



Cumberland County

2014 Budget Briefing

Board of Commissioners:

Barbara Cross, Chairman . **Jim Hertzler**, Vice Chairman . **Gary Eichelberger**, Secretary

Lawrence Thomas, Chief Clerk . **Dana Best**, Director of Finance

C U M B E R L A N D C O U N T Y . P E N N S Y L V A N I A

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MISSION: The most livable community with the most efficient and effective public services in Pennsylvania.

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Introduction:



VISION: A place where family sustaining economic opportunity is promoted, our environment is respected, public safety is ensured, and our quality of life is preserved for the future.

The 2014 Budget finds Cumberland County at a financial crossroads. Historically, the County has benefited from a fiscally prudent financial approach and County tax and millage rates have remained the lowest among comparable counties. Our bond rating is pristine; we have avoided borrowing to cover operating expenses; kept capital borrowing to manageable levels and at low interest rates; thousands of County residents receive services with positive levels of customer satisfaction.

At the close of 2013, however, the County is in the midst of a mission review to maintain its fiscal health. Departments are developing new ways to maintain services at lower costs. County compensation is under close scrutiny to determine if it provides the workforce with the right kinds of incentives.

Simply put, our expenses are growing faster than our revenues, and Cumberland County faces long term structural imbalance between revenue and expenses. Projections show, if not immediately addressed, the imbalance will worsen significantly through 2017 and beyond. A proactive approach will give the County time to engineer a solution based on enhanced quality of services and improved productivity. Delayed action will force a situation with fewer, more severe options.

As we reach this crossroads of growing imbalance, we are re-evaluating our previous traditional approach to fiscal management. Since the economic downturn in 2008, other Pennsylvania counties and municipalities have dealt with similar types of imbalances, often far more severe and with varying degrees of success. With a creative, flexible, timely, and thorough approach, we have an opportunity to sustain the County's financial health and the services citizens value.

The County remains committed to fiscal solvency and finding ways to "bend the cost

curve down." We oppose the notion of going to the taxpayers of the County for more funds to simply cover the cost of doing "business as usual." Any increase in taxes must be accompanied by significant commitments to greater cost effectiveness over the next 3-5 years. At the same time, we are searching for ways to increase revenues during a period when federal and state grants and other funding sources are unlikely to rebound.

Responding To Economic

Conditions: These actions are currently in place or under consideration:

- » Continued efforts to increase efficiencies beyond the notable, ongoing cost savings already achieved by County departments;
- » Performance-based compensation that rewards the most productive teams and individuals;
- » Quality improvement that seeks to re-engineer work flow and business processes to improve efficiency, quality, and customer satisfaction on an ongoing basis;
- » Increasing user fees and collections for specific services, where appropriate;
- » Develop a plan of shared services with neighboring counties to achieve better scale of economies;
- » Developing a more clearly defined and assertive approach to smart economic development for the County.

What follows is our plan to balance the 2014 Budget. This is the first step over the next 3 to 5 years to strategically address the forces driving the growing structural imbalance. Actions resulting from our mission review, reassessment of compensation, and user fees will help contain expenses in 2014, and broaden in subsequent years. Programs associated with quality improvement, economic development, and regional partnerships will have a noticeable impact in 2015.

introduction

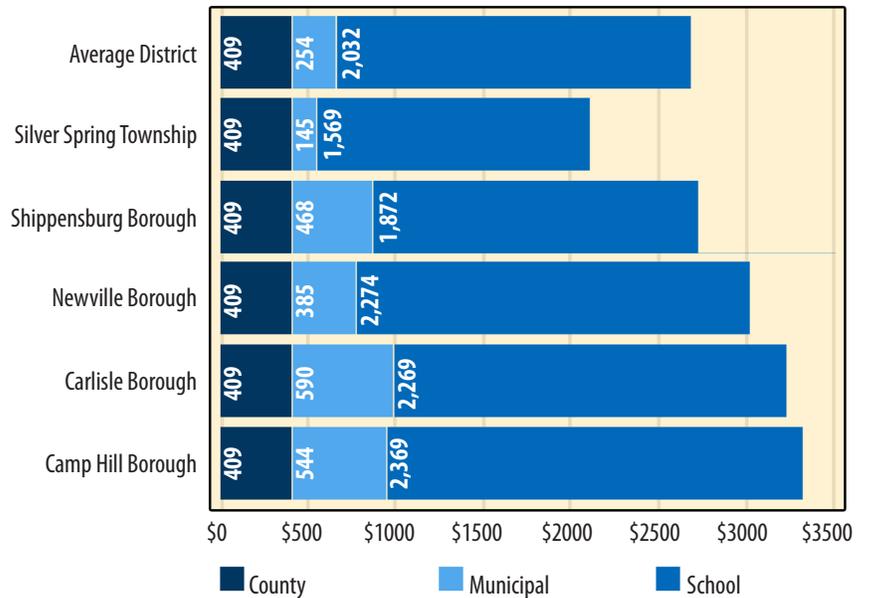
Comparisons: Tax Allocation (by level of government entity)

The Chart illustrates an estimate of local taxes paid on a home valued at \$180,000.

Cumberland County collected 15.19% of local tax dollars in 2013. These monies support a broad array of County services including, in part: the Prison, Courts, MDJ's, Human Services subsidy, and Public Safety.

Townships and boroughs collected 9.43% in taxes while local school districts brought in 75.38% of the total 2013 tax revenues.

2013 Tax Allocation (based on a \$180,000 home)



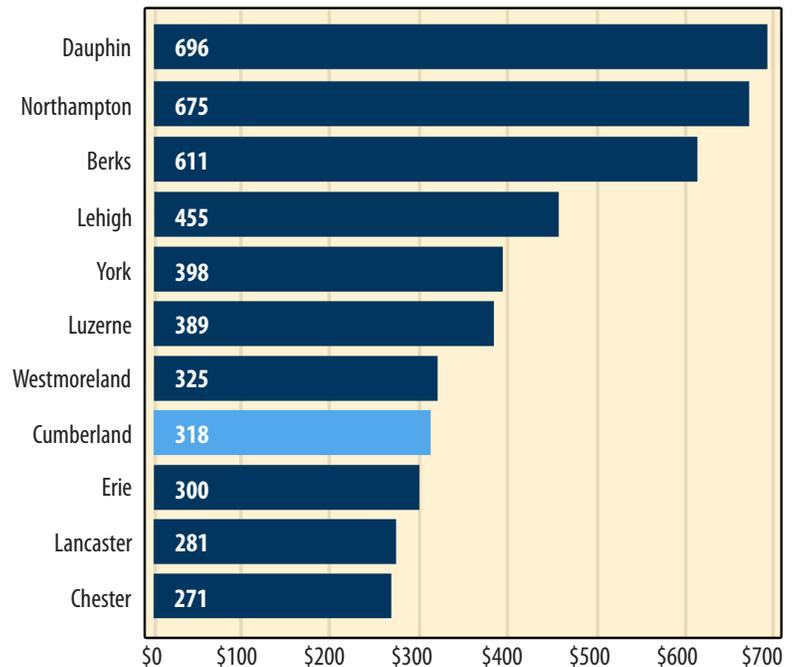
County Comparisons (General Fund Expenditures)

Cumberland County General Fund expenditures per capita are \$318.

Based on the estimated populations from the 2012 US Census, 3rd class counties were selected as benchmarks with Cumberland County. Of these counties, Cumberland County has the 4th lowest per capita ratio at \$318.

* Lackawanna County statistics were unavailable.

2012 County Comparisons (per capita benchmark)



Budget Summary: Total County Revenues & Expenditures

Major Future Projects With Long Term Impact:

» Claremont Nursing & Rehab Center will undergo a three phase process of renovations to move all residents from the Tower Building, which will then be used for administrative staff, additional County agencies, and storage. Phase I, the Rehab renovation, is out for bid with a projected cost of \$2.4 million. This first phase is estimated for completion late in 2014 and will provide 39 dual certified beds, 20 of which will be used for short term rehab. Success of the Rehab unit will determine the time frame for future phases. The anticipated increase in revenue will offset or exceed increased operating expenses. The entire three phase renovation will provide Claremont with a total of 282 beds.

2014 Budget Cost: \$2,400,000

» Preliminary engineering began on four Cumberland County bridges in need of replacement; Craighead, Wolf, Orr's, and Enck's Mill Bridges. Bridge inspections for both Craighead Bridge and Wolf Bridge have determined advanced deterioration, closing both bridges.

Est. Construction Start Date & Total Cost:

Craighead Bridge	2015	\$3 M
Wolf's Bridge	2016	\$3.5 M
Encks Mill Bridge	2014	\$1.5 M
Orr's Bridge	2017	\$7 M

2014 Budget Cost: \$2,255,000

» Phase II of the Prison expansion/renovation project began in September 2011 and is slated for completion in 2014. Phase II includes a medical suite, work release wing, female cell block, hearing room, and support areas. Other renovations include; kitchen, laundry facility relocation, visitation area updates, administrative updates, staff relocation, and renovations to cell blocks A - H and the exercise yard.

2014 Budget Cost: \$1,250,000

Total County Revenues:

Tax Revenue	\$	54,736,844
Grant Revenue	\$	80,122,573
Interfund Revenue	\$	18,550,911
Other Revenue	\$	59,524,641
Total Revenue	\$	212,934,969

Appropriated Fund Balances	\$	5,509,932
Total	\$	218,444,901

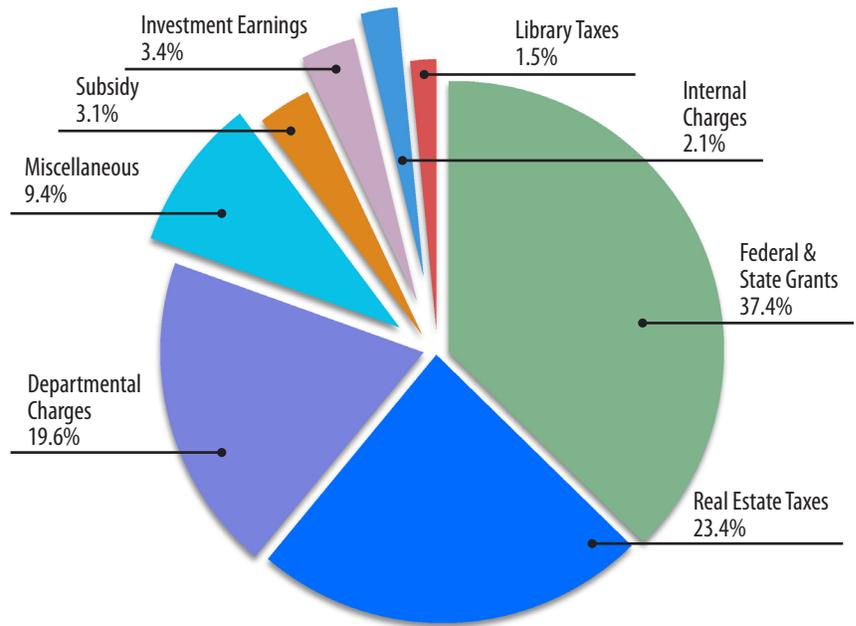
Total County Expenditures:

Salaries and Benefits	\$	79,324,462
Operating Expense	\$	112,709,424
Interfund Expense	\$	20,397,998
Capital Expense	\$	6,013,017
Total	\$	218,444,901

2014 Total County: Revenues

2014 County Revenues

Total by Categories: \$212,934,969



* Percentages have been rounded off; when totaled, the 2014 Total County Revenues equal 99.9%.

Real Estate Taxes:

\$49,762,846 23.4%

The County is permitted by state law to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded debt. For 2014, County real estate taxes were levied at the rate of 2.195 mills for general County purposes. Real estate estimates are based upon assessed values, interim taxes, appeals, and delinquent tax collection estimates.

Miscellaneous:

\$20,062,290 9.4%

Receipt of revenue that is not otherwise specifically classified under any other revenue category.

Internal Charges:

\$4,456,657 2.1%

The County receives revenue from reimbursements from the Library System as well as maintenance for the Human Services Building and the Domestic Relations Building.

Subsidy:

\$6,658,287 3.1%

Reflects the transfer of tax dollars from the General Fund to meet program match requirements or to subsidize a projected operating deficit.

Investment Earnings:

\$7,340,542 3.4%

Interest is estimated by looking at the current trend of interest rates and estimated cash on hand.

Departmental Charges:

\$41,824,957 19.6%

The majority of this category are fees charged by Claremont Nursing and Rehabilitation Center. The revenues are estimated based on projected bed days filled, case mix, and current rates with an estimated increase.

Federal & State Grants:

\$79,587,437 37.4%

Monies received from the federal or state government for a specified program or purpose. Revenue is estimated using allocation letters or estimates of state and federal appropriations based on trends and information from federal and state agencies.

Library Taxes:

\$3,241,953 1.5%

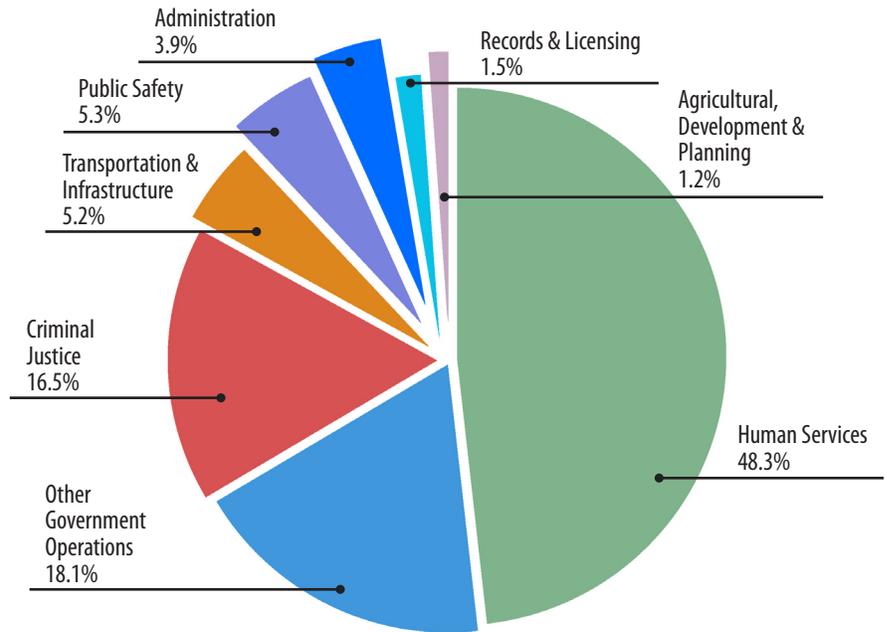
There is a levy for the County Library System at .143 mills. Library tax revenue is based on the estimated assessed values for the real estate taxes.



2014 Total County: Expenditures (by Function)

2014 County Expenditures

Total by Categories: \$218,444,901



Human Services:

\$105,458,309 48.3%

Services provided with the purpose of promoting the general health and well being of the community.

Criminal Justice:

\$36,106,452 16.5%

Services directed at maintaining social control, deterring and controlling crime, and sanctioning those who violate laws with criminal penalties.

Administration:

\$8,492,015 3.9%

Services provided by the County for the benefit of the public and the governmental body as a whole.

Agricultural, Development & Planning:

\$2,690,891 1.2%

Programs provided to achieve a satisfactory living environment for the community as a whole.

Other Government Operations:

\$39,542,253 18.1%

Services not represented in any other category.

Transportation & Infrastructure:

\$11,273,743 5.2%

Provide safe, dependable, and efficient transportation for all eligible County residents, along with the reconstruction, maintenance, and repair of County-owned/shared bridges.

Records & Licensing:

\$3,379,118 1.5%

Services provided by the County Row Offices for the benefit of the public and the governmental body as a whole.

Public Safety:

\$11,502,120 5.3%

Services provided by the County for the safety and security of the public.

2014 Total County: Expenditures (by Function)

Budgeted Expenditures

Administration	
Commissioners.....	792,165
Human Resources.....	588,493
IMTO.....	2,660,817
Finance	1,031,665
Assessment	2,146,714
Bureau of Elections.....	920,111
Solicitors	352,050
Total Administration.....	\$ 8,492,015

Criminal Justice	
District Attorney.....	4,145,687
Public Defender.....	1,235,569
Clerk of Courts.....	762,663
Prison.....	12,758,629
Criminal Justice Planning & IP Programs.....	533,854
Courts.....	\$3,894,434
Magisterial District Judges	\$3,280,744
Adult Probation.....	3,612,855
Juvenile Probation	2,647,564
Domestic Relations.....	3,234,453
Total Criminal Justice.....	\$ 36,106,452

Human Services	
Nursing Home	25,652,712
Children's Services.....	15,666,605
Drug & Alcohol.....	2,877,407
Aging & Community Services	4,757,612
Library.....	4,102,901
MH/IDD	17,298,863
Veterans' Affairs.....	236,095
Health Choices	34,866,114
Total Human Services.....	\$ 105,458,309

Public Safety	
Public Safety	7,211,333
Coroner	945,426
Sheriff	3,345,361
Total Public Safety.....	\$ 11,502,120

Budgeted Expenditures

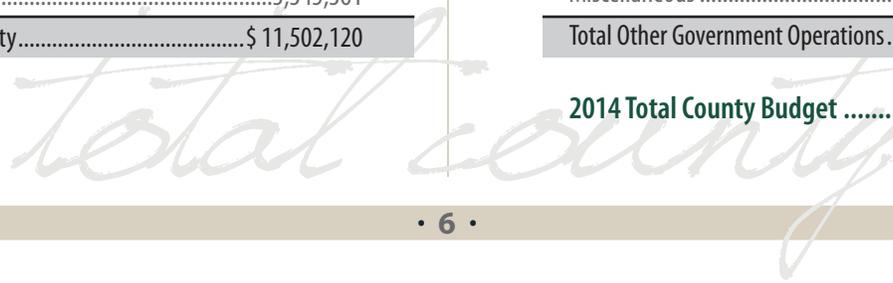
Records & Licensing	
Recorder of Deeds	614,263
Treasurer	303,736
Register of Wills/ Clerk of Orphans' Court	583,246
Controller	1,054,786
Prothonotary.....	614,026
Records Improvement - County	209,061
Total Records and Licensing	\$ 3,379,118

Agricultural, Development, & Planning	
Planning	1,295,977
Conservation District	761,504
Agricultural Extension.....	398,741
Vector Control and Weights & Measures.....	234,669
Total Agricultural, Development and Planning.....	\$ 2,690,891

Transportation and Infrastructure	
Transportation	2,774,158
Facilities Management	4,581,546
Recycling & Waste Authority	867,284
Bridges/Liquid Fuels	3,050,755
Total Transportation & Infrastructure.....	\$ 11,273,743

Other Government Operations	
Grants	2,124,910
Debt	11,948,107
Subsidies.....	7,147,711
Insurance	1,382,670
Hotel Tax	1,600,850
Workers' Compensation.....	737,000
Retirement.....	12,206,412
Administrative Services.....	201,465
Affordable Housing	243,128
Miscellaneous	1,950,000
Total Other Government Operations	\$ 39,542,253

2014 Total County Budget \$ 218,444,901



Budget Summary: General Fund Revenues & Expenditures

Managing the Budget:

- » The millage rate will be adjusted by 3% in the 2014 budget. Long term structural adjustments will be implemented. These potential adjustments include performance-based compensation, quality improvement by re-engineering work flow and business processes, adjustments to user fees, smart economic development, and sharing services with neighboring counties.
- » The Commissioners have approved a cost-of-living adjustment in 2014, however, step increases will remain frozen. During 2014 a new compensation package will be developed, instituting gainsharing and pay for performance for those employees not governed by an existing bargaining agreement.

General Fund Revenues:

Real Estate Taxes	\$	49,762,846
Library Taxes	\$	3,241,953
Other Revenue	\$	3,953,502
Investment Earnings	\$	76,712
Federal & State Grant Revenue	\$	3,126,003
Departmental Charges	\$	8,402,627
Court Costs /Fees/Charges	\$	997,079
Total Revenue	\$	69,560,722

General Fund Expenditures:

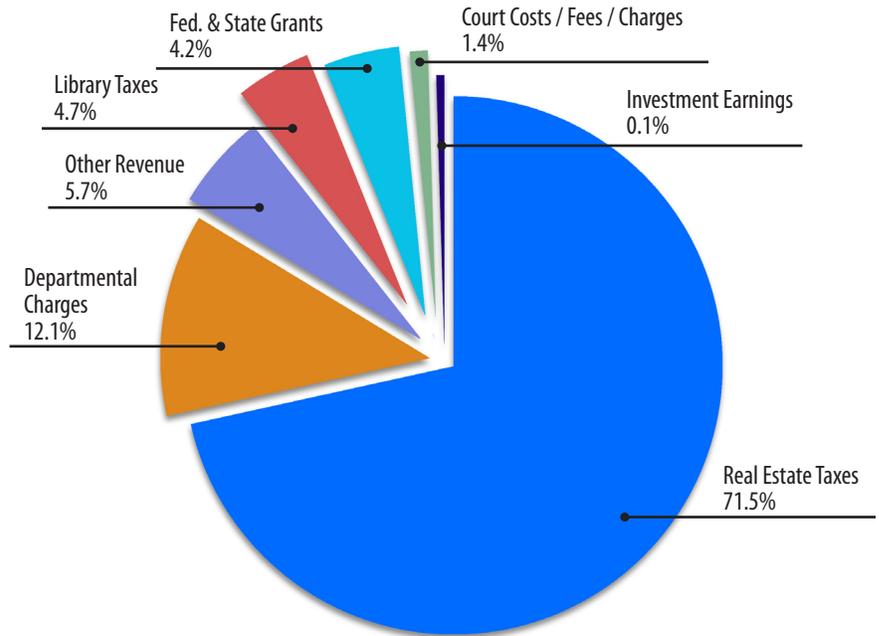
General Government - Administrative	\$	15,995,473
General Government - Judicial	\$	16,775,646
Public Safety	\$	20,157,536
Conservation	\$	1,112,532
Culture and Recreation	\$	4,102,901
Economic Development and Assistance	\$	2,124,910
Human Services	\$	236,095
Subsidy	\$	7,147,711
Debt Services	\$	5,594,622
Total Expenditures	\$	73,247,426

Additional Budget Cuts/Total Fund Balance Appropriations (\$ **\$-3,686,704**)

Budget Summary

2014 General Fund: Revenues

2014 County Revenues
General Fund by Categories:
\$69,560,722



* Percentages have been rounded off; when totaled, the 2014 General Fund Revenues equal 99.7%.

Real Estate Taxes:

\$49,762,846 71.5%

The County is permitted by state law to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded debt. For 2014, County real estate taxes were levied at the rate of 2.195 mills for general County purposes. Real estate estimates are based upon assessed values, interim taxes, appeals, and delinquent tax collection estimates.

Library Taxes:

\$3,241,953 4.7%

There is a levy for the County Library System at .143 mills. Library tax revenue is based on the estimated assessed values for the real estate taxes.

Other Revenue:

\$3,953,502 5.7%

Comprises three main types: departmental charges, investment earnings, and operating fees.

Investment Earnings:

\$76,712 0.1%

Interest is estimated by looking at the current trend of interest rates and estimated cash on hand.

Federal & State Grant Revenue:

\$3,126,003 4.2%

Monies received from the federal or state government for a specified program or purpose. Revenue is estimated using allocation letters or estimates of state and federal appropriations based on trends and information from federal and state agencies.

Departmental Charges:

\$8,402,627 12.1%

The majority of this category are fees charged by Claremont Nursing and Rehabilitation Center. The revenues are estimated based on projected bed days filled, case mix, and current rates with an estimated increase.

Court Costs/Fees/Charges:

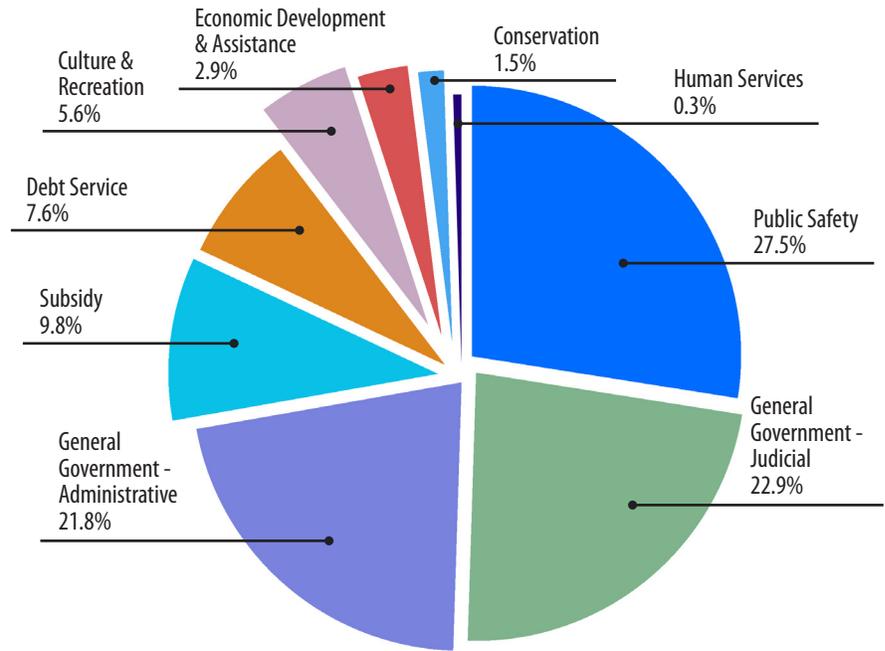
\$997,079 1.4%

This category is comprised of payments of court-related fees, charges, costs, fines, and other monetary penalties.



2014 General Fund: Expenditures

2014 County Expenditures
General Fund by Categories:
\$73,247,426



* Percentages have been rounded off; when totaled, the 2014 General Fund Expenditures equal 99.9%.

General Government - Administrative:
\$15,995,473 21.8%

Services provided by the County for the benefit of the public and the governmental body as a whole.

General Government - Judicial:
\$16,775,646 22.9%

Services directed at maintaining social control, deterring and controlling crime, and sanctioning those who violate laws with criminal penalties.

Public Safety:
\$20,157,536 27.5%

Services provided by the County for the safety and security of the public.

Conservation:
\$1,112,532 1.5%

Programs provided to achieve a satisfactory living environment for the community.

Culture and Recreation:
\$4,102,901 5.6%

Services provided with the purpose of providing a comprehensive public library system and preserving the history of the County.

Economic Development & Assistance:
\$2,124,910 2.9%

Appropriations made to other governments or agencies that provide services to the community.

Human Services:
\$236,095 0.3%

Services provided with the purpose of promoting the general health and well-being of the community.

Subsidy:
\$7,147,711 9.8%

Financial assistance to funds outside the general fund.

Debt Service:
\$5,594,622 7.6%

Repayment of debt.



2014 General Fund: Expenditures (by Function & Department)

Budgeted Expenditures

Administration	
Commissioners.....	792,165
Human Resources.....	588,493
IMTO.....	2,660,817
Finance	1,031,665
Assessment	2,146,714
Bureau of Elections.....	920,111
Solicitors	352,050
Total Administration.....	\$ 8,492,015

Criminal Justice	
District Attorney.....	3,014,873
Public Defender.....	1,235,569
Clerk of Courts.....	762,663
Prison.....	12,758,629
Courts.....	3,894,434
Magisterial District Judges	3,280,744
Adult Probation.....	2,567,814
Juvenile Probation	2,647,564
Total Criminal Justice.....	\$ 30,162,290

Human Services	
Library.....	4,102,901
Veterans' Affairs.....	236,095
Total Human Services.....	\$ 4,338,996

Public Safety	
Public Safety	1,048,164
Coroner	945,426
Sheriff	3,345,361
Total Public Safety.....	\$ 5,338,951

Budgeted Expenditures

Records & Licensing	
Recorder of Deeds	520,854
Treasurer	303,736
Register of Wills/ Clerk of Orphans' Court.....	583,246
Controller	1,054,786
Prothonotary.....	614,026
Total Records and Licensing	\$ 3,076,648

Agricultural, Development, & Planning	
Planning	1,295,977
Agricultural Extension.....	398,741
Vector Control and Weights & Measures.....	234,669
Total Agricultural, Development and Planning.....	\$ 1,929,387

Transportation and Infrastructure	
Facilities Management	2,490,401
Total Transportation & Infrastructure.....	\$ 2,490,401

Other Government Operations	
Grants	2,124,910
Debt	5,594,622
Subsidies.....	7,147,711
Insurance	400,030
Administrative Services.....	201,465
Other Government Operations	1,950,000
Total Other Government Operations.....	\$ 17,418,738

2014 General Fund Budget \$ 73,247,426

general fund

County Services & Opportunities:

County Services:

- » Claremont Nursing & Rehabilitation Center 243-2031
 - » Rehabilitation services
 - » Respite care
- » Conservation District 240-7812
 - » Water testing
 - » Tree seedling & rain barrel sale
 - » Envirothon
- » District Attorney / Victim Services 240-6220
 - » Criminal Justice support & advocacy
 - » Crisis intervention & supportive counseling
- » Drug & Alcohol 240-6300
 - » Substance Abuse Prevention
 - » Student Assistance Program Support
 - » Tobacco Abuse Prevention
- » Library System..... 240-6175
 - » STAR library delivery for home-bound
 - » Genealogy research
 - » Downloadable eBooks and eAudios
 - » Business & consumer research database
- » Office of Aging..... 240-6110
 - » Home-delivered meals
 - » Property tax/rent rebate
 - » Cumberland Link to Aging & Disability Resources
- » Penn State Agriculture 240-6500
 - » Garden question hotline
 - » 4-H, Better Kid Care Training, youth gardening
 - » Professional pest management control
 - » Demonstration gardens & plant clinics
- » Planning240-5362
 - » Census data
 - » Local food, farm & outdoor guide
 - » Map & water trails guide
 - » Farmland Preservation Program

- » Prothonotary240-6195
 - » Assist with passport applications
- » Recorder of Deeds240-6370
 - » Copies of deeds
- » Recycling & Waste Authority240-6489
 - » Medication collection & drop-off events
 - » Household hazardous waste collection
 - » Municipal drop-off recycling
- » Register of Wills240-6345
 - » Marriage licenses
 - » Probate wills
- » Sheriff240-6390
 - » Issue licenses to carry concealed fire-arms; sell firearms; sell precious metals
 - » K-9 Unit drug detection demonstrations
 - » Child safety seat checks
 - » Bike helmet safety & proper fitting
- » Treasurer240-6380
 - » Licenses: dog, fishing, sportsman/hunting, bingo/small games of chance
 - » Boat Registration & Titling
- » Vector Control/Weights & Measures.....240-6349
 - » Assist with nuisance pest problems
 - » Mosquito spraying & West Nile virus testing
 - » Gypsy moth suppression program
 - » Weights & measurement testing & inspection
- » Veterans' Affairs240-6178
 - » Medical / pharmacy services
 - » Disability & pension claims
 - » Burial & marker allowances
 - » Grave flags & flag holders

County Volunteer Opportunities:

- » CASA..... 240-6159
 - » Court Appointed Special Advocates for children
- » Aging & Community Services 240-6110
 - » APPRISE health insurance counselor
 - » Ombudsman volunteers in nursing homes
- » Children & Youth Services 240-6120
 - » Foster parents
- » District Attorney / Criminal Investigative Division 240-6217
 - » Records retention project
- » Adult Probation 240-6255
 - » Pre-trial week courtroom runners
- » Veterans' Affairs..... 240-6178
 - » Answer telephones
- » CNRC..... 243-2031
 - » Friendly visitor; beauty shop transporter; activity assistant; outing volunteers; presenters
- » Library System..... 240-6175
 - » STAR (Service to Adult Readers)
- » Public Safety 218-2900
 - » Opportunities to serve on various teams
 - Contact Public Safety for more information.
- » In addition to the above volunteer opportunities, the Commissioners appoint approximately 275 volunteers as members to County authorities, commissions and boards. If interested in serving on a County Board, contact the Commissioners Office at 240-6150.



Prepared by the Cumberland County Board of Commissioners

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