

Somerset County 2012 Budget Presentation

Somerset County Board of Chosen Freeholders

- Patricia L. Walsh, Director
- Peter S. Palmer, Deputy Director
 - Robert Zaborowski
 - Patrick Scaglione
 - Mark Caliguire

The Global and National Outlook 2012

- We are still feeling the impact of the financial scandals from 2007-08
- Worldwide economic downturn is slowing but will continue until near the end of 2012
- Continued fundamental social, economic & political shifts for US and other countries



The Global and National Outlook 2012

- Corporate layoffs have subsided, private sector has added 3.9M jobs since 2010
- Over the same period, the public sector lost 485K jobs
- Last year, 19% of US cities cut public safety spending



Impact on Somerset County 2012

- State of New Jersey's fiscal challenges continue
- Housing values are down with some being undervalued
- Housing bubble is behind us we should see gradual price increases in subsequent years
- Real estate transfers are up
- County Clerk fees retained by the county are trending up slightly over last year

•

•

Impact on Somerset County 2012

- Interest on County investments still down
- Employment & real wages are stagnant
- Demand for human and social services continues to rise

Impact on Somerset County 2012

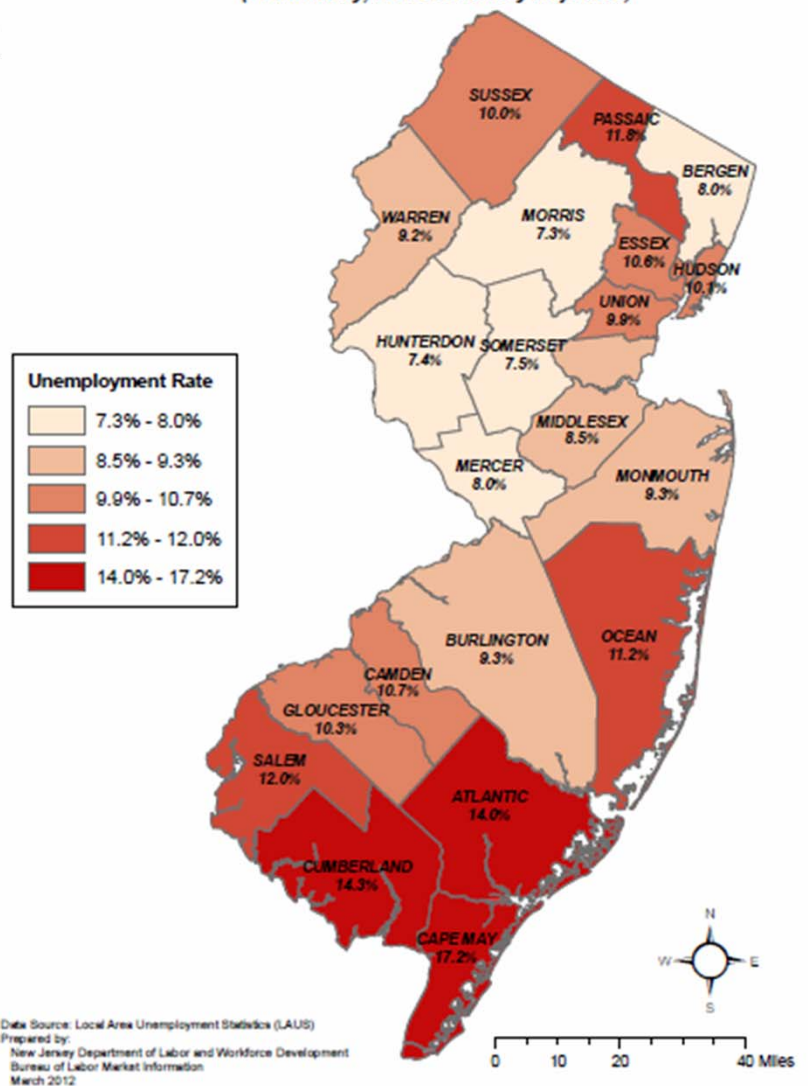
Unemployment Rates

Federal (Mar.) - 8.2%

New Jersey (Feb.) - 9.0%

Somerset County (Feb.) - 7.5%

New Jersey Counties
Unemployment Rates - February 2012
(Preliminary, Not Seasonally Adjusted)



Accommodating the changes– what it means for Somerset County

“In the good old days...”

- Public demands for services balanced by public demands for tax relief
- Booming housing market, strong economic growth, historically low, national & local unemployment rates
- State and federal policies were favorable to local governments



Accommodating the changes– what it means for Somerset County

There is a new “normal”

- Tax relief at all levels becomes a priority
- Flat housing market, slow economic growth, slow job growth at the national & state levels
- State and federal policies decidedly unfavorable to local governments



Somerset County Responses

What We've Done

- Somerset County has planned for an extended recessionary & post-recessionary period
- Our budget planning focuses on a 3-4 year timeframe
- CAP Bank is a priority
- Flexibility for 2013 is a priority



Somerset County Initiatives

What We've Done

- Increased 911 Dispatch and Health service coverage areas
- Saved approx. \$1.3 million by not filling or funding 34 vacant positions
- Saved an additional \$460K in fringe benefits by not filling these positions
- Met our objective of having a fiscally prudent 2012 County budget



Highlights of the 2012 Budget

- Proposed 2012 budget appropriates \$210.9 million dollars
- Decrease in overall spending \$100,164 versus 2011
- Operating Expenses are being cut by \$2.035M or 1.44%
- Includes reductions in 17 of 21 spending areas
- Overall County budget is down .5 percent, or approx. \$100,164 from its 2011 level



Highlights of the 2012 Budget Cont'd

- Reduced revenue estimates by \$2,408,781
- Increased usage of surplus by \$115,175
- Use about half of \$35.8M surplus from 2011
- Retained \$17.4 million in surplus
- \$2.2 million in additional county property taxes
- Additional Vacancy Savings for 34 positions valued at \$1.3M

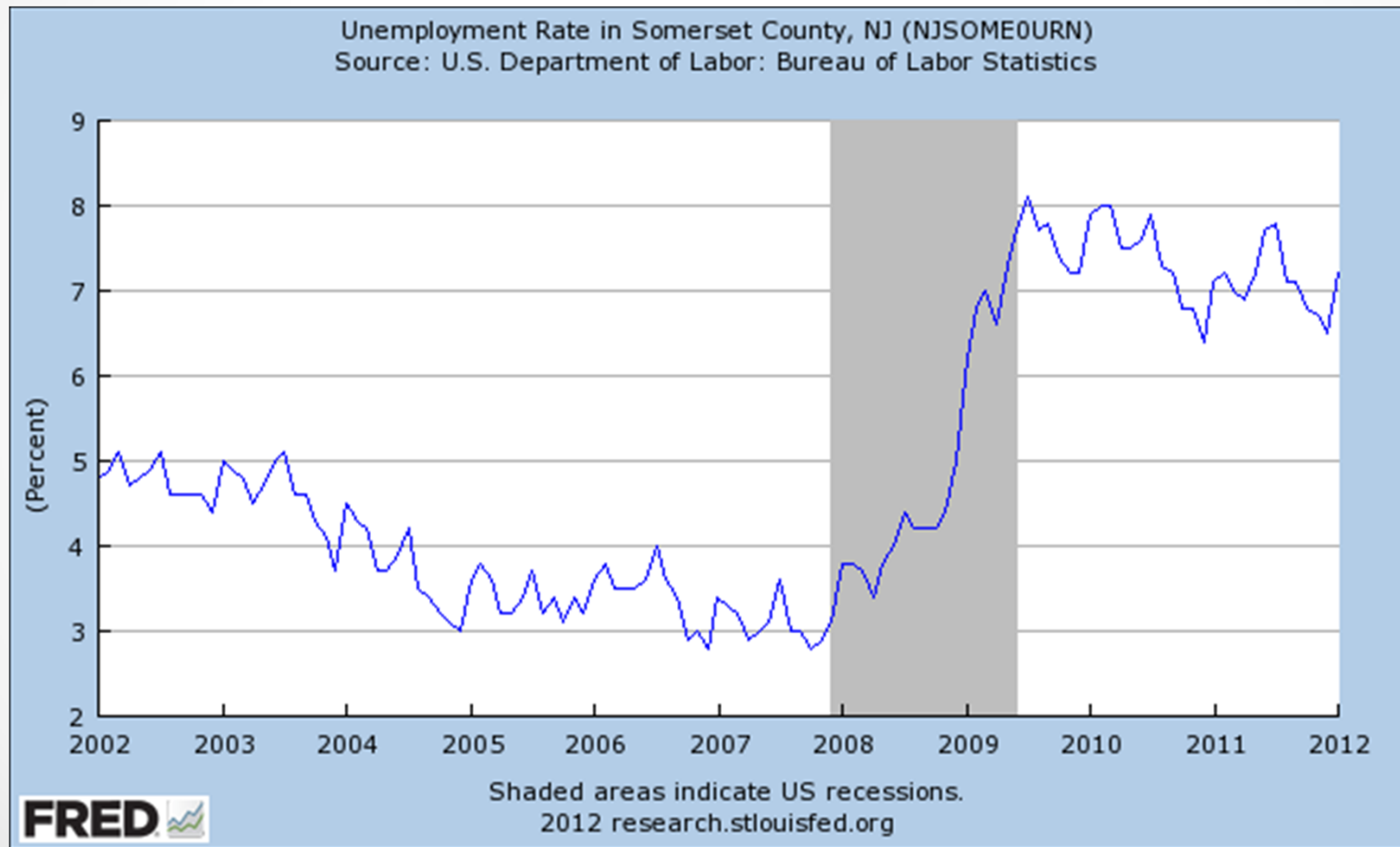


Highlights of the 2012 Budget Cont'd

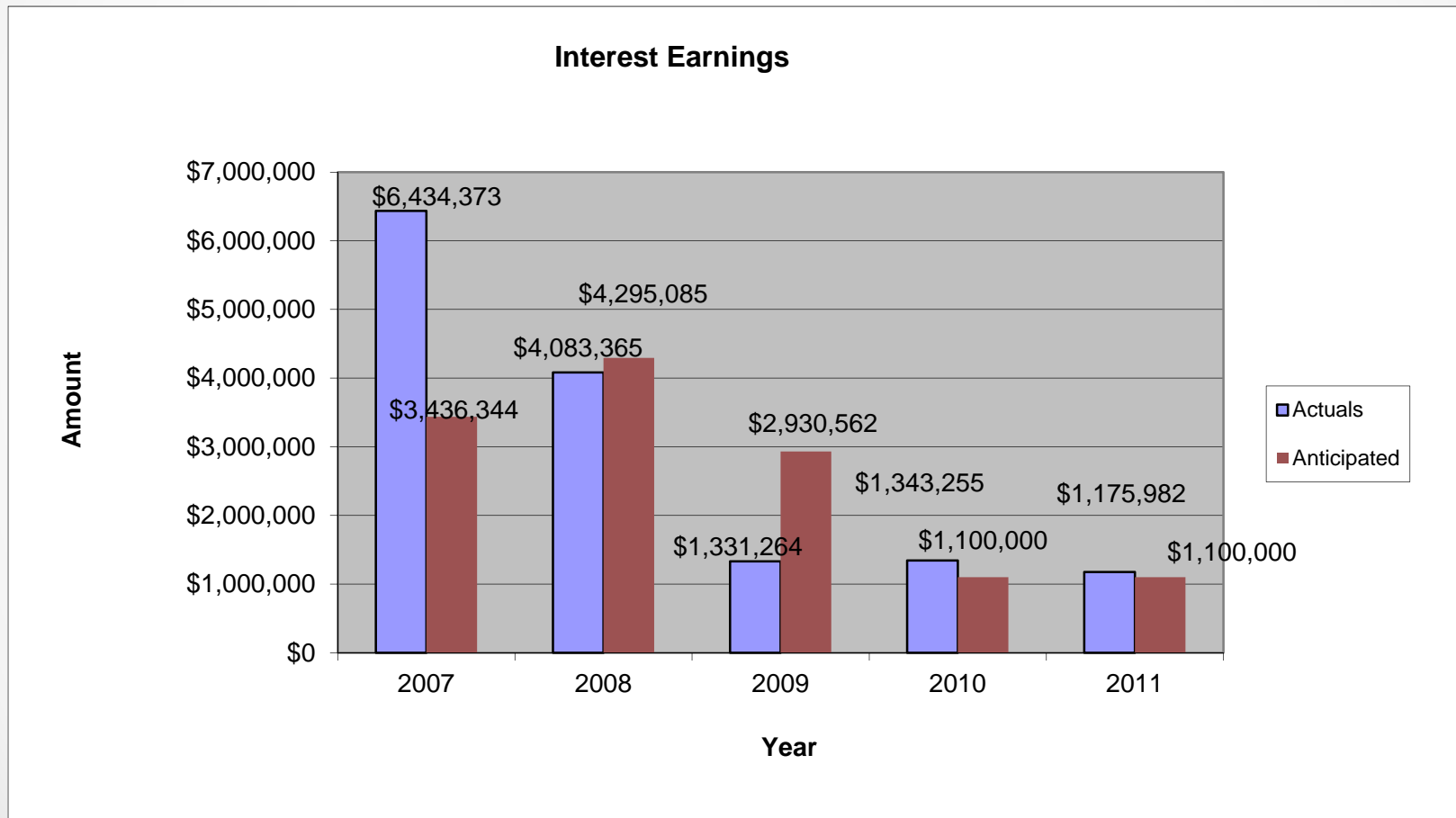
- Equalized values are down by \$909,838,653 million or 1.5%
- Actual expense reductions of approx. \$5.1M
- \$5.3M in increases for Union Contracts, 911 dispatch services, Health insurance & Hurricane Irene emergency
- Reduced 314 accounts a total of \$1.6M



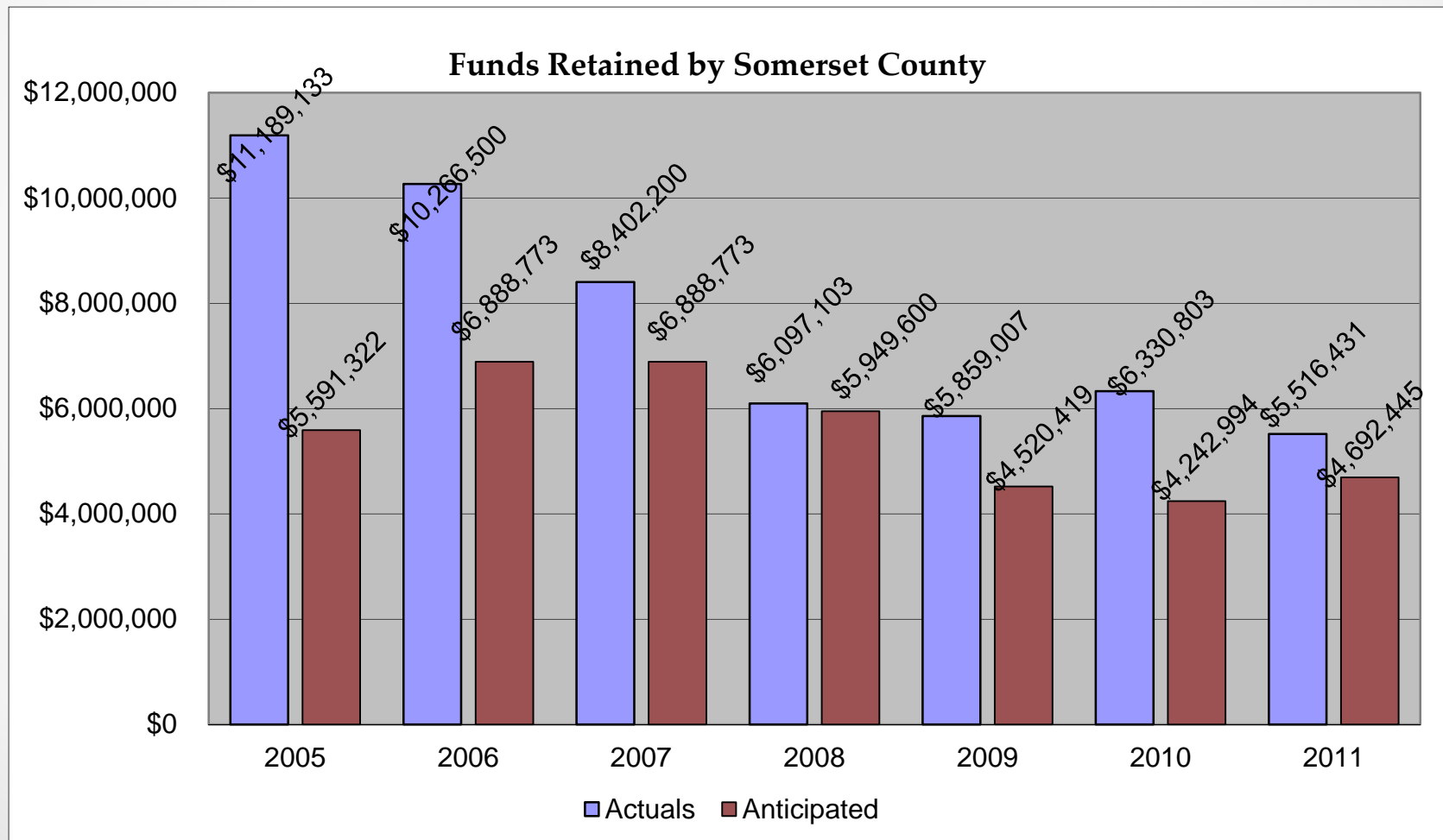
A look at the numbers



A look at the numbers

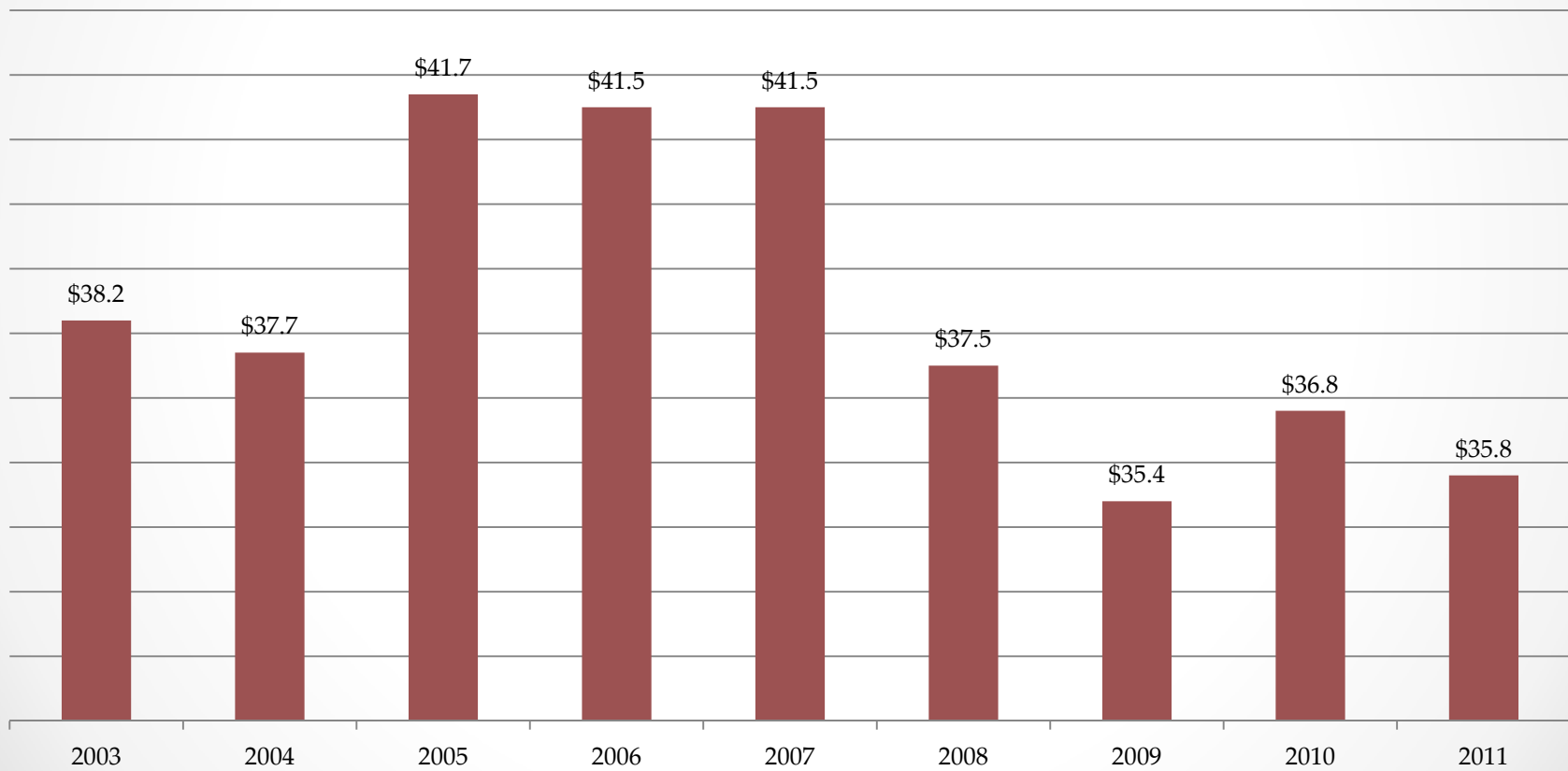


A look at the numbers



A look at the numbers

Year End Surplus Balance (000's)



2012 Budget Recommendations



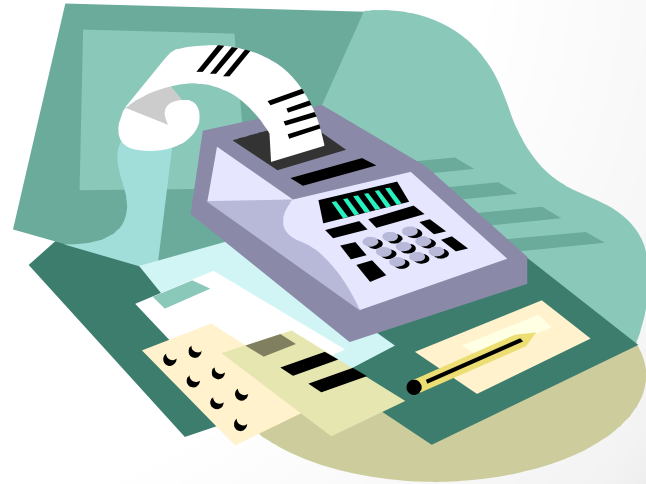
Year 2012 Proposed Budget

- Overview

2012 Budget Recommendations

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
Total County Budget	\$210,967,525	\$211,067,689	-\$100,164	-0.05%

2012-2011 Budget Comparisons



Year 2012 Proposed Budget - By Area

<u>By Area</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
General County Operations	\$ 51,231,057	\$ 53,268,564	\$ (2,037,507)	-3.82%
Public Safety	32,997,565	31,871,035	1,126,530	3.53%
Constitutional Offices	3,652,340	3,715,972	(63,632)	-1.71%
Public Health & Safety	4,438,350	4,005,341	433,009	10.81%
Independent Agencies	29,124,673	30,544,491	(1,419,818)	-4.65%
Debt Service and Capital Costs	26,954,297	26,485,759	468,538	1.77%
Cost of State & Federal Programs	19,923,381	21,382,161	(1,458,780)	-6.82%
Fixed Costs	<u>42,645,862</u>	<u>39,794,366</u>	<u>2,851,496</u>	<u>7.17%</u>
Total	\$ 210,967,525	\$ 211,067,689	\$ (100,164)	-0.05%

General Government

General County Operations

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
Executive	\$ 2,902,230	\$ 3,162,612	\$ (260,382)	-8.23%
Financial Services	5,250,321	5,760,559	(510,239)	-8.86%
Human Services	14,584,062	14,898,769	(314,707)	-2.11%
Public Works	<u>28,494,445</u>	<u>29,446,623</u>	<u>(952,178)</u>	<u>-3.23%</u>
	\$ 51,231,057	\$ 53,268,564	\$ (2,037,507)	-3.82%

Public Safety

Public Safety

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
Prosecutors	\$ 10,996,850	\$ 10,739,738	\$ 257,112	2.39%
Sheriff's Offices	6,437,566	6,233,869	\$ 203,697	3.27%
Jail	15,563,149	14,897,427	665,722	4.47%
Total	\$ 32,997,565	\$ 31,871,035	\$ 1,126,530	3.53%

Constitutional

Constitutional

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
County Clerk	\$ 1,023,244	\$ 1,097,168	\$ (73,924)	-6.74%
Surrogate	427,919	422,136	5,783	1.37%
Board Of Taxation	437,410	466,860	(29,450)	-6.31%
Election Board	1,285,245	1,203,309	81,936	6.81%
Elections - County Clerk	246,956	273,716	(26,760)	-9.78%
Superintendent of Schools	<u>231,566</u>	<u>252,783</u>	<u>(21,217)</u>	<u>-8.39%</u>
Total	\$ 3,652,340	\$ 3,715,972	\$ (63,632)	-1.71%

Public Health & Safety

Public Health & Safety

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
Emergency Management	\$ 213,038	\$ 231,708	\$ (18,670)	-8.06%
Public Safety Radio 911	3,439,654	2,862,752	576,902	20.15%
Health Dept.	450,307	430,693	19,614	4.55%
ESTA	267,351	412,188	(144,837)	-35.14%
Rescue Squad	68,000	68,000	0	0.00%
Police Academy	<u>-</u>	<u>-</u>	<u>0</u>	<u>0.00%</u>
Total	\$ 4,438,350	\$ 4,005,341	\$ 433,009	10.81%

Independent Agencies

Independent Agencies

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
Vocational - Technical Schools	\$ 10,758,956	\$ 11,630,139	\$ (871,183)	-7.49%
Raritan Valley Community College	9,218,052	9,682,052	(464,000)	-4.79%
Out-of-County College Courses	100,000	100,000	0	0.00%
Park Commission	8,068,000	8,168,000	(100,000)	-1.22%
Joint Library Facility	329,665	300,634	29,031	9.66%
Medical Examiner	<u>650,000</u>	<u>663,666</u>	<u>(13,666)</u>	<u>-2.06%</u>
Total	\$ 29,124,673	\$ 30,544,491	\$ (1,419,818)	-4.65%

Capital and Debt Costs

Capital Costs

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
Emergency Appropriation	\$ 1,477,706	\$ 354,106	\$ 1,123,600	317.31%
Capital Improvement Fund	\$ 6,405,000	\$ 6,595,028	\$ (190,028)	-2.88%
Departmental Equipment	1,170,000	1,170,000	0	0.00%
Somerset County Obligations	1,379,384	1,394,306	(14,922)	-1.07%
GO Debt Service	16,522,207	16,972,319	(450,112)	-2.65%
Advanced Payment on Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	\$ 26,954,297	\$ 26,485,759	\$ 468,538	1.77%

Cost of State & Federal Programs

Cost of State & Federal Programs

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
County Costs Of State Programs				
Human Services	\$ 1,992,903	\$ 1,704,829	\$ 288,074	16.90%
Board Of Social Services	6,568,869	6,568,869	0	0.00%
Match for Grants	150,000	200,000	(50,000)	-25.00%
State Costs Offset By Revenue				
Human Services	<u>11,211,609</u>	<u>12,908,463</u>	<u>(1,696,854)</u>	<u>-13.15%</u>
TOTAL	\$ 19,923,381	\$ 21,382,161	\$ (1,458,780)	-6.82%

Fixed Costs

Fixed Costs

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>%</u>
Pensions - PERS	\$ 7,516,065	\$ 7,512,377	\$ 3,688	0.05%
Pensions - PFRS	4,060,797	4,779,144	(718,347)	-15.03%
DCRP	90,000	0	90,000	100.00%
Social Security	5,245,496	5,289,341	(43,845)	-0.83%
Group Insurance	20,000,000	16,500,000	3,500,000	21.21%
Other Insurance	5,533,504	5,533,504	0	0.00%
Other Liability	100,000	0	100,000	100.00%
Contingent	<u>100,000</u>	<u>180,000</u>	<u>(80,000)</u>	<u>-44.44%</u>
	\$ 42,645,862	\$ 39,794,366	\$ 2,851,496	7.17%

2012 Tax Levy and CAP Analysis

SOMERSET COUNTY

	<u>2012</u>	<u>2011</u>	<u>Variance:</u>
RATABLE BASE:	\$ 58,322,645,599	\$ 59,232,484,252	\$ (909,838,653) -1.54%
AMOUNT TO BE RAISED BY TAXATION:	\$ 170,913,461	\$ 168,720,100	\$ 2,193,361 1.3%
CAP Calculation	\$ 172,974,427	\$ 170,874,559	\$ 2,099,868 1.23%
Under/(Over) CAP	\$ 2,060,966	\$ 2,154,459	

Somerset County 2012 Budget Presentation

THE END

