need of mental health and drug addiction services. Kenosha Human Development Services will work with Crisis, the hospitals and law enforcement to assist people with mental health issues proactively and decrease costly hospitalization and/or incarceration.

Also helping us significantly in filling a void with mental health needs is the \$250,000 grant from the Aurora Foundation to provide tele-psychiatry services, also with the assistance of Kenosha Human Development Services. Thank you, Aurora for your assistance.

This budget also funds increased hours for mental health misdemeanor diversion; getting at mental health issues earlier is a better way for the person and is more cost effective for all of us.

We have also been working hard to help address the opioid crisis in our county. This, as you know, is a work in progress. This issue has affected almost every family or a friend in some way. It affects every race, income class and neighborhood in our community. I applaud the work being done by the Kenosha County Opioid Task Force in our county. It shows how agencies and organizations work so well together here in Kenosha.

For 2018, we received a \$250,000 state grant for a Narcan program, and were awarded a \$300,000 federal grant to assist substance abuse treatment to be more robust.

These programs fit in well with the things we are already doing, like:

- The Comprehensive Alcohol and Drug Treatment Program, which uses Vivitrol, a medication that helps to subdue opiate and alcohol cravings;
- The KARE Center project, and
- The District Attorney's sentencing diversion program, which was introduced earlier this year.

In 2008, Brookside Care Center was dependent on taxpayer levy dollars. Under Fran Petrick's leadership and with Brookside Board of Trustees Chairman Bob Pitts' guidance, Brookside has been self-sustaining and the expansion/renovation will be complete in 2018.

Golf, which was also in the red in 2008, continues in the black for 2017.

2018 will see a 9-year-old plan come to fruition, as the Medical Examiner's Office will move to a single location within the Public Safety Building. Thank you to the United Hospital System for its partnership with us to provide needed space for the Medical Examiner for nearly 10 years.

2018 will see the Emergency Operations Center move to far more adequate and updated space. The summer's flooding again demonstrated the need for an area where we can better facilitate efforts during manmade and natural emergencies.

2018 will see Joint Services' fleet maintenance move to ensure there is enough space to safely work on police and sheriff's department vehicles.

2018 will see an upgrade to the 911 system so that people who need help can not only safely call, but they will also be able to text for help.

Thank you, Supervisor Jeff Gentz, for your passion for keeping the public safe and continual efforts to update all of Joint Services.

In 2008, KD Park was just a dream and a locked gate. Today, it has beautiful trails, a safe drive and parking. In 2008, Petrifying Springs had a dam that caused flooding that would often shut the park down.

Both of those parks have changed dramatically since that time. 2018 will see more positive changes for Pets and KD parks.

We received a grant to create a one-mile, multiuse trail at KD, and grant money for prairie restoration there. And a half-a-million-dollar EPA grant will allow for much-needed restoration of the beautiful Pike River bed at Pets. Other updates, plans or improvements are in the 2018 budget also for our other county parks.

In 2008, Kenosha County's Information Technology Services was not prepared to meet the needs of our business units, the changing technology landscape, or to plan for efficiencies through technology. In less than a decade, IT has:

- Completed a total Infrastructure Upgrade: Upgraded the entire network infrastructure to include server upgrades, email migration, phone system, network switches, and PSB Data Center.
- Implemented an Enterprise Content Management (Document Scanning) Solution: The system has migrated millions of documents from the legacy system, imported more than 700 bankers' boxes (almost 18 tons) of paper documents, and thousands of historical documents.
- Major System Software Upgrades and Implementations: Heavily customized systems were replaced in payroll, time and attendance, Land Information, tax, Planning & Development permitting, Brookside electronic medical records and billing, Division of Health medical records and reporting, and many more.

2018 will see IT go live with the Enterprise Resource Planning (ERP) system that will modernize services including general accounting, accounts payable, vendor management, and financial reporting. This is a critical system upgrade that will impact all areas of county government.

All of these items getting done for our community in 2018 don't just happen. The ideas and plans start or are brought to your committees, changed and refined. We have the fiscals run, and rerun them again. And, finally, you vote them up or down.

2018 will be another terrific year for Kenosha County because working together, striving for best practices, nurturing partnerships with the private sector and other units of government makes the whole of Kenosha County greater and more cost effective for our taxpayers.

This budget can accomplish all that I outlined and more.

This budget is in line with the advisory recommendation the County Board adopted in July. The net cash effect on the owner of a \$100,000 home is less than \$2 for the year – under 4 cents a week – to be ready for the significant changes that are coming to our county.

In 2018, I am confident we will remain focused, as we continue to work toward our goals of:

- Reaching an AAA bond rating status
- Making the necessary infrastructure improvements that will continue to lead to economic development, which will lead to more jobs
- And, continuing to implement cost-effective and more efficient ways to provide services to taxpayers.

I look forward to working with you in the coming weeks as you discuss the 2018 budget proposal. Thank you. And may God bless America, and may God bless Kenosha County.

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