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COUNTY EXECUTIVE JONATHAN DELAGRAVE PRESENTS 2019 BUDGET
(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.

In earlier Budget and State of the County addresses, I have spoken of vision, the big picture, time, and visionary purpose. My goals as County Executive have consistently focused on improved mental health services, economic development, and creation of a Racine County-ready workforce.

Those goals have not changed. But I could not have imagined a future like the one unfolding before us.

I recently attended the opening of Twin Disc's new Heritage Gallery, which showcases the company's 100-year history. The company started in 1918 by producing clutches for the Wallace tractor. Two of the original investors in the company were H.F. Johnson Sr. of SC Johnson and Art Modine of Modine Manufacturing.

John Batten, the fourth-generation Twin Disc CEO and someone I've known since childhood, said, "I don't think Twin Disc would have made it to 100 years old without our sister companies here in town," referencing SC Johnson, Modine Manufacturing, and other robust local companies such as Andis and Case.

It's humbling and profound that 100 years ago, extraordinary leaders seized the opportunities of the time and invested their fortunes and talents together to transform our region into a manufacturing leader and a prosperous and attractive place to live.

Today -- 100 years later -- the legacy of wise decisions by those extraordinary leaders are among the chief reasons why Foxconn chose to locate in Racine County. Our rich history of manufacturing and innovation, spearheaded by the investments of now-well-known international businesses, helped Racine County develop a reputation for being a great place to do business.

Now, we have an opportunity to blaze trails with the same boldness, the same collaboration, and the same foresight as our legendary leaders did before us.

Even before Foxconn, Racine County was laying the foundation for a brighter future for our current and future residents – working to secure a number of great development projects, partnering on a service-sharing study, and overhauling our Workforce Solutions department.

Therefore, when Foxconn came knocking, a group of leaders were ready to answer the door. Through hard work and bold decision-making, we landed the largest foreign investment on U.S. soil right here in our backyard.

We knew Foxconn was only the beginning. However, even we could not have foreseen the incredible opportunities that Foxconn has created not only for Racine County and the State of Wisconsin, but the entire Midwest. Foxconn's transformational investment is already changing our economic landscape and **establishing the State as the electronics manufacturing capital of North America.**

It's also why this budget address will go longer than usual tonight. But the impact of Foxconn cannot be understated:

- Our local companies are already benefitting, with nearly a dozen Racine County businesses – six of whom are from the west side of I94 - awarded contracts in the first round of construction hiring.
- Our residents are benefitting, not only with thousands of new jobs, but with new worker training programs that will position them to take advantage of existing and future openings.
- Veterans are benefitting, with Foxconn launching a recruitment campaign last month to hire 3,000 veterans. In fact, Foxconn will host a hiring fair for veterans and the public this Saturday in Mount Pleasant.
- We are finally going to finish Interstate 94. Chairman Clark, Vice Chairman Cooke and myself were part of a team that successfully lobbied for a record-setting \$160 million federal INFRA grant. This grant is instrumental to complete the I-94 north-south project by 2020 -- 11 years ahead of schedule.
- Construction on other major roads around the Foxconn project area is well under way, and thanks to a partnership with WisDOT and Kenosha County, County KR will soon be expanded.
- We're expanding water and sewer in Caledonia thanks to an intergovernmental agreement the Board passed this year, and another agreement under consideration would finally reduce the high REC fees that have long stood as an obstacle to growth in Racine County.
- We hosted a Housing Summit last month to connect developers with our municipalities and begin planning for new residents and the housing options needed to accommodate them.
- Through the Eastern Racine County Transportation Task Force, we set the stage for action to more efficiently move workers to jobs and improve local travel times.
- Just last week, we helped announce Foxconn Place Racine and the Wisconn Valley Innovation Center, in the heart of Racine's Downtown, which will bring "smart city" research and development to Racine County and beyond.

- Three new hospitals will be built in Racine County – Advocate Aurora, Ascension, and Froedtert South.
- And across the state, we’ve seen Foxconn open its North American headquarters in downtown Milwaukee, announce multiple innovation centers, invest \$100 million in research at the University of Wisconsin-Madison, partner with Ginseng businesses, and create a \$100 million venture capital fund to drive innovation.

The promise of 13,000 Foxconn jobs, 10,000 construction jobs, 22,000 indirect jobs, the incoming supplier companies and further complimentary economic growth brings both opportunities and challenges. It means more jobs for our residents, but it also means **more people calling our County home**. It means more people shopping at our stores, eating at our restaurants and enjoying our entertainment. It also means new housing options, new stores and new restaurants.

It means new ways of thinking in Racine County. This past year, we have leaned on our strong, existing partnerships and created new collaborations to ensure that we get this right.

Through our partnerships with The Johnson Foundation at Wingspread and Venture Architects, we had several fruitful conversations both in person and by phone with representatives from Reno, NV, and Spartanburg, SC. Both communities have experienced a similar level of explosive growth with the introduction of Tesla in Nevada and BMW in Spartanburg.

The key takeaway from those conversations was the absolute need to be proactive – to forecast the jobs, housing, public safety, infrastructure, schooling, training - and to make decisions that will benefit our residents and businesses both now and in the future.

We can’t do it alone, and thankfully, our partners at the State agree. We asked the State for the necessary resources to proactively manage the growth that this massive economic development will bring to our region.

I am happy to announce that the County will receive \$1.5 million in existing state funds from the EITM Local Government Grant Program. These funds will assist our Sheriff's Office to ensure that Racine County grows with public safety as a priority.

It is expected that the State grant money, which is contingent on necessary state and local approvals, will allow the Sheriff's Office to hire additional personnel, including 2 new metro drug investigators, 2 new criminal investigators, and 2 new full-time trainers for both internal and community education. Existing personnel will be able to shift to new roles to both address current staffing shortages and prepare for the county's future growth.

We learned from Reno and Spartanburg that public safety can be a challenge for communities experiencing job booms. As I said in my State of the County Address this past spring: Not in our County. With a budget of over \$23 million, the Sheriff's Office alone accounts for nearly 45% of the county levy. This budget reflects our priority that Sheriff Schmaling and his team have the resources they need to protect our residents.

Our partnership with RCEDC has reached new heights as RCEDC has been a crucial partner in educating our residents and businesses about the project's scope and its opportunities. Throughout 2018, Racine County & RCEDC have hosted countless information sessions, pre-bid meetings, capacity building sessions, hearings, special presentations, a housing summit and much more.

In addition to Foxconn, RCEDC staff have successfully assisted 16 other projects in 2018 that included Racine's Jacquet (Jah-kay) Midwest, Burlington's Lavelle Industries, Union Grove's Bon Voyage Travel, Raymond's Larkman Construction, Mount Pleasant's Badger Meter and several others.

We also are undertaking new talent recruitment efforts to maximize benefits to our current employers. Our in-depth workforce analysis through ManpowerGroup and RCEDC will help inform our strategies to address workforce challenges. As part of the effort to create a pipeline of talented people, we partnered with

RCEDC and Real Racine to design and implement the Greater Racine County talent recruitment initiative. A new website will soon showcase our communities, schools, cultural amenities, and employment opportunities as we highlight our regional advantages and work to attract new residents.

As Racine County enters a new era, we must help businesses get the workers they need. And we want residents who seek training to get training -- and to be informed about the training opportunities available. That's critical, because too many of our residents have not been able to enjoy Racine County's brightening economy.

Under the guidance of our outstanding Human Services Director Hope Otto, we are addressing deep-rooted issues differently than we did in the past. No longer are we content to throw money at a problem and hope it works. Instead, we are in the midst of the most focused effort ever to develop the workforce and lift all of our businesses and residents.

Our Uplift 900 initiative, which we launched under Project Manager Melvin Hargrove to close the gap between the City of Racine and State unemployment rates, has engaged 500 underserved residents through town halls, block parties, church outreach and other efforts – and connected 50 residents to family-sustaining jobs.

The 5.09 HSED program, a collaboration with the YWCA and Gateway, has helped 42 students obtain their high school equivalency diploma so far, with another full classroom this fall.

Our GreaterRacineAtWork.com platform, launched in partnership with the County Board, has over 400 active job seekers ready for new training and employment opportunities.

On the heels of these and other initiatives, recent state data showed Racine's unemployment rate with the largest decrease in the state over the past year. This budget affirms our commitment to making sure all residents have the opportunity for fulfilling careers.

Developing the workforce is only part of our focus on positioning residents for success. We also want to reach those who are not yet of working age.

I'm pleased to report tonight that we have been awarded a Department of Children and Family \$250,000 Youth Innovation Grant to bring a national program called Credible Messenger to Racine County. This program will connect youth involved in the juvenile justice system with adult mentors to further support those children to become successful members of the community. We believe this program can help change generational cycles and address challenging life circumstances.

Our Juvenile Detention staff, under the able leadership of Superintendent Ed Kamin, was just commended for their excellent work in the most recent State inspection report. We know; however, they continue to do a very difficult job in a high-stress environment. This budget calls for adjusting our juvenile detention staff's work schedules to better fit their needs, decrease overtime, and address a staffing shortage that has impacted corrections facilities around the country. We believe this change will help reduce staff turnover and provide for more one-on-one interactions between staff and youth.

Keeping quality employees is not just limited to juvenile detention. Our Racine County Communications Center Director Jackie Bratz successfully advocated for a rate pay increase for her dispatchers that will help us compete with our neighboring counties. Just like every other organization today, we are mindful that we need to make Racine County an employer of choice. Human Resources Director Karen Galbraith and her team are partnering with UW-Extension to conduct an employee engagement and retention survey to learn how we can enhance our working environment. They will explore creative solutions such as flexible schedules, on-site day care, increased training opportunities, and health and wellness initiatives.

Improving mental health services has been one of my priorities since becoming County Executive. We have made strides in the past four years, but we all know even greater challenges lie ahead. The county-wide facility study noted the

efficiency of having the Health Division Services centralized next to the Dennis Kornwolf Racine County Service Center. Therefore, I have included \$100,000 in this budget for architectural designs for a new building on that site.

The County is also working hard to battle the opioid epidemic that has destroyed too many families here and across the country. We have formed strong public-private partnerships to provide outpatient counseling, access to medication and overall improved quality of care. We are also seeking grant funding to increase our treatment of opioid-addicted inmates at the county jail. And litigation seeking to bring to light those drug manufacturers and distributors who are responsible for opioid misuse is moving forward – paving the way to bring critical resources into our communities to confront the epidemic and prevent it from happening again.

Whether it's a child who's been involved in the justice system, a worker looking to advance his or her career, or a resident battling an addiction, our Human Services Department is working hard to help people sustain employment and make families stronger. Our Human Services Department has total operating expenses of over \$48 million, yet only has \$6.5 million on the tax levy, and over \$3 million in reserves.

In the past year, we have seen more collaboration among communities, governments, educational institutions, and residents than ever before. We have seen truly remarkable leaders emerge by seizing this moment to help make our community a better place for all.

Ron Tatum is one such person.

Ron Tatum's parents used to tell him: "Walk as a Man of Stature and Valor, and as if someone is always watching you, as you may be impacting their life in a positive way."

Ron's volunteerism and tireless efforts on our first two Job Fests helped dozens of residents land job offers and employers identify more than 100 people for follow-up interviews. It wasn't just his commitment of time and energy -- and all the

food. His critical thinking challenged our team to think differently about community engagement, employer relationships, and truly meeting the needs of vulnerable community members.

His work on our Job Fests is just the tip of the iceberg on his community involvement. He sits on multiple boards including NAMI, Big Brothers/Big Sisters, and Feeding America Hunger Task Force. And in his “day job” at Goodwill Industries, he has served in numerous leadership roles that align with his mission to help people and to create opportunities for them.

I know he does not do this work for accolades, but Ron Tatum embodies the reasons why I established the Racine County Executive Community Impact Award. I am so honored to present him with the award tonight.

Another organization seizing the moment is the Root-Pike Watershed Initiative Network, led by Dave Giordano and Allison Thielen.

As Pritchard Park becomes a new destination for Racine County residents, Root-Pike WIN has led the way to restore wetlands and other natural areas and ensure the park remains environmentally sound.

Root-Pike WIN helped land \$590,000 in grant money to restore wetlands at Cliffside Park, marking the start of a cooperative effort to improve a unique part of Racine County.

But those are just recent examples. For 20 years, Root-Pike WIN has brought together municipalities, residents, donors and experts to improve the environment in southeastern Wisconsin and Racine County. That spirit of cooperation has protected the watersheds in our region, improved water quality and made Racine County a better place.

I am grateful to recognize Root-Pike WIN with a Community Impact Award for creating places where people want to live, work, and invest.

Leaders don't only seize the big moments. Leaders also take ordinary moments in ordinary days to show their strength and creativity. The County is full of such leaders.

I'm proud of our IT Department, led by John Barrett, for enhancing our cyber-security while finding ways to save money. This year, we rolled out a leased PC program that saves the county \$400,000 over four years. In this budget, we are responding to increasing cyber security threats by strengthening the county's security platform and upgrading technology infrastructure.

Director Julie Anderson and our Public Works and Development Services Department also continue to do more with less. Despite a 1.5 percent proposed budget reduction, the department is handling an increasing number of permits and land development proposals as our county begins its tremendous growth. The department will also be assisting the DOT with the County KR widening project from I-94 east to approximately Green Bay Road (STH 31), and the newly-incorporated Village of Yorkville with planning and zoning services.

This budget does not include any proposed road rehabilitation or rebuilding projects since we want to keep as many county highways fully open to traffic as possible during the reconstruction of I-94. We will be replacing a few large and aging box culverts beneath County Highways U, A and J for a total cost of about \$1 million.

On a lighter note, our Karen Nelson Dog Park at Quarry Lake is getting a wonderful new dog watering fountain due to a very generous donation from Mariann Hansen. As this budget also includes funds for the resurfacing of the parking lot, we will be exploring the addition of lights to the dog park when we rebuild the parking lot. Stay tuned!

Lift up. Create Change. Seizing Opportunities. Extraordinary Leaders. Exciting times. Unprecedented Partnerships and Collaborations.

This speech has been filled with sensational language for a simple county budget. This, however, has not been an ordinary year. And this speech is not over yet.

I am so proud and so very excited to announce one more – yes, I'll use this word one more time – unprecedented partnership.

Two years ago, I put funds in the 2017 budget - \$2.25 million – to seed a community and sports complex at Pritchard Park. We had conducted a study with CSL International, and the study revealed that Racine County sports fields were lacking compared to neighboring communities. There is only one turf athletic field in Racine County. There are a lack of high-quality baseball and softball fields. We don't have a lacrosse field.

We had preliminary design plans drawn up. Then SC Johnson donated an incredible \$6.5 million for a beautiful community aquatic center and our attention turned toward that project – gratefully and rightfully so.

But we didn't lose sight of the original vision.

And neither did the Racine Unified School District.

I am so very honored to announce that, pending both County Board and School Board approval, the County and the School District have agreed to each contribute \$3 million dollars – which includes the \$2.25 million already budgeted by the County – toward Phase 2 of the SC Johnson Community Sports Complex at Pritchard Park. This complex includes a state-of-the-art multi-purpose stadium, plaza and concessions, and a varsity baseball field and varsity softball field. While RUSD sports teams will use Pritchard Park for a variety of games and practices, this sports complex will be open to all area schools and community sports teams, youth teams, and residents to compete, practice, and enjoy.

Although this \$6 million investment is enough to get started on the construction of the next phase of the community sports complex, we will continue to seek sponsorships from our corporate partners, foundations, youth sports organizations, other area schools, and the public. Our intention is to make this project a true community asset, and we hope and expect that other partners will step forward to contribute in the coming months.

I am confident this sports complex will be a game-changer not only for our children, families, and visitors, but for Regency Mall and other businesses in the

area. We expect to break ground on the stadium next spring to open in time for the fall 2019 sports season.

I believe this project is representative of how taxpayers expect our government to leverage our dollars to the greatest advantage to address both the challenges and opportunities within our communities. I am very proud of this partnership with RUSD and will continue to work to create fiscally responsible, successful and winning collaborations in the future.

As always, my pledge and obligation to you, the taxpayers and people of Racine County, is to keep our County budget consistent with our taxpayers' expectations and fiscal values. At the heart of this speech, sandwiched between all the fanfare of fantastic new partnerships and collaborations, is a smart, pragmatic budget that keeps to our mission and core values and does not compromise our integrity to our taxpayers.

Our finance department, under Director Alex Tillmann, continues to focus on streamlining processes, such as going paperless, and using our financial and payroll systems to accommodate the growing demands and needs for services in the most efficient and cost-effective manner possible.

We are bonding just under \$5 million for capital projects in 2019. Our unrestricted reserves are at almost \$10 million and we have a total reserve balance of \$45.7 million. We continue to earn a strong AA2 bond rating.

I could not do this job without my Cabinet: Julie Anderson, Hope Otto, Karen Galbraith, Michael Lanzdorf, Alex Tillmann, Jackie Bratz, John Barrett, and M.T. Boyle. This past year, the county has continued to move at break neck speed and my team constantly rises to the challenge. I would like to give a special shout-out to our Communications Manager, Mark Schaaf, who has proven himself to be a great asset to the County. You all have my deepest gratitude for the excellent work that you do every day.

The sheer number of large and complicated projects and heavy lifts at the County level has been unparalleled. The growth and expansion of the work that we do will not diminish. Therefore, this budget creates a new Project Manager position that will aid not only County departments with major projects, but will also serve

as a liaison to you, the County Board, to help with the extra work, research, and information that you will need as we move forward.

I'm grateful for the support of County elected leaders: Sheriff Chris Schmaling, County Clerk Wendy Christensen, Register of Deeds Tyson Fettes, Treasurer Jane Nikolai, Clerk of Courts Sam Christensen, and District Attorney Tricia Hanson. I also appreciate working with the 17 heads of municipal government from throughout the county. In this transformational time, it's more important than ever to continue our strong relationships and intergovernmental cooperation.

Finally, I want to thank you, the County Board. I know the decisions that we ask of you are not always easy. I especially want to acknowledge County Board Chairman Rusty Clark for his willingness to listen to all sides, his thoughtful research and responses, and his ability to find consensus. Chairman Clark's leadership has been instrumental to the achievements of this past year. Not all County Executives and County Board Chairmen enjoy a good rapport and working relationship. I truly appreciate Chairman Clark's hard work and his steadfast commitment to do what is right for Racine County as a whole.

I am honored to work side-by-side with Chairman Clark, Vice-Chairman David Cooke, and all of you as we continue to move our County toward greater prosperity and a brighter future. I hope you're as proud as I am about what we've accomplished, and just as excited about the possibilities that are around the corner.

100 years ago, Herbert F. Johnson, Sr. understood that a business merely stands for a symbol of "the work of many, many people who come together to build a company, to serve an idea, to change the world." John Batten credits the success of Twin Disc in part on the collaboration and partnerships of his fellow legacy companies.

No one creates success alone. Our future prosperity depends on all of us working together with the common goal of ensuring Racine County residents, families, and municipalities share in the economic growth that is to come. I'm ready and willing to do whatever I can to make that happen. Thank you for joining me.

Good night, and God Bless Racine County.

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