
2014 BUDGET ASSUMPTIONS

Certain broad assumptions are determined in April through June 2014 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 2014 Budget development:

- Overall inflation factor estimates assumed for calculating the cost to continue to provide existing County services are projected to be moderate around 2% for 2013-2014. 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.
- The 2013-2015 state had a much more modest impact on the County than the previous budget when a significant State budget deficit had to be addressed. Impacts include the following:
 - Most major state revenue funding sources remained at or near their current 2011-2013 levels. This included for human services basic community aids; youth aids; general transportation aids; circuit court support grant; and shared revenues. However, the lack of increases impacts tax levy pressure to fund cost to continue funding needs.
 - State Victim Witness program funding is restored to 55% of actual costs from a 40% reimbursement level which is about a \$70,000 funding increase for this program.
 - Child Support funding is restored in the 2014 budget to 2013 levels allowing a reduction in fund balance
- Net Personnel cost appropriations are expected to be held below 2% and are being controlled with the help of lower health insurance costs including plan design changes, premium costs share changes and greater health savings account (HSA) participation.
- Average fuel costs for vehicles are assumed to increase 3% to \$3.75 per gallon (equivalent to approximately \$4.00 per gallon retail in 2014) up from the 2013 Budget. Consumption is estimated to remain at the 2013 level resulting in higher fuel costs budgeted countywide by an estimated \$40,000.
- Net utility costs are estimated to decrease from the 2013 adopted base budget levels by \$50,000 (mainly electricity and natural gas costs). These estimated cost reductions reflect paybacks for significant recent investments in energy conservation and sustainability plans. The 2014 budget also includes a full year of utility costs for the new HHS building and continues minimal heating and cooling levels of the old building without 204 budget increases due to building efficiencies.
- Investment Income budget is estimated to be reduced by \$127,000 to \$4,413,000, reflecting historically low rates of return on invested funds. Also, the 2014 budget for estimated Delinquent Taxes Penalty and Interest (P&I) is reduced by \$42,000 to \$2,808,000 as Delinquent Taxes outstanding declined during 2012.
- The real estate market has shown increased property sales with expected increases in real estate transfer fees and document recording fee revenues of \$200,000 over the 2013 budget
- Due to favorable debt refinancing and historic low borrowing costs the debt service tax levy can be reduced by an estimated \$145,000. To help provide funding for the Operating budget, Capital project tax levy is estimated to be reduced by \$50,000.