
2009 BUDGET ASSUMPTIONS

Certain broad assumptions are determined to establish a basic foundation for building a budget. These general assumptions provide a framework to County staff, the County Executive, and the County Board of Supervisors for setting priorities, determining service levels, and allocating limited financial resources.

The following general assumptions were used in guiding the development of the County's 2009 Budget:

- Overall inflation factor estimates for the cost to continue existing services are projected at a range from 2.5% to 3.5% for 2009, depending upon the particular service or commodity. The major exceptions include cost increases for energy costs (utilities and fuel), prescription drugs, medical services, food costs and some commodity prices such as paper.
- Energy costs are estimated to rise faster than the rate of inflation. The price of electricity to power County facilities is assumed to increase 7.5%. Water is projected to rise 11.0%, while natural gas price increases are expected to increase by 9.0%, which will result in higher budgeted energy costs of nearly \$60,000. Average fuel costs for vehicles is assumed to increase to \$3.00 per gallon (equivalent to approximately \$3.33 retail), up from the 2008 Budget at \$2.65 per gallon (equivalent to \$2.98 retail) resulting in an estimated increase in fuel costs County-wide by \$90,000.
- Personnel cost increases continue to put pressure on the overall budget since revenues supporting mandated programs are not increasing with costs. Assumptions include a 4.0% average health insurance premium increase, still well below the national average.
- The County Executive provides \$200,000 in new Tax Levy in the Sheriff's budget to ship jail inmates to other county jails as the County's recently opened (in December 2005) justice addition is already near its capacity.
- The County Executive provides \$145,000 of new Tax Levy to the new Criminal Justice Collaborating Council to help continue programs including the Alcohol Treatment Court in 2009 which has been funded for the past three years by the Department of Justice, Bureau of Justice Assistance for the Drug Court Implementation Grant. This program provides 3rd offense operating while intoxicated (OWI) offenders with an opportunity for a court supervised treatment program for alcohol and drug abuse in an effort to reduce recidivism.
- The County will provide Tax Levy funding of \$50,000 to reduce E-911 grant funds for operations (most E-911 funds are budgeted for one-time fixed assets). The state E-911 grants are planned to sunset at the end of 2008 for the Emergency Preparedness Communications Center.
- The County Executive established as a goal for his proposed budget to manage a general Tax Levy increase to be within the State Statute required property tax levy limit increase for 2008 (for 2009 Budget purposes).
- Due to continuing State and Federal budget deficits, the County assumes revenues for several areas will remain unchanged or be reduced.
 - The largest state discretionary funding source, the Basic County Allocation (BCA), consisting of \$11.4 million (since 1996) for Health and Human Service programs, is expected to provide no increase to offset higher costs to continue for existing service levels, which will result in a Tax Levy need of over \$660,000.
 - State Transportation Aids are expected to be frozen at \$5.4 million and State Circuit Court Support grant is also expected to continue be frozen at \$1.1 million (since 2000).
- State directed long-term care reform and related funding is transitioning to the State Department of Health and Family Services which is contracting directly with managed care organizations (MCO's) to manage service delivery and provide case management services to long term care clients with a goal of smoothly transitioning current clients and reducing client waiting lists by providing services being phased in over the next two years (by July 2010).
- Treasurer's investment income is projected to increase by \$50,000 (to \$5.75 million) from the 2008 Budget, based on slightly improving rates of return on invested funds from estimated returns determined in budget preparation in the summer of 2008.
- Debt borrowing Tax Levy is estimated to increase by \$504,000 (based on the Capital Plan project funding need) including the planned 2009 debt issue. The Tax Levy effort to fund the Capital Budget will be \$3.05 million, which is \$100,000 less than the 2008 Budget.