



Office of the County Executive

Thomas E. Roanhouse

730 Wisconsin Avenue

Racine, WI 53403

262-636-3273

fax: 262-636-3549

Thomas.Roanhouse@racinecounty.com

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MEDIA CONTACT: Casey Morgenson

(262) 636-3815

(262) 902-4331

Casey.Morgenson@racinecounty.com

INTERIM COUNTY EXECUTIVE THOMAS E. ROANHOUSE'S 2025 BUDGET ADDRESS

As prepared for delivery

STURTEVANT, WI – Mr. Chairman, Mr. Vice-Chairman, members of the County Board, Youth in Governance representatives, distinguished guests, and the residents of Racine County:

Thank you for the opportunity to address you today during this pivotal moment for our county.

This year we lost our leader, Jonathan Delagrave, truly one of the all-time greats. We are now facing historic budget challenges, compounded by equally challenging revenue sources. However, we embrace the future, and this 2025 budget is a pathway to keep Racine County vibrant and at the top of Wisconsin's 72 counties.

Before discussing the budget, I must pay tribute to Jonathan, my buddy. His unparalleled vision and strategic acumen in government are the reasons why the other 71 counties look up to Racine County. Mark O'Connell, CEO of the Wisconsin Counties Association (WCA), said during the recent annual conference that Jonathan always started with the answer "Yes. It can be done. There was always a way to accomplish everything." The words "no" or "cannot" were not in his vocabulary. Jonathan embodied the philosophy that leadership is a service to be given, not a rank to be attained. His dedication to Racine County was unwavering, with a focus on the well-being of both residents and employees.

Jonathan's leadership extended beyond Racine County. As Vice-Chairman of the Wisconsin Counties Association's Board of Directors, he played a prominent role in an organization recognized as a leader nationwide. When Wisconsin attends national conventions, other states seek us out for our forward-thinking, creative, and innovative approach, thanks in large part to leaders like Jonathan.

The 2025 budget is a chapter in the story that Jonathan began writing eight years ago. He was keenly aware that a time would come when we could no longer rely on reserves and would need to implement sustainable solutions. He carefully leveraged every financial tool at his disposal, anticipating that our current revenue streams would not suffice by 2025. Today, we find ourselves confronting that reality.

As Supervisor Don Trottier aptly pointed out at the last County Board meeting, this is not a spending problem, but a revenue problem, as outlined in the widely acclaimed Green Book. Jonathan's long-term vision focused on fiscal responsibility and high-quality services. Sustainable success was never about short-term fixes.

This evening, we present a \$238 million budget, a \$5.1 million decrease largely due to the end of ARPA funds—another revenue issue. This budget reflects a \$13 million shortfall. At the start

of the budget season, we were confronted with a \$17 million deficit. Through careful and reasonable decision-making alongside leadership, we successfully reduced the deficit by reviewing and trimming line items, utilizing shared revenue, factoring in net new construction, and implementing a series of belt-tightening measures. These measures include a \$200,000 reduction in the Workforce Division budget, the decision to leave two positions unfunded, and the freezing of all employee merit increases.

Despite these fiscal challenges, we remain committed to supporting key community partners. We've allocated \$112,500 to nonprofits like HALO, the Racine Zoo, the Heritage Museum, the Racine County Fair, and Veterans Outreach. However, due to our current financial constraints, this allocation has been reduced by half of the typical amount, underscoring the pressing need for additional revenue to sustain the important work these organizations do.

Additionally, we have had to make a difficult decision regarding our long-term partnership with RCEDC, reducing its funding by 62%. These measures, while necessary, reflect the ongoing challenge of balancing rising operational costs against declining revenues, making this an especially complex and challenging budget cycle.

The proposed tax levy for 2025 is \$64.3 million, a slight decrease of 0.4%. However, the tax levy alone cannot sustain the essential, mandated services Racine County provides. Without additional revenues, Racine County will be forced to consider drastic cuts to staff and services. Our employees are the backbone of these services, and they account for 52.5% of the operating budget. They are the reason Racine County is the best in the state. Every day, I see their dedication and commitment to delivering the highest level of service for the greater good. Thank you to these unsung heroes!

Despite the challenges we face, this budget contains several exciting and transformative highlights. One of the most significant is the long-awaited opening of the Youth Development and Care Center—a project years in the making and funded 95% by the state. This state-of-the-art facility will provide essential care and guidance to at-risk youth, not just within our county but across all of Southeast Wisconsin. It represents a major step forward in our commitment to supporting the next generation.

In terms of capital projects, this year will see major investments in both infrastructure and public safety. Key improvements include the construction of roundabouts at County Highways A and J—an area that has long been the subject of safety concerns—and at Highways U and G. Both of these projects have been made possible through grants from the State Department of Transportation. Additionally, we're moving forward with highway improvements along CTH KR from US 45 to West Frontage Road and CTH T from CTH X to STH 11.

We've also prioritized maintaining and enhancing our public buildings. This budget allocates funds for replacing the nearly 30-year-old windows of our courthouse and installing energy-efficient LED lighting, both of which will reduce costs and conserve energy in the years ahead. Furthermore, we are completing the refurbishment of the 6th-floor courtroom, the last courtroom in our county to receive much-needed updates.

Microsoft's decision to establish roots in Racine County marks a transformative moment for our community, signaling that we are becoming a key player in the technology sector. This development will bring more than just jobs—it will attract talent, investments, and additional business opportunities. It allows us to cultivate a vibrant, forward-thinking community that appeals to the smart, young talent Mark O'Connell spoke of—the greatest resource any county can have.

But our vision extends beyond just economic growth. It's about building a community where people want to live, work, and grow. The smart, young talent we aim to attract and retain are the ones who will drive our economic success, strengthen our workforce, and foster even more opportunities. To do this, we must invest in what matters to them: safe neighborhoods, high-

speed broadband, walkable and lively communities, diversity, vibrant nightlife, and opportunities for continuing education. Creating a place where life isn't just about work but about building a future is key. Microsoft's arrival is just the beginning, and we are committed to supporting the people and businesses that will follow.

In line with this commitment, the county board has already approved several major projects that further our investment in Racine County. These initiatives include the development of a vital new 911 system, which will serve all 17 municipalities and eventually be housed in a new Public Safety Building. The county will also see the opening of a cutting-edge Mental Health Facility, which will provide 30 beds—15 dedicated to substance use disorder treatment and 15 for crisis stabilization— the first of its kind in the state and serving all of southeastern Wisconsin. Last but not least, the four-stage overhaul of our marina, which will eventually become the 'Belle of the Great Lakes' and generate new revenue for our community. These projects reflect our ongoing commitment to investing in Racine County's future, creating a community where people feel safe, supported, and inspired to thrive.

Jonathan had a clear vision for Racine County's financial future. While introducing a sales tax wasn't his first choice, he understood that the day would come when it would become unavoidable. He exhausted every other effort and financial tool available, carefully managing the county's resources to delay this moment as long as possible. He knew that relying on reserves and other temporary solutions could only take us so far, and with revenue streams becoming unsustainable by 2025, now is the time to introduce the sales tax.

This measure is projected to generate \$20 million annually starting in 2026, with \$15 million expected in 2025. Of that \$15 million, \$1 million will go directly to property tax relief, and any excess funds after covering operational costs will be set aside to replenish the county's reserves. Without this alternative revenue, we face the very real possibility of significant cuts, including the elimination of 156 positions, 91 of which are in the Sheriff's office.

The introduction of the sales tax is not about expanding government; it's about protecting what we have worked so hard to build. Our goal is to preserve the core services and infrastructure that make Racine County the finest in the state. This success is the result of Jonathan's leadership and strategic foresight. By securing sustainable revenue through this sales tax, we can maintain the quality of life our residents deserve, while also providing direct property tax relief and building up reserves for the future.

As we approach the vote at the next County Board meeting, I encourage each of you to reflect on the significance of this moment. The reality is that without the sales tax, we will be forced to make severe cuts that will compromise public safety, infrastructure, and key services across the county.

In closing, let me remind you what's at stake: the future of Racine County. Fiscal responsibility, job preservation, and public safety are not just goals—they are commitments we make to our residents. I ask for your support—not just for this tax, but for the strength and stability of Racine County. Together, we can ensure Racine County remains the best county in the great state of Wisconsin. Thank you, and God bless Racine County.

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