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2026 STATE OF THE COUNTY ADDRESS BY RACINE COUNTY EXECUTIVE RALPH MALICKI

Mister Chairman, Mister Vice Chairman, Members of the County Board, distinguished guests, and residents of Racine County-- good evening.

Last year, I stood here for the first time as your County Executive and said two words very important to me: Be Better.

Not a complicated idea. We're not perfect, and we never will be, but we can always do better. That's how I ran my business and how I'm running this county.

A year ago, I was still learning the job and said as much at the time.

Tonight feels different. I know the county government better and have a clearer picture of what we need to do and how we're going to get there.

So tonight, I want to talk about what's happening and where we go from here.

I'll be brief on the finances because the numbers speak for themselves, but I want to be clear about what they mean. The mill rate has decreased for the twelfth consecutive year. We carry an AA bond rating. Our general fund balance sits at nearly \$22 million-- 19 percent of our operating budget, right where it should be. Last year, Human Services came in \$3.2 million under budget, and the general fund came in another \$1.7 million under budget. That money goes back into our contingent funds. That's what fiscal discipline looks like.

This is all the result of deliberate decisions about how to manage taxpayer money-- decisions that sometimes require saying no and sometimes absorbing criticism for saying yes. I came from the private sector, and I'll tell you what I know: sound finances aren't a political talking point. They're what makes everything else possible.

I also want to address something directly. There's been judgment of our spending. I've heard it and I've read it. Scrutiny of how public dollars are spent is appropriate-- that's how government should work. But when you look at the full picture, this is a fiscally sound county finally addressing problems that have been deferred for too long.

When I stepped into this role, I found many “cold patch” solutions-- temporary fixes applied to long-term challenges. That is not a criticism of prior decisions. Those approaches worked at the time...until they no longer did. That turning point came around 2018, and many of you were directly involved in the conversations and decision-making that ultimately led to the Countywide Sales Tax in 2024.

County Executive Delagrave was central to that work and what came next reflects his vision. Jonathan helped position the County for more meaningful, transformational capital investments, largely supported by outside funding. These investments addressed critical needs: an end-of-life radio system relied upon by first responders, a public safety building that could not be rehabilitated, and a fragmented, leased mental health facility where decades of rent would exceed the cost of building a new, consolidated space.

These were necessary investments and have been made without compromising our fiscal position. As I review our broader deferred maintenance portfolio, I am mindful and appreciative that this groundwork has already been laid.

I brought a set of private-sector disciplines to this team early on, particularly around centralized purchasing and strategic asset planning. These were areas I saw opportunities to improve. We've since implemented quarterly reporting to the County Board on capital projects, ensuring transparency and accountability.

We are also advancing a comprehensive facilities and space utilization plan. This work is focused on understanding what we own and where future investments and consolidation make the most sense.

Good roads and infrastructure matter to every resident and business. Last year, our Public Works team resurfaced county highways, reconstructed intersections for safer traffic flow, and replaced culverts that had been deferred for years. One resurfacing project on Highway T came in at more than \$250,000 under budget.

Looking ahead, we have reconstruction and resurfacing projects planned this summer on county highways C and G, continuing the work of maintaining a county road system that supports economic growth along our corridors.

Good infrastructure also includes our county parks. At Quarry Lake, we completed a significant improvement project—re-grading the terrain to improve stormwater runoff and creating a new ADA-compliant beach so every resident can access one of the county's most beloved parks.

We're also doing the long-term planning work that often goes unnoticed. Our Development Services team is partnering with SEWRPC and local municipalities to update Racine County's Comprehensive Plan through 2050, which will cover housing, transportation, land use, and economic development. That kind of planning will help make good decisions years from now instead of scrambling to catch up. I want to thank Roley Behm, our Director of Public Works and Development Services, and his entire team for the work they do keeping this county going, often with little recognition and always under budget pressures.

We will also continue the Budget Vision Session as a standard practice. I'm thinking on a bi-annual basis. This creates an opportunity to share information early on with the Board on our county's financial direction. That's how you make better decisions— together and before the budget is already written.

At the end of the day, Racine County serves its people. That sounds obvious, but it's easy to lose sight of in the day-to-day work. When I think about the decisions we've made this year, that's the question I keep coming back to: are we serving people better than we were before?

One of the things I am very focused on is the Racine County Intergovernmental Cooperation Council or RCICC.

Seventeen municipalities in this county mean seventeen budgets and seventeen sets of challenges, many of them identical. For too long, we've been solving the same problems separately-- paying separately, bidding separately. But the math always shows we're better off working together.

Last year, I talked about building that collaboration. This year, I can show you what it looks like.

Sturtevant came to us about taking over their law enforcement services. We stepped in as the Sheriff's Office has the expertise, and we now have a contract in place. That's a community leveraging the preparedness of the county to best serve its residents.

Through RCICC, we're building formal consortium models-- that is, structured ways for municipalities to pool purchases and services jointly. What this means is smaller communities get access to things they couldn't afford on their own. Taxpayers across the county stop paying full price for the same thing seventeen times over. That's what economies of scale look like in local government. This is work that will save us real money in the years to come. We're building the structure to make it sustainable.

Racine County is the place where businesses choose to invest and grow, reflecting how the County prioritizes our local businesses. RAMAC, RCEDC, and our municipal partners deserve credit for that. We must continue to support a strong business environment where companies can find a reliable public partner. Serving our businesses means recognizing their success is directly tied to the economic health of our county and region.

Kedali America, a global supplier of electric vehicle battery components, announced a \$72 million investment to establish its first U.S. manufacturing facility right here in Mount Pleasant. Educators Credit Union opened its new 42,000-square-foot headquarters along I-94. CNH Industrial, a company with roots in Racine County going back more than 180 years, recently expanded its presence by relocating 230 employees to a newly acquired facility in Waterford. And four Racine County construction projects were just named finalists for the Milwaukee Business Journal's 2026 Real Estate Awards, including the Jonathan Delagrave Youth Development and Care Center.

And then there is Microsoft. What began as a \$1 billion data center campus in Mount Pleasant has grown to more than \$7 billion with 15 additional data centers recently approved and construction actively underway. When fully built out, the Microsoft campus alone is projected to generate more than \$76 million in annual property tax revenue. Eventually, this site will exceed the total equalized value of everything else in Mount Pleasant combined. Microsoft is already on track to become Racine County's single largest taxpayer this year.

That is generational money for this county. The question we must now answer together is whether we're building a community where people who work here can afford to live here. Right now, the answer is no, and that is absolutely unsustainable.

From 2010 to 2024, Racine County added more than 6,000 jobs. But our population only grew by 550 people. Over the next decade, Racine and Kenosha counties are projected to add nearly 20,000 more jobs, but our working population is shrinking. Almost two in five of our residents are projected to be over 55 by 2040. Let that sink in.

We need more than 4,200 new homes in the next five years but are not building anywhere close to that. Workers who want to come here can't find a place to live at a price they can afford. This is an urgent call to action for the long-term health of this county.

Last year, I said this needed attention, and we'd form a work group. We are doing much more than that.

Last month, I convened local leaders and national experts at a community housing event to dig into this directly-- financing gaps, zoning barriers, the shortage of shovel-ready sites, and what other communities have done that works. I want to thank the Johnson Foundation at Wingspread for hosting and RCEDC for their partnership.

As a result, I launched a countywide Housing Work Group, which is already underway. By the end of this year, this group will deliver a concrete action plan with a focus on starter home development and closing the gap between what families can afford and what the market is building. I will bring that plan forward to the County Board alongside Chairman Kramer. That's a real commitment with a real deadline and deliverables for Racine County.

We also took a significant step in how we coordinate services for residents experiencing homelessness. Racine County is formalizing its role as the lead collaborative applicant for our local Continuum of Care, the federally recognized system that connects shelter and housing resources for people in crisis. The goal is to make sure every dollar around this important issue is pulling in the same direction.

The people served by this system are our neighbors and, in many cases, people Racine County already serves in other ways. Veterans. Families with children. Young people who aged out of systems that once protected them. Justice-involved youth. Survivors of domestic violence. And people with mental health and substance use challenges.

Too often, those same individuals are touching multiple county systems without those systems talking to each other. What's changing is that the county is now at the table in a more coordinated and accountable way, working alongside our nonprofit partners to make sure every dollar we spend on these residents is working as hard as it can. I want to thank Human Services Director Hope Otto for the work she's done to make this happen.

That population also overlaps significantly with the people our Behavioral Health Services team works with every day. I want to recognize Jelena Jones, our Administrator of Aging and Disability Services, for the work she leads.

And through Wellness Connect, Racine County has a single coordinated access point for anyone seeking mental health, substance use, or crisis support-- one call with no wrong doors. Our data shows this coordinated approach has already generated more than \$600,000 in cost savings by getting people to the right care faster and reducing unnecessary emergency interventions. And later this year, we will open a new Behavioral Health Building on Taylor Avenue. For the first time, Racine County will have a residential substance use treatment program at home. Right now, there are no residential programs within 40 miles of the county. At any given moment, residents need that level of immediate

care without anywhere local to go. That ends this year. No one should have to leave their community to get help and thanks to the work of Racine County, they won't have to.

To deliver on the commitments I've described tonight-- shared services, consortium models, and the housing work group-- we need the organizational capacity to manage them well. As we look ahead, I am evaluating how our administrative structure can better support that work, including how we staff for continuity and coordination across county functions. I want to be thoughtful about this and work closely with the County Board before bringing anything forward. But I want to be transparent that this is something I'm actively thinking about because getting the structure right is what makes the work sustainable.

Last year, I shared we would pursue a comprehensive compensation study. I want to tell you what came of it but first, thank you to HR Director Sarah Street and Finance Director Gwen Zimmer for making all of this possible.

The study confirmed that many of our pay ranges were no longer aligned with today's labor market. We had six separate pay schedules that didn't connect to each other. And we must also remember that most of our employees are Racine County residents. When we underinvest in them, we underinvest in our own people.

I mentioned cold patch earlier. The compensation structure was another version of the same problem. For years, counties across Wisconsin, including ours, made reactive, piecemeal adjustments to address the most urgent pressures in front of them. That's what the situation allowed. But over time, those patches eroded, and Racine County fell behind a competitive labor market that kept moving forward.

This year, the County Board approved a new single countywide compensation structure. One system designed to create consistency, support internal alignment, and reflect the current market. And we're already seeing what happens when we get this right. Our 911 Communications Center and Jail Division, two of the most demanding 24/7 operations in county government, are at their highest staffing levels since 2019 thanks to our ARPA investment in these essential employees.

When I stop by new employee orientation on Monday mornings, which I try to do every week, I want our employees to know from day one that this county values them. When employees are supported and stable, services are better. And our residents feel it.

That's what a Workplace of Choice means. We funded it, and the County Board made it happen.

Before I close, I want to take a moment to recognize people who make Racine County stronger through how they show up and the work they do every day.

Tonight, I'm proud to present three Community Impact Awards.

Our first award goes to a good friend of mine, Beth Heidorn, Executive Director of the Racine Zoo.

Beth and I have known each other for years, and I can tell you that what you see is what you get. She cares deeply about this community and is one of the best leaders I know.

She's been Executive Director of the Racine Zoo for more than a decade, coming to Racine after leadership roles in San Diego and Miami. Under her watch, the zoo has

maintained its Association of Zoos and Aquariums accreditation and welcomes more than 100,000 visitors each year. Through the zoo's outreach programs, Beth and her team bring live animals and conservation education directly into schools and community events across the county because she understands that not everyone can make it to the zoo. She built an AmeriCorps program in partnership with Racine County school districts to bring environmental and wildlife education directly to students. When federal funding for that program was recently cut, her response was straightforward: we're going to keep fighting. Beyond the zoo, Beth is one of the biggest ambassadors for Racine County I know. She's an official Greater Racine County ambassador, and she earns that title every day. From local radio and TV appearances to our most recent Discover Wisconsin episode, she promotes this county every chance she gets. Beth also made Racine County her home after a career that took her all over the country. That means something. Beth, thank you.

Our second award goes to Bernard Petersen, owner of The Runaway Micropub and Nanobrewery in Burlington.

Bernard and his wife Michelle are Burlington people. They bought their building on Chestnut Street, opened The Runaway during the pandemic-- doing curbside service and committing to their community when the timing couldn't have been harder-- and have been building on that block ever since. Bernard is a true brewmaster, making small-batch beer with locally sourced ingredients and a family-friendly atmosphere he and Michelle have always believed in for Burlington.

Since then, The Runaway has become an anchor business for downtown Burlington. Bernard hosts live music every week, partnered with a local musician to create the Aspiring Musicians Fund and help local people build careers in music, and organizes Loop Day, an annual street festival that revives Burlington's tradition of closing the downtown loop for a community celebration. He's since purchased the building next door and is expanding The Runaway's footprint.

Burlington is more vibrant because of what Bernard and Michelle have built. Bernard, thank you.

Our third and final award goes to Art Howell.

Most people in this room know Art as Racine's Police Chief-- the first African American to hold that position, a man who spent nearly four decades in uniform, who helped bring crime to historic lows, and expanded community-oriented policing into a model that others came to study. When he retired in 2021, Jonathan Delagrave said he would undoubtedly go down as one of the finest community leaders Racine County had ever seen. Jonathan was right. And I don't say that lightly.

Art retired four years ago and hasn't slowed down once. And it's what Art continues to do even after retiring that explains why he's standing here tonight.

He looked at Racine's young people who needed someone to show up for them and found new ways to do it. He successfully secured a grant from the United Way of Racine County, using those funds to build a recording studio at Racine Alternative Learning and has become its project manager. He shows up because he knows what happens when we don't invest in young people. He said it himself-- he's seen the other side of it throughout his career.

And now he's bringing that same energy to the Jonathan Delagrave Youth Development and Care Center, where a recording studio sits at the heart of a facility built on the belief that young people in the justice system deserve a second chance.

Art has also served on the board of the Racine Community Foundation for nearly three decades-- a relationship that began in 1995 when, as a planning sergeant, he wrote a grant to fund the city's first newly constructed COP House. He has served as Board Chair of both United Way and HALO.

Art, Racine County is better place because of you. On behalf of a grateful county, we thank you.

Before I close the awards portion of tonight's program, I want to do something we have never done before at a State of the County address.

Tonight, Racine County presents its first ever Lifetime Achievement Award.

Sheriff Chris Schmalig joined the Racine County Sheriff's Office as a deputy in 1995. He was elected sheriff in 2010, the youngest person ever to hold that office in this county's history. From there, he was re-elected four times. When he retires at the end of this year, he will close out nearly 32 years with the same office where he started as a young deputy, making him the longest-serving sheriff in Racine County history.

Those years of service are impressive but don't tell the full story.

Chris has always fought to protect our residents. He enhanced the Metro Drug Unit to go after drug distribution networks. He put Narcan in every squad car and in the jail. He hosted opioid summits and community listening sessions across the county. He expanded medication drop-off locations so residents could safely dispose of unused prescriptions before they ended up on the street. He created the first-ever Reserve Deputy program. And he invested in cutting-edge technology throughout the department, from full body scanners in the jail to body cameras that activate the moment a weapon is drawn, because transparency and officer safety go hand in hand.

His commitment to protecting our residents even took him to Washington, where he testified before the US Senate to advocate for domestic violence victims. He told the Senate that Racine County was the first in Wisconsin with a full-time domestic violence specialist, and that keeping guns out of the hands of abusers protects the people his deputies were being sent into danger to serve.

More recently, he partnered with our Human Services team to deploy crisis telehealth technology, connecting behavioral health professionals virtually and in real time to deputies responding to mental health crisis calls -- because he understood early that not every call is a law enforcement issue. As Chris said at last year's Behavioral Health Building groundbreaking: so many of the calls his deputies respond to are about people in pain. In his words: "This facility provides us with a compassionate path forward -- one that offers care instead of cuffs."

Chris leaves behind a department that provides contracted law enforcement services to multiple municipalities across this county. The Sturtevant contract I mentioned earlier is the newest example of a model that enhances county – municipality collaboration. He also leaves behind a new public safety center that will house Sheriff's Office operations, 911 Dispatch, and the Emergency Operations Center for generations to come.

The people inside the Sheriff's Office know something that doesn't always make the news. Chris has never stopped fighting for our men and women in uniform. When they need equipment, he goes to bat for the budget. When they need training, he finds the resources. When people question the value of law enforcement, he stands up and says so-- publicly and without apology. Our staff know that when they're in the field, their sheriff has their back.

Sheriff Schmaling, it is my honor to present you with Racine County's first ever Lifetime Achievement Award. Please come up and say a few words.

I'll end where I started. Be Better.

Before, that was a philosophy I introduced. Now, it's a standard we've been held to by this board, our residents, and by me.

I think we've earned some of it. Our finances are solid and investments are paying off. The people running this county day to day are as dedicated as any I've worked with throughout my career.

But there's always room to be better. Housing won't be solved in a year. The consortium model is still being proven out. The compensation structure has to hold. And I'll be back here next year to tell you where we stand. I look forward to working alongside this Board to get it done.

I'm grateful to serve this county. I believe in what this place is capable of and that belief drives my work every day. Thank you for your trust in me and for the opportunity to serve.

God Bless Racine County.

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