

Somerset County 2015 Introduced Budget Presentation

Somerset County Board of Chosen Freeholders

Mark Caliguire, Director

Patricia L. Walsh, Deputy Director

Peter S. Palmer

Patrick Scaglione

Brian D. Levine

Somerset County 2015 Budget

Prepared and Presented By

Michael Amorosa
County Administrator

Nicola Trasente
Director of Finance and Administrative Services

Chris Hart
Deputy Director of Fiscal Operations

Bond Rating

Aaa

Exceptionally
Strong

Fitch

Aaa

Highest
Quality

Moody's

Aaa

Extremely
Strong

**Standard
& Poor's**

Regenerated Surplus

<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	\$14,276,174	\$32,445,157
2014	\$32,445,157	\$15,900,000	\$21,803,967	\$38,349,124
2015	\$38,349,124	\$19,725,000	\$17,500,000	\$36,124,124

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

Fund Balance Regenerated



COST DRIVERS

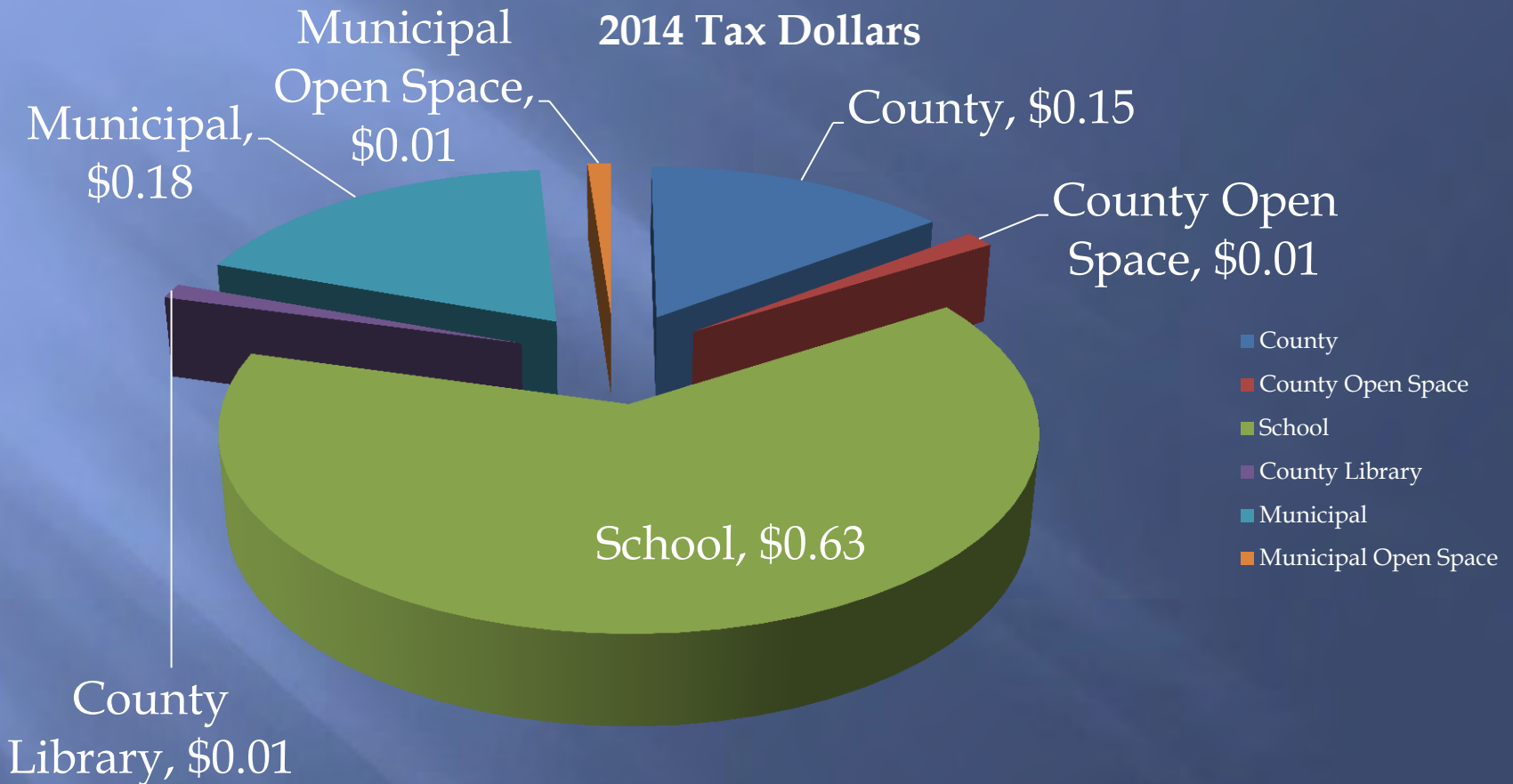
<u>Budget Line</u>	<u>Increase</u>
• County Cost of State Psychiatric Facilities	\$3,191,487
• Loss of Casino Grants for Transportation	\$1,050,000
• *911/Dispatch Services	\$891,000
• Pension	\$783,590
• *Parks Commission – Opened 2 New Parks in 2014	\$750,000

* Budget Items that Provide Added Service to County Residents

Cost Savings/Added Value

- ▣ * 911/Dispatch-Adds Savings to Participating Municipal Budgets.
- ▣ Decrease in Debt Service Through Various Refunding's.
- ▣ No New Hires Saving over \$765,000 of New Request.
- ▣ Keeping Cost Inside Cap Under 1.39%, Well Under the 2% Cap.

Where do Your Tax Dollars Go?



2014 - For every property tax dollar paid only \$.15 cents (on average) was sent to Somerset County

What does this budget do?

- ▣ 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 Vocational School, Community College, Social Services and Parks Commission.
- ▣ Fully Funds County Correctional Institution.
- ▣ Fully Funds County Fire 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
- ▣ Fire Academy Service- State Wide
- ▣ 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 – State Wide

Impact of Harsh 2015 Winter

\$1,161,330 Over Normal

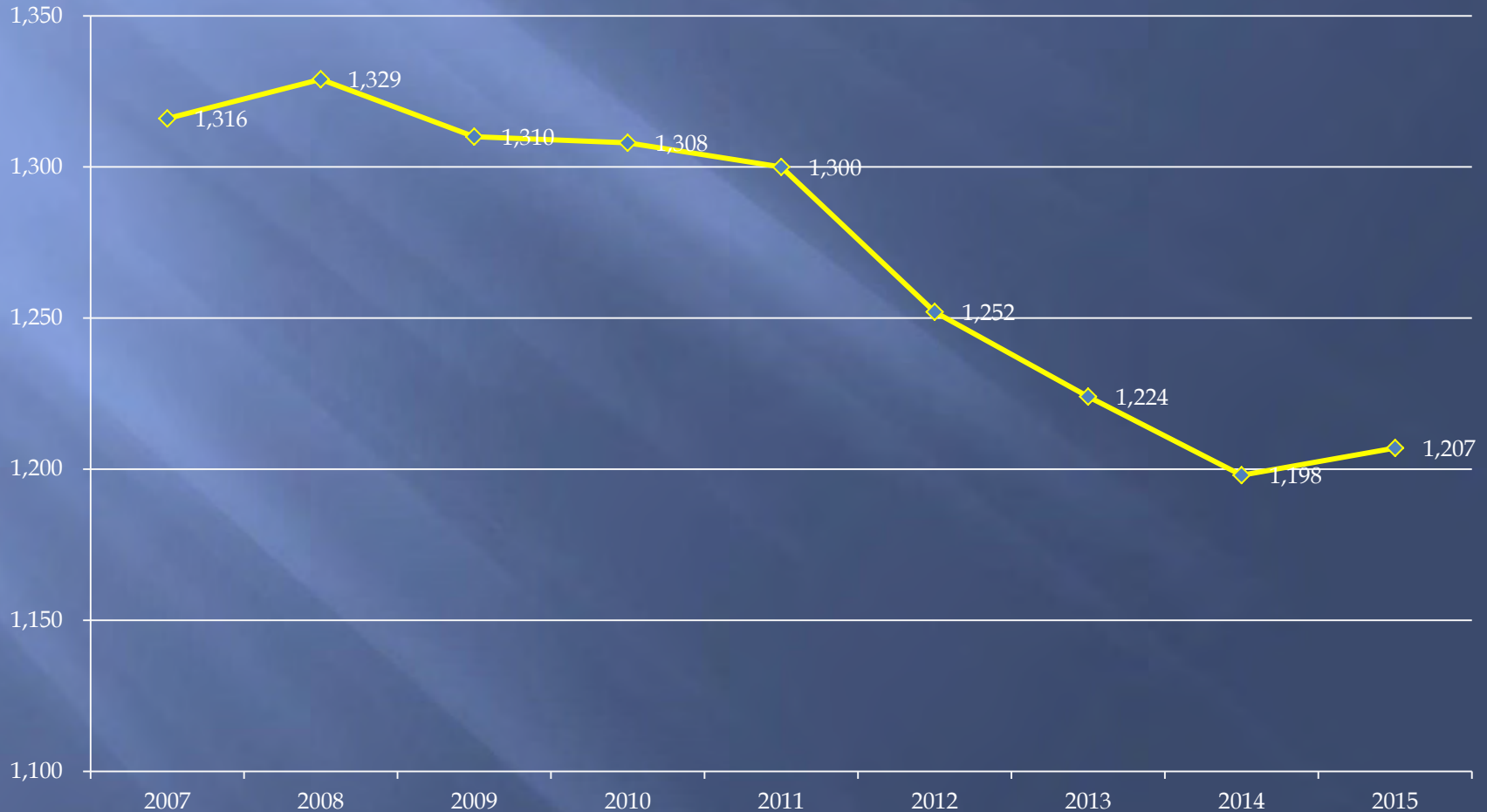
	<u>2014</u>	<u>2015</u>	<u>%Change</u>	
			<u>14-15</u>	<u>13-15</u>
Salary OT Cost	593,432	\$753,104	26.9%	205%
Salt in Tons	33,875	17,258	(49.1%)	33.4%
Salt in Cost	\$2,104,797	\$1,152,667	(45.2%)	67%
<u>Contractors Cost</u>	<u>\$223,861</u>	<u>\$237,515</u>	<u>6.1%</u>	<u>175.6%</u>
Total Operating Cost	\$2,922,090	\$2,160,545	(26.1%)	116.2%

*Capital Cost for Roads Over \$1.5 Million

*(Roads Related to Winter Damage. The County is Overlaying Another \$3.5 Million in Regularly Scheduled Roads Work.)

Number of Employees Decrease from 2008 to 2015 by 9%

Budgeted Positions



Total Operating Budget Decreased by 4% from 2008 to 2015

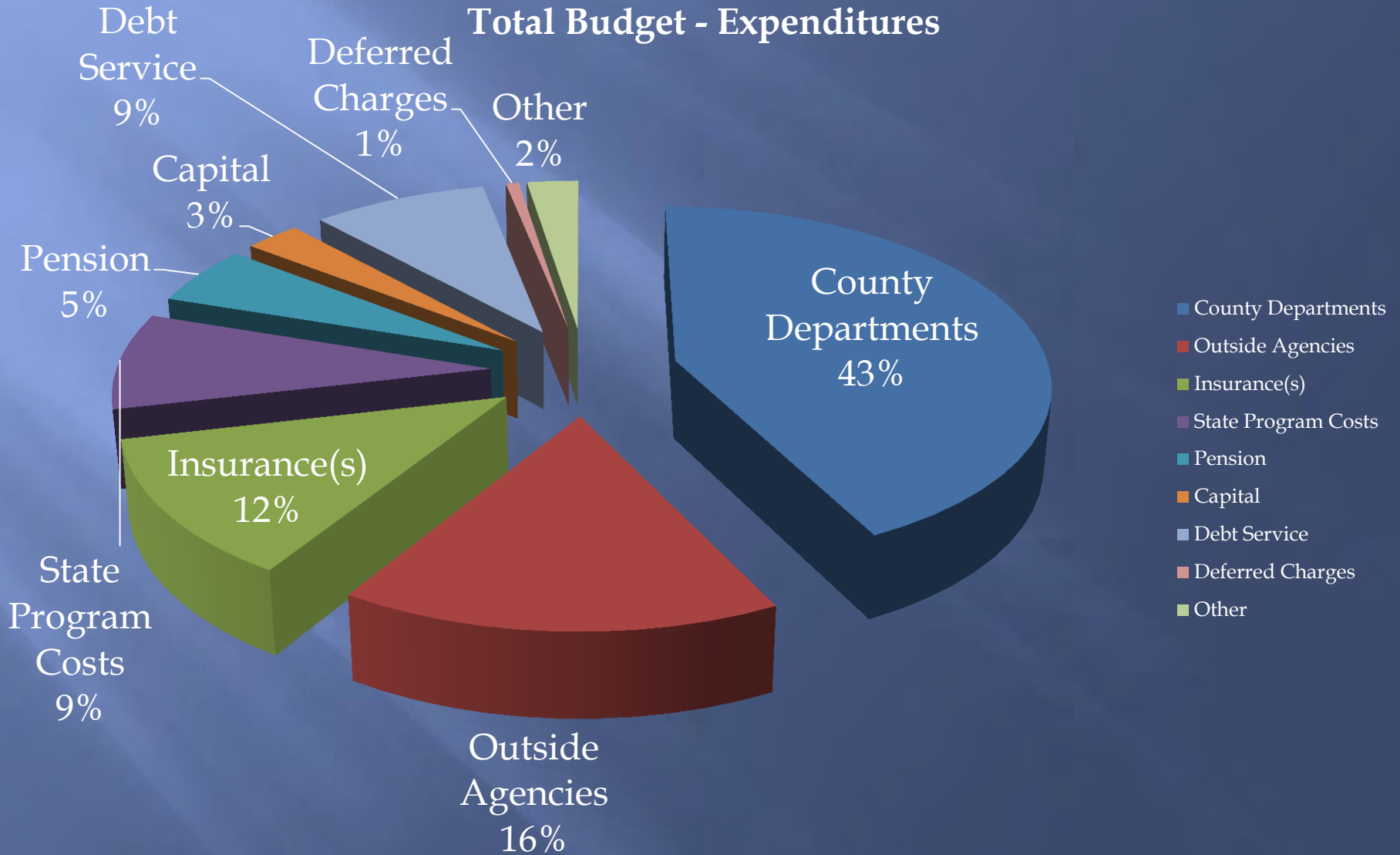
2015 Somerset County Budget Projections

DESCRIPTION	2008	2009	2010	2011	2012	2013	2014	2015	15 vs 14	%
Executive	3,496,796	3,297,153	3,195,564	3,162,612	2,902,230	3,001,132	2,841,080	3,247,834	406,754	14.32%
Financial Services	6,393,364	6,058,560	6,075,842	5,760,559	5,250,321	5,191,586	5,837,029	5,808,829	(28,200)	-0.48%
Human Services	17,348,882	16,497,757	15,608,166	14,898,769	14,584,062	13,907,293	13,857,690	12,656,194	(1,201,496)	-8.67%
Public Works	36,094,772	34,093,664	30,296,627	29,446,623	28,494,445	28,208,054	29,284,104	30,609,325	1,325,221	4.53%
Public Safety	32,284,607	31,728,520	31,673,281	31,871,035	32,997,565	33,869,569	34,572,075	35,176,457	604,382	1.75%
Public Health & Safety			4,023,272	4,005,341	4,438,350	4,833,044	5,447,061	7,408,391	1,961,330	36.01%
Constitutional Services	4,332,689	4,024,995	3,943,079	3,715,972	3,652,340	3,615,291	3,719,378	3,814,545	95,167	2.56%
Medical Examiner	610,015	672,209	650,653	663,666	650,000	695,000	750,600	810,648	60,048	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	6,927,608	256,087	3.84%
Vocational - Technical Schools	12,268,567	11,655,139	11,655,139	11,630,139	10,758,956	10,758,956	11,291,923	11,632,790	340,867	3.02%
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	9,180,456	-	0.00%
Out-of-County College Courses	150,000	150,000	135,000	100,000	100,000	180,000	150,000	150,000	-	0.00%
Park Commission	8,561,000	8,193,000	8,193,000	8,168,000	8,068,000	8,000,000	8,600,598	9,350,598	750,000	8.72%
Joint Library Facility	536,191	524,236	432,847	300,634	329,665	335,450	180,923	-	(180,923)	-100.00%
Other Insurance	5,188,000	5,348,225	5,533,504	5,533,504	5,533,504	5,881,337	6,203,117	6,295,140	92,023	1.48%
Other Liability	250,000	250,000	225,000	-	100,000	150,000	150,000	150,000	-	0.00%
Contingent	200,000	200,000	180,000	180,000	100,000	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	5,561,183	109,043	2.00%
Match for grants	200,000	200,000	200,000	200,000	150,000	150,000	150,000	200,000	50,000	0
Total Operating	150,048,453	143,999,084	143,280,759	141,177,117	139,141,854	139,919,832	144,439,695	149,079,998	4,640,303	3.21%

Total Budget-Expenditures

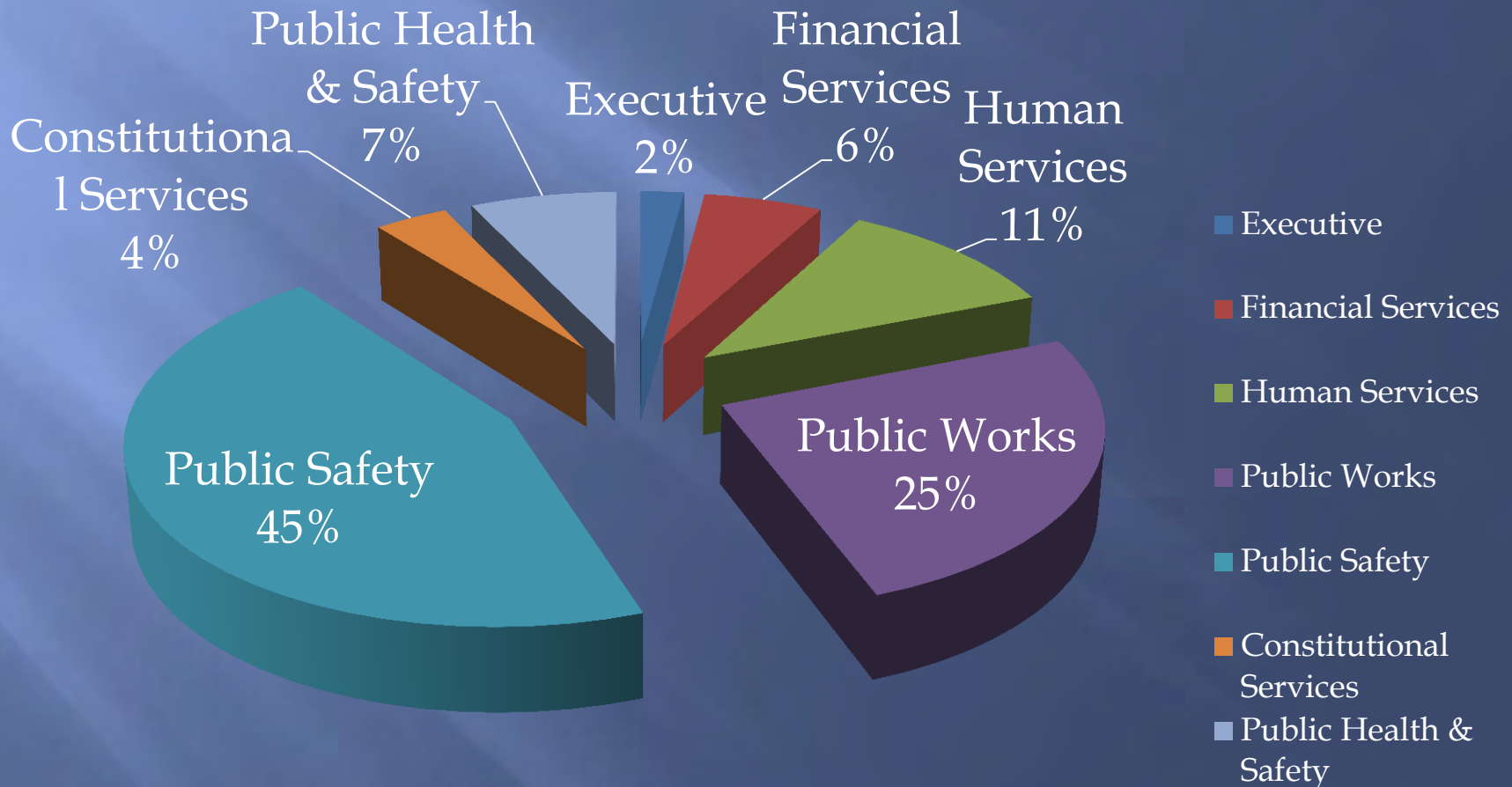
Category	2014	2015	15 vs 14	%
County Departments	95,558,417	98,683,755	3,125,338	3.27%
Outside Agencies	36,826,021	37,796,013	969,992	2.63%
Insurance(s)	28,573,117	28,887,340	314,223	1.10%
State Program Costs	15,974,389	20,153,192	4,178,803	26.16%
Pension	11,564,514	12,348,104	783,590	6.78%
Capital	7,756,000	6,390,000	(1,366,000)	-17.61%
Debt Service	18,747,860	20,052,104	1,304,244	6.96%
Deferred Charges	1,876,866	1,492,442	(384,424)	-20.48%
Other	5,702,140	5,861,183	159,043	2.79%
Total	222,579,324	231,664,133	9,084,809	4.08%

County Dept. vs Other



Salary Contributions

Salary & Wages by County Department



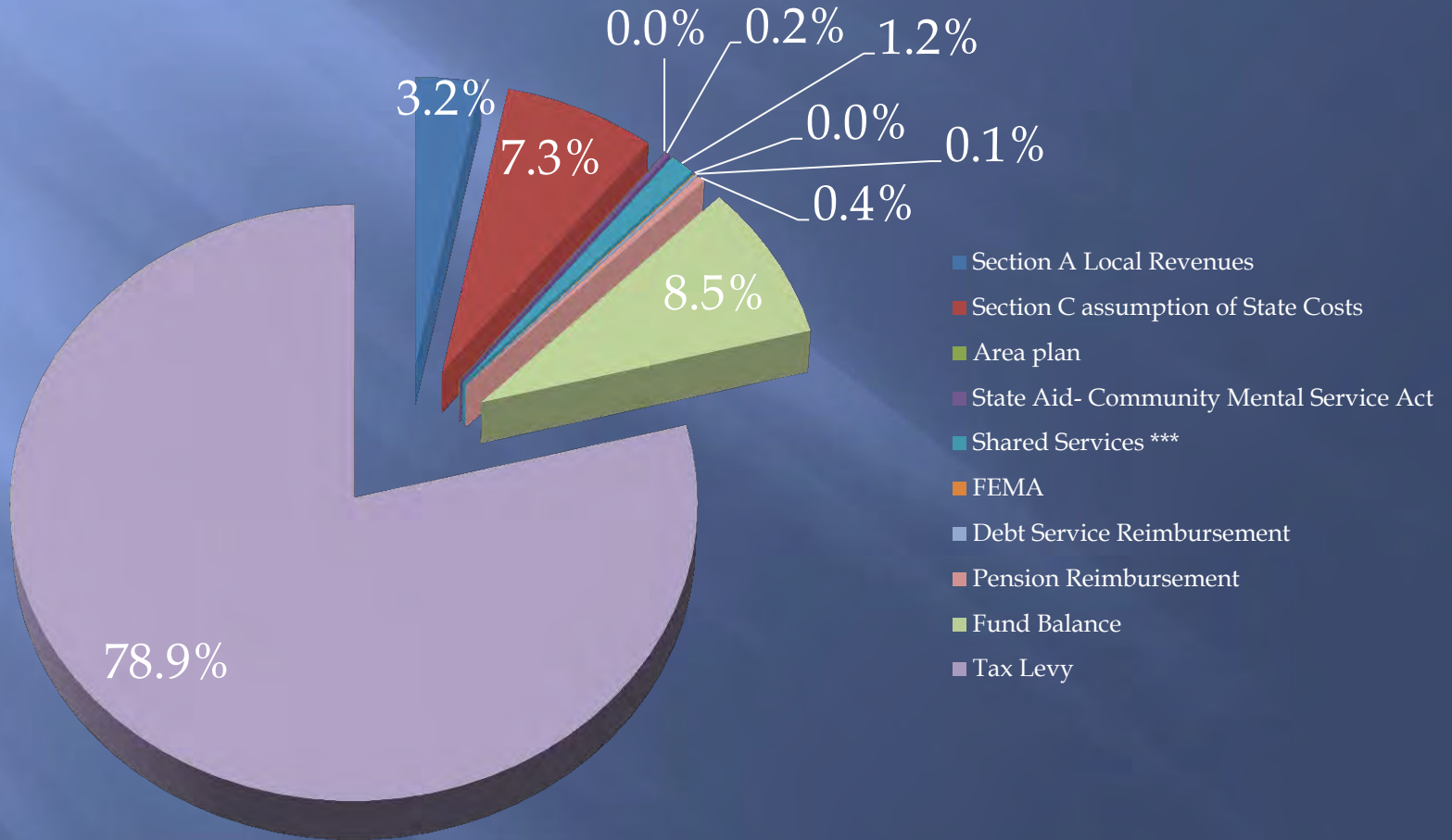
Total Budget-Revenue

Year to Year Revenue Comparisons

	<u>2014</u>	<u>2015</u>	<u>15 vs 14</u>	<u>%</u>
Section A Local Revenues	8,015,000	7,332,000	(683,000)	-8.52%
Section C assumption of State Costs	14,296,359	16,961,705	2,665,346	18.64%
Area plan	1,030,718	0	(1,030,718)	-100.00%
State Aid- Community Mental Service Act	548,590	535,908	(12,682)	-2.31%
Shared Services ***	1,550,000	2,841,959	1,291,959	83.35%
FEMA	1,793,836	108,819	(1,685,017)	-93.93%
Debt Service Reimbursement	274,000	235,289	(38,711)	-14.13%
Pension Reimbursement	966,810	883,759	(83,051)	-8.59%
Fund Balance	15,900,000	19,725,000	3,825,000	24.06%
Tax Levy	178,204,011	182,213,601	4,009,590	2.25%
Total Revenues	222,579,324	230,838,040	8,258,716	3.71%

Revenue

Revenue by Category

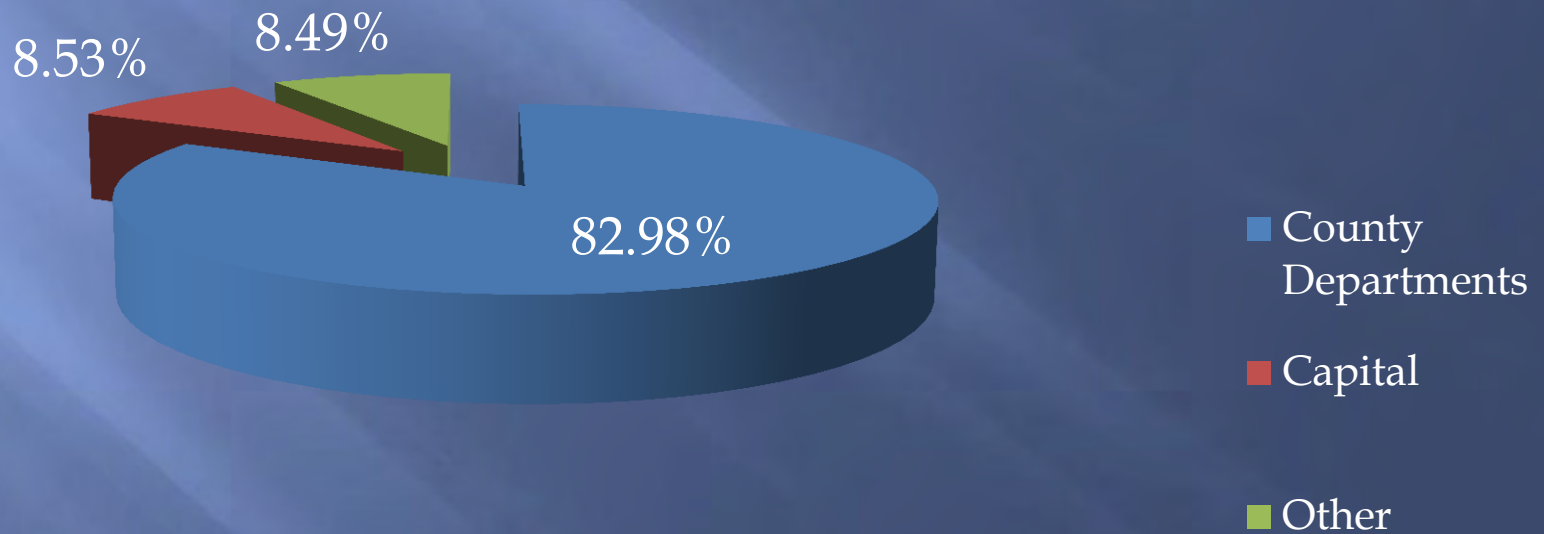


Cost We can Control/Cost We are Obligated For

	2008	2015	%Chg
County Departments	\$63,333,814	\$59,730,573	-5.69%
Capital	\$22,300,000	\$6,140,000	-72.47%
Other	\$6,725,157	\$6,111,183	-9.13%
Total Controllable Cost	\$92,358,971	\$71,981,756	-22.06%
Constitutional Services	\$4,332,689	\$3,814,545	-11.96%
Public Safety	\$32,284,607	\$35,176,457	8.96%
Debt Service	\$16,056,464	\$20,052,104	24.88%
Outside Agencies	\$38,184,186	\$38,052,100	-0.35%
State Programs	\$11,359,857	\$20,153,192	77.41%
Pensions	\$4,804,459	\$12,348,104	157.01%
Insurance	\$15,445,000	\$22,442,200	45.30%
Other	\$5,388,837	\$7,937,582	47.30%
Total Obligated Cost	\$127,856,099	\$159,976,283	25.12%

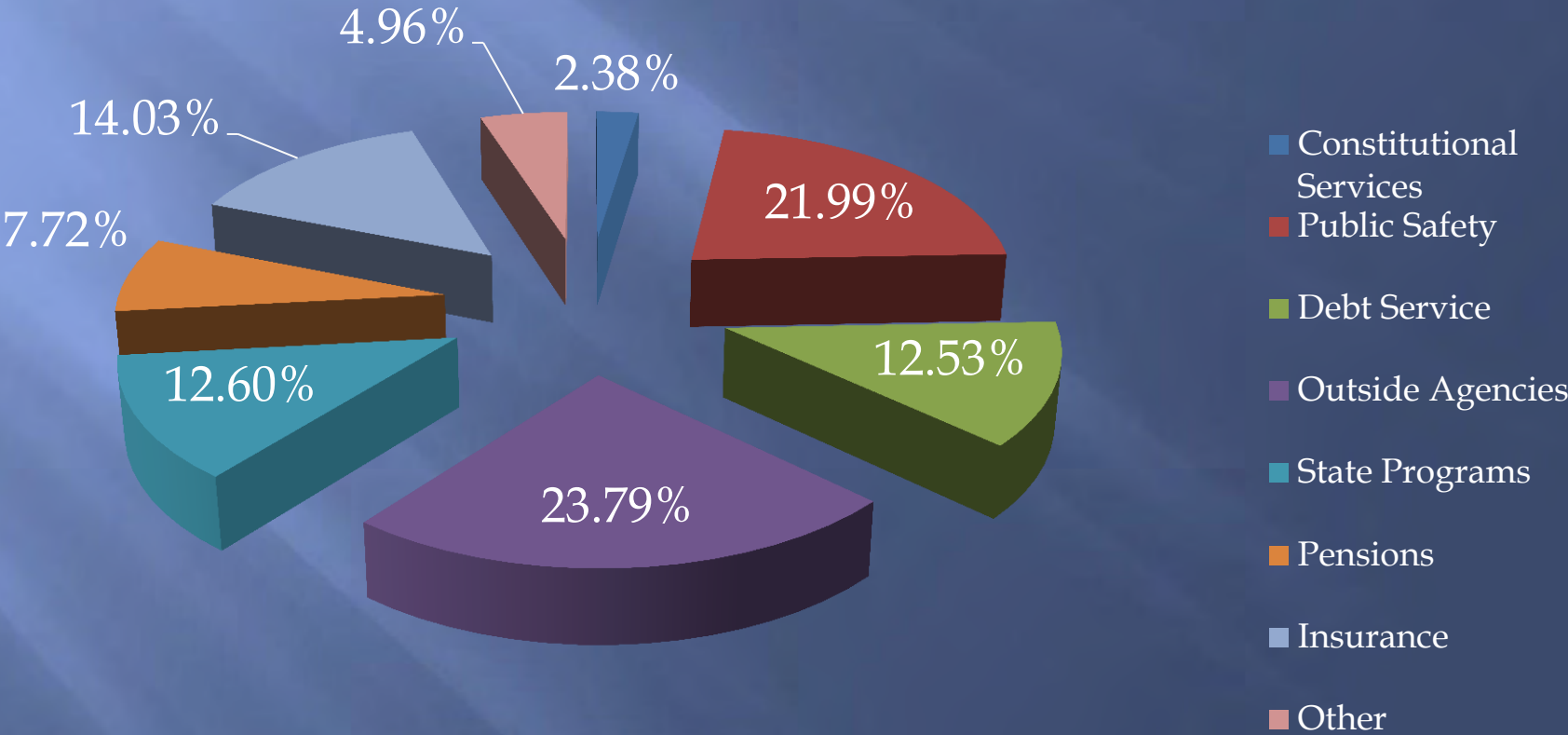
Cost We can Control

Cost we can control



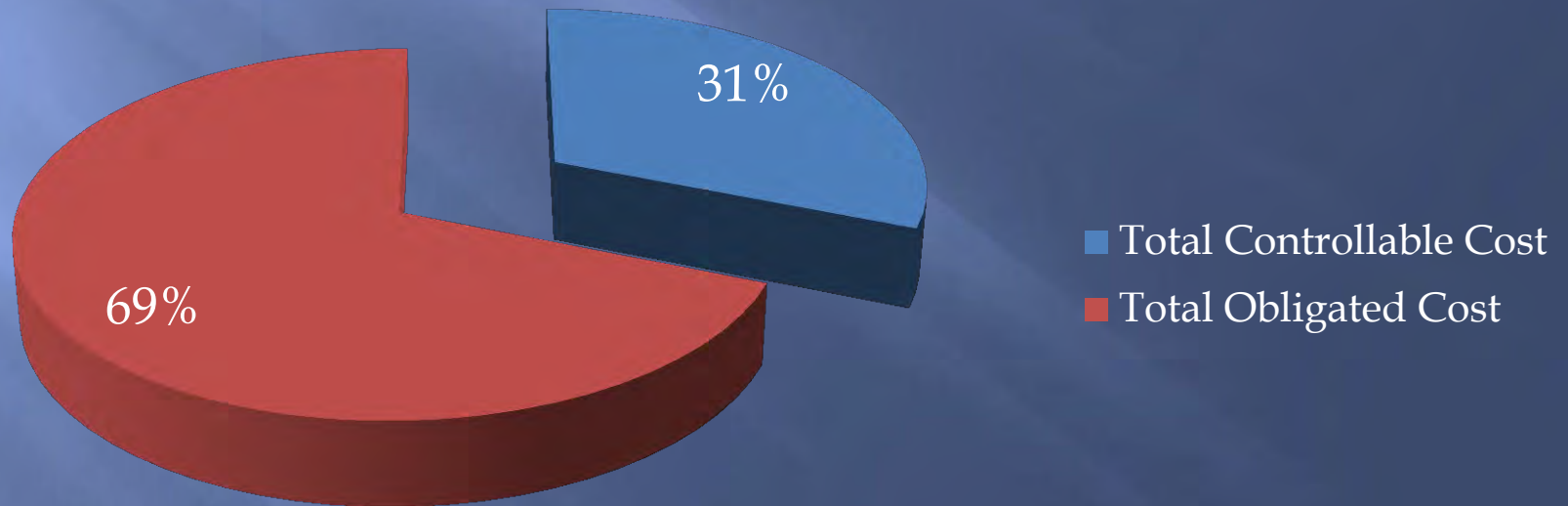
Cost We are Obligated For

Cost we are obligated for



Total Cost

Total Controllable + Obligated Cost



Cash Capital

Total Cash Capital	\$6,140,000
▣ Amount for Down Payment on Bonds	\$990,000
▣ Reserve for Green Brook Flood Control	\$700,000
▣ Reserve for Preliminary Cost	\$700,000
▣ Fleet Vehicles Replacement	\$250,000
▣ Other Capital Requests-Contingency	\$0
▣ Various Capital Projects – Capital Ord.	\$3,500,000

Increase In Assessed Value

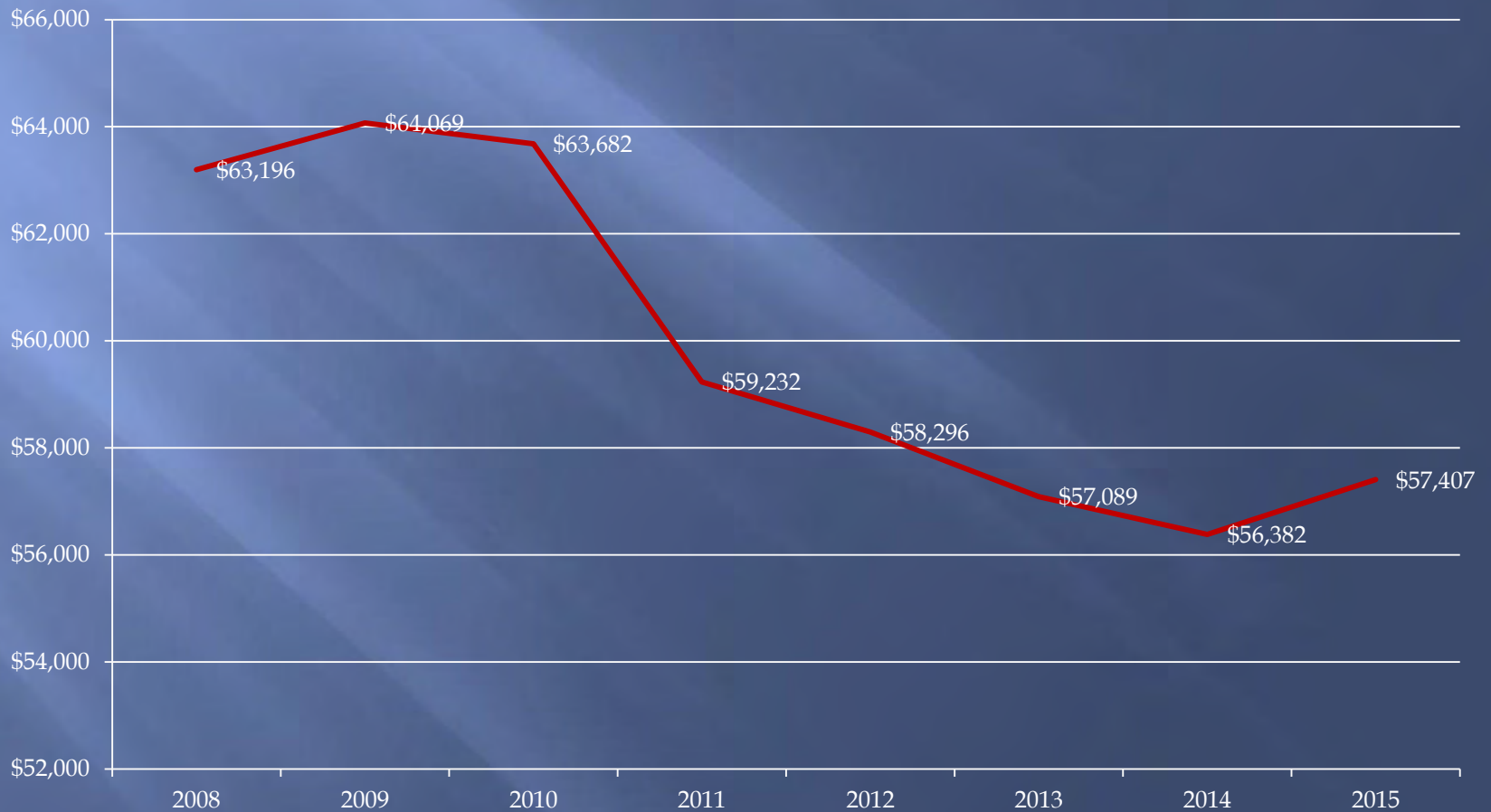
Total Equalized Assessed Value

(In Billions)

<u>2014</u>	<u>2015</u>	<u>%Increased</u>
\$56,382	\$ 57,406	1.8%

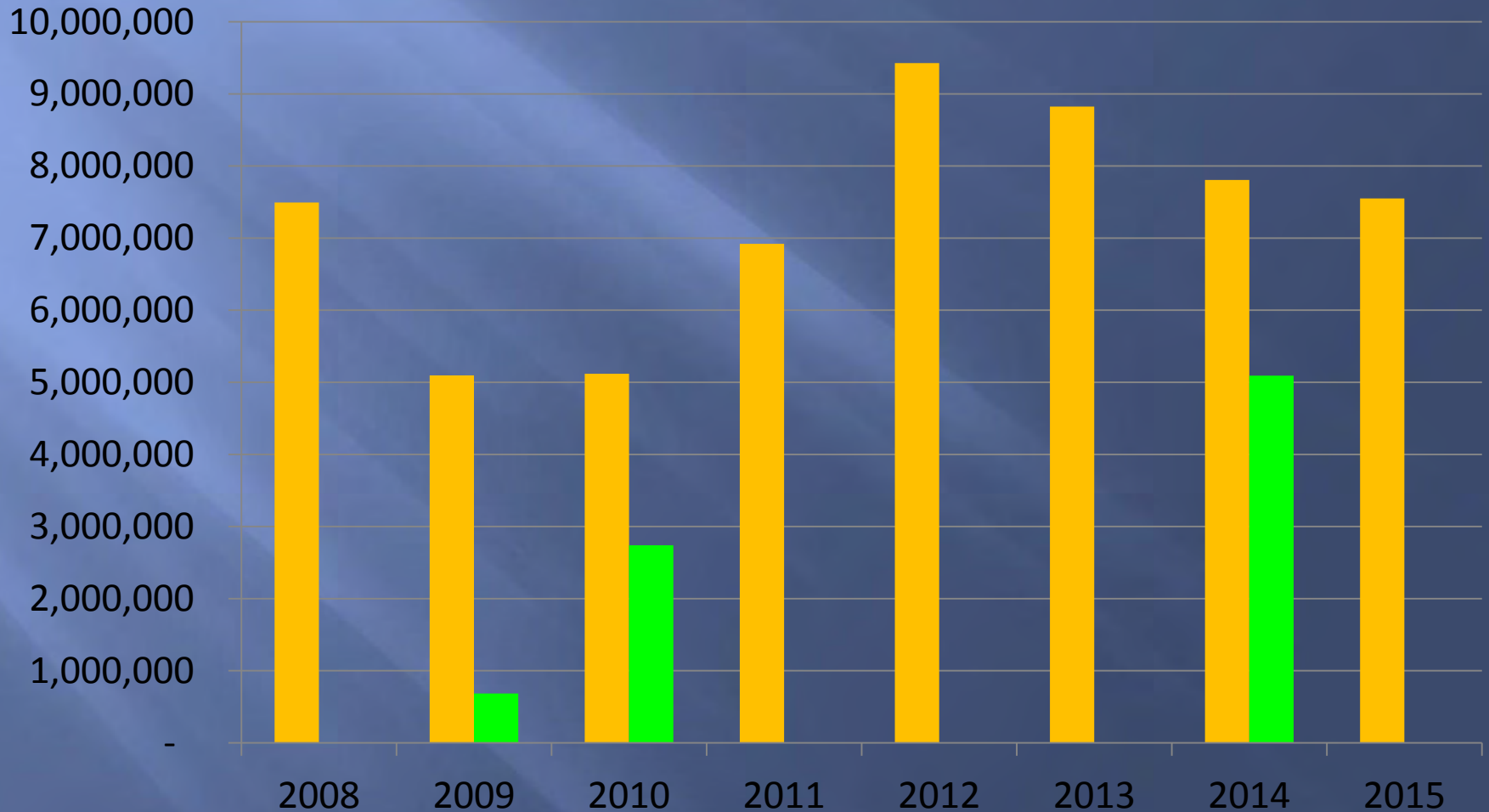
Increase In Assessed Value

Somerset County's Abstract of Ratables (Millions)



2% Cap Bank History

■ CAP BANK & COLA ■ CAP USED



Tax Rate Effect on Avg. Home of \$419,803

COUNTY OF SOMERSET					
2015 Introduced Budget Info					
		2014	Intro 2015	Dollar Change	% Change
Total Net Value Assessed		56,382,102,299	57,406,583,522	1,024,481,223	1.82%
Total Budget w/ Grants		231,399,430	239,139,056	7,739,626	3.34%
County Levy		178,204,011	182,213,601	4,009,590	2.25%
Without Grants		222,579,324	231,958,040	9,378,716	4.21%
Grants		8,820,106	7,181,016	(1,639,090)	-18.58%
Tax Rate		0.316	0.317	0.001	0.43%
Average House Annual Tax		1,301	1,332	31.85	2.45%
Per Month		108	111	2.65	2.45%
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
 - ✓ Streamlining Operations
- ▣ Evaluating Programs & Services for Financial Feasibility
- ▣ Continuation of the Zero Based budget approach and adding Priority Budget Concepts.
- ▣ Continue the Development of Strategic Planning and Budgeting for All County Divisions.