Salem County 2012 Budget Presentation



Salem County Board of Chosen Freeholders

Julie Acton, Director

Ben Laury, Deputy Director

Bruce Bobbitt

Dale Cross

Beth Timberman

Bob Vanderslice

Lee Ware

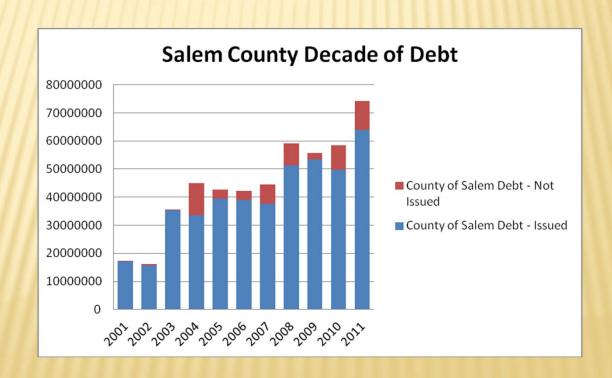
The Challenge:

Closing a \$13 Million Shortfall in a \$77 Million Budget

\$13 Million represents 16.8% of the Total Budget

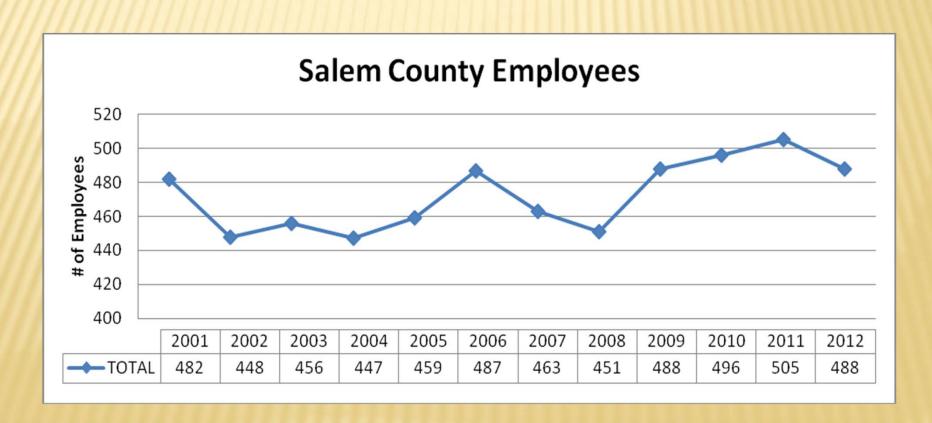
How Did We Get Here?

- A Problem Many Years in the Making
- From 2001-2011 County Budget Grew from \$56.6 Million to \$77.1 Million
- County Borrowing Increased From \$17 million to \$70 million!
- More debt = higher costs for Taxpayers.



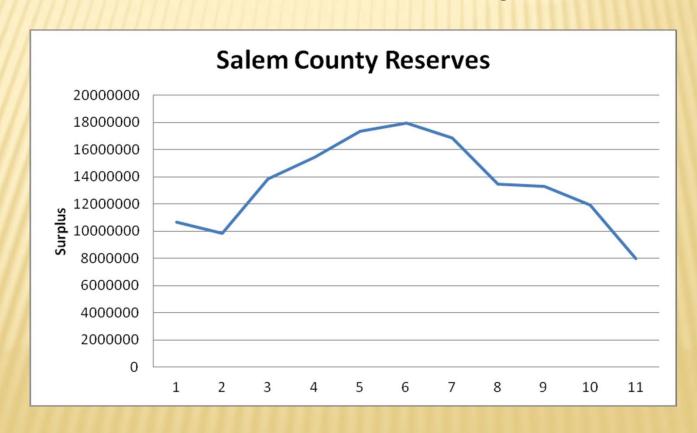
How Did We Get Here?

- 12% Increase in County Employee Headcount 2008-2011
- County Negotiated Employee Contracts With 3.4% Average Raises per year
- Healthcare and Insurance Cost Increase: 12% This Year Alone
- Declining Economy Lowers Property Values by \$158 Million Since 2008



How Did We Get Here?

- 2006 Reserve Fund= \$17.9 Million
- 1/1/2012 Reserve Fund = \$ 7.7 Million
- Reserves Have Been Drawn Down to Increase Spending & Lower Tax Rate



Fixing A \$13 Million Shortfall: The Options

Option A:

Keep hoping things will get better Keep spending, keep borrowing, and keep pretending there isn't a problem

Option B:

Be responsible
Reduce Spending
Stop Borrowing
Solve the problems

Our Guiding Principles

The Kitchen Table Test

- Needs vs. Wants
- Don't spend money you don't have
- Don't borrow for operating expenses
- Protect the Core Mission: Health, Safety, and Investing in the future
- A long-term view: We didn't get into this mess overnight, we won't get out of it overnight



Tough decisions had to be made...

- Making smart cuts to the budget.
- Reduce Freeholder Salaries
- \$40,000 Cut to Administration Budget
- Reduced the workforce approximately 10% to 2009 Level
- 18 Departments saw cuts in their operating expense
- Cutting the vehicle fleet and cutting take home vehicles.
- Consolidated and restructured departments, shared services.
- Asked all employees to give more toward their employee health benefits contributions to save jobs, the non-union employees did that.
- Eliminated wasteful spending.

Where do we go from here?

- We will do what government MUST do!
- Protect our essential services
- Negotiate Realistic Contracts That Reflects
 The Economic Realities We're Facing
- Realize a full-year savings in the Salary and Wage line
- Not spending beyond our means
- Not Borrowing to Cover Operating Costs
- Protect Taxpayers