

Somerset County 2010 Budget Presentation

Somerset County Board of Chosen Freeholders

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The Global and National Outlook 2010

- We are undergoing fundamental social and economic shifts
- Corporate layoffs - 9.7% National Unemployment
- Foreclosures still persistent
- Financial scandals have long term impacts
- Extensive bail-out and rescue packages have a uncertain long-term impact
- National health care reform has a uncertain long-term impact
- But:**
- Worldwide economic downturn subsiding
- Corporate Bankruptcies reduced
- Banking, credit & housing markets stabilizing

The State and Local Outlook 2010

- State and local governments will lag behind the general recovery
- State of New Jersey continues to deal with a financial crisis
- NJ Unemployment at 10.3%
- Somerset County unemployment at 8.1%
- Unprecedented cuts in state programs, services and state aid
- Municipal and school budgets all face reductions and tax increases

Impacts on Somerset County 2010

- Real estate transfers up but \$ down
- Housing values still down
- Reassessments in 11 towns
- Interest on County investments still down
- Employment & real wages still down
- Demand for County human and social services up

Somerset County Initiatives- What We've Done

- Somerset County has planned for a recessionary period
- Our long-term financial strategy planned for withstanding a 3-year economic downturn– 2010 is already into our fourth year.
- Wage freeze for no layoff policy, 12 of the 19 unions have agreed. Discussions are continuing with others.
- Change in health care providers & contributions from nearly all employees have lessened demand on budget
- Cease funding for EDIP
- Flexibility needed for 2011, CAP Bank is a priority

Somerset County Initiatives- What We've Done – cont'd

- ❑ Increased 911 Dispatch and Health service coverage areas
- ❑ Increased Educational support to RVCC
- ❑ Saved additional \$517,000 over last year's vacant positions
- ❑ Saved an additional \$250,000 in fringe benefits by not filling these positions
- ❑ Met our objective of having a fiscally prudent 2010 County budget

Highlights of the 2010 Budget

- Reduced revenue estimates by \$1,705,298
- Reduced usage of surplus by \$780,000
- Use half of \$35.5M surplus
- Retained \$18 million in surplus
- Total County budget is down 1.2 percent, or approx. \$2.5 million, from its 2009 level

Highlights of the 2010 Budget Cont'd

- Maintain a no-tax increase budget without employing “one-time gimmicks” such as holding off on pension contributions; without compromising any future budgets; and without jeopardizing the county’s two longtime triple-A bond ratings.
- Hiring freeze implemented only essential vacancies to be filled on an emergency basis.
- Several county offices and programs have reorganized or cross-trained staff in order to cover duties for vacancies that have not been filled.
- Overall, the county has decreased its personnel rolls by 5 percent since 2008.

Highlights of the 2010 Budget Cont'd

- Wage freeze for all non-union employees and for union employees whose unions have agreed to the freeze; to date 12 of the county's 19 unions have accepted the salary freeze
- Continuation of the county's commitment since 2008 to decrease the workforce by attrition
- Elimination of the Municipal Youth Athletic/Recreation Grants program, for a savings of \$315,000 in capital funds
- Elimination of the Economic Development Incentive Program, for a savings of \$250,000

Highlights of the 2010 Budget Cont'd

- Phase out the contract with Carrier Clinic to run the Richard Hall Community Mental Health Center, saving \$225,000; the county Department of Human Services has resumed direct oversight of the center
- Savings of more than \$100,000 in the Meals-on-Wheels program through competitive contracting
- We decreased the county's purchase-of-services from nonprofits by reallocating to fund current priorities

Highlights of the 2010 Budget Cont'd

- ❑ Downsize the Freeholders' and Administrator's office staffs by 25 percent in 2009 and 2010
- ❑ Cutting back overtime expenses and part-time hires since 2008
- ❑ Lower the cost of the county's health insurance by at least \$1 million by competitive contracting and switching providers, and requiring a higher level of employee contributions to the cost of the program
- ❑ Leveraging savings by implementing employee suggestions made at the beginning of 2009

Highlights of the 2010 Budget Cont'd

- Annual number of meals served in Nutrition Program: 172,987 meals
- Start a mobile outreach/early intervention program to reduce commitments to state hospitals
- Maintain same number of ramps (17 per year) built by Handyman Program

Somerset County Clerk Receipts & Revenues

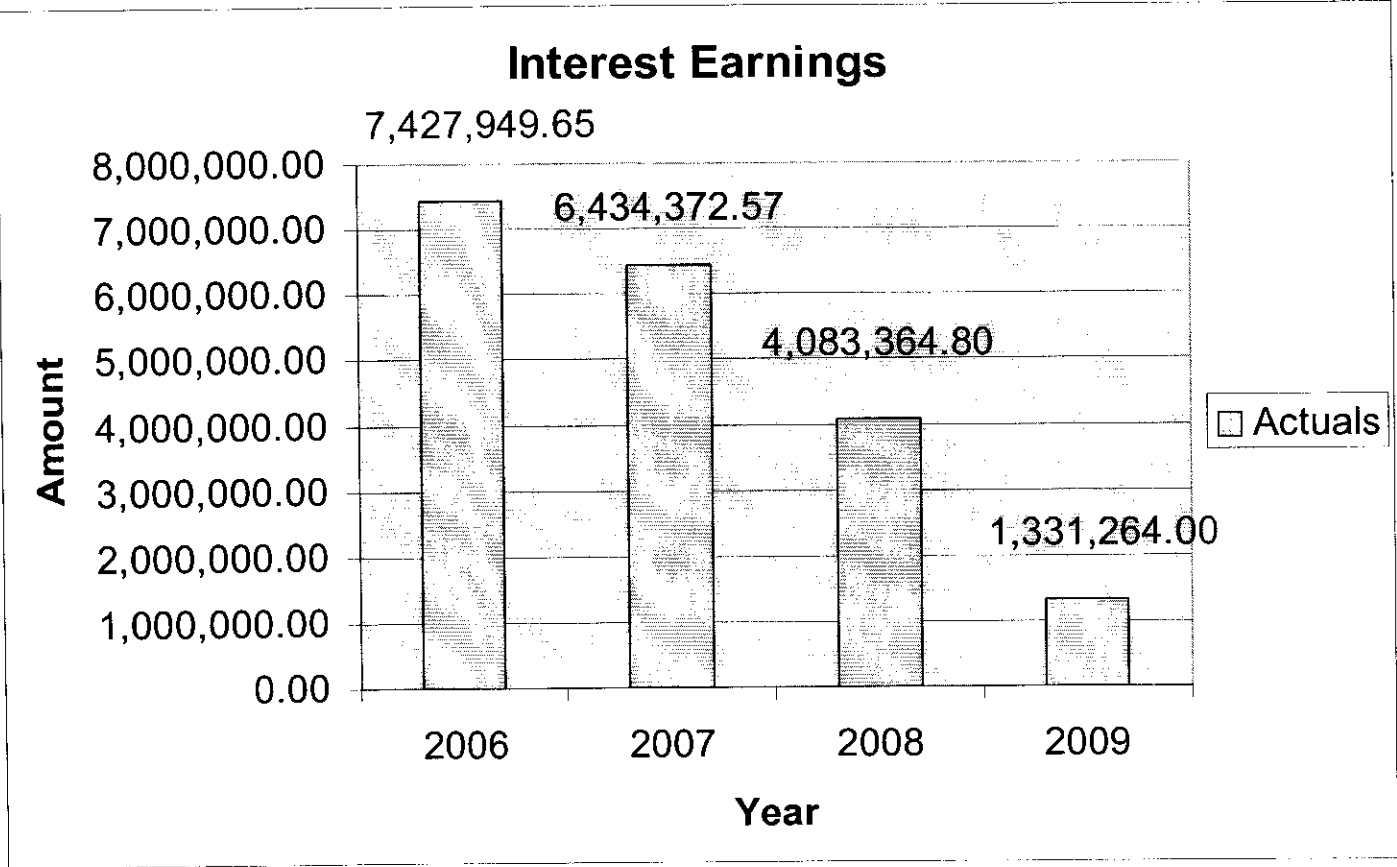
YEAR	Number of Documents Processed	% CHANGE	Total Funds Retained by the County	% CHANGE
2004	116,583	-0.31	\$10,702,846	-0.09
2005	105,265	-0.10	\$11,189,133	0.05
2006	91,959	-0.13	\$10,266,500	-0.08
2007	80,110	-0.13	\$8,402,200	-0.18
2008	63,573	-0.21	\$6,097,103	-0.27
2009	75,416	0.19	\$5,859,007	-0.04

Prepared by: Somerset County Clerk

Somerset County Interest Revenues

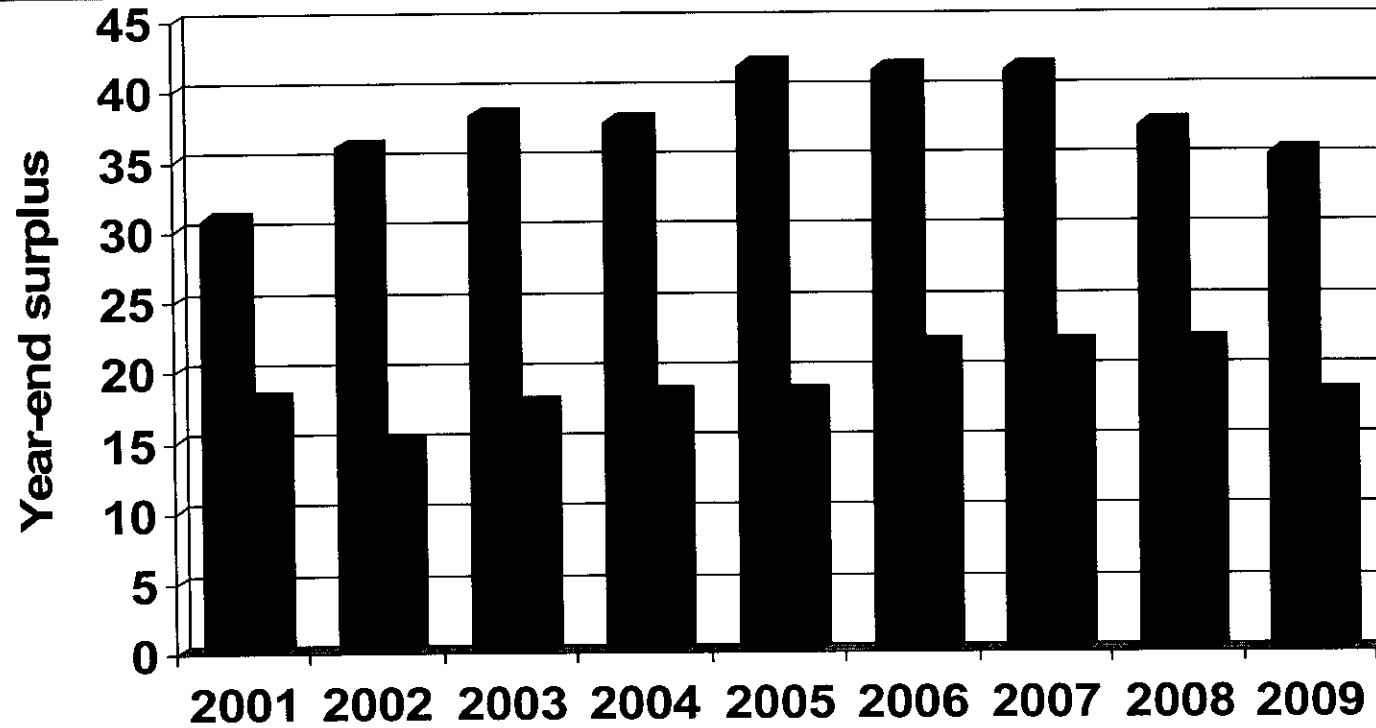
		Prior Year	Prior Year
Year	Budgeted	Budget	Actuals
2010	1,100,000.00	2,930,562.00	1,331,264.00
2009	2,930,562.00	4,295,085.00	4,083,364.80
2008	4,295,085.29	3,436,344.00	6,434,372.57
2007	3,436,344.00	3,212,743.00	7,427,949.65
2006	3,212,743.00	2,298,047.00	4,439,505.33

Somerset County Interest Revenues 2006 - 2009



Somerset County - Surplus

Year-end surplus



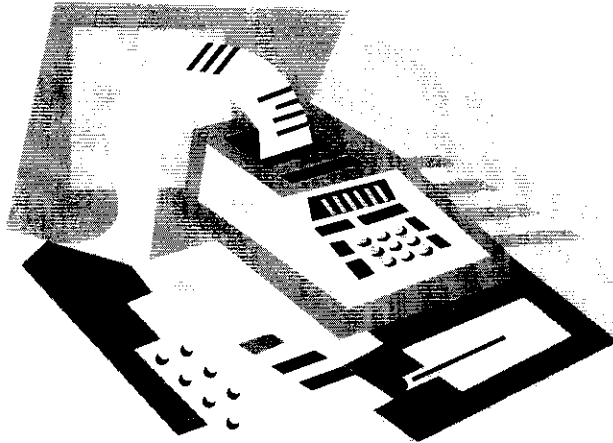
2010 Budget Recommendations

Year 2010 Proposed Budget - Overview

2010 Budget Recommendations

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
Total County Budget	\$212,329,100	\$214,814,398	-\$2,485,298	-1.16%

2010-2009 Budget Comparisons



Year 2009 Proposed Budget - By Area

<u>By Area</u>	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
General County Operations	\$ 59,342,471	\$ 59,947,134	\$ (604,663)	-1.01%
Public Safety	31,673,281	31,728,520	(55,239)	-0.17%
Constitutional Offices	3,943,079	4,024,995	(81,916)	-2.04%
Independent Agencies	30,485,089	30,363,034	122,056	0.40%
Debt Service and Capital Costs	29,115,281	32,881,245	(3,765,964)	-11.45%
Cost of State & Federal Programs	21,113,703	20,839,983	273,720	1.31%
Fixed Costs	<u>36,656,196</u>	<u>35,029,488</u>	<u>1,626,708</u> *	<u>4.64%</u>
Total	\$ 212,329,100	\$ 214,814,398	\$ (2,485,298)	-1.16%

* Primarily state pension

General Government

General County Operations

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
Executive	\$ 3,222,564	\$ 3,297,153	\$ (74,589)	-2.26%
Financial Services	6,101,842	6,058,560	43,282	0.71%
Human Services	15,618,166	16,497,757	(879,591)	-5.33%
Public Works	<u>34,399,899</u>	<u>34,093,664</u>	<u>306,235</u>	<u>0.90%</u>
	\$ 59,342,471	\$ 59,947,134	\$ (604,663)	-1.01%

Public Safety

<u>Public Safety</u>	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
Prosecutors	\$ 10,341,116	\$ 10,341,116	\$ 0	0.00%
Sheriff's Offices	21,332,165	21,387,404	(55,239)	-0.26%
Total	\$ 31,673,281	\$ 31,728,520	\$ (55,239)	-0.17%

Constitutional

<u>Constitutional</u>	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
County Clerk	\$ 1,103,049	\$ 1,131,406	\$ (28,357)	-2.51%
Surrogate	418,412	419,069	(657)	-0.16%
Board Of Taxation	463,909	463,331	578	0.12%
Election Board	1,436,964	1,490,409	(53,445)	-3.59%
Elections - County Clerk	276,576	276,611	(35)	-0.01%
Superintendent of Schools	<u>244,169</u>	<u>244,169</u>	<u>0</u>	<u>0.00%</u>
Total	\$ 3,943,079	\$ 4,024,995	\$ (81,916)	-2.04%

Independent Agencies

Independent Agencies

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
Vocational - Technical Schools	\$ 11,655,139	\$ 11,655,139	\$ -	0.00%
Raritan Valley Community College	9,368,450	9,168,450	200,000	2.18%
Out-of-County College Courses	150,000	150,000	0	0.00%
Park Commission	8,193,000	8,193,000	0	0.00%
Joint Library Facility	432,847	524,236	(91,388)	-17.43%
Medical Examiner	<u>685,653</u>	<u>672,209</u>	<u>13,444</u>	<u>2.00%</u>
Total	\$ 30,485,089	\$ 30,363,034	\$ 122,056	0.40%

Capital and Debt Costs

Capital Costs

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
Emergency Appropriation	\$ 200,840	\$ 200,840	\$ -	0.00%
Capital Improvement Fund	\$ 7,327,028	\$ 14,589,207	\$ (7,262,179)	-49.78%
Departmental Equipment	1,300,000	400,000	900,000	225.00%
Somerset County Obligations	1,381,159	515,789	865,370	167.78%
GO Debt Service	18,906,254	16,885,409	2,020,845	11.97%
Advanced Payment on Debt	<u>0</u>	<u>290,000</u>	<u>(290,000)</u>	<u>-100.00%</u>
Total	\$ 29,115,281	\$ 32,881,245	\$ (3,765,964)	-11.45%

Cost of State & Federal Programs

Cost of State & Federal Programs

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
County Costs Of State Programs				
Human Services	\$ 1,824,997	\$ 1,472,731	\$ 352,266	23.92%
Board Of Social Services	6,568,869	6,568,869	0	0.00%
Match for Grants	200,000	200,000	0	0.00%
State Costs Offset By Revenue				
Human Services	<u>12,519,837</u>	<u>12,598,383</u>	<u>(78,546)</u>	<u>-0.62%</u>
TOTAL	\$ 21,113,703	\$ 20,839,983	\$ 273,720	1.31%

Fixed Costs

<u>Fixed Costs</u>	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>%</u>
Pensions - PERS	\$ 6,017,335	\$ 5,246,560	\$ 770,775	14.69%
Pensions - PFRS	5,391,316	3,616,395	1,774,921	49.08%
Social Security	5,322,466	5,368,308	(45,842)	-0.85%
Group Insurance	15,000,000	15,000,000	0	0.00%
Other Insurance	5,533,504	5,348,225	185,279	3.46%
Other Liability	250,000	250,000	0	0.00%
Contingent	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>0.00%</u>
	\$ 37,714,622	\$ 35,029,488	\$ 2,685,134	7.67%

2010 Property Tax Rate

SOMERSET COUNTY

	<u>2010</u>	<u>2009</u>
ESTIMATED RATABLE BASE:	\$ 63,681,685,900	\$ 64,069,221,617
AMOUNT TO BE RAISED BY TAXATION:	\$ 169,929,100	\$ 169,929,100
CURRENT YEAR TAX RATE:	0.2668	
PRIOR YEAR TAX RATE:	0.2652	
DIFFERENCE:	0.0016	