
2013 BUDGET ASSUMPTIONS

Certain broad assumptions are determined in April through June 2012 to establish a basic foundation for building the County's 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. Some adjustments have been made from updated information available during the summer months (June-August).

The following general assumptions are used in guiding the County's 2013 Budget development:

- Overall inflation factor estimates assumed for calculating the cost to continue to provide existing County services are projected in a steady range between 2%-2.5% for 2012-2013. Some major exceptions include cost rate increases for certain utilities, vehicle fuel, prescription drugs, health and medical services, food and transportation costs and certain commodity prices including such items as paper and some technology purchased services.
- Revenues from State budget sources are expected to stabilize somewhat compared to the significant reductions that were addressed in the 2012 budget. Federal budget reductions impacting County revenues are possible for 2013. Some of the County's key State/Federal revenue assumptions are indicated as follows:
 - After a \$525,000 budget reduction in the State Transportation Aids formula impacting the 2012 budget, this revenue source is expected to stabilize at almost \$4.7 million for 2013 budget purposes.
 - Human Services State Youth Aids for prevention services to troubled youth are projected to decrease by over \$200,000.
 - State Victim Witness program funding has been decreased from 55% of actual costs to a 40% reimbursement level which is about a \$60,000 funding reduction for this program.
 - State Circuit Court Support grant and other state funding support for Circuit Court support services are expected to remain stable at the 2012 funding levels (this funding source had been frozen since 2000).
 - State Shared Revenues are projected to decrease 5%.
 - Federal Community Development grant funding is expected to continue to decline.
- Net Personnel cost appropriations are expected to be held below 2% and are being controlled with the help of lower benefit costs including only a 4 % increase projected for the County's health insurance premium, well below the national average cost increase.
- Average fuel costs for vehicles are assumed to increase 10% to \$3.65 per gallon (equivalent to approximately \$3.95 per gallon retail in 2013) up from the 2012 Budget. Consumption is estimated to rise slightly resulting in higher fuel costs budgeted countywide by an estimated \$135,000.
- Net utility costs are estimated to decrease from the 2012 adopted base budget levels by \$200,000 (mainly electricity and natural gas costs). These estimated cost reductions reflect paybacks for significant recent investments in energy conservation and sustainability plans.
- Investment Income budget is estimated to be reduced by \$280,000 to \$4,540,000, reflecting historically low rates of return on invested funds. Also, the 2013 budget for estimated Delinquent Taxes Penalty and Interest (P&I) held stable at \$2,850,000 as Delinquent Taxes outstanding declined during 2011.
- The real estate market has stabilized somewhat but the prolonged economic difficulties in housing persists therefore, no real growth is expected from the combination of real estate transfer fees and document recording fee revenues.
- Due to favorable debt refinancing and historic low borrowing costs the debt service tax levy can be reduced by an estimated \$60,000. To help provide funding for the Operating budget, Capital project tax levy is estimated to be reduced by \$425,000.