

Somerset County 2014 Introduced Budget Presentation

Somerset County Board of Chosen Freeholders

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Somerset County 2014 Budget

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Bond Rating

Aaa

Exceptionally
Strong

Fitch

Aaa

Highest
Quality

Moody's

Aaa

Extremely
Strong

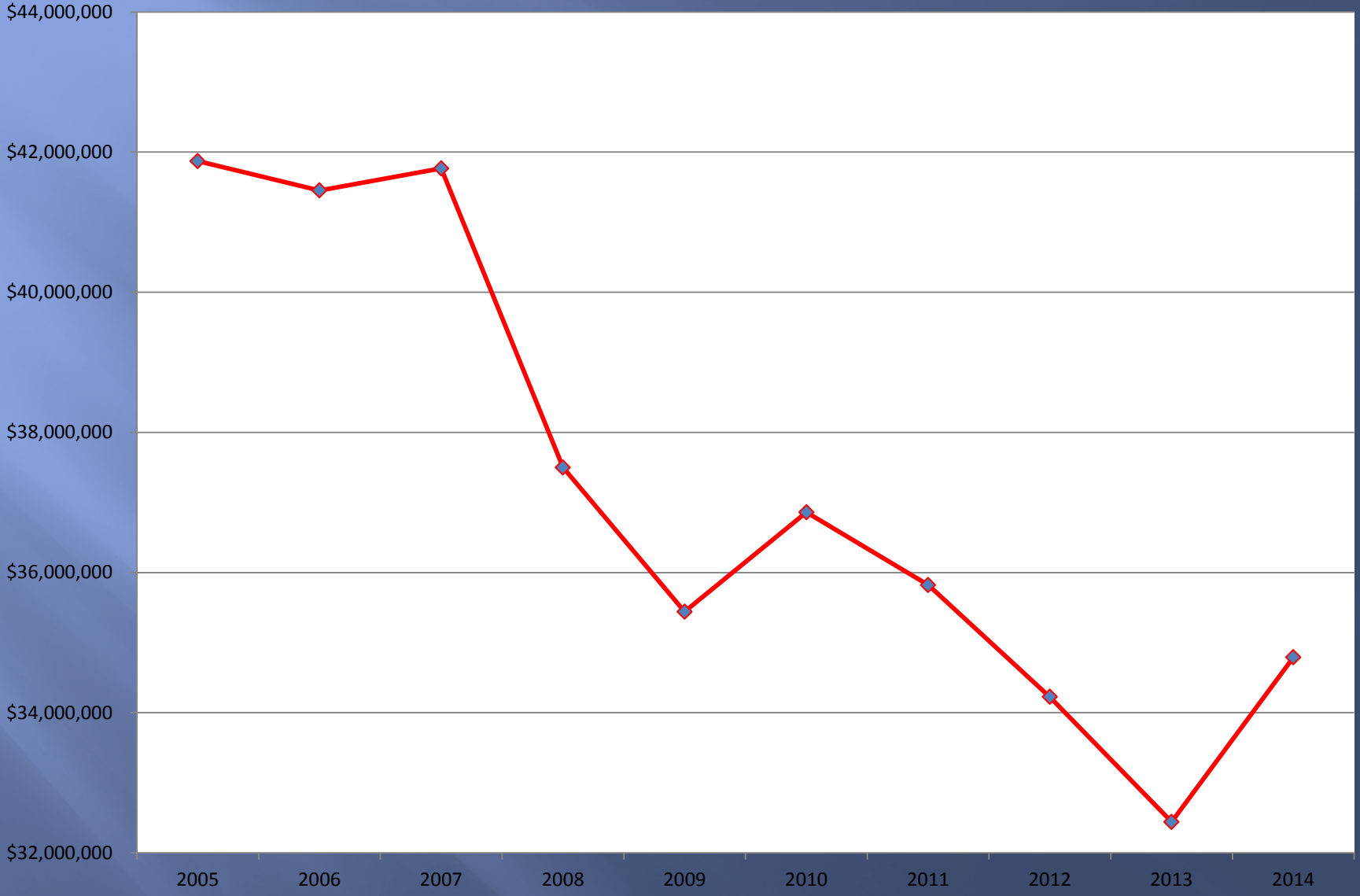
**Standard
& Poor's**

Regenerated Fund Balance

<u>Year</u> <u>Balance</u>	<u>Beginning Balance</u>	<u>Utilized</u>	<u>Regenerated</u>	<u>Ending</u>
2011	\$36,859,492	\$18,300,000	\$17,267,025	\$35,821,517
2012	\$35,821,517	\$18,415,175	\$18,851,949*	\$34,225,092
2013	\$34,225,092	\$16,056,199	\$14,272,791	\$32,441,684
2014	\$32,441,684	\$15,900,000	\$17,500,000	\$34,041,684

*\$2,033,199 one time add to Fund Balance from FEMA-Irene, used in 2013.

Fund Balance Regenerated



COST DRIVERS

<u>Budget Line</u>	<u>Increase</u>
• Loss of Casino Grants for Transportation	\$1,050,000
• Health Insurance Cost	\$ 720,000
• County Portion Mental Health Facilities	\$ 700,000
• *911/Dispatch Services	\$ 500,000
• *Park Commission – Opening 2 New Parks in 2014	\$ 600,000
• Other Insurance	\$ 322,000
• *Nutrition Title IIIB	\$ 213,000

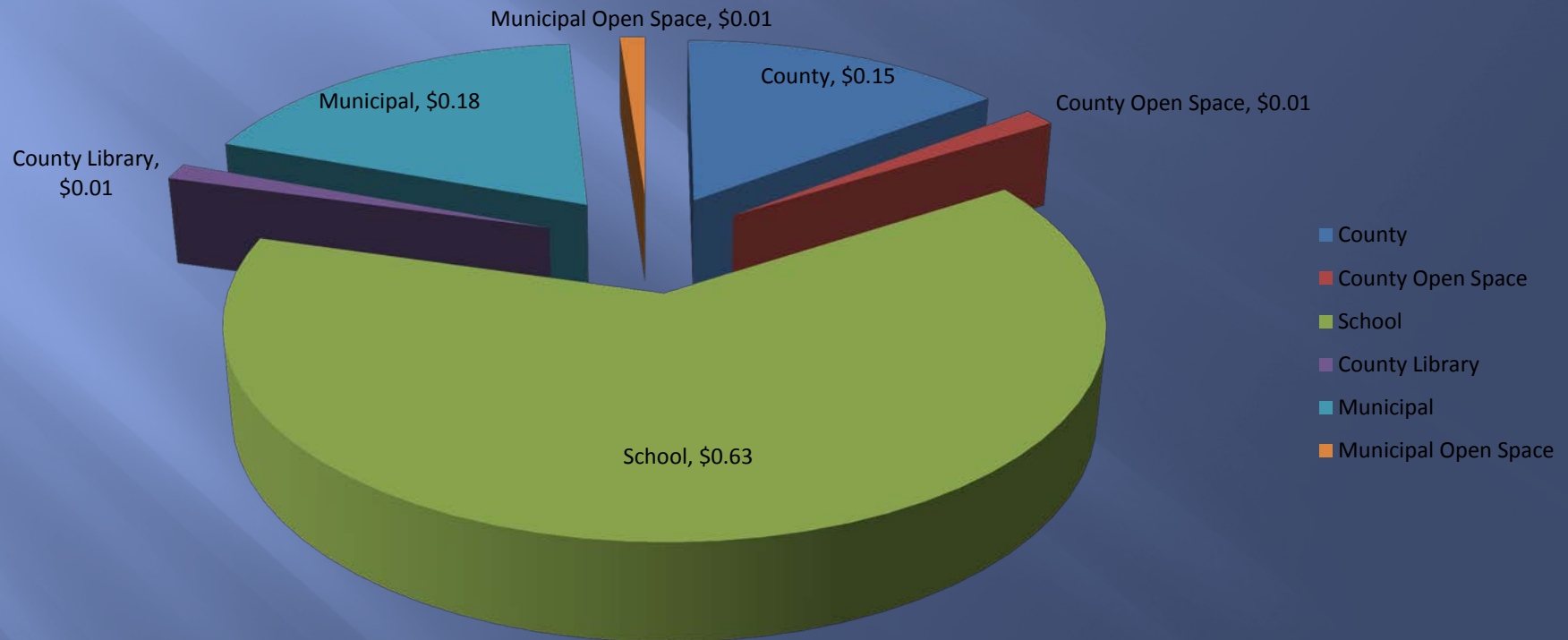
* Budget Items that Provide Added Service to County Residents

Cost Savings/Added Value

- ▣ * 911/Dispatch-Adds Savings to Participating Municipal Budgets.
- ▣ Banking Change from TD to Investors- Estimated Increase \$400,000 in Interest Income for 2014.
- ▣ Decrease in Debt Service through Various Refundings.
- ▣ Reduction in Recycling Cost by Implementing Single Stream Policy.
- ▣ Reduction in Transportation Salaries by \$270,000.
- ▣ Reduction in Library Debt Service by \$181,000.

Where Do Your Tax Dollars Go?

Tax Dollars



2013 - For every property tax dollar paid only \$0.15 cents (on average) was sent to Somerset County

What Does this Budget Do?

- ❑ Protects Our AAA Bond Rating by Regenerating More Fund Balance Than is Used to Supplement the Budget.
- ❑ Maintenance of 248 centerlane miles of county roads and 752 bridges.
- ❑ 38 park, recreation and open space areas encompassing 15,000 acres.
- ❑ Fully funds 911/Dispatch Communications for 20 municipalities.
- ❑ Funds nearly 200 shared services with local governments and other organizations in the county.
- ❑ Increases capital funding for added road work due to harsh winter weather conditions
- ❑ Funds just under \$1,900,000 in Special Emergency Funding due to various storms over past 3 years (Nor'easter '10, Irene '11 and Sandy '12).
- ❑ Funds Partial Budgets - SC Vocational School, RV Community College, Social Services and Parks Commission.
- ❑ Fully Funds Somerset County Correctional Institution.
- ❑ Fully Funds County Emergency Services Training Academy.

Shared Services

Cost Shared with Other Agencies

- ▣ Recycling- 19 Municipalities
- ▣ Transportation- 3 Municipalities, 4 Non-Profits
- ▣ Vehicle Maintenance - 11 Municipalities
- ▣ Vehicle Fuel - Over 50 Agencies
- ▣ Emergency Service Training Academy - Statewide
- ▣ Health Services - 8 Municipalities

Cost Covered by County Only

- ▣ 911 PSAP - 20 Municipalities
- ▣ Full Dispatch Service - 13 Municipalities, 18 Fire Companies and 16 EMS Stations
- ▣ Cooperative Purchasing Program – Statewide

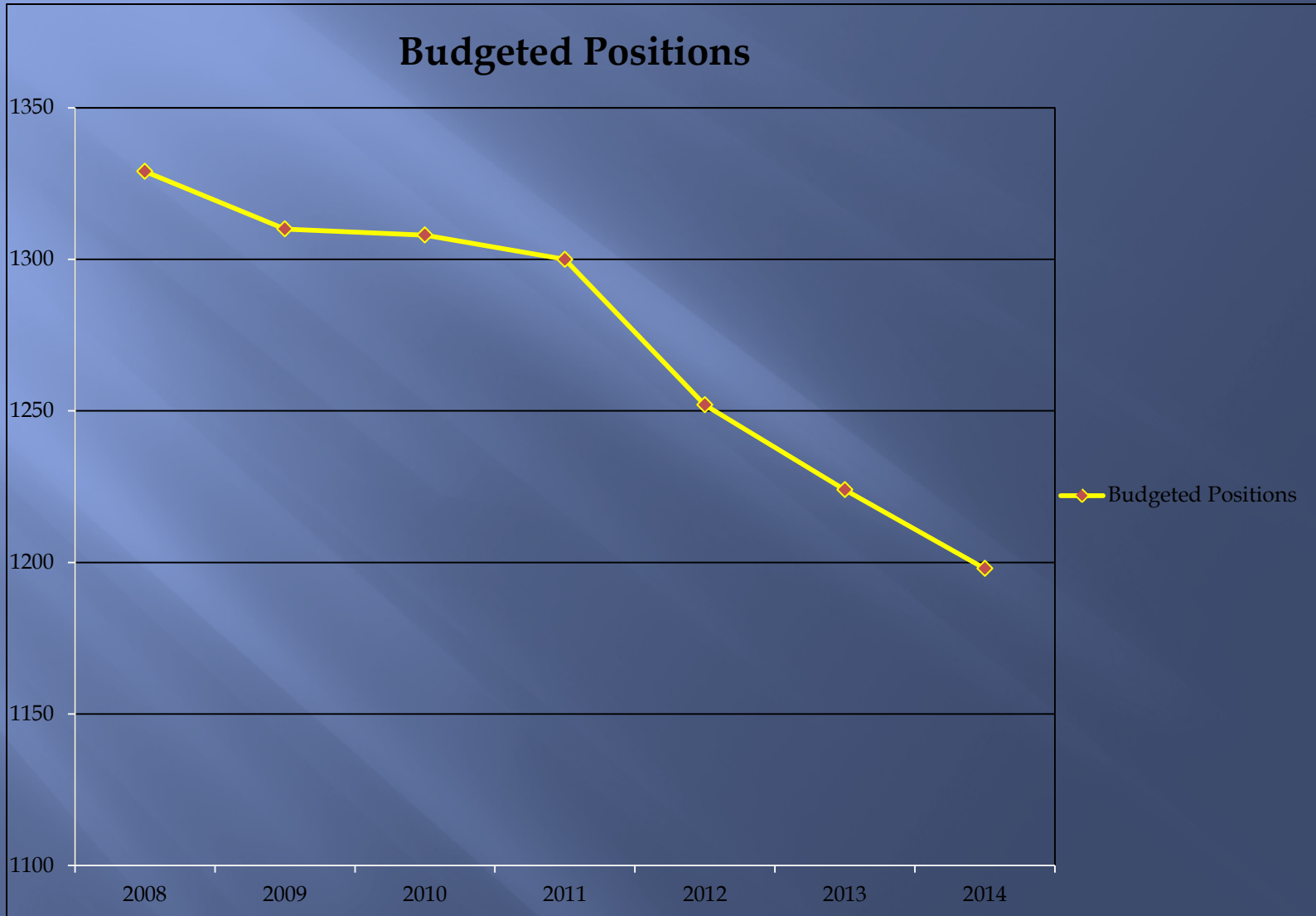
Impact of Harsh 2014 Winter \$1,922,875 Over 2013

	<u>2013</u>	<u>2014</u>	<u>%Change</u>
Salary OT Cost	\$247,292	\$ 593,432	140%
Salt in Tons	12,934	33,875	162%
Salt in Cost	\$690,034	\$ 2,104,797	205%
<u>Contractors Cost</u>	<u>\$ 61,889</u>	<u>\$223,861</u>	<u>262%</u>
Total Operating Cost	\$999,215	\$2,922,090	192%

***Capital Cost for Roads Over \$2.5 Million**

*(Roads related to winter damage. The County is overlaying another \$4.5 million in regularly scheduled road work.)

Number of Employees Decrease from 2008 to 2014 by 10%



Total Operating Budget Decreased by 4% from 2008 to 2014

2014 Somerset County Budget Projections

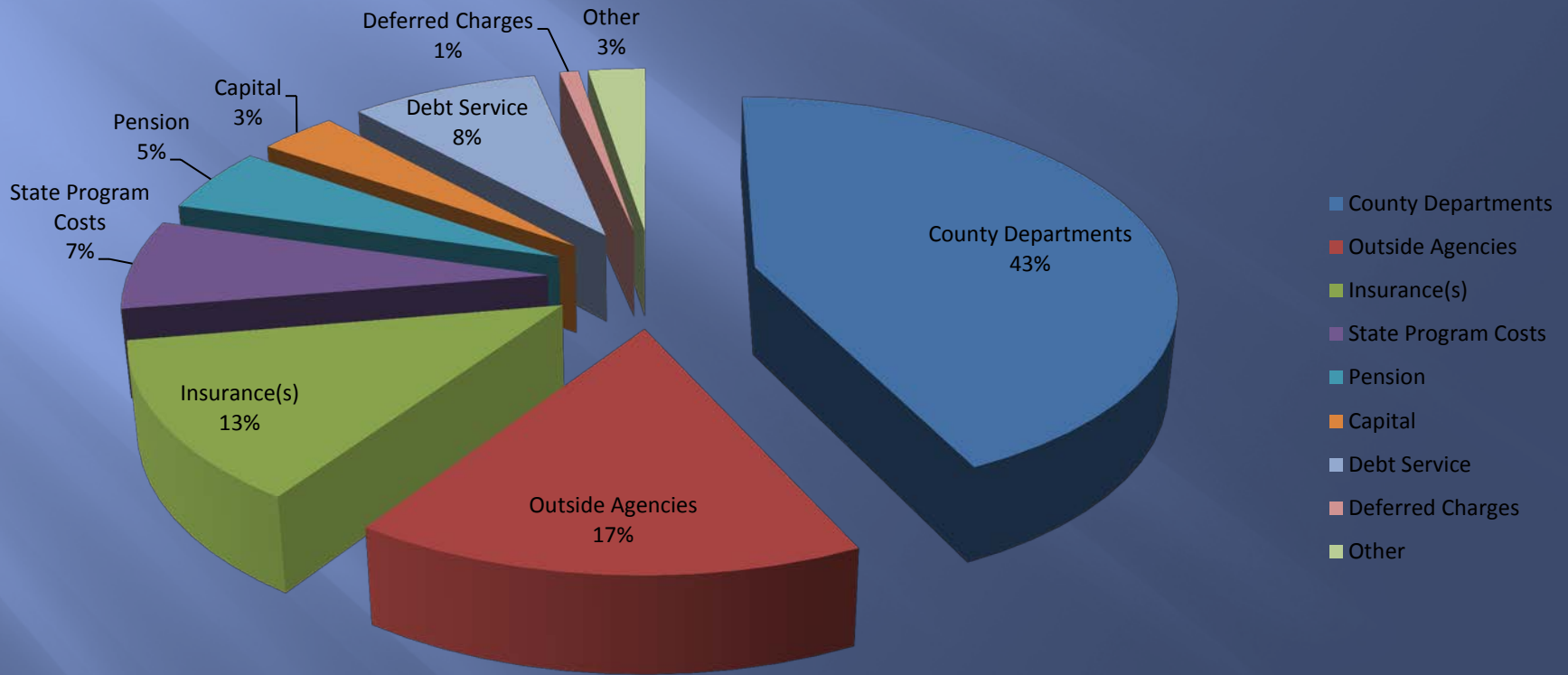
DESCRIPTION	2008	2009	2010	2011	2012	2013	2014	14 vs 13	%
Executive	3,496,796	3,297,153	3,195,564	3,162,612	2,902,230	3,001,132	2,841,080	(160,052)	-5.33%
Financial Services	6,393,364	6,058,560	6,075,842	5,760,559	5,250,321	5,191,586	5,837,029	645,443	12.43%
Human Services	17,348,882	16,497,757	15,608,166	14,898,769	14,584,062	13,907,293	13,857,690	(49,603)	-0.36%
Public Works	36,094,772	34,093,664	30,296,627	29,446,623	28,494,445	28,208,054	29,284,104	1,076,050	3.81%
Public Safety	32,284,607	31,728,520	31,673,281	31,871,035	32,997,565	33,869,569	34,572,075	702,506	2.07%
Public Health & Safety			4,023,272	4,005,341	4,438,350	4,833,044	5,447,061	614,017	12.70%
Constitutional Services	4,332,689	4,024,995	3,943,079	3,715,972	3,652,340	3,615,291	3,719,378	104,087	2.88%
Medical Examiner	610,015	672,209	650,653	663,666	650,000	695,000	750,600	55,600	8.00%
Welfare Administration	6,943,604	6,568,869	6,568,869	6,568,869	6,568,869	6,568,869	6,671,521	102,652	1.56%
Vocational - Technical Schools	12,268,567	11,655,139	11,655,139	11,630,139	10,758,956	10,758,956	11,291,923	532,967	4.95%
Raritan Valley Community College	9,651,000	9,168,450	9,368,450	9,682,052	9,218,052	9,180,456	9,180,456	-	0.00%
Out-of-County College Courses	150,000	150,000	135,000	100,000	100,000	180,000	150,000	(30,000)	-16.67%
Park Commission	8,561,000	8,193,000	8,193,000	8,168,000	8,068,000	8,000,000	8,600,598	600,598	7.51%
Joint Library Facility	536,191	524,236	432,847	300,634	329,665	335,450	180,923	(154,527)	-46.07%
Other Insurance	5,188,000	5,348,225	5,533,504	5,533,504	5,533,504	5,881,337	6,203,117	321,780	5.47%
Other Liability	250,000	250,000	225,000	-	100,000	150,000	150,000	-	0.00%
Contingent	200,000	200,000	180,000	180,000	100,000	100,000	100,000	-	0.00%
Social Security	5,538,967	5,368,308	5,322,466	5,289,341	5,245,496	5,293,794	5,452,140	158,346	2.99%
Match for grants	200,000	200,000	200,000	200,000	150,000	150,000	150,000	-	
Total Operating	150,048,453	143,999,084	143,280,759	141,177,117	139,141,854	139,919,832	144,439,695	4,519,863	3.23%

Total Budget-Expenditures

Category	2013	2014	14 vs 13	%
County Departments	92,625,970	95,558,417	2,932,447	3.17%
Outside Agencies	35,718,731	36,826,021	1,107,290	3.10%
Insurance(s)	27,531,337	28,573,117	1,041,780	3.78%
State Program Costs	13,043,193	15,974,389	2,931,196	22.47%
Pension	11,687,442	11,564,514	(122,928)	-1.05%
Capital	7,005,000	7,756,000	751,000	10.72%
Debt Service	19,538,845	18,747,860	(790,985)	-4.05%
Deferred Charges	2,333,465	1,876,866	(456,599)	-19.57%
Other	5,543,794	5,702,140	158,346	2.86%
Total	215,027,778	222,579,324	7,551,546	3.51%

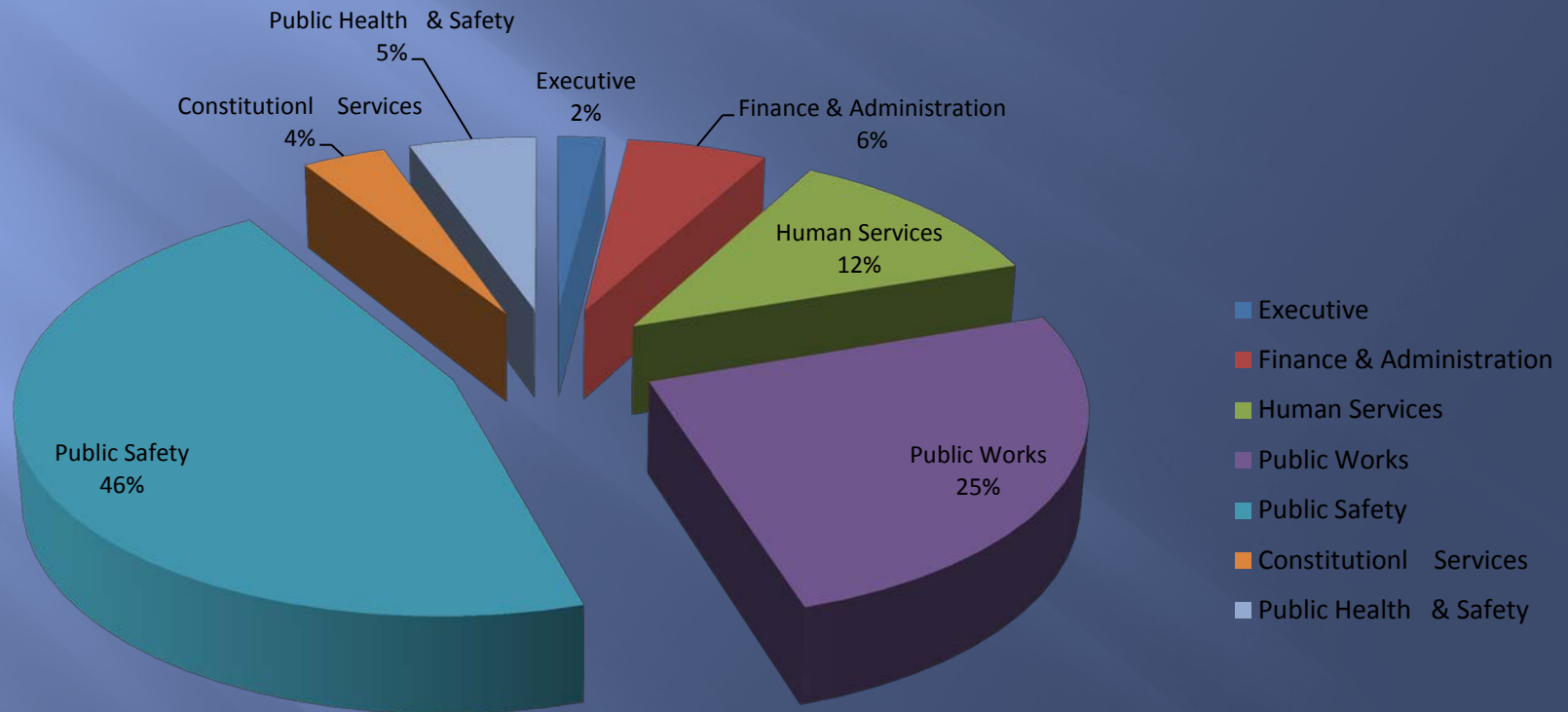
County Dept. vs Other

Total Budget - Expenditures



County Dept. vs Other

Salary & Wages by County Department



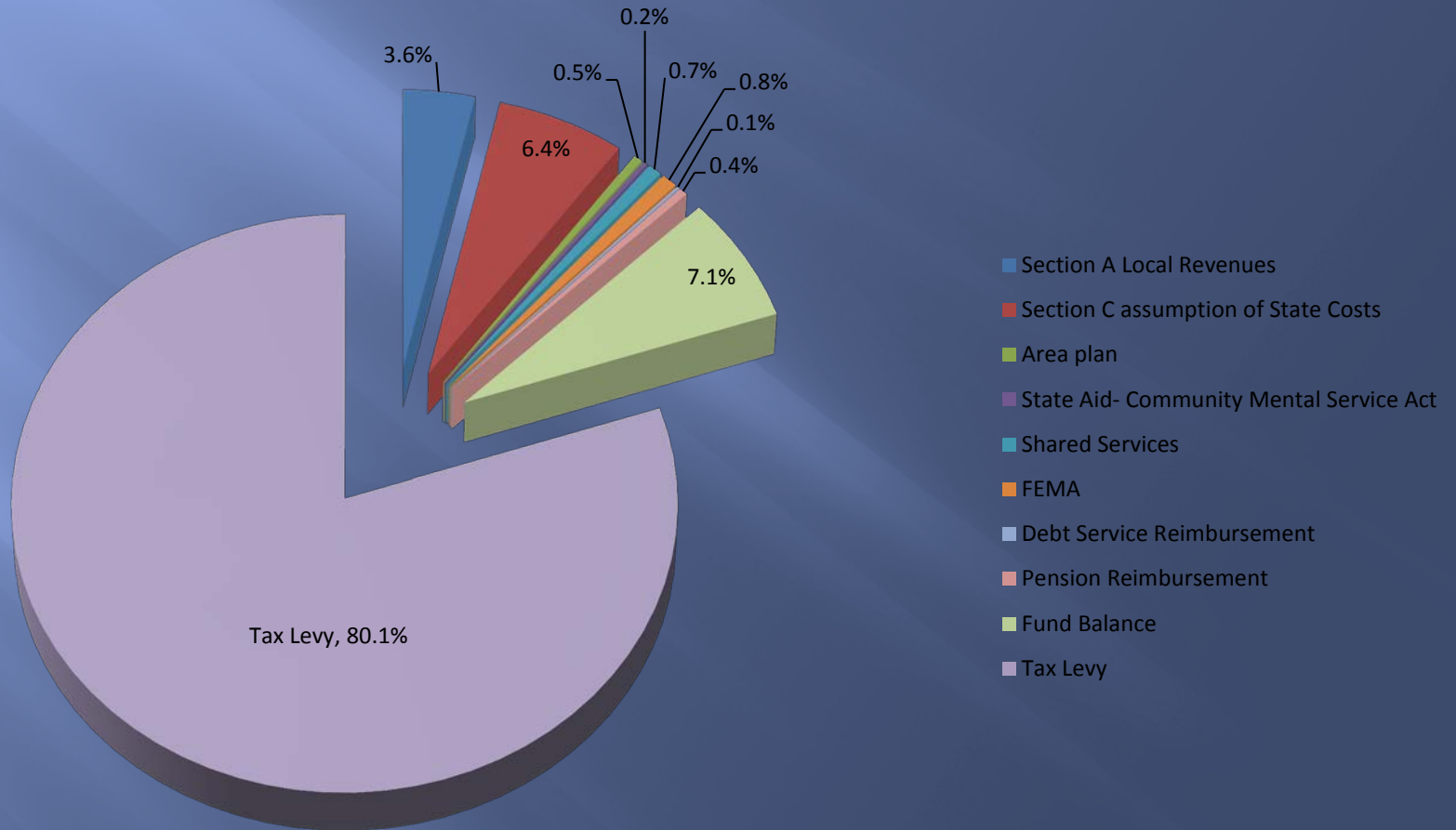
Total Budget-Revenue

Year to Year Revenue Comparisons

	<u>2013</u>	<u>2014</u>	<u>14 vs 13</u>	<u>%</u>
Section A Local Revenues	8,760,000	8,015,000	(745,000)	-8.50%
Section C assumption of State Costs	12,056,126	14,296,359	2,240,233	18.58%
Area plan	1,025,000	1,030,718	5,718	0.56%
State Aid- Community Mental Service Act	500,000	548,590	48,590	9.72%
Shared Services	1,190,000	1,550,000	360,000	30.25%
FEMA	0	1,793,836	1,793,836	0.00%
Debt Service Reimbursement	274,000	274,000	0	0.00%
Pension Reimbursement	886,000	966,810	80,810	9.12%
Fund Balance	16,056,199	15,900,000	(156,199)	-0.97%
Tax Levy	174,280,456	178,204,011	3,923,555	2.25%
Total Revenues	215,027,781	222,579,324	7,551,543	3.51%

Revenue

Revenue by Category



Cost We can Control/Cost We are Obligated For

	<u>2008</u>	<u>2014</u>	<u>%Chg</u>
County Departments	\$63,333,814	\$57,266,964	(9.6%)
Capital	\$22,300,000	\$7,756,000	(65.2%)
Other	\$6,725,157	\$6,033,063	(10.3%)
Total Controllable Cost	\$92,358,971	\$71,056,027	(23.1%)
Constitutional Services	\$4,332,689	\$3,719,378	(14.2%)
Public Safety	\$32,284,607	\$34,572,075	7.1%
Debt Service	\$16,056,464	\$18,747,860	16.8%
Outside Agencies	\$38,184,186	\$36,645,098	(4.0%)
State Programs	\$11,359,857	\$15,974,389	40.6%
Pensions	\$4,804,459	\$11,564,514	140.7%
Insurance	\$15,445,000	\$22,220,000	43.9%
Other	\$5,388,837	\$8,079,983	49.9%
Total Obligated Cost	\$127,856,099	\$151,523,306	18.5%

Cash Capital

Total Cash Capital	\$7,256,000
▣ Amount for Down Payment on Bonds	\$1,100,000
▣ Reserve for Green Brook Flood Control	\$700,000
▣ Reserve for Preliminary Cost	\$700,000
▣ Fleet Vehicles Replacement	\$650,000
▣ Other Capital Requests-Contingency	\$606,000
▣ Various Capital Projects – Capital Ord.	\$3,500,000

Decrease In Assessed Value

Total Equalized Assessed Value

(In Billions)

<u>2008</u>	<u>2014</u>	<u>%Decreased</u>
\$63,196	\$56,367	11%

Tax Rate Effect on Average Home of \$409,000

	2013	Intro 2014	Dollar Change	% Change
Total Net Value Assessed	57,075,774,227	56,367,252,388	(708,521,839)	-1.24%
Total Budget w/ Grants	226,209,460	231,399,430	5,189,970	2.29%
County Levy	174,280,456	178,204,011	3,923,555	2.25%
Without Grants	215,027,781	222,579,324	7,551,543	3.51%
Grants	11,181,679	8,820,106	(2,361,573)	-21.12%
Tax Rate	0.305	0.316	0.011	3.54%
Average House Annual Tax	1,250	1,294	44.21	3.54%
Per Month	104	108	3.68	3.54%

Note: Plus Sign (+) = increase, Minus Sign = Decrease

The Future

- ▣ A campaign to expand shared services throughout the county
- ▣ Re-thinking how we do business
 - ✓ Better Budget Planning
 - ✓ Sharing Service - Costing Out Services
 - ✓ Streamlining Operations
- ▣ Evaluating programs & services for financial feasibility
- ▣ Revamping finance procedures and finance software
 - ✓ Saves over \$150,000 Annually in Finance Office Budget
 - ✓ Saves Countless Employee Hours Throughout County
 - ✓ Encourages Short and Long Term Budget/Capital Planning
- ▣ Continuation of the zero based budget approach and adding priority budget concepts.