



Office of the County Executive

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COUNTY EXECUTIVE DELAGRAVE'S 2024 BUDGET ADDRESS

As prepared for delivery

Mister Chairman, Mister Vice Chairman, Members of the County Board, Youth in Governance representatives, distinguished guests, and residents of Racine County:

Today, I stand before you to address the critical matter of our county's budget and present a road map for how we move ahead. This past year has been challenging, in the face of rising costs and high inflation, our fiscal resilience has been put to the test like never before. As your County Executive, it is both my duty to guide us through these uncertain times and ensure that our county remains on a path to prosperity.

The budget we present to you today reflects the culmination of a long and thoughtful process. We have encountered many obstacles along the way, most notably the daunting initial deficit of \$21 million, with decision packages, that loomed over us. It is a testament to our collective commitment that we have navigated this treacherous terrain together.

Our approach to this budget, as always, has been one of fiscal prudence and conservatism. We have a duty to our taxpayers, to steward their hard-earned dollars wisely and efficiently. We understand that our community depends on essential services and state mandated services that must be maintained even in the face of fiscal adversity.

While we have received substantial funding from the American Rescue Plan Act (ARPA), we know the pitfalls of relying on these one-time funds to support ongoing operational expenses. We must avoid the fiscal cliff and ensure the long-term health and sustainability of our county's finances. It is our duty to ensure that we do not burden future generations with our financial challenges.

This budget will obligate the remaining \$14.4 million in ARPA funds and continue to pursue alternative funding—including allowable opioid settlement funds—for the construction of the approximately \$32 million mental health facility to be located at 1720 Taylor Ave. The expansion of the Taylor Avenue campus is pivotal to transforming mental health opportunities for our residents and removing barriers to care.

Let me speak plainly, this budget process has been difficult, and we have made tough decisions along the way. However, I stand before you today confident that the budget we present keeps the best interests of our county and its residents as its top priority. This budget will move our county forward, but we cannot ignore the long-term challenges we still face. We have prioritized

our essential services, remained fiscally responsible, and prepared a budget that gives Racine County financial stability in 2024.

It's no secret that we've been operating on a tight budget, consistently ranking 71st or 72nd among Wisconsin counties in terms of spending for Human Services and Highways. But let me make one thing clear – what we lack in financial flexibility we make up for in ingenuity and determination. The incredible prevention and diversion work of Public Health, Youth and Family, and Behavioral Health Divisions literally saves our county millions of dollars every year. Avoiding costly deep-end placements is in the best interest of all involved. Through innovative programming like our Boost program, Hello Baby home visitation, and the new initiative to encourage investment in early literacy, we will continue to proactively serve residents in a more effective manner. Ask any one of our fellow counties, and they will attest to the fact that Racine County is a perfect illustration of doing the most with the least, especially when it comes to Human Services.

Our commitment to finding innovative solutions and being thrifty with resources has been our driving force, and it has served us well. In the face of these financial challenges, it's worth acknowledging the recent influx of approximately \$1.5 million in new shared revenue. While this may seem like a breath of fresh air, the reality is that over half of this total will be absorbed by increased costs mandated by the state. It's a testament to the fiscal constraints we face daily. And, sadly, costs are only going to continue to rise.

We've shown that we can make every dollar count, stretch resources to their limits, and make steak out of hamburger. But we can't remain complacent. The Check Engine Light is on, and we need to consider how we move forward to secure our financial future for the years to come.

For the 11th consecutive year, I am pleased to announce that our mill rate will be reduced. This reduction is a testament to our dedication to providing financial relief to our residents while maintaining essential services. Lowering the mill rate not only eases the burden on taxpayers but also signifies our ability to efficiently manage county finances.

Another positive development in this budget is our debt service payments. We are on track to lower debt service levy in 2026, which will free up resources for other critical county needs. This demonstrates our commitment to managing our financial obligations while investing in our community's future.

In this budget proposal, we are allocating \$12 million for capital projects. These investments are essential to ensure the continued growth and development of our county. They represent our dedication to maintaining and improving our infrastructure, public facilities, and services to meet the evolving needs of our residents.

Furthermore, I am pleased to report that this proposed budget will protect our reserves, bringing them to 22% of our total budget. This figure is well within our reserves policy range, which stipulates that our reserves should fall between 16% and 25% of the total budget. This financial conservatism allows us to be prepared for unexpected challenges and ensures the long-term stability of our county's finances.

I would also like to highlight that the usage of ARPA funds in this budget is in line with our approach over the last 3.5 years, matching the same amount allocated in 2023. This demonstrates our commitment to judiciously utilizing ARPA funds to address pressing community needs while maintaining fiscal discipline.

It is worth noting that we began this budget cycle with a \$21 million deficit. Through careful evaluation, strategic decision-making, and a commitment to financial responsibility, we have managed to reduce this deficit to \$12 million, with that total bridged through a combination of reserves, ARPA funds, and unfunded positions.

I want to emphasize that the decision to unfund positions was not taken lightly. However, it was a measured and responsible way to reduce costs without resorting to furloughs or layoffs. The

unfunded positions consist of a combination of active and vacant positions, ensuring that our essential services remain intact while we navigate this fiscal challenge.

This budget also addresses the importance of investing in enhancements and ongoing renovations to the Racine County Courthouse. We are taking strides to reduce our environmental footprint and operating costs by continuing to allocate resources to replace outdated light fixtures with energy-efficient LED lighting. This investment has received positive feedback, and it aligns with our commitment to reducing costs and improving sustainability. Not only will this reduce our energy consumption, but it will also save us money in the long run, ensuring the efficient operation of our courthouse for years to come.

In the previous budget, we began an important capital project to renovate the South Lawn. The retaining walls surrounding the driveway and parking area need to be replaced—they are literally crumbling. This project will modernize the South Lawn by elevating it, which will improve driving lanes, and parking, while enhancing the accessibility, safety, and aesthetics of the courthouse. To date, we have allocated a total of \$1 million for this project.

Our budget also prioritizes essential investments in our county's infrastructure, particularly our county trunk highway system and key public works projects. These endeavors are vital to enhancing safety and accommodating the burgeoning needs of our expanding communities west of I-94.

One of our primary commitments is to address the urgent matter of our deteriorating roadways. To this end, we propose the allocation of \$1.7 million through bonding to initiate the much-needed repaving of County Trunk Highway S, stretching from County Trunk Highway K to East Wind Lake Road in the Town of Norway. The deteriorating condition of this road poses a significant risk to public safety, and we must act swiftly to remedy this situation.

Additionally, we intend to invest \$1.3 million in replacing a box culvert over the Root River, situated on County Trunk Highway U in the Village of Raymond. Furthermore, we will cover our share of funds for a Highway Safety Improvement Project, which includes the construction of a roundabout at the intersection of County Trunk Highway U and 7 Mile Road in Raymond. These projects are fundamental to enhancing traffic flow and, more importantly, ensuring the safety of our residents and commuters.

Moreover, Racine County is prepared to commit \$175,000 to a comprehensive study of the Racine Harbor Breakwater. This critical structure has been battered by storms, putting our harbor at risk. The study will enable us to thoroughly investigate, plan, and implement the necessary repairs and maintenance work on the existing north and south breakwater structures. We have diligently sought funding avenues to secure the future of our harbor, an essential component of our economic vitality, and this study will better position the county as we pursue these opportunities.

Maintaining our Public Works and Development Services Department's operational capacity is essential to the growth of our county and the safety of its residents. To that end, we have earmarked \$600,000 for the acquisition of tandem trucks equipped with plows, wings, and salters. We are also allocating funds for the procurement of additional dump trucks, mowing tractors, and a tractor trailer. These investments are necessary to enhance our operational capabilities, allowing us to respond more effectively to the challenges that our community faces, from snow removal to landscaping and transport.

This budget also continues to dedicate funding for our violent crime reduction initiative as we lead a coalition focused on community safety. I'm extremely proud of the strong partnership between our Sheriff's Office and Human Services, working hand in hand to address community safety in a balanced approach. I've said it before and I will continue to say it, every resident has the inherent right to feel safe regardless of their zip code. The core tenants of violence prevention include building community trust through transparency, honoring and investing in critical public safety personnel, and offering relentless support of our most vulnerable residents

in need of social services to end the cycle of violence. Racine County will remain steadfast in that mission.

Speaking of public safety, we must address the needs of our Sheriff's Office. Our law enforcement personnel are the backbone of our community's safety and wellbeing, and it is our responsibility to ensure they have the tools and resources necessary to perform their duties effectively.

In this proposed budget, we have allocated resources to support our law enforcement personnel and enhance their operational capabilities. One of the primary investments we are making is the acquisition of 16 new squad cars, including two investigator and drug squad vehicles, and a new K-9 squad. These new vehicles will ensure that our deputies can respond promptly to emergencies and carry out their investigative work with the latest technology and safety features.

Additionally, we are allocating resources for a UTV (Utility Task Vehicle) and a Sprinter van, both of which are crucial for specialized operations and response during natural disasters, critical incidents, and inclement weather.

One of the significant investments in this budget is the allocation of \$550,000 for a new mobile command post. This purchase has been a long-standing request from our Sheriff's Office, and the time has come to fulfill it. The mobile command post is a vital piece of equipment used during critical incidents and major emergency events. The current command post has exceeded its useful life and must be replaced. This is the first phase of a two-part investment in the command post, with a total cost of \$1.1 million. Coordinated action during complex situations depends on modern technology like this.

Lastly, we have approved improvements to our Law Enforcement Center, including the replacement of flooring and updating the overall appearance. These enhancements not only improve the working conditions for our dedicated personnel but also make the facility safer and more efficient to maintain and operate.

Over the past year, we have continued to diligently work on two key priorities: developing our workforce and fostering economic growth along the I-94 corridor. I'm thrilled to share that our efforts have been successful, as Racine County has witnessed a 1.8% increase in net new construction this year. This promising trend is set to continue, with the recent announcement of Microsoft's monumental \$1 billion investment in Mount Pleasant. To further support and accelerate this growth, our budget includes a significant allocation of \$500,000 for the revolving loan fund, administered in collaboration with our partners at RCEDC. It's worth noting that we last allocated funds to this program in 2021, and the returns we've seen have been outstanding.

The revolving loan fund has been instrumental in facilitating the growth of existing businesses and attracting new businesses to Racine County. Recent projects include BRP's expansion in Sturtevant to introduce their new Sea-doo Switch product, Merz North America's expansion of manufacturing and distribution capacity in Yorkville, and the recruitment of Oterra, a natural food coloring manufacturer in Mount Pleasant.

Racine County assistance facilitated these projects that resulted in nearly 300 jobs created and retained with average wages of \$20.40 per hour and \$52 million in capital investments. The Racine County RLF continues to play an important role in securing businesses in Racine County as the RCEDC team works to attract and retain advanced manufacturing and technology-focused companies to our community.

With this budget, we're not just balancing the books; we're continuing to invest in the future of our community, ensuring that Racine County remains competitive; an attractive home for economic development and the workforce of tomorrow.

In closing, I want to emphasize that each budget tells a unique story, and this one is no exception. As we navigate the fiscal path ahead, caution signs are indeed visible. The costs we

face continue to escalate at a rate that challenges the very core of our financial stability. It is our duty to safeguard Racine County for the generations to come and ensure the continued delivery of essential services that our community relies on daily, such as 911 services, snow removal, child protective services, and the maintenance of our highways. The status quo is no longer an option; we must consider and study all available alternative revenue streams. During my tenure as County Executive, I've witnessed this board's commitment to bold, courageous leadership and innovative thinking. Together, we have achieved incredible lifts, overcoming challenges that may have appeared insurmountable. As we propel Racine County forward, your support will be crucial. I take immense pride in serving as your County Executive, and I firmly believe that our county is at its strongest when we work collaboratively for the greater good—not promoting individual interests. Together, we will craft a sustainable and responsible solution for our residents because that is what they deserve.

Thank you, and may God bless Racine County.

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