
2015 BUDGET ASSUMPTIONS

Certain broad assumptions are determined in April through June 2015 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 2015 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%, but trending upward in 2015. Some major exceptions include cost rate increases for certain utilities, vehicle fuel, prescription drugs, health and medical services, food and transportation costs.
- Revenues from State budget sources are expected to stabilize including human services basic community aids: youth aids, circuit court support grant and shared revenues. General Transportation Aids (GTA) is an exception in that a \$200,000 reduction is required as a result of an unfavorable State aid formula.
- In addition, significant revenue issues, linked to a slower economic recovery also impact the 2015 budget. Impacts include the following:
 - Investment Income budget is estimated to be reduced by \$805,000 to \$3,608,000 reflecting historically low rates of return on invested funds. Higher interest rates are expected beginning in mid 2015, but will impact the 2016 budget. Also, the 2015 budget for estimated Delinquent Taxes Penalty and Interest (P&I) is reduced by \$50,000 to \$2,758,000 as Delinquent Taxes outstanding declined during 2013.
 - Redaction revenue in the Register of Deeds is reduced \$400,000 reflecting removal of redaction fee revenue in accordance with changes to the state statute, moving the \$5 redaction fee revenue from the County to the State and a decrease in document recordings based on 2013 and 2014 estimated activity in the real estate market.
 - Prisoner Board Revenue (General and Huber) is reduced \$180,000, reflecting fewer Federal Prisoners and fewer employed prisoners in the Huber Facility.
- Net Personnel cost appropriations are expected to be held below 2% and are being controlled with the help of lower health insurance costs based on increased participation in lower-cost health savings account plans and other modifications.
- Average fuel costs for vehicles are assumed to increase 3% to \$3.80 per gallon (equivalent to approximately \$4.00 per gallon retail in 2014) up from the 2014 Budget. Consumption is estimated to remain at the 2014 level resulting in higher fuel costs budgeted countywide by an estimated \$21,000.
- Net utility costs are estimated to increase from the 2014 adopted base budget levels by \$30,100 or 1.5%, for anticipated increases in natural gas costs in 2013. Costs are maintained through prior-year energy efficiency improvements (e.g., lighting replacement, more efficient boilers/chillers).
- Due to favorable debt refinancing over several years and historic low borrowing costs, the debt service tax levy can be reduced by an estimated \$260,000. Also to help provide funding for the Operating budget, Capital project tax levy is estimated to be reduced by \$100,000.