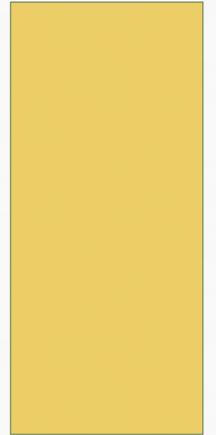




COUNTY OF SUSSEX BUDGET PRESENTATION

MARCH 14, 2018



2018 COUNTY CURRENT FUND BUDGET



Jonathan M. Rose, Freeholder Director

Sylvia Petillo, Deputy Freeholder Director

George F. Graham, Freeholder

Carl F. Lazzaro, Freeholder

Herb J. Yardley, Freeholder

2018 COUNTY CURRENT FUND BUDGET

- **The change in the County tax rate represents a \$17 increase per average Sussex County home**
 - The 2018 County Current Fund Budget calls for a rate increase of \$0.0072
 - The decision to increase taxes is carefully considered in context of the County's long term fiscal integrity
 - This year's budget maintains a prudent level of surplus so as to avoid potential spikes in future tax rates

2018 COUNTY CURRENT FUND BUDGET

- **Budget Process**

- August 2017 – Finance Director issues guidance to County entities to prepare budget documents
- September 2017 – County entities prepare and submit budget proposals
- October 2017 – Budget subcommittee meets with County entities to review budget submissions

2018 COUNTY CURRENT FUND BUDGET

- **Budget Process (continued)**
 - November 2017 – Capital Projects subcommittee meets with County entities to review capital project requests
 - December 2017 – Budget subcommittee meets to review impact of draft County budget
 - January 2018 – Budget subcommittee and capital projects subcommittee meet to finalize draft County budget

2018 COUNTY CURRENT FUND BUDGET

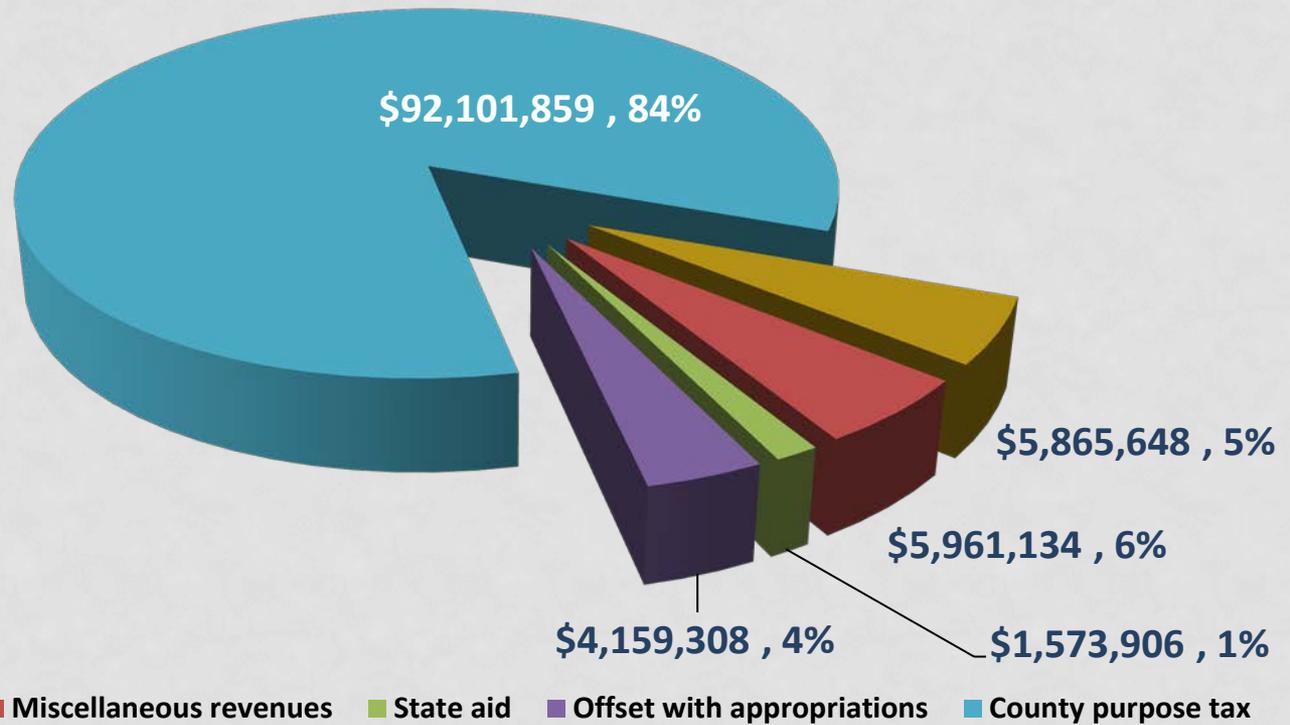
- **Budget Process (continued)**
 - February 2018 – Board of Chosen Freeholders meets to consider County budget as recommended by budget subcommittee and capital projects subcommittee
 - March 14, 2018 – Board of Chosen Freeholders consider introduction and approval of budget
 - April 11, 2018 – Board of Chosen Freeholders hold public hearing and adopt Current Fund Budget

2018 COUNTY CURRENT FUND BUDGET

- **Laws affecting the County budget:**
 - The "1977" cap law prohibits counties from increasing their property tax levy by more than 2.5%... unless action is taken by the governing body to increase their property tax levy
 - The "2010" property tax levy cap law establishes a formula that limits increases in the County amount to be raised by taxation to 2% of the previous year's amount to be raised by taxation
 - The "2017" county entity budget cap limits the annual increase in the portion of certain county entity budget requests funded by the county property tax levy

2018 COUNTY CURRENT FUND BUDGET

TOTAL REVENUES - \$109,661,855

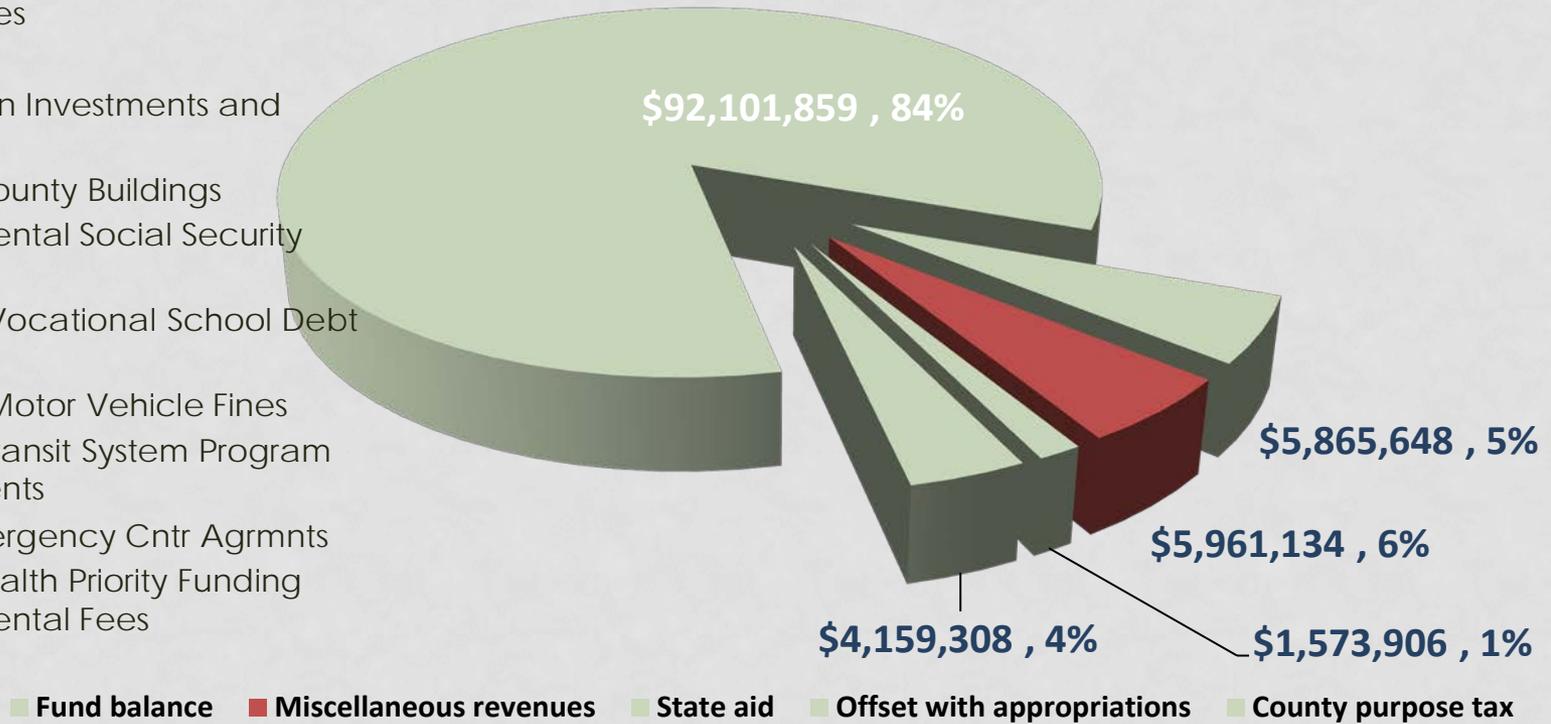


2018 COUNTY CURRENT FUND BUDGET

Miscellaneous revenues

- County Clerk Fees
- Surrogate Fees
- Sheriff Fees
- Fines
- Interest on Investments and Deposits
- Rental-County Buildings
- Supplemental Social Security Income
- Reserve Vocational School Debt Service
- Reserve Motor Vehicle Fines
- County Transit System Program Agreements
- 9-1-1 Emergency Cntr Agrmnts
- Public Health Priority Funding
- Supplemental Fees

MISCELLANEOUS REVENUES - \$5,961,134



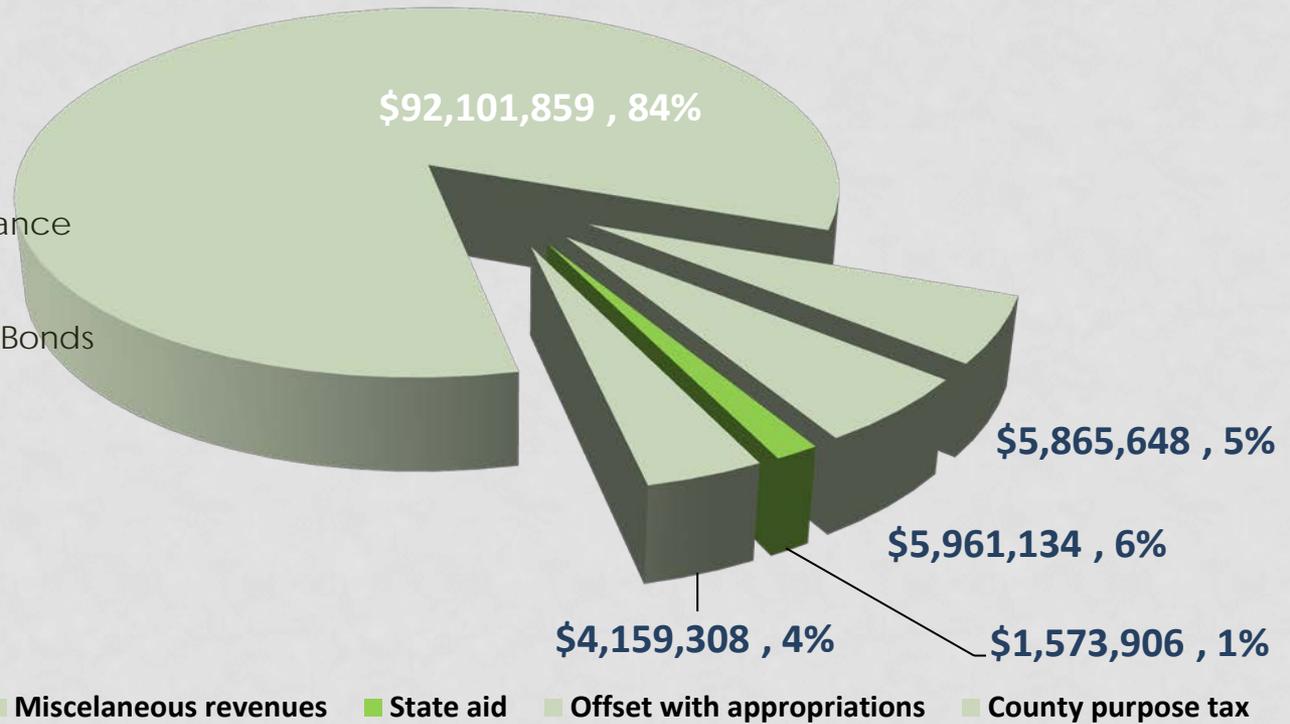
2018 COUNTY CURRENT FUND BUDGET

STATE AID - \$1,573,906

State aid

Franchise Tax on Life Insurance Companies

State Aid-County College Bonds



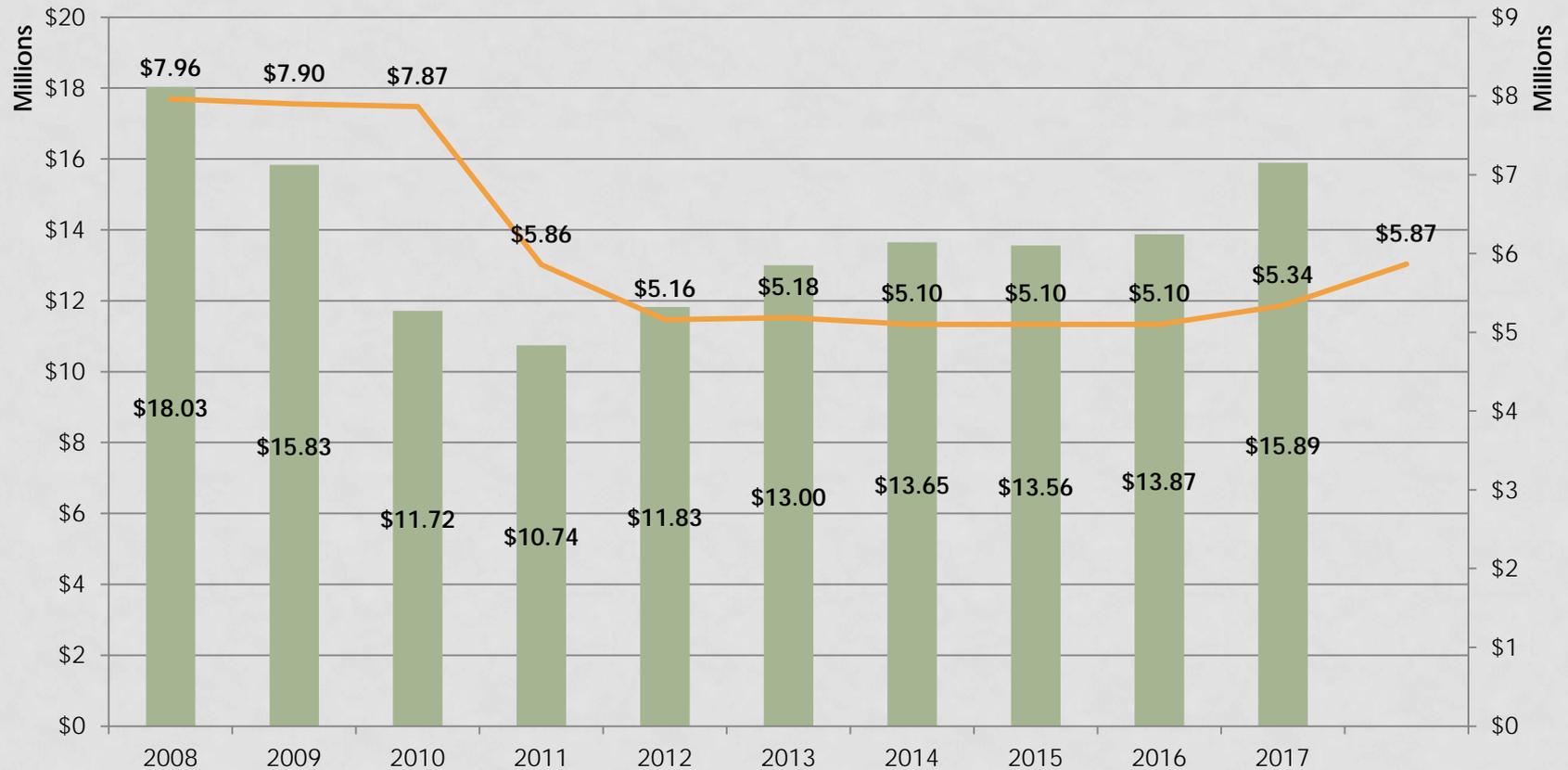
2018 COUNTY CURRENT FUND BUDGET

- **Fund Balance**

- Our fund balance of December 31, 2017 was \$15.89M
- Fund balance is generated by the lapsing of previous year budget reserves, collecting revenues in excess of anticipated amounts, and miscellaneous revenues not anticipated
- Revenues collected in excess of anticipated amounts were realized in County Clerk fees, County Sheriff fees, and Interest on Investments & Deposits
- \$5.87M of fund balance is anticipated to support the 2018 budget

2018 COUNTY CURRENT FUND BUDGET

FUND BALANCE HISTORY AND USE AS ANTICIPATED REVENUE



2018 COUNTY CURRENT FUND BUDGET

- **Appropriations Summary**

- Significant dollar increases are seen in the following appropriations:
 - Group health insurance
 - Total salaries and wages
 - Maintenance of patients in State institutions

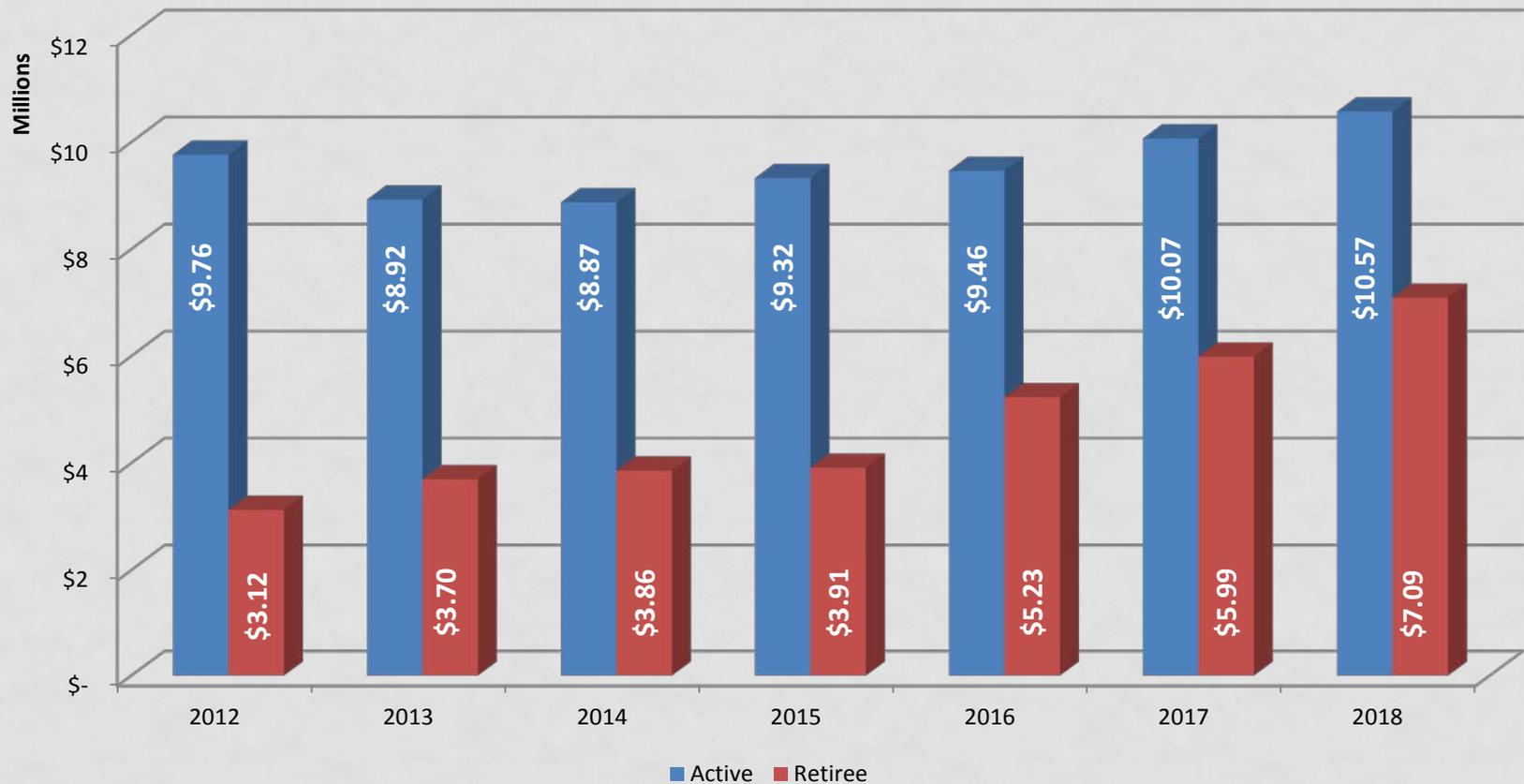
Item	2017	2018	Difference	%
Group health insurance	\$16,052,744	\$17,656,483	\$ 1,603,739	10.0%
Total salaries and wages	\$32,693,780	\$33,199,854	\$ 506,074	1.5%
Mtn of patients in State institutions	\$ 368,131	\$ 720,029	\$ 351,898	95.6%
Total expenses	\$49,114,655	\$51,576,366	\$ 2,461,711	5.0%

2018 COUNTY CURRENT FUND BUDGET

- **Group health insurance costs**
 - Anticipated a 2018 increase for health and prescription over \$3.1M
 - Reduced this increase to \$1.8M, through the County's insurance broker renegotiating with health and prescription benefit providers
 - Continuing to work with labor unions to identify cost saving strategies to benefit both the County and its employees

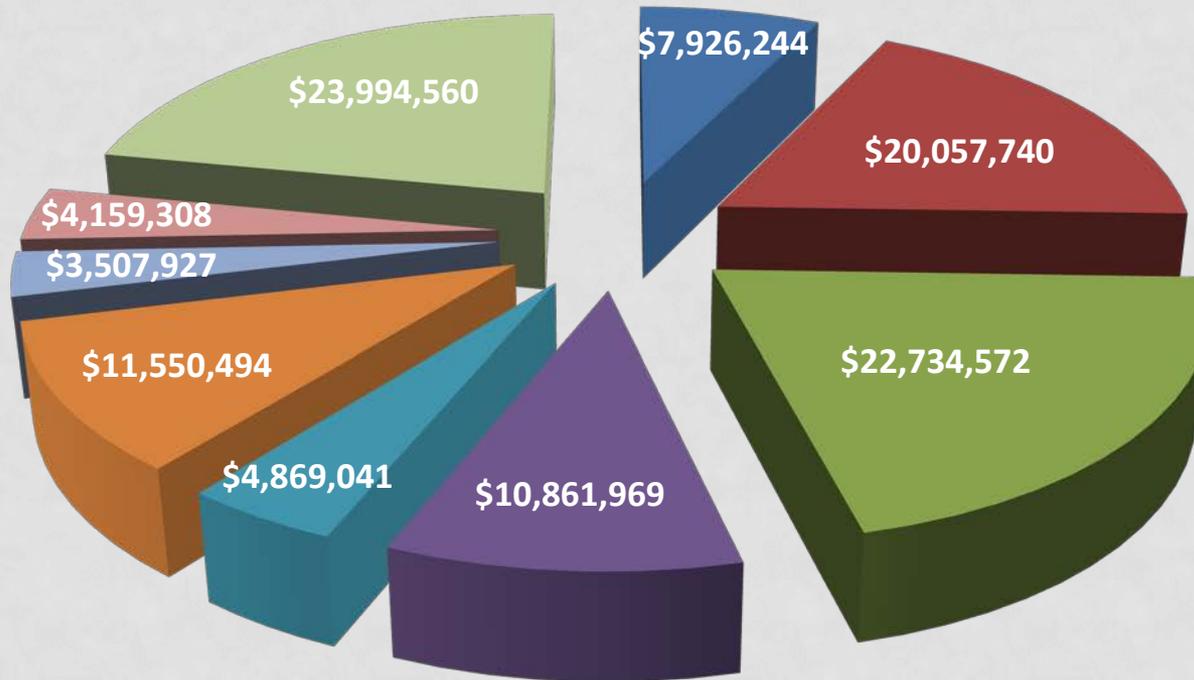
2018 COUNTY CURRENT FUND BUDGET

Group Health Insurance Costs



2018 COUNTY CURRENT FUND BUDGET

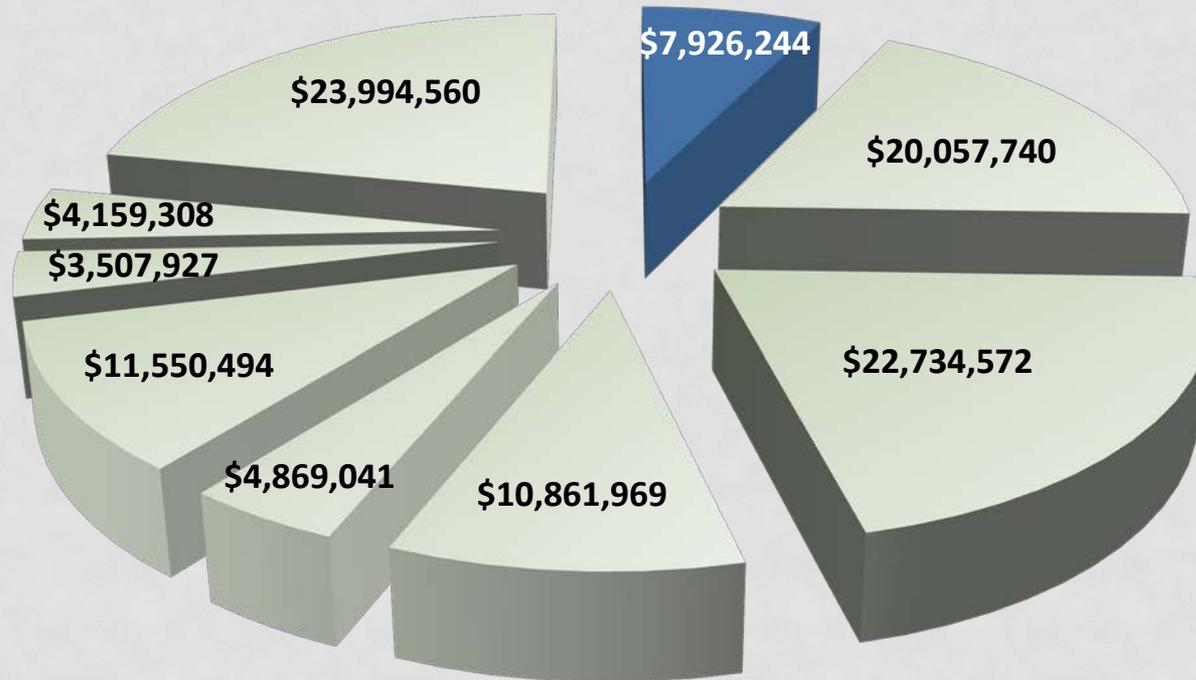
TOTAL APPROPRIATIONS - \$109,661,855



- General government
- Insurance
- Public safety
- Public works
- Health & welfare
- Educational
- Utilities, other & unclassified
- Offset by revenue
- Other than operations

2018 COUNTY CURRENT FUND BUDGET

GENERAL GOVERNMENT - \$7,926,244



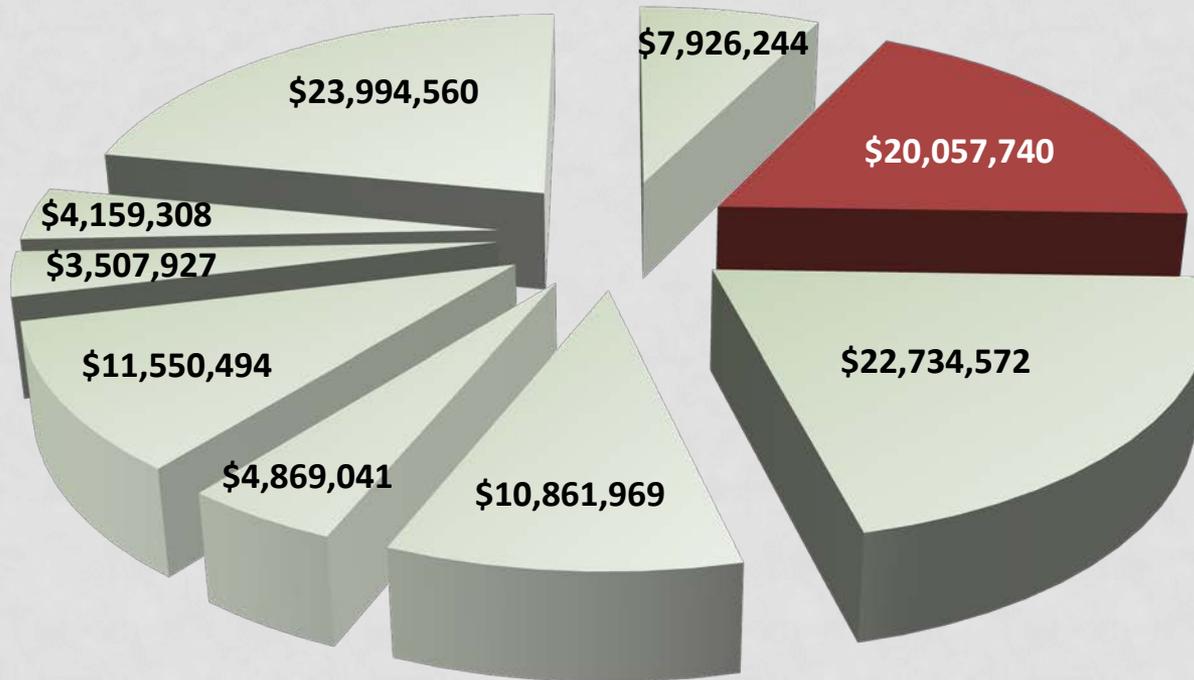
- General government
- Insurance
- Public safety
- Public works
- Health & welfare
- Educational
- Utilities, other & unclassified
- Offset by revenue
- Other than operations

2018 COUNTY CURRENT FUND BUDGET



2018 COUNTY CURRENT FUND BUDGET

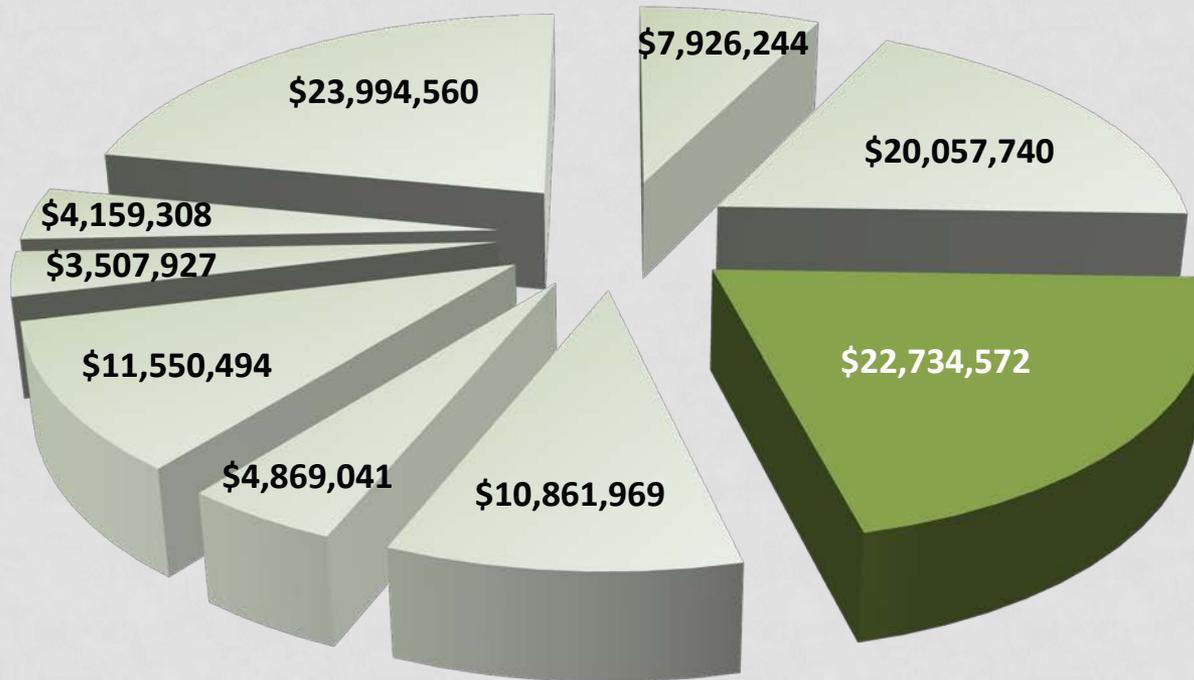
INSURANCE - \$20,057,740



- General government
- Public works
- Utilities, other & unclassified
- Insurance
- Health & welfare
- Offset by revenue
- Public safety
- Educational
- Other than operations

2018 COUNTY CURRENT FUND BUDGET

PUBLIC SAFETY - \$22,734,572



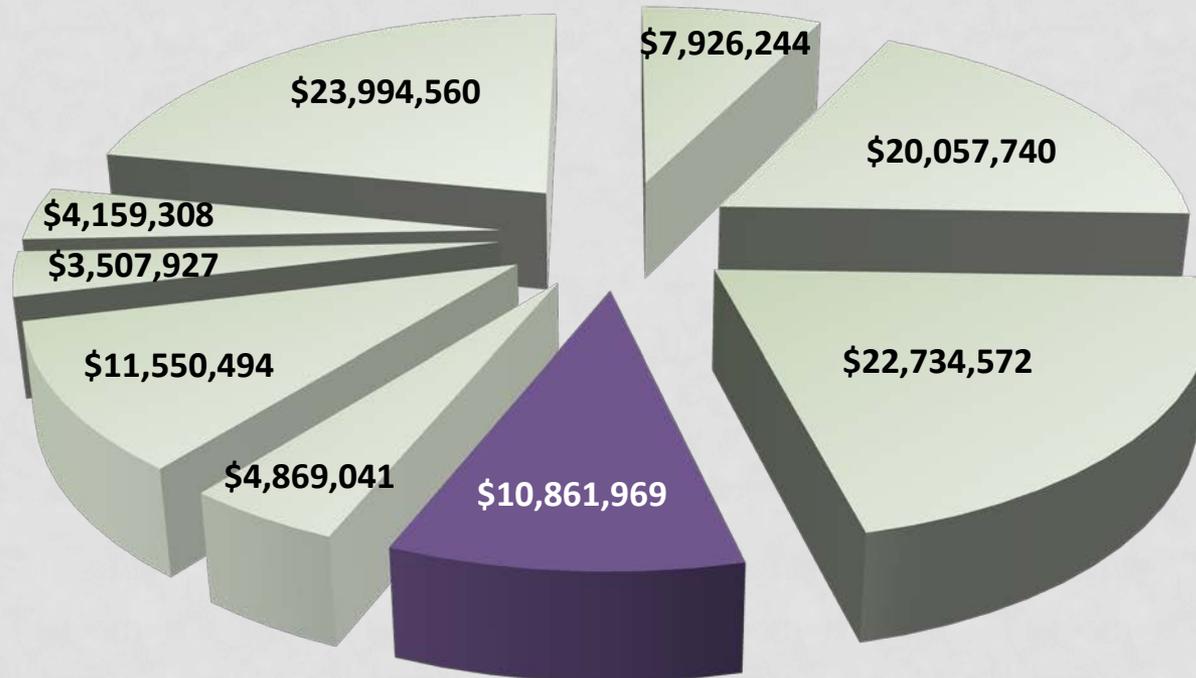
- General government
- Public works
- Utilities, other & unclassified
- Insurance
- Health & welfare
- Offset by revenue
- Public safety
- Educational
- Other than operations

2018 COUNTY CURRENT FUND BUDGET



2018 COUNTY CURRENT FUND BUDGET

PUBLIC WORKS - \$10,861,969



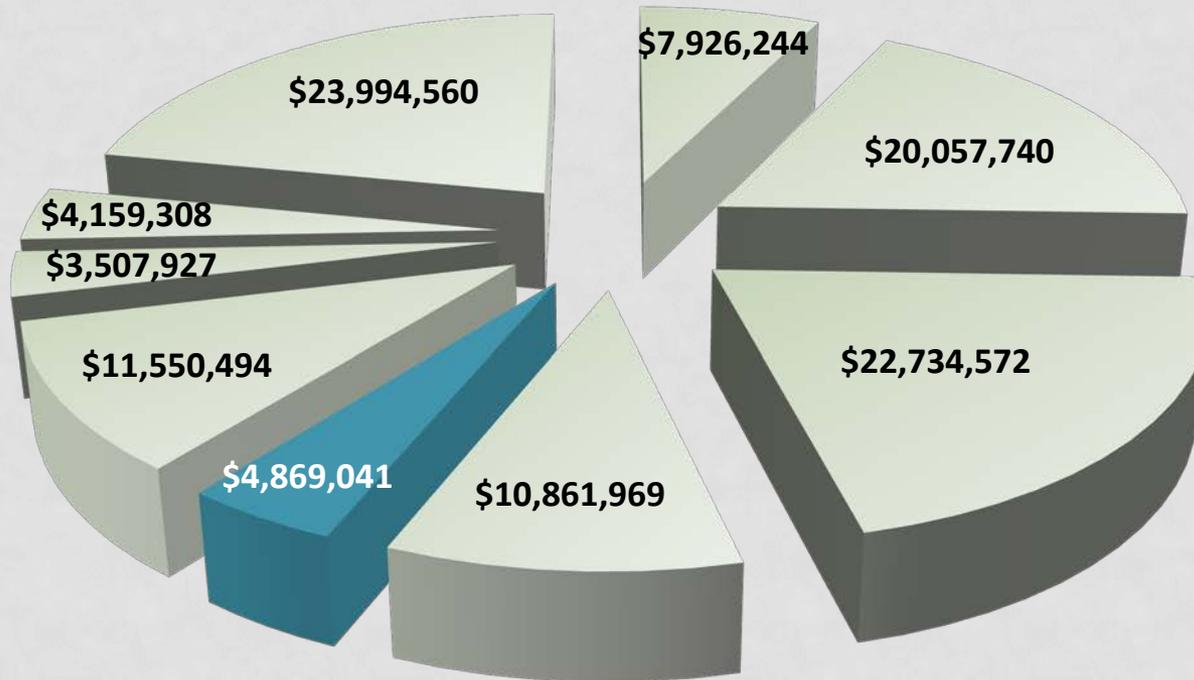
- General government
- Public works
- Utilities, other & unclassified
- Insurance
- Health & welfare
- Offset by revenue
- Public safety
- Educational
- Other than operations

2018 COUNTY CURRENT FUND BUDGET



2018 COUNTY CURRENT FUND BUDGET

HEALTH & WELFARE - \$4,869,041



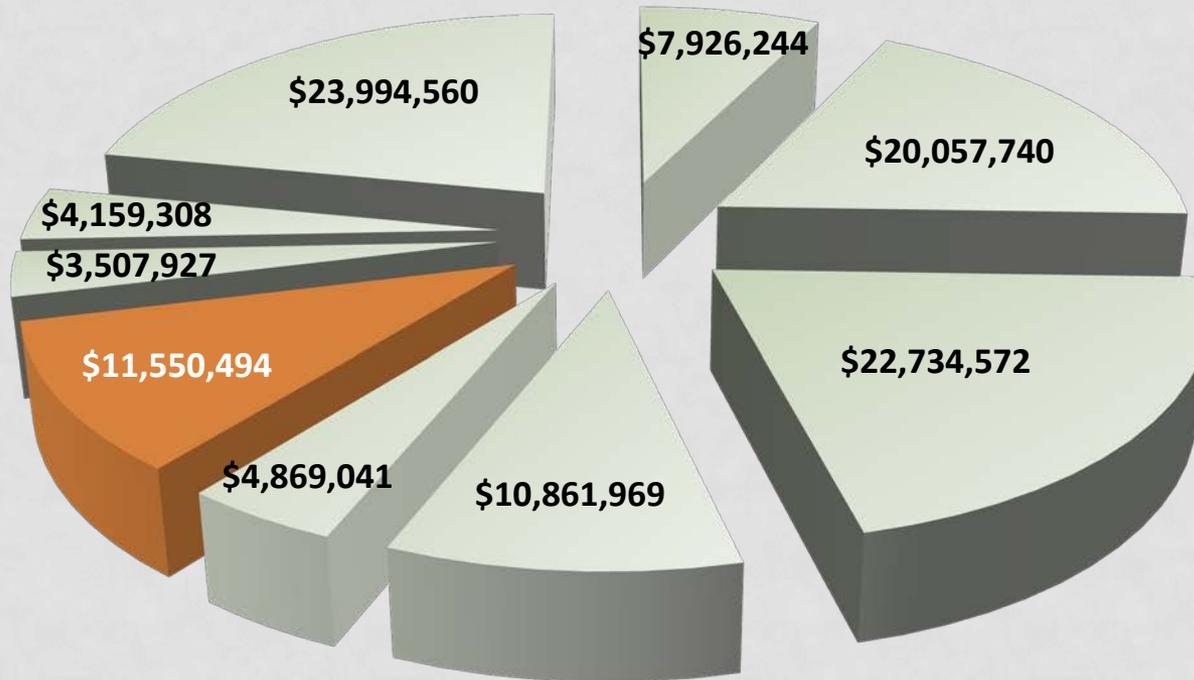
- General government
- Public works
- Utilities, other & unclassified
- Insurance
- Health & welfare
- Offset by revenue
- Public safety
- Educational
- Other than operations

2018 COUNTY CURRENT FUND BUDGET



2018 COUNTY CURRENT FUND BUDGET

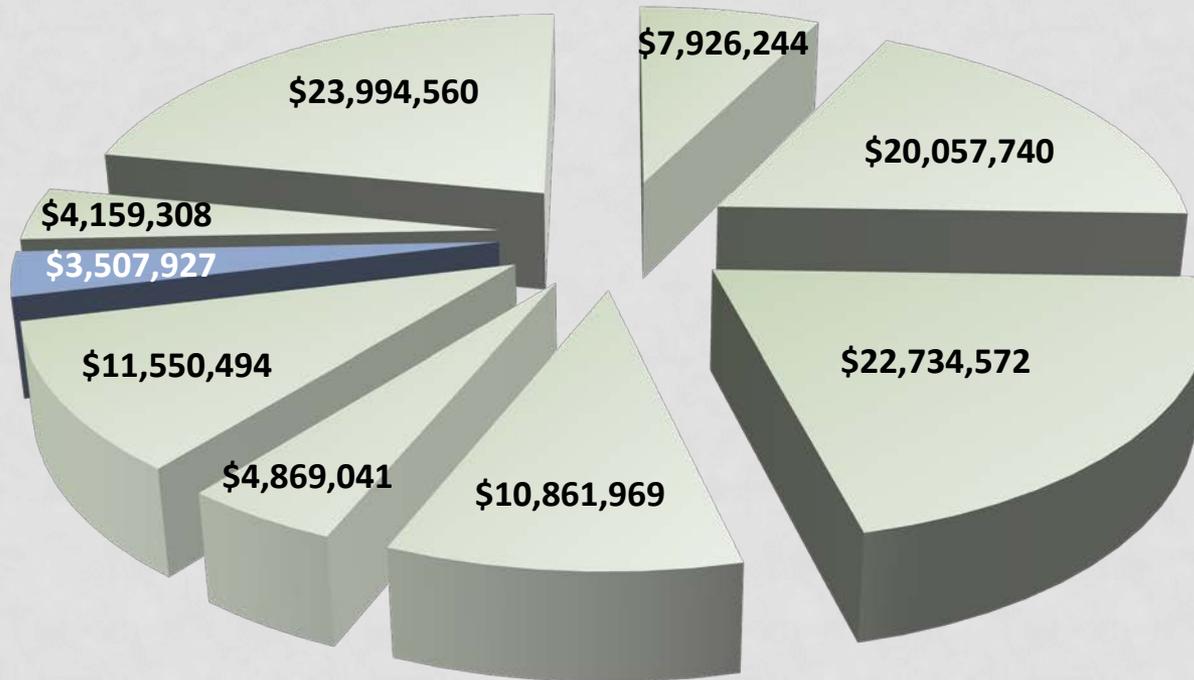
EDUCATIONAL - \$11,550,494



- General government
- Public works
- Utilities, other & unclassified
- Insurance
- Health & welfare
- Offset by revenue
- Public safety
- Educational
- Other than operations

2018 COUNTY CURRENT FUND BUDGET

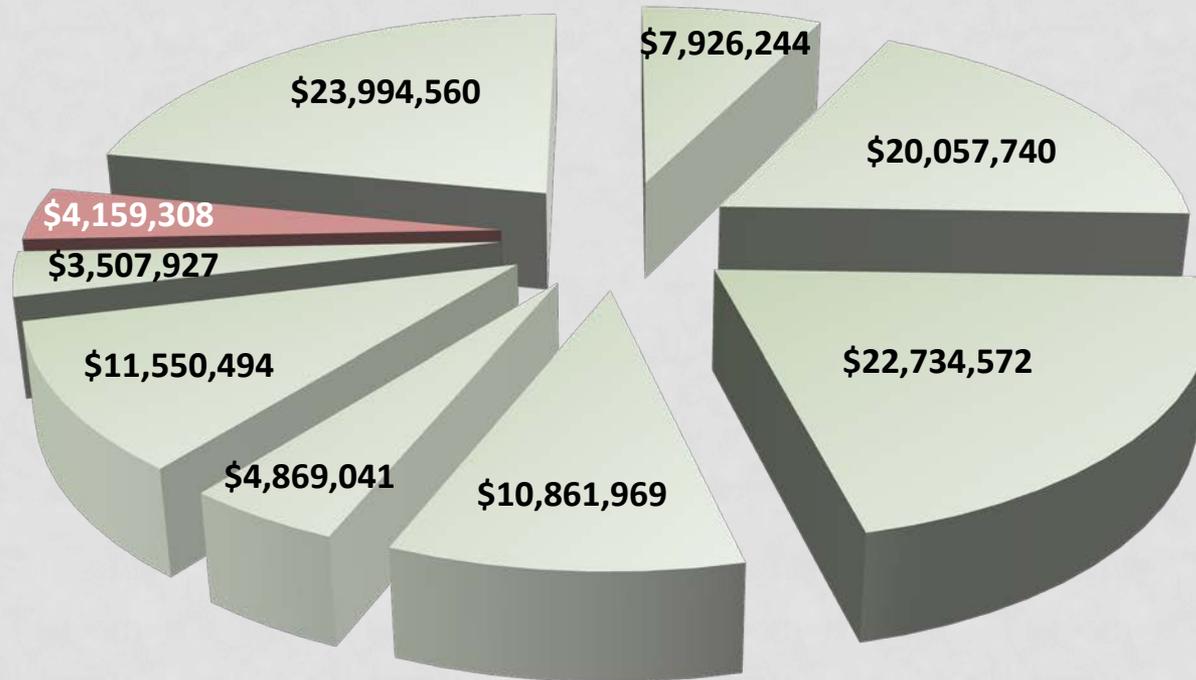
UTILITIES, OTHER & UNCLASSIFIED - \$3,507,927



- General government
- Public works
- Utilities, other & unclassified
- Insurance
- Health & welfare
- Offset by revenue
- Public safety
- Educational
- Other than operations

2018 COUNTY CURRENT FUND BUDGET

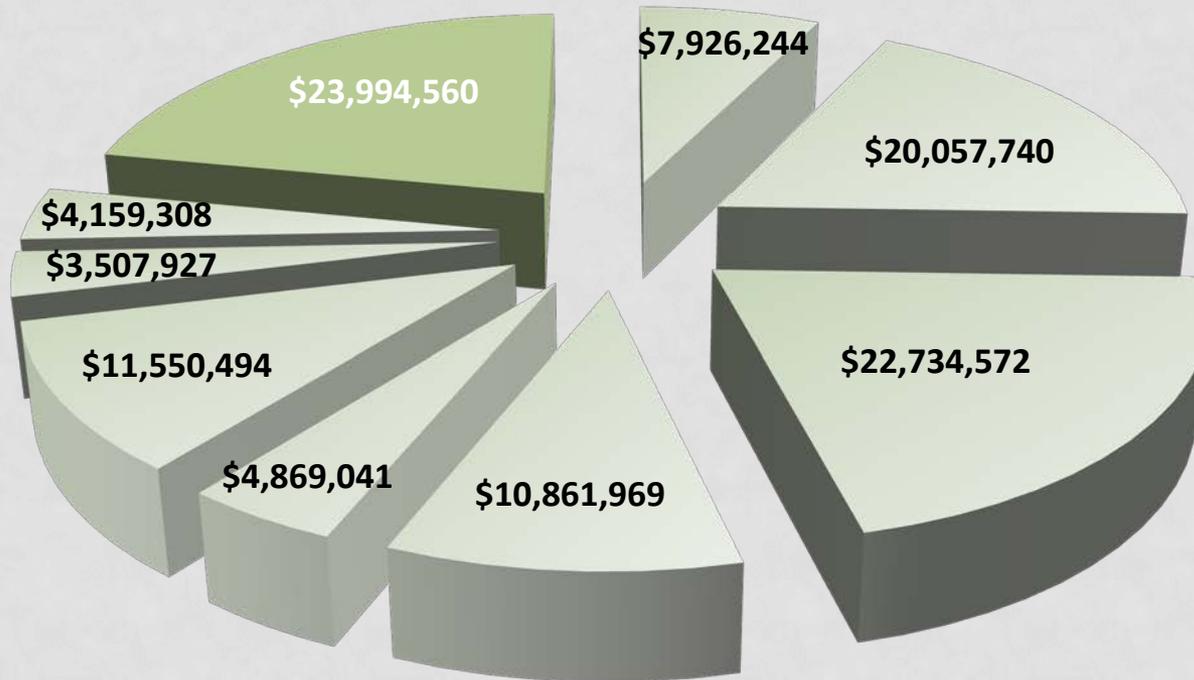
OFFSET BY REVENUE - \$4,159,308



- General government
- Public works
- Utilities, other & unclassified
- Insurance
- Health & welfare
- Offset by revenue
- Public safety
- Educational
- Other than operations

2018 COUNTY CURRENT FUND BUDGET

OTHER THAN OPERATIONS - \$23,994,560



- General government
- Public works
- Utilities, other & unclassified
- Insurance
- Health & welfare
- Offset by revenue
- Public safety
- Educational
- Other than operations

2018 COUNTY CURRENT FUND BUDGET

- **Appropriations made to advance County priorities**
 - A portion of the funds requested are being appropriated to increase the amount of long lines painted on County roads
 - Monies are being made available for professional services and fees associated with the accreditation for the Division of Health
 - Additional funds are required by the State to fund patient maintenance at State psychiatric institutions
 - Funds are being appropriated to the Fire Academy for preventive maintenance and facility repairs
 - Monies are being made available for a County membership to the Economic Development Partnership

2018 COUNTY CURRENT FUND BUDGET

- **Appropriations deferred in order to meet budget subcommittee parameters**
 - Additional requested monies to fund the long line program have been deferred into subsequent years
 - Additional funds to increase staffing at the Communications Center has been deferred as capacity currently exists with current staffing
 - The Community College and Technical School requested additional funding to increase programming, but funding has been kept level

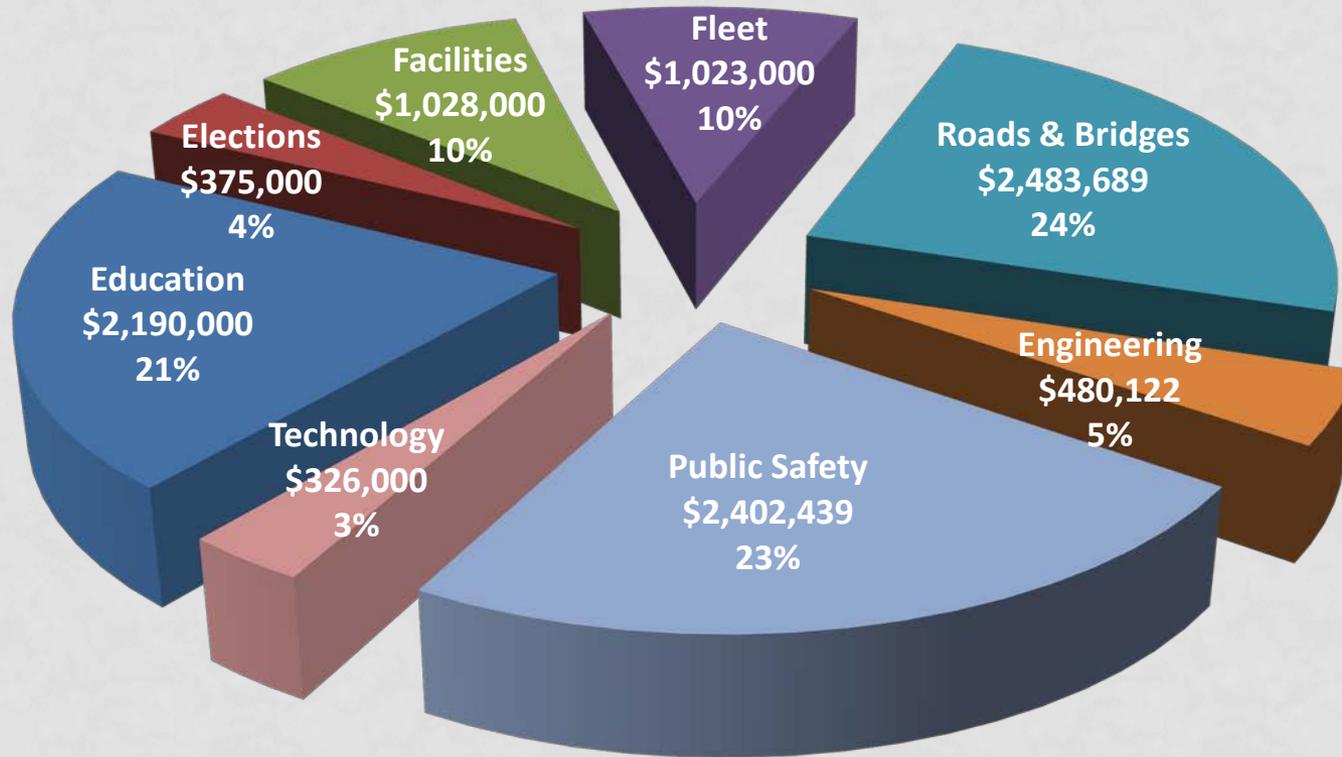
2018 COUNTY CURRENT FUND BUDGET

- **Capital Improvement Program**

- An important part of financial management, which encompasses:
 - (1) the preparation, adoption, and implementation of a budget for major capital projects or acquisitions; and
 - (2) the funding of those capital projects and acquisitions through a combination of current funds and debt financing
- Capital expenditures are more than \$25,000 and have a period of usefulness of more than 5 years
- The 2018 capital program totals \$10,308,250 with new debt authorized not to exceed \$9,904,000

2018 COUNTY CURRENT FUND BUDGET

CAPITAL IMPROVEMENT PROGRAM BY CATEGORY



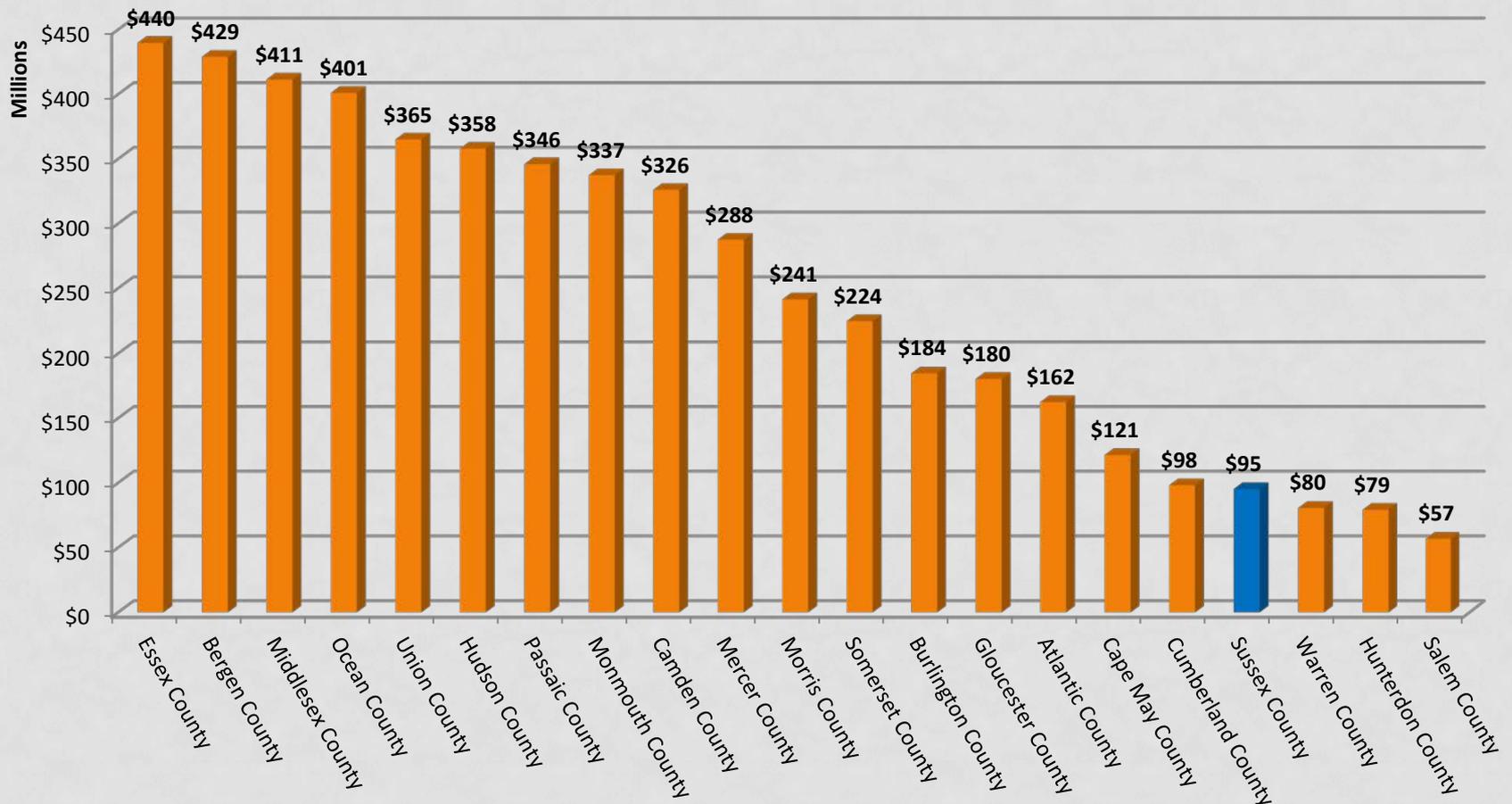
■ Education ■ Elections ■ Facilities ■ Fleet ■ Roads & Bridges ■ Engineering ■ Public Safety ■ Technology

2018 COUNTY CURRENT FUND BUDGET

Capital Project	Recommended Funding
1. SCCC University Center	\$1,500,000
2. Road Resurfacing	\$801,069
3. SCCC Deferred Maintenance	\$800,000
4. Technical School Science Labs	\$790,000
5. Emergency Generator Jail Funds	\$680,000
6. Public Safety Paging/Radio System	\$588,695
7. SCCC Welding Facilities	\$500,000
8. Bridge Construction & Repair	\$400,000
9. Replacement of Voting Machines (partial)	\$375,000
10. Bridge Q-06 (Sparta Township)	\$300,000

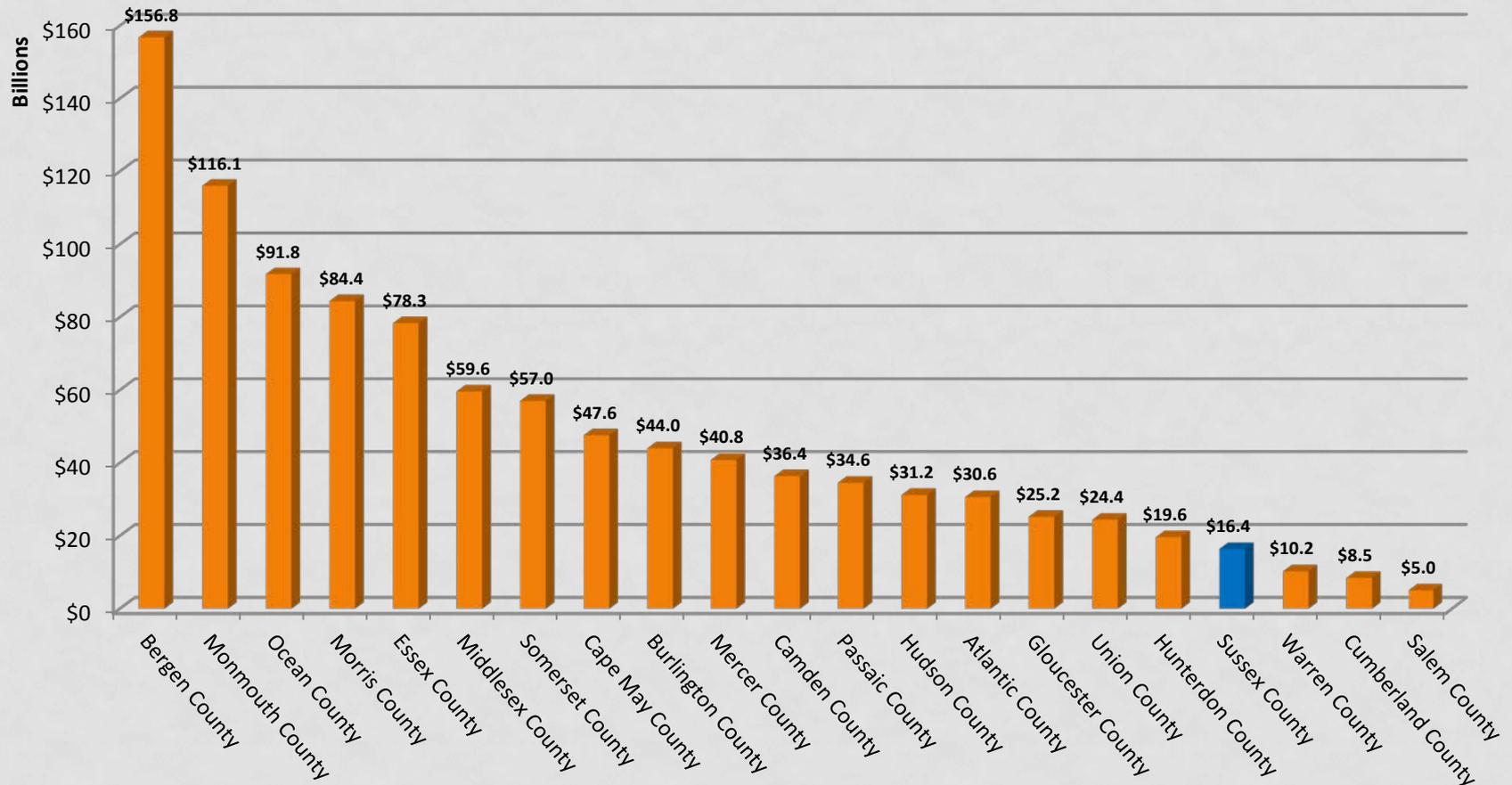
2018 COUNTY CURRENT FUND BUDGET

2017 Total Tax Levy



2018 COUNTY CURRENT FUND BUDGET

2017 Net Valuation Taxable



2018 COUNTY CURRENT FUND BUDGET

The change in the County tax rate represents a \$17 increase per average Sussex County home

Year	2016	2017	2018
Budget	\$112.2M	\$106.5M	\$109.7M
Tax Levy	\$87.149M	\$90.173M	\$92.102M
Ratable Base	\$16.855M	\$16.868M	\$16.973M
Tax Rate	\$0.5187	\$0.5354	\$0.5426

The 2018 County Current Fund Budget calls for a rate increase of \$0.0072

2018 COUNTY CURRENT FUND BUDGET



THANK YOU