

# Somerset County 2013 Budget Presentation

March 5, 2013



# **The Global and National Outlook 2013**

- The global economy has yet to shake off the fallout from the crisis of 2008-2009
- Uncertainty across the regions continue to have global impacts
- Continued fundamental social, economic & political shifts for US and other countries

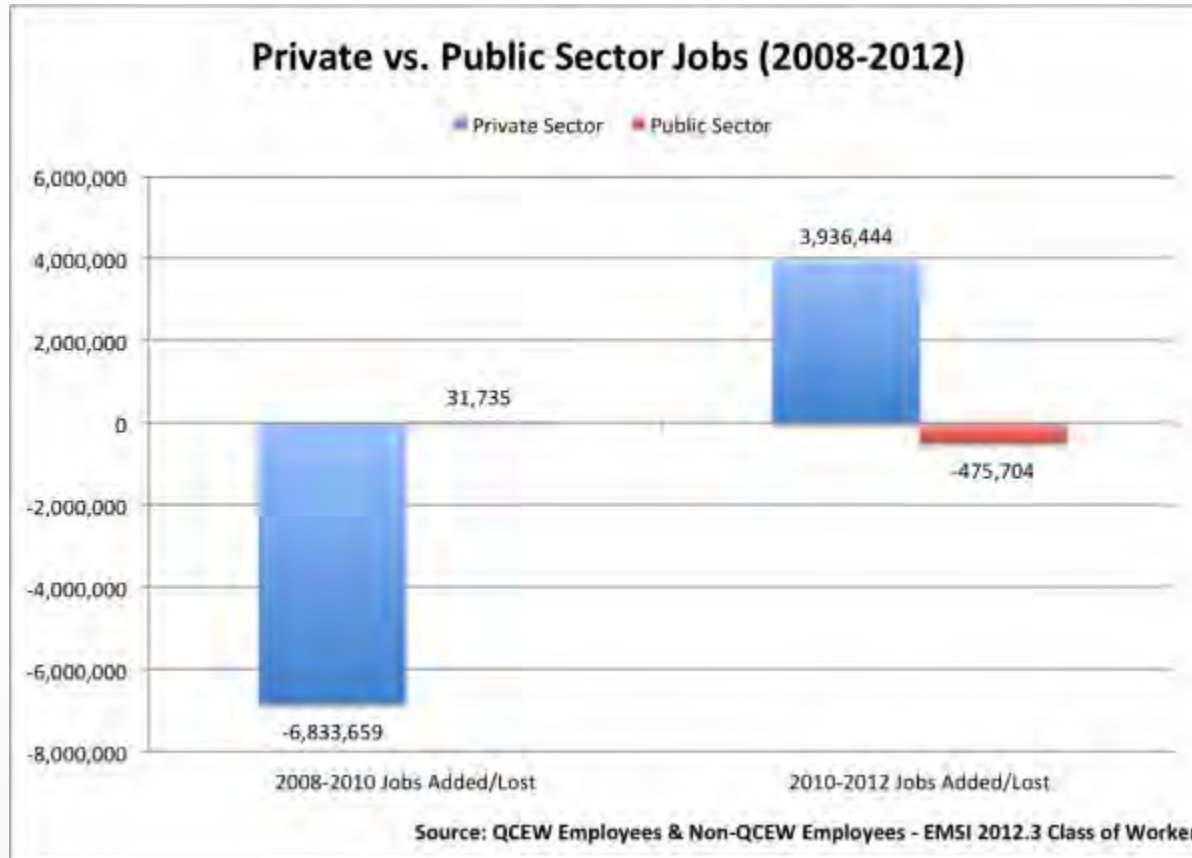
# **The Global and National Outlook 2013**

- Growth of the world economy has weakened considerably during 2012
- This pace of growth will not be sufficient to overcome the continued jobs crisis
- Weaknesses in the major developed economies are at the root of the global economic slowdown

# The Global and National Outlook 2013

- Average job creation in the US was 151,000 a month in 2012
- Though the pace is less than robust, its steadiness is reassuring
- Corporations plan more layoffs as healthcare reform becomes a reality

# The Global and National Outlook 2013



# Impact on Somerset County 2013

- New Jersey comes back from Sandy with record job gain
- Housing market has bottomed out and foreclosures have fallen to lowest levels
- County Clerk fees retained by the county were up over last year



# Impact on Somerset County 2013

- Interest on County investments still lukewarm
- It is predicted that rates will remain low in the near term
- Inflation & real wages are stagnant
- Demand for human and social services remains steady

# Impact on Somerset County 2012

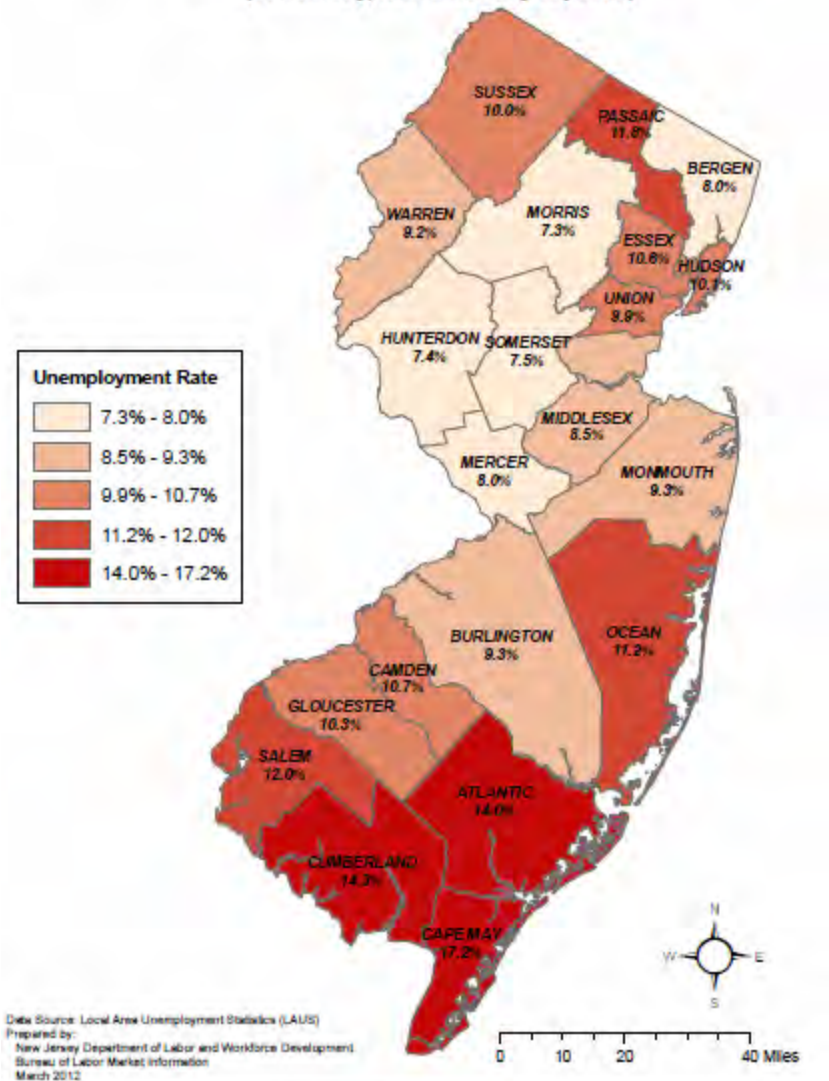
## Unemployment Rates

National (Mar.) - 8.2%

New Jersey (Feb.) - 9.8%

Somerset County (Feb.) - 7.5%

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





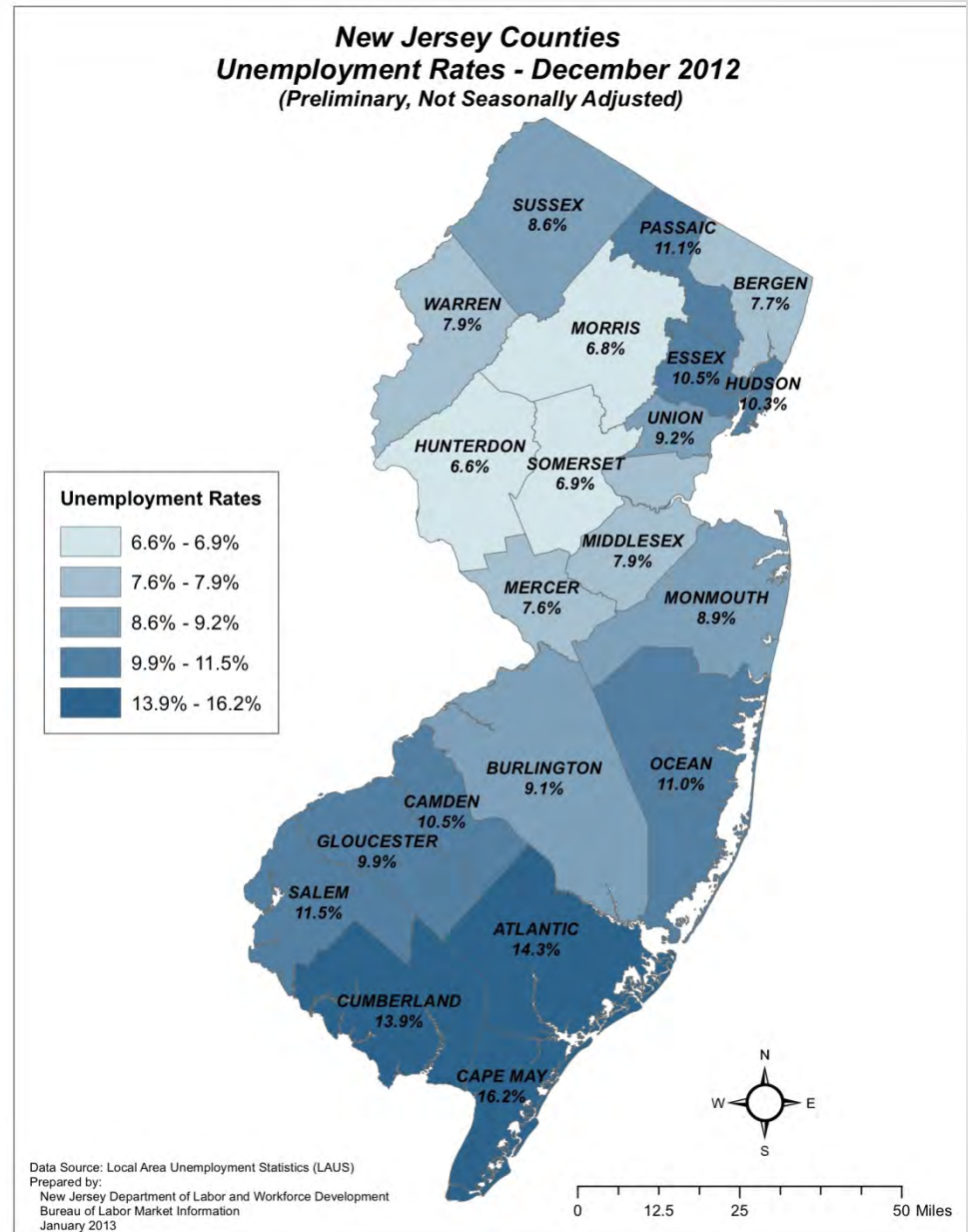
# Impact on Somerset County 2013

Unemployment Rates

National (Jan.) - 7.9%

New Jersey (Dec.) - 9.3%

Somerset County (Dec.) - 6.9%



# Accommodating the changes– what it means for Somerset County

“In the good old days...”

- 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

The 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
- The budget holds flat its contributions to outside agencies
- Since 2008, trimmed 125 vacant positions



# Somerset County Initiatives

## What We've Done

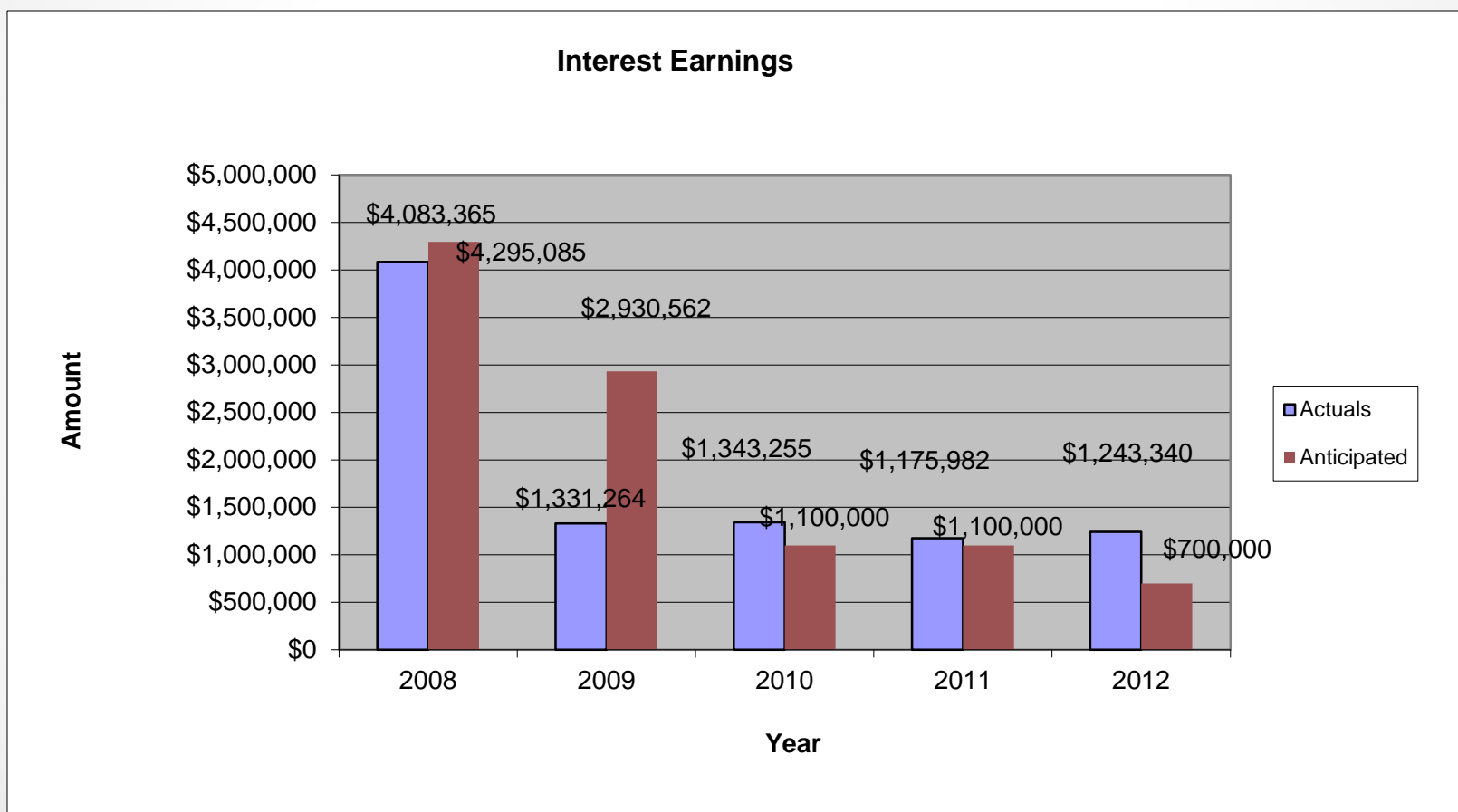
- Continuing takeover of 911 Dispatch and Health service coverage areas
- Program and division budgets have been cut by a total of \$1,675,709
- Met our objective of having a fiscally prudent 2013 County budget

# **2013 Budget**

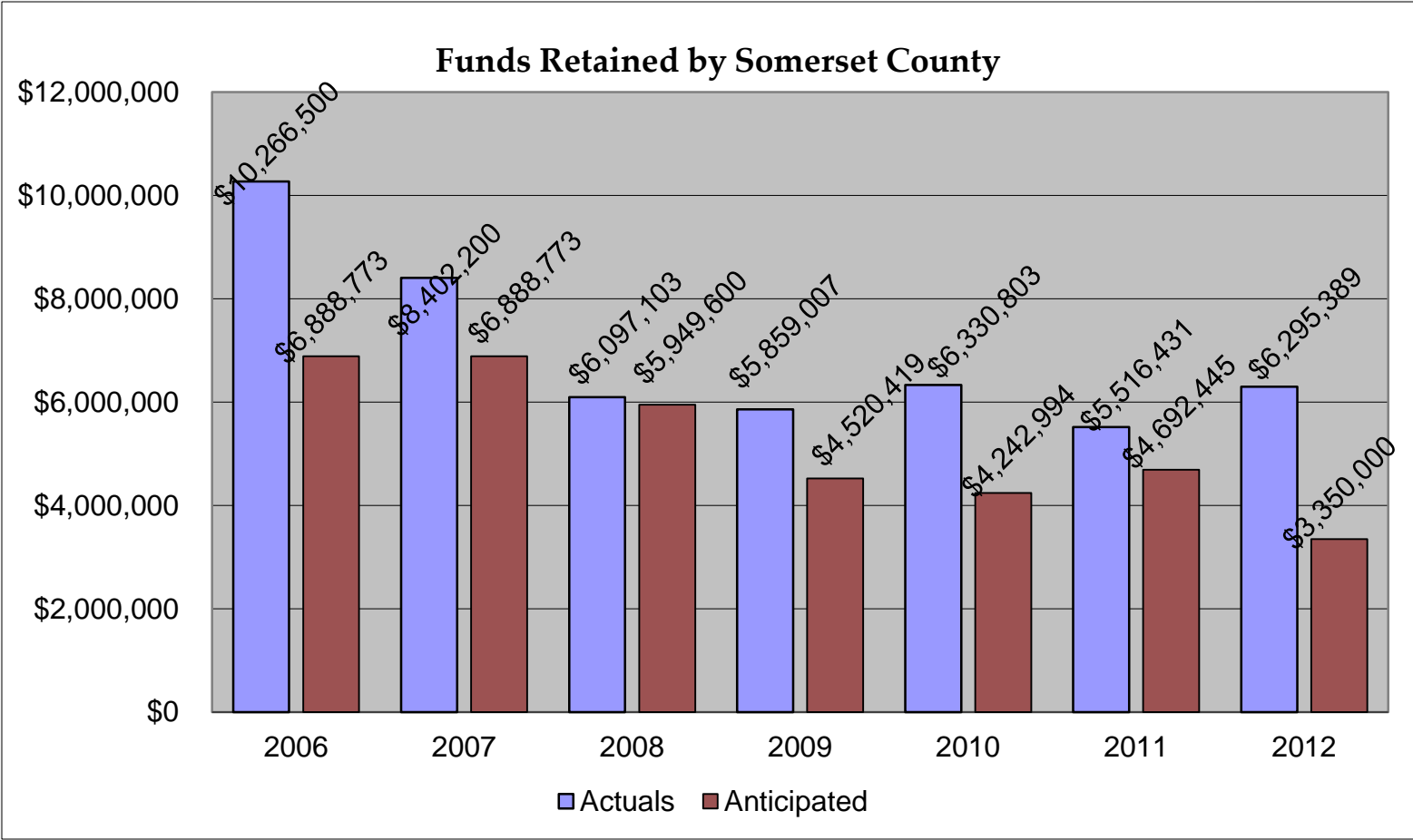
## **A Look at the Numbers**



# A look at the numbers



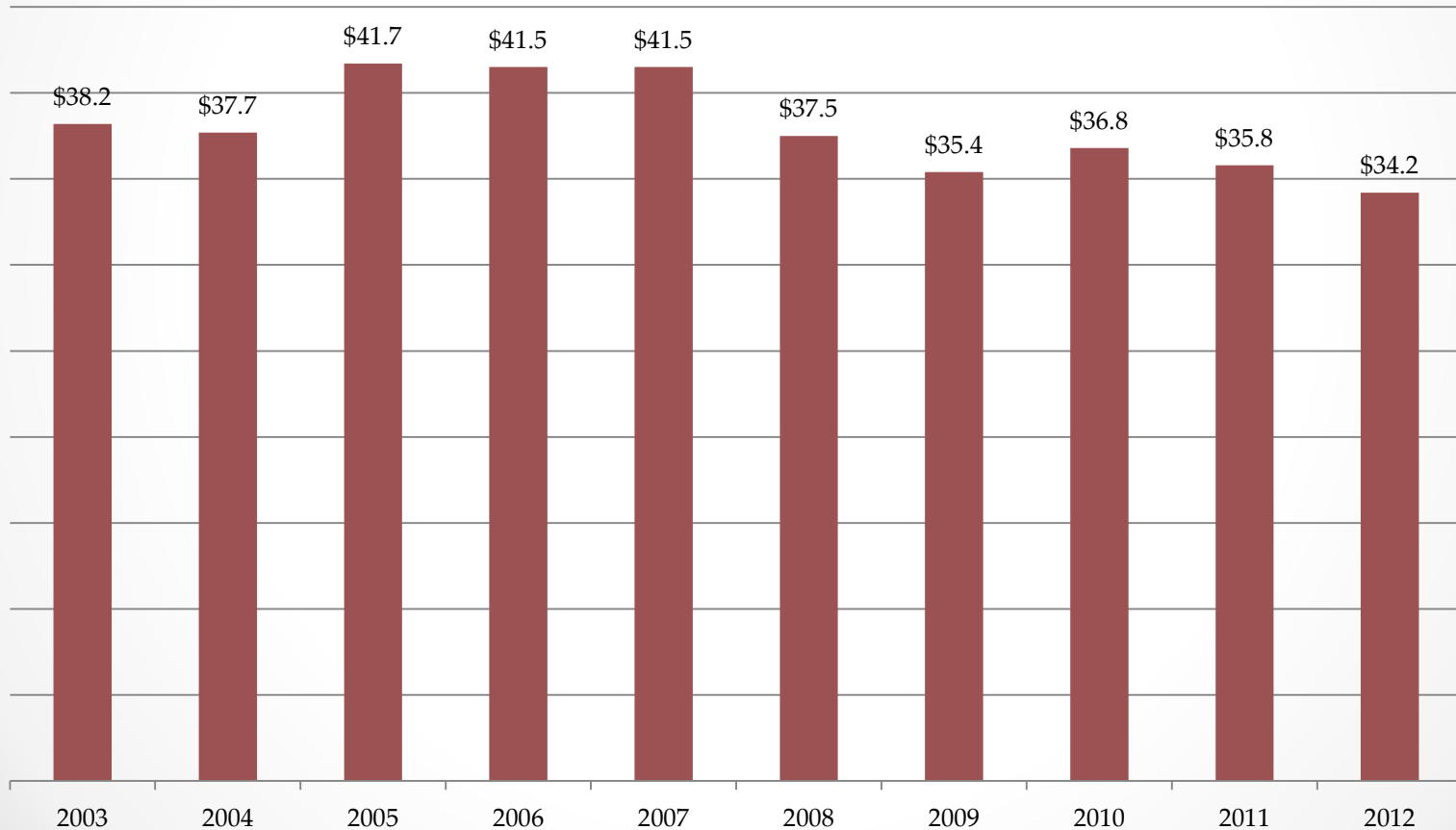
# A look at the numbers





# A look at the numbers

## Year End Surplus Balance (000's)



# 2013-2012 Budget Comparisons



# Year 2013 Proposed Budget

## - Overview

### 2013 Budget Recommendations

|                     | <u>2013</u>   | <u>2012</u>   | <u>Change</u> | <u>%</u> |
|---------------------|---------------|---------------|---------------|----------|
| Total County Budget | \$214,721,182 | \$210,967,525 | \$3,753,658   | 1.78%    |

# Year 2013 Proposed Budget - By Area

| <u>By Area</u>                   | <u>2013</u>           | <u>2012</u>           | <u>Change</u>       | <u>%</u>     |
|----------------------------------|-----------------------|-----------------------|---------------------|--------------|
| General County Operations        | \$ 50,308,066         | \$ 51,231,057         | \$ (922,991)        | -1.80%       |
| Public Safety                    | 33,869,569            | 32,997,565            | 872,004             | 2.64%        |
| Constitutional Offices           | 3,615,291             | 3,652,340             | (37,049)            | -1.01%       |
| Public Health & Safety           | 4,833,044             | 4,438,350             | 394,694             | 8.89%        |
| Independent Agencies             | 29,149,862            | 29,124,673            | 25,189              | 0.09%        |
| Debt Service and Capital Costs   | 28,570,715            | 26,954,297            | 1,616,418           | 6.00%        |
| Cost of State & Federal Programs | 19,762,062            | 19,923,381            | (161,319)           | -0.81%       |
| Fixed Costs                      | <u>44,612,573</u>     | <u>42,645,862</u>     | <u>1,966,711</u>    | <u>4.61%</u> |
| <b>Total</b>                     | <b>\$ 214,721,182</b> | <b>\$ 210,967,525</b> | <b>\$ 3,753,658</b> | <b>1.78%</b> |

# General Government

## General County Operations

|                    | <u>2013</u>       | <u>2012</u>       | <u>Change</u>    | <u>%</u>      |
|--------------------|-------------------|-------------------|------------------|---------------|
| Executive          | \$ 3,001,132      | \$ 2,902,230      | \$ 98,902        | 3.41%         |
| Financial Services | 5,191,586         | 5,250,321         | (58,735)         | -1.12%        |
| Human Services     | 13,907,293        | 14,584,062        | (676,768)        | -4.64%        |
| Public Works       | <u>28,208,054</u> | <u>28,494,445</u> | <u>(286,391)</u> | <u>-1.01%</u> |
|                    | \$ 50,308,066     | \$ 51,231,057     | \$ (922,991)     | -1.80%        |

# Public Safety

## Public Safety

|                   | <u>2013</u>   | <u>2012</u>   | <u>Change</u> | <u>%</u> |
|-------------------|---------------|---------------|---------------|----------|
| Prosecutors       | \$ 11,449,946 | \$ 10,996,850 | \$ 453,096    | 4.12%    |
| Sheriff's Offices | 7,004,276     | 6,437,566     | 566,710       | 8.80%    |
| Jail              | 15,415,347    | 15,563,149    | (147,802)     | -0.95%   |
| Total             | \$ 33,869,569 | \$ 32,997,565 | \$ 872,004    | 2.64%    |

# Constitutional

## Constitutional Offices

|                              | <u>2013</u>    | <u>2012</u>    | <u>Change</u> | <u>%</u>     |
|------------------------------|----------------|----------------|---------------|--------------|
| County Clerk                 | \$ 1,032,412   | \$ 1,023,244   | \$ 9,168      | 0.90%        |
| Surrogate                    | 428,758        | 427,919        | 839           | 0.20%        |
| Board Of Taxation            | 443,120        | 437,410        | 5,710         | 1.31%        |
| Election Board               | 1,225,819      | 1,285,245      | (59,426)      | -4.62%       |
| Elections - County Clerk     | 247,784        | 246,956        | 828           | 0.34%        |
| Superintendent of<br>Schools | <u>237,398</u> | <u>231,566</u> | <u>5,832</u>  | <u>2.52%</u> |
| Total                        | \$ 3,615,291   | \$ 3,652,340   | \$ (37,049)   | -1.01%       |

# Public Health & Safety

## Public Health & Safety

|                         | <u>2013</u>   | <u>2012</u>   | <u>Change</u> | <u>%</u>     |
|-------------------------|---------------|---------------|---------------|--------------|
| Emergency Management    | \$ 211,436    | \$ 213,038    | \$ (1,602)    | -0.75%       |
| Public Safety Radio 911 | 3,793,287     | 3,439,654     | 353,633       | 10.28%       |
| Health Dept             | 490,603       | 450,307       | 40,296        | 8.95%        |
| ESTA                    | 269,718       | 267,351       | 2,367         | 0.89%        |
| Rescue Squad            | <u>68,000</u> | <u>68,000</u> | <u>0</u>      | <u>0.00%</u> |
| Total                   | \$ 4,833,044  | \$ 4,438,350  | \$ 394,694    | 8.89%        |



# Independent Agencies

## Independent Agencies

|                                  | <u>2013</u>          | <u>2012</u>          | <u>Change</u>    | <u>%</u>     |
|----------------------------------|----------------------|----------------------|------------------|--------------|
| Vocational - Technical Schools   | \$ 10,758,956        | \$ 10,758,956        | \$ -             | 0.00%        |
| Raritan Valley Community College | 9,180,456            | 9,218,052            | (37,596)         | -0.41%       |
| Out-of-County College Courses    | 180,000              | 100,000              | 80,000           | 80.00%       |
| Park Commission                  | 8,000,000            | 8,068,000            | (68,000)         | -0.84%       |
| Joint Library Facility           | 335,450              | 329,665              | 5,785            | 1.75%        |
| Medical Examiner                 | <u>695,000</u>       | <u>650,000</u>       | <u>45,000</u>    | <u>6.92%</u> |
| <b>Total</b>                     | <b>\$ 29,149,862</b> | <b>\$ 29,124,673</b> | <b>\$ 25,189</b> | <b>0.09%</b> |

# Capital and Debt Costs

## Capital Costs

|                             | <u>2013</u>          | <u>2012</u>          | <u>Change</u>       | <u>%</u>     |
|-----------------------------|----------------------|----------------------|---------------------|--------------|
| Emergency Appropriation     | \$ 2,026,866         | \$ 1,477,706         | \$ 549,160          | 37.16%       |
| Capital Improvement Fund    | \$ 6,405,000         | \$ 6,405,000         | \$ -                | 0.00%        |
| Departmental Equipment      | \$ 600,000           | 1,170,000            | (570,000)           | -48.72%      |
| Somerset County Obligations | \$ 1,365,280         | 1,379,384            | (14,104)            | -1.02%       |
| GO Debt Service             | 18,173,569           | 16,522,207           | 1,651,362           | 9.99%        |
| Advanced Payment on Debt    | 0                    | 0                    | 0                   | <u>0.00%</u> |
| <b>Total</b>                | <b>\$ 28,570,715</b> | <b>\$ 26,954,297</b> | <b>\$ 1,616,418</b> | <b>6.00%</b> |

# Cost of State & Federal Programs

## Cost of State & Federal Programs

|                                       | <u>2013</u>       | <u>2012</u>       | <u>Change</u>    | <u>%</u>      |
|---------------------------------------|-------------------|-------------------|------------------|---------------|
| <b>County Costs Of State Programs</b> |                   |                   |                  |               |
| Human Services                        | \$ 2,086,371      | \$ 1,992,903      | \$ 93,468        | 4.69%         |
| Board Of Social Services              | 6,568,869         | 6,568,869         | (0)              | 0.00%         |
| Match for Grants                      | 150,000           | 150,000           | 0                | 0.00%         |
| <b>State Costs Offset By Revenue</b>  |                   |                   |                  |               |
| Human Services                        | <u>10,956,822</u> | <u>11,211,609</u> | <u>(254,787)</u> | <u>-2.27%</u> |
| <b>TOTAL</b>                          | \$ 19,762,062     | \$ 19,923,381     | \$ (161,319)     | -0.81%        |

# Fixed Costs

## Fixed Costs

|                 | <u>2013</u>    | <u>2012</u>    | <u>Change</u> | <u>%</u>     |
|-----------------|----------------|----------------|---------------|--------------|
| Pensions - PERS | \$ 7,464,005   | \$ 7,516,065   | \$ (52,060)   | -0.69%       |
| Pensions - PFRS | \$ 4,173,437   | 4,060,797      | 112,640       | 2.77%        |
| DCRP            | \$ 50,000      | 90,000         | (40,000)      | -44.44%      |
| Social Security | 5,293,794      | 5,245,496      | 48,298        | 0.92%        |
| Group Insurance | 21,500,000     | 20,000,000     | 1,500,000     | 7.50%        |
| Other Insurance | 5,881,337      | 5,533,504      | 347,833       | 6.29%        |
| Other Liability | 150,000        | 100,000        | 50,000        | 50.00%       |
| Contingent      | <u>100,000</u> | <u>100,000</u> | <u>0</u>      | <u>0.00%</u> |
|                 | \$ 44,612,573  | \$ 42,645,862  | \$ 1,966,711  | 4.61%        |

# 2013 Tax Levy and CAP Analysis

## SOMERSET COUNTY

|                                     | <u>2013</u>       | <u>2012</u>       | <u>Variance:</u>             |
|-------------------------------------|-------------------|-------------------|------------------------------|
| RATABLE BASE:                       | \$ 56,836,092,908 | \$ 58,322,645,599 | \$ (1,486,552,691)<br>-2.55% |
| AMOUNT TO BE RAISED BY<br>TAXATION: | \$ 174,280,456    | \$ 170,913,461    | \$ 3,366,995<br>1.97%        |
| CAP Calculation                     | \$ 176,488,300    | \$ 172,974,427    | \$ 3,513,873<br>2.03%        |
| Under/(Over) CAP                    | \$ 2,207,843      | \$ 2,154,459      |                              |

# **Somerset County 2013 Budget Presentation**

**THE END**