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