

COUNTY OF SUSSEX

2010 Budget



BUDGET INTRODUCTION
JUNE 23, 2010

2010 Sussex County Budget



- 2.5% increase in overall tax levy
- Continues reduction in the size of County government
- Continues expansion of major shared services
- Continues drive toward entrepreneurial gov't
- Continues implementation of energy efficiency and cost saving improvements
- Controls debt levels
- Maintains County Infrastructure
- Cost drivers continue to be
 - Health Care
 - Public Safety
 - Education
 - State Cost Shifting

2.5% increase in tax levy



			\$ Change	% Change		\$ Change	% Change
Tax Levy	2010	2009	2008 to 2009	2008 to 2009	2008	2008 to 2010	2008 to 2010
General Levy	\$ 75,209,586	\$ 71,507,294	\$ 3,702,292	5.2%	\$ 68,490,715	\$ 6,718,871	9.8%
Health Levy*	\$ 2,031,935	\$ 2,031,935	\$ -	0.0%	\$ 1,537,729	\$ 494,206	32.1%
Library Levy	\$ 4,541,398	\$ 4,761,398	\$ (220,000)	-4.6%	\$ 4,765,620	\$ (224,222)	-4.7%
Open Space Levy	\$ 1,354,766	\$ 2,811,076	\$ (1,456,310)	-51.8%	\$ 5,321,306	\$ (3,966,540)	-74.5%
TOTAL	\$ 83,137,685	\$ 81,111,703	\$ 2,025,982	2.5%	\$ 80,115,370	\$ 3,022,315	3.8%

*Health Levy includes addition in 2009 of Vernon Township as the 23d of 24 municipalities serviced by the County Health Dept.

Health tax corrected for addition of Vernon would show no increase from 2008.

Continued reduction in size of gov't



- **53 positions eliminated in 2009 & 2010. Savings = \$2M+**
 - 29 through attrition (1 GIS; 3 Facilities; 1 Transit; 1 Freeholders; 1 Engineering; 1 Elections; 8 Roads; 4 Library; 1 Supt. of Schools; 2 Mosquito; 1 Health; 1 Prosecutor; 2 Fleet Maint.; 1 Planning; 1 Finance). Savings = \$1.4M
 - 24 Through layoffs (10 Juvenile Detention; 5 Library; 3 Special Child Svcs.; 4 Youth Shelter; 1 Employee Svcs.). Savings = \$950K

Efficiencies & Cost Savings Through Major Shared Services



- More than \$1.3M in shared services grants since 2008
- Overall Shared Service Savings Exceed \$2M
- 2010 Contract with Morris County for Juvenile Detention \$800K+ annual savings
- 2009 Contract with Morris County for Youth Shelter Services \$100K+ annual savings
- 2009 Health Department services all 24 municipalities

10 Yr. County Health Tax

15 of 17 original members pay less in 2010 than in 2000



Municipality	2000 Levy	2010 Levy	\$ Change 2000 to 2010	% Change 2000 to 2010	Avg Annual % Change 10 Yrs*
Andover Boro	\$ 10,306.43	\$ 8,454.17	\$ (1,852.26)	-18.0%	-1.8%
Andover Twp.	\$ 92,138.43	\$ 86,053.66	\$ (6,084.77)	-6.6%	-0.7%
Branchville	\$ 26,548.12	\$ 14,578.10	\$ (11,970.02)	-45.1%	-4.5%
Byram	\$ 129,615.43	\$ 112,956.68	\$ (16,658.75)	-12.9%	-1.3%
Frankford	\$ 97,520.65	\$ 90,587.25	\$ (6,933.40)	-7.1%	-0.7%
Fredon	\$ 52,779.30	\$ 51,799.22	\$ (980.08)	-1.9%	-0.2%
Green	\$ 54,254.41	\$ 55,541.49	\$ 1,287.08	2.4%	0.2%
Hamburg	\$ 32,032.29	\$ 34,730.93	\$ 2,698.64	8.4%	0.8%
Hampton	\$ 81,286.19	\$ 73,776.96	\$ (7,509.23)	-9.2%	-0.9%
Lafayette	\$ 48,739.96	\$ 43,998.36	\$ (4,741.60)	-9.7%	-1.0%
Montague	\$ 45,913.57	\$ 44,221.09	\$ (1,692.48)	-3.7%	-0.4%
Newton	\$ 88,577.29	\$ 80,126.93	\$ (8,450.36)	-9.5%	-1.0%
Sandyston	\$ 30,993.95	\$ 26,986.72	\$ (4,007.23)	-12.9%	-1.3%
Stillwater	\$ 61,525.87	\$ 56,402.86	\$ (5,123.01)	-8.3%	-0.8%
Sussex Boro	\$ 18,994.29	\$ 15,742.56	\$ (3,251.73)	-17.1%	-1.7%
Walpack	\$ 694.89	\$ 298.31	\$ (396.58)	-57.1%	-5.7%
Wantage	\$ 143,195.93	\$ 142,342.24	\$ (853.69)	-0.6%	-0.1%

Cost savings through energy efficiency



- **Implementation of Energy Audit Recommendations**
 - Homestead Nursing Home lighting retrofit - \$150K
 - ✦ Payback less than 2 years
 - SCAC lighting retrofit - \$85K
 - ✦ Payback less than 2 years
 - Jail lighting retrofit design - \$20K
 - ✦ Anticipated payback at install = 2 years
 - 2009 Natural Gas Bid \$80K+ annual savings
 - Anticipated 2010 Electric Bid

Control of County Debt



- **Total new debt authorized = \$5,260,000**
 - Less than debt management plan target of \$6.7
 - Includes \$2.353 in new debt for SCCC (50% of total cost under State Ch. 12 program)
- **Amount of debt paid down = \$10,633,000**
 - Net reduction in debt = \$5,403,000

Maintenance of County Infrastructure



- **Road Resurfacing – 30+ miles of asphalt resurfacing using State, Federal and local funds; 15+ miles of microsurfacing to extend pavement life**
- **Bridge Replacements – 2 bridge replacements; 6 bridge rehabilitation projects**

Drive toward entrepreneurial gov't – Homestead Nursing Home – S&W



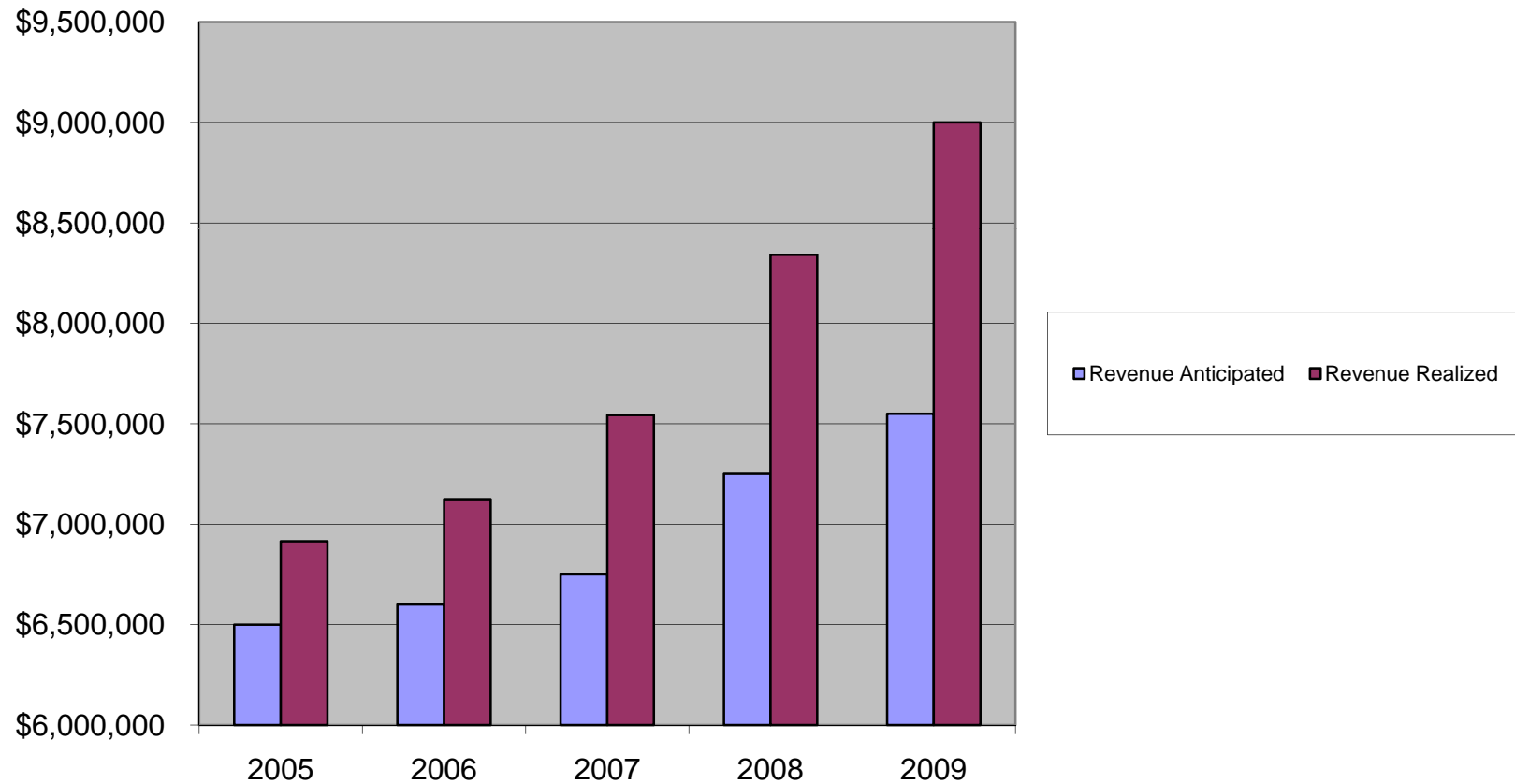
	2005	2006	2007	2008	2009
Budget Appropriation	\$4,772,019.00	\$ 4,801,486.00	\$ 4,731,536.00	\$4,853,450.00	\$ 4,878,390.00
Actual Expended	\$4,451,311.84	\$ 4,627,159.53	\$ 4,338,696.74	\$4,466,720.49	\$ 4,636,064.10
Difference (App. - Exp.)	\$ 320,707.16	\$ 174,326.47	\$ 392,839.26	\$ 386,729.51	\$ 242,325.90
% Expended	93.3%	96.4%	91.7%	92.0%	95.0%
Total Budget Approp.	\$ 92,061,376	\$ 98,126,692	\$ 102,912,559	\$ 107,848,203	\$ 107,667,916
% of Total Budget Approp.	5.18%	4.89%	4.60%	4.50%	4.53%

Drive toward entrepreneurial gov't – Homestead Nursing Home – Revenue

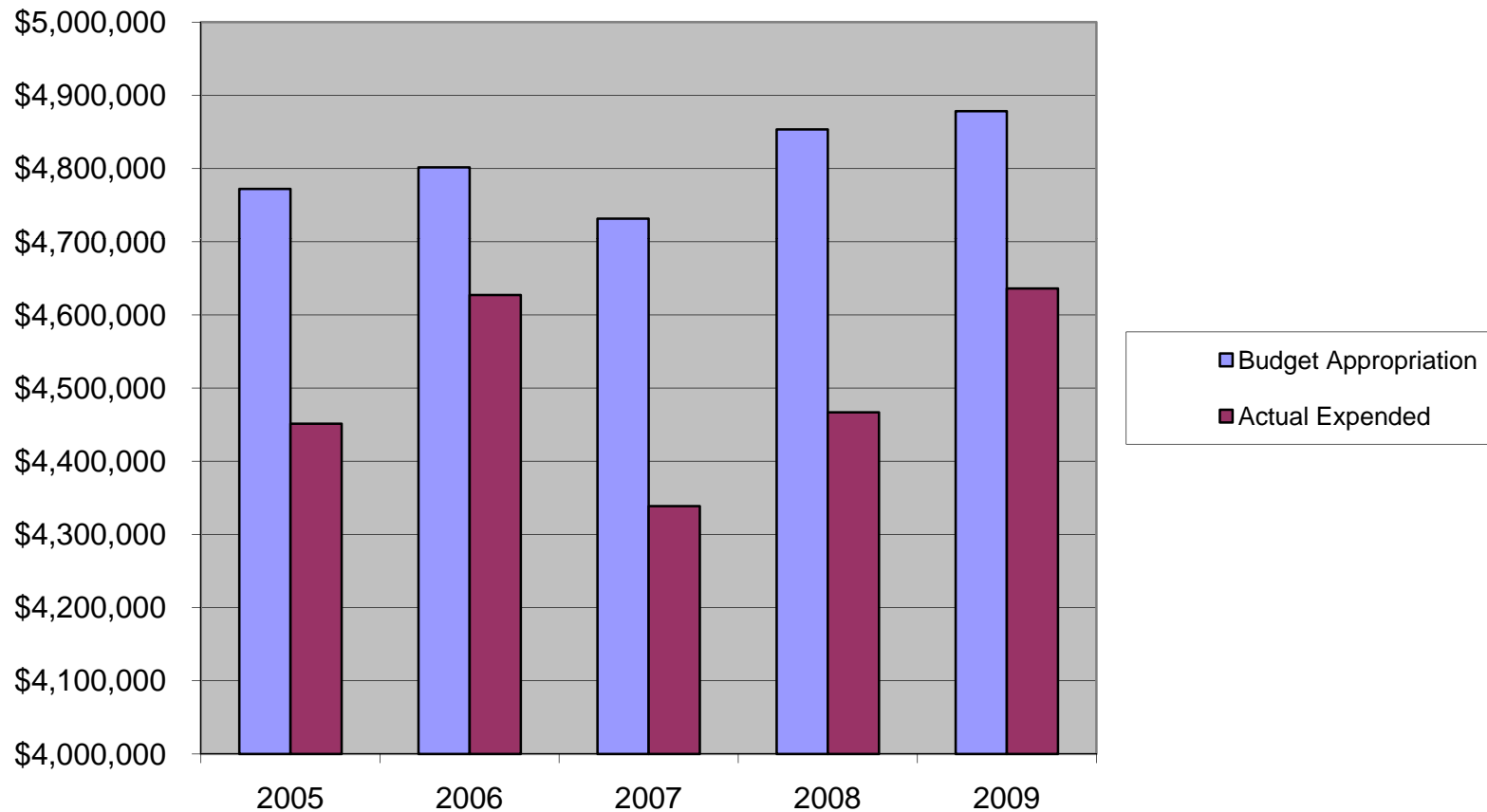


	2005	2006	2007	2008	2009
Revenue Anticipated	\$ 6,500,000	\$ 6,600,000	\$ 6,750,000	\$ 7,250,000	\$ 7,550,000
Revenue Realized	\$ 6,914,649	\$ 7,124,058	\$ 7,543,240	\$ 8,341,358	\$ 9,000,087
Excess (Deficit)	\$ 414,649	\$ 524,058	\$ 793,240	\$ 1,091,358	\$ 1,450,087
% Collected	106.4%	107.9%	111.8%	115.1%	119.2%
Total Budget Revenue	\$ 92,061,376	\$ 98,126,692	\$ 102,912,559	\$ 107,848,203	\$ 107,667,916
% of Total Budget Revenue	7.06%	6.73%	6.56%	6.72%	7.01%

Drive toward entrepreneurial gov't – Homestead Nursing Home - Revenue



Drive toward entrepreneurial gov't – Homestead Nursing Home – S&W



Drive toward entrepreneurial gov't – Homestead Nursing Home – S&W



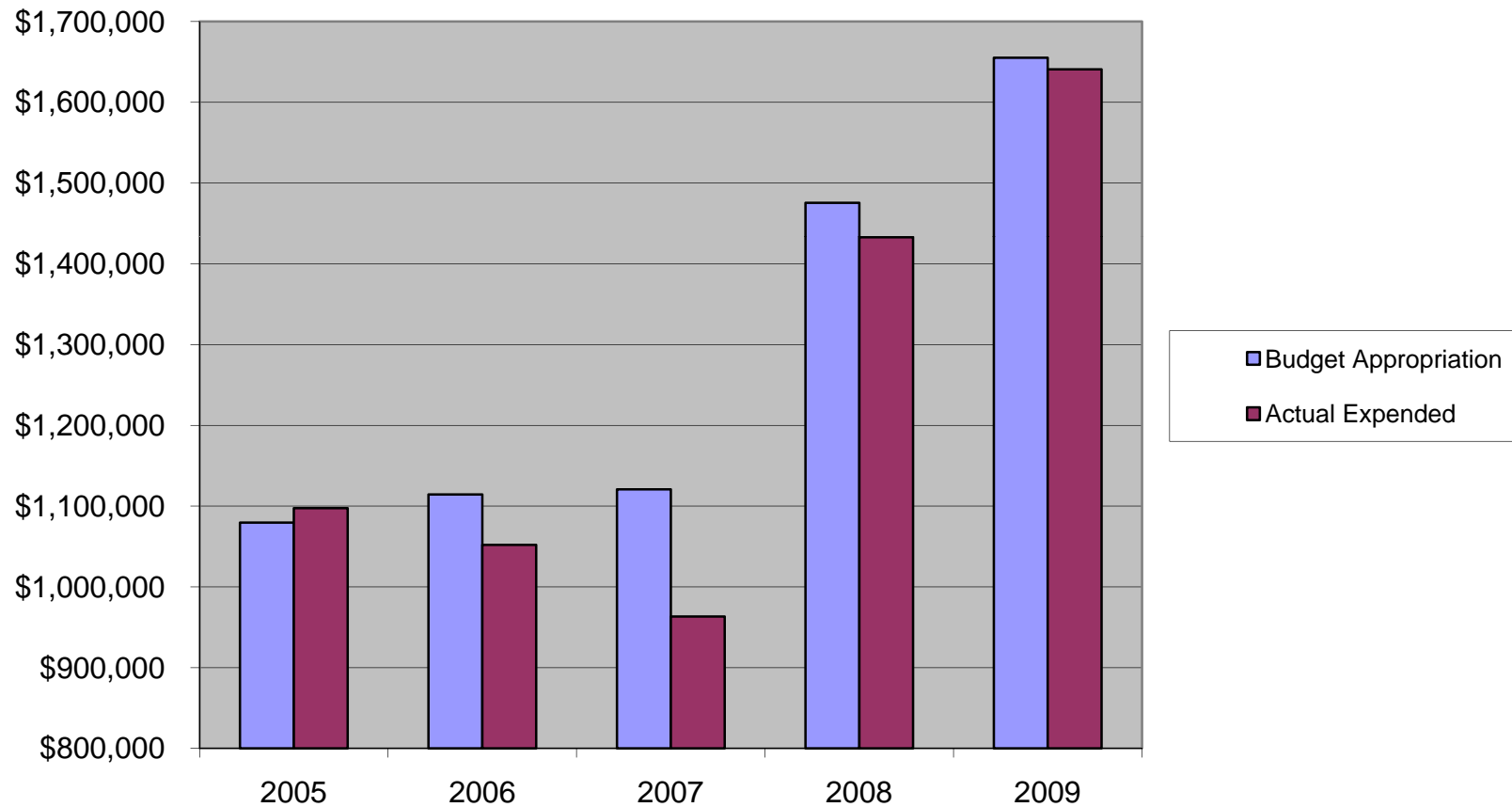
2010 BUDGET APPROPRIATION:				\$ 4,925,121
2009 Budget Appropriation				\$ 4,878,390
\$ Change				\$ 46,731
% Change:				1.0%
2010 Budget Appropriation		\$ 4,925,121		
2005 Budget Appropriation		\$ 4,772,019		
\$ Change		\$ 153,102		
% Change			3.2%	

Drive toward entrepreneurial gov't – Homestead Nursing Home – Operating



	2005	2006	2007	2008	2009
Budget Appropriation	\$ 1,079,495.00	\$ 1,114,385.00	\$ 1,120,777.00	\$ 1,475,436.00	\$ 1,655,153.00
Actual Expended	\$ 1,097,495.47	\$ 1,051,943.69	\$ 963,288.30	\$ 1,432,825.02	\$ 1,640,740.13
Difference (App. - Exp.)	\$ (18,000.47)	\$ 62,441.31	\$ 157,488.70	\$ 42,610.98	\$ 14,412.87
% Expended	101.7%	94.4%	85.9%	97.1%	99.1%
Total Budget Approp.	\$ 92,061,376	\$ 98,126,692	\$ 102,912,559	\$ 107,848,203	\$ 107,667,916
% of Total Budget Approp.	1.17%	1.14%	1.09%	1.37%	1.54%

Drive toward entrepreneurial gov't – Homestead Nursing Home – Operating

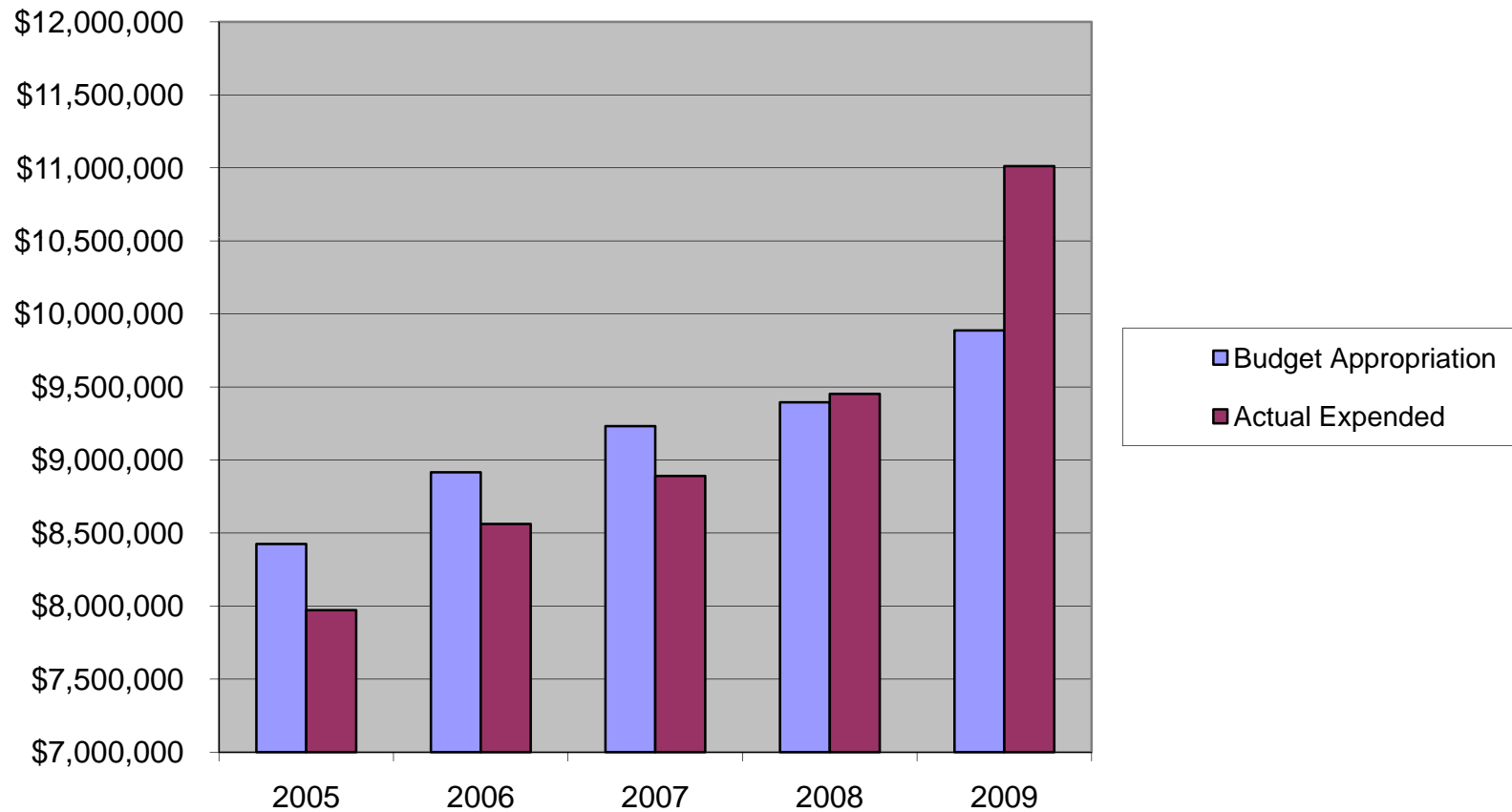


Drive toward entrepreneurial gov't – Homestead Nursing Home – Operating



2010 BUDGET APPROPRIATION:				\$ 1,663,871
2009 Budget Appropriation				\$ 1,655,153
\$ Change				\$ 8,718
% Change:				0.5%
2010 Budget Appropriation		\$ 1,663,871		
2005 Budget Appropriation		\$ 1,079,495		
\$ Change		\$ 584,376		
% Change			54.1%	

Health Care Costs – A National/State Crisis With Local Implications



Health Care Costs – A National/State Crisis With Local Implications



	2005	2006	2007	2008	2009
Budget Appropriation	\$8,425,400.00	\$ 8,916,343.00	\$9,232,083.00	\$9,395,606.00	\$ 9,887,390.00
Actual Expended	\$7,972,391.75	\$ 8,562,726.94	\$8,890,868.05	\$9,452,483.83	\$11,011,733.90
Difference (App. - Exp.)	\$ 453,008.25	\$ 353,616.06	\$ 341,214.95	\$ (56,877.83)	\$ (1,124,343.90)
% Expended	94.6%	96.0%	96.3%	100.6%	111.4%
Total Budget Approp.	\$ 92,061,376	\$ 98,126,692	\$ 102,912,559	\$ 107,848,203	\$ 107,667,916
% of Total Budget Approp.	9.15%	9.09%	8.97%	8.71%	9.18%

Health Care Costs – A National/State Crisis With Local Implications



2010 BUDGET APPROPRIATION:				\$ 13,542,000
2009 Budget Appropriation				\$ 9,887,390
\$ Change				\$ 3,654,610
% Change:				37.0%
Proposed 2010 Budget Appropriation		\$ 13,542,000		
2005 Budget Appropriation		\$ 8,425,400		
\$ Change		\$ 5,116,600		
% Change			60.7%	

Health Care Costs – A National/State Crisis With Local Implications



- **Current fund levy up \$3.7M overall – Health benefits up \$3.65M**
- **The cost drivers**
 - Claims exceeding \$25K
 - In patient/out patient hospital claims
 - Frequency of claims
 - Pharmaceuticals to treat obesity related illness

Health Care Costs – A National/State Crisis With Local Implications



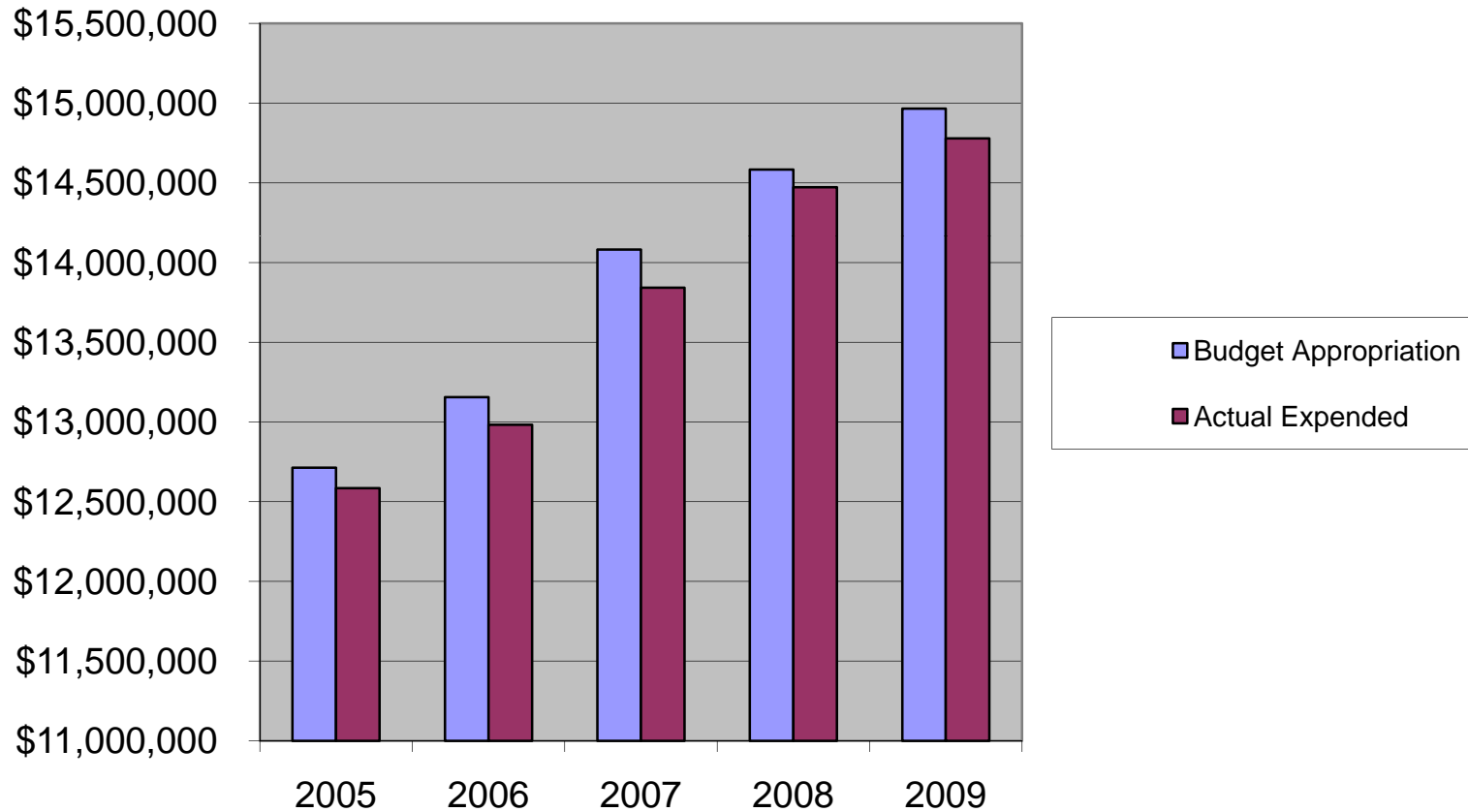
- **Moving forward**
 - 2011 Health Insurance meeting begin 4/27/10
 - Conformance to State mandated employee contribution
 - Consideration of State Health Benefits Plan and Private Insurance Carriers
 - Targeted plan modifications to address cost drivers
 - Cigna Metabolic Syndrome Improvement Program as part of a targeted wellness program

The Cost of Education



	2005	2006	2007	2008	2009
Budget Appropriation	\$12,712,952.00	\$ 13,155,630.00	\$14,081,468.00	\$ 14,583,434.00	\$ 14,965,294.00
Actual Expended	\$12,584,452.05	\$ 12,982,410.37	\$13,842,381.43	\$ 14,472,096.22	\$ 14,778,231.83
Difference (App. - Exp.)	\$ 128,499.95	\$ 173,219.63	\$ 239,086.57	\$ 111,337.78	\$ 187,062.17
% Expended	99.0%	98.7%	98.3%	99.2%	98.8%
Total Budget Approp.	\$ 92,061,376	\$ 98,126,692	\$ 102,912,559	\$ 107,848,203	\$ 107,667,916
% of Total Budget Approp.	13.81%	13.41%	13.68%	13.52%	13.90%
Total Tax Levy	\$59,448,760.00	\$ 62,706,160.00	\$65,685,231.00	\$ 68,490,715.00	\$ 71,507,294.00
% of Total Tax Levy	21.38%	20.98%	21.44%	21.29%	20.93%

The Cost of Education



The Cost of Education



2010 BUDGET APPROPRIATION:			\$ 15,167,410
2009 Budget Appropriation			\$ 14,965,294
\$ Change			\$ 202,116
% Change:			1.3%
2010 Budget Appropriation	\$ 15,167,410		
2005 Budget Appropriation	\$ 12,712,952		
\$ Change	\$ 2,454,458		
% Change		19.3%	
Projected % of 2010 Tax Levy		20.17%	

The Cost of Public Safety



	2010	2009	\$ change	% change
Prosecutor S&W	\$ 3,925,039	\$ 3,766,250	\$ 158,789	4.2%
Prosecutor Operating	\$ 599,395	\$ 599,395	\$ -	0.0%
Sheriff Regulation S&W	\$ 1,941,118	\$ 1,866,127	\$ 74,991	4.0%
Sheriff Regulation Operating	\$ 294,889	\$ 294,889	\$ -	0.0%
Sheriff Judicial S&W	\$ 1,868,330	\$ 1,751,112	\$ 117,218	6.7%
Sheriff Judicial Operating	\$ 84,635	\$ 84,035	\$ 600	0.7%
Fire Marshall S&W	\$ 50,179	\$ 49,276	\$ 903	1.8%
Fire Marshall Operating	\$ 23,412	\$ 23,412	\$ -	0.0%
Emergency Management S&W	\$ 113,248	\$ 108,918	\$ 4,330	4.0%
Emergency Management Operating	\$ 47,945	\$ 47,945	\$ -	0.0%
Jail S&W	\$ 7,101,860	\$ 6,752,395	\$ 349,465	5.2%
Jail Operating	\$ 1,673,453	\$ 1,673,453	\$ -	0.0%
Juvenile Detention S&W	\$ 351,898	\$ 1,043,891	\$ (691,993)	-66.3%
Juvenile Detention Operating	\$ 462,260	\$ 360,535	\$ 101,725	28.2%
Public Safety Training Academy (SCCC)	\$ 300,000	\$ 280,000	\$ 20,000	7.1%
Total Public Safety*	\$ 18,837,661	\$ 18,701,633	\$ 136,028	0.7%
Total County Budget	\$ 111,095,647	\$ 107,966,355		
% of County Budget	16.96%	17.32%		

*does not include fringe benefit cost (health ins., pension, social security and facility costs)

State Cost Shifting



- **Aid for County Patients in Psychiatric Institutions**
 - 2008 County paid 10% of patient costs
 - 2010 County pays 15% of patient costs
 - Cost share increase of \$547,000 from 2008 to 2010 (from \$223,915 to \$771,008)

Summaries - Revenue



		% of		% of	\$ Change	% Change
Revenue Source	2010	Budget	2009	Budget	09 to 10	09 to 10
Surplus Anticipated	\$ 7,867,523	7.1%	\$ 7,898,000	7.3%	\$ (62,000)	-0.79%
Local Revenues	\$ 2,078,841	1.9%	\$ 2,367,660	2.2%	\$ (288,819)	-12.20%
State Aid	\$ 11,556,743	10.4%	\$ 11,833,471	11.0%	\$ (276,728)	-2.34%
State Assumption	\$ 4,988,433	4.5%	\$ 4,844,786	4.5%	\$ 143,647	2.96%
Other Special Items	\$ 3,898,969	3.5%	\$ 3,988,069	3.7%	\$ (89,100)	-2.23%
Revenues w/Offset Approp.	\$ 5,527,075	5.0%	\$ 5,527,075	5.1%	\$ -	0.00%
County Purpose Tax*	\$ 75,209,586	67.7%	\$ 71,507,294	66.2%	\$ 3,702,292	5.18%
Total Revenue	\$111,095,647	100%	\$107,966,355	100%	\$ 3,129,292	2.90%

Summaries - Revenue



		% of		% of	\$ Change	% Change
Local Revenue	2010	Budget	2009	Budget	09 to 10	09 to 10
County Clerk	\$ 1,209,073	58.2%	\$ 1,403,717	59.3%	\$ (194,644)	-13.9%
Surrogate	\$ 84,566	4.1%	\$ 83,143	3.5%	\$ 1,423	1.7%
Sheriff	\$ 233,480	11.2%	\$ 350,000	14.8%	\$ (116,520)	-33.3%
Fines	\$ 83,508	4.0%	\$ 92,800	3.9%	\$ (9,292)	-10.0%
Interest on Investments	\$ 375,000	18.0%	\$ 375,000	15.8%	\$ -	0.0%
Rental - County Bldgs.	\$ 93,214	4.5%	\$ 63,000	2.7%	\$ 30,214	48.0%
Total Revenue	\$ 2,078,841	100%	\$ 2,367,660	100%	\$ (288,819)	-12.2%

Summaries - Surplus

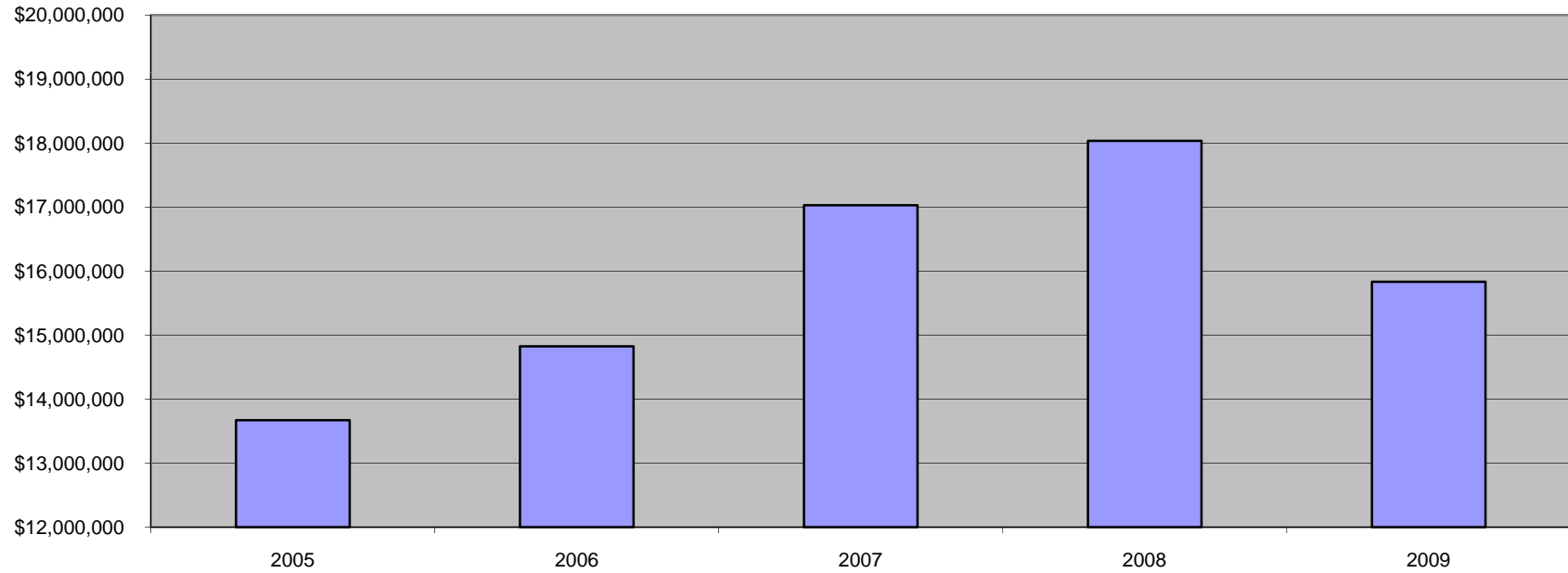


	2005	2006	2007	2008	2009
Statutory Excess					
to Fund Balance	\$ 8,155,250	\$ 7,402,482	\$ 9,196,518	\$ 8,967,960	\$ 5,694,872
Fund Balance Prior Jan.	\$ 10,592,653	\$ 13,669,704	\$ 14,824,181	\$ 17,030,018	\$ 18,036,286
Total Statutory Excess +					
Fund Balance Prior Jan.	\$ 18,747,903	\$ 21,072,186	\$ 24,020,699	\$ 25,997,978	\$ 23,731,158
Decreased by Utilization					
as Anticipated Revenue	\$ 5,078,199	\$ 6,248,005	\$ 6,990,681	\$ 7,961,692	\$ 7,898,000
Fund Balance December 31	\$ 13,669,704	\$ 14,824,181	\$ 17,030,018	\$ 18,036,286	\$ 15,833,158
Average Statutory Excess to Fund Balance 2005-2009			\$ 7,883,416		
Average Use of Fund Balance as Budget Revenue 2005-2009:			\$ 6,835,315		
Average Fund Balance December 31 2005-2009:			\$ 15,878,669		

Summaries - Surplus



Fund Balance December 31

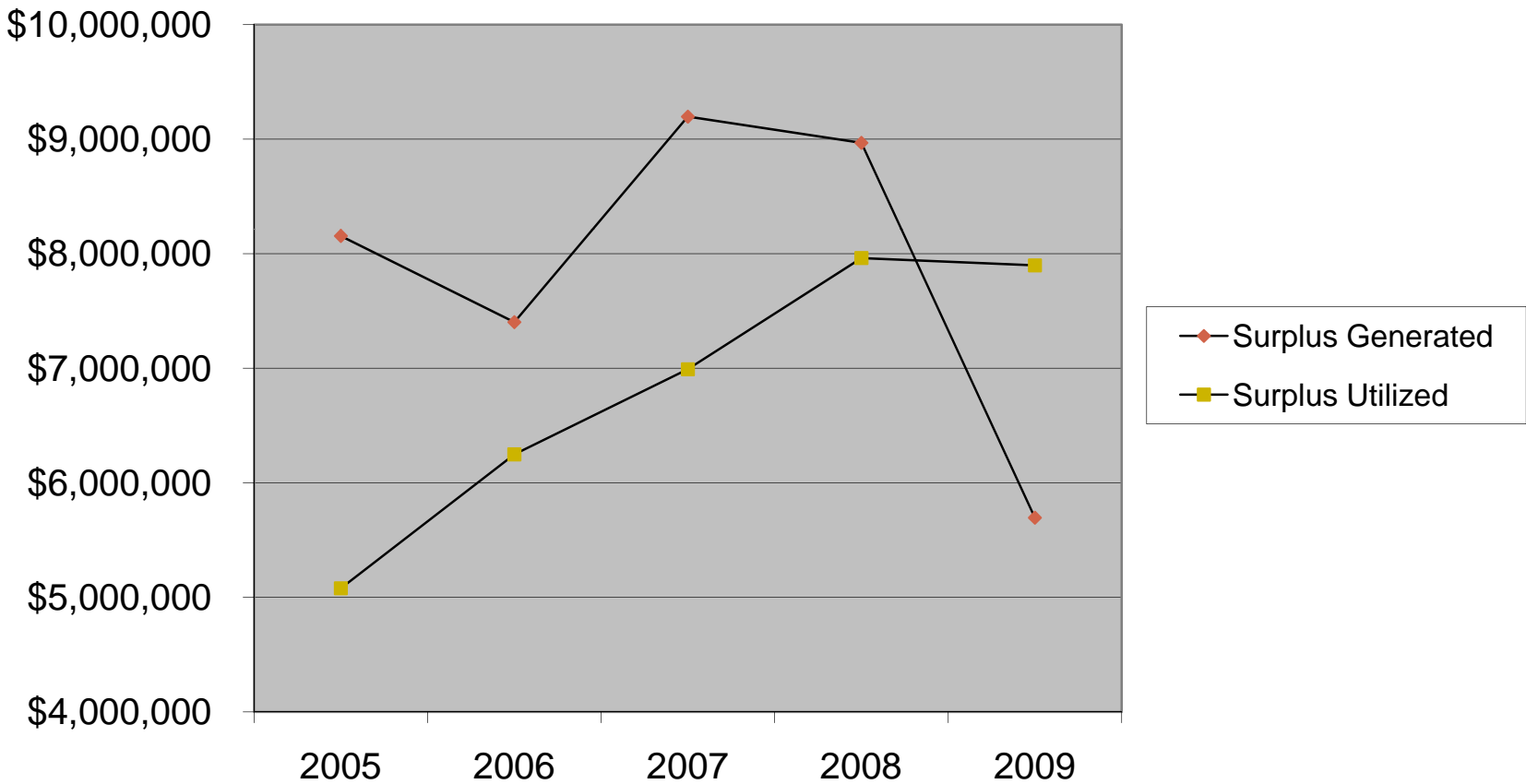


Summaries – Surplus



	2005	2006	2007	2008	2009
Surplus Generated	\$ 8,155,250	\$ 7,402,482	\$ 9,196,518	\$ 8,967,960	\$ 5,694,872
Surplus Utilized	\$ 5,078,199	\$ 6,248,005	\$ 6,990,681	\$ 7,961,692	\$ 7,898,000
Net Change in Surplus	\$ 3,077,051	\$ 1,154,477	\$ 2,205,837	\$ 1,006,268	\$ (2,203,128)

Summaries - Surplus



Summaries - Surplus



	2005	2006	2007	2008	2009	2010
Surplus Available January 1	\$ 10,592,653	\$ 13,669,704	\$ 14,824,181	\$ 17,030,018	\$ 18,036,286	\$ 15,833,158
Surplus Utilized as Revenue	\$ 5,078,199	\$ 6,248,005	\$ 6,990,681	\$ 7,961,692	\$ 7,898,000	\$ 7,900,000
% of Surplus Utilized	47.9%	45.7%	47.2%	46.8%	43.8%	49.9%
Average % of Surplus Utilized 2005-2009:			46.3%			
% of Surplus Utilized 2009 Budget:			43.8%			
% of Surplus Utilized 2010 Proposed Budget:			49.9%			