

FINANCE MEETING - PFM PRESENTATION CUMBERLAND COUNTY EIP: OPPORTUNITIES AND STRATEGIES

November 13, 2013

The Cumberland County Finance Meeting took place on Wednesday, November 13, 2013 at 1:30 p.m., Commissioners' Hearing Room, Courthouse, Carlisle, PA. Present were Commissioners Barbara Cross, Jim Hertzler and Gary Eichelberger; Larry Thomas, Chief Clerk; Joanne Burkhart, Deputy Chief Clerk; Heather Ilgenfritz, Commissioners' Office; Dana Best, Tammy Bender, Ron Snow, Sherry Byers, John Jones, Finance; Glenda Farner Strasbaugh; Bob Dagrosa, Controller's Office; John Lopp, Facilities Management; Mark Adams, IMTO; Silvia Herman, Sue Carbaugh, MH/IDD; Dave Swartz, Agriculture Extension; Karen DeWoody, Scott Sowers, CNRC; Gordon Mann, Dean Kaplan, Anthony Gamblin, Seth Williams, Edisa Rodrigues, PFM; Marita Kelly, DCED; Steve Marroni, Patriot News; Christen Crowley, The Sentinel; Mary Jane Zeigler; Theresa Myers.

Gordon Mann, Dean Kaplan, Anthony Gamblin, Seth Williams and Edisa Rodrigues – PFM Representatives were present to discuss their slide-show regarding Opportunities and Strategies. The slide show consisted of the following items:

- **Background and Methodology**
- **Non-Mandatory Service Review**
- **Public Safety and Criminal Justice**
- **Rethinking Employee Compensation**
- **Managed Competition**

(see attached).

Mr. Mann discussed the County's structural challenge with regard to the General Fund Financial Results and Projections (\$ Millions).

Key Trend Analysis included:

- Non-personnel items
- Employee salaries
- Total compensation
- Subsidies to other funds
- Fee revenues
- Grant revenue
- Property tax revenues

Methodology:

- Department Evaluation – Met with Departments, conducted comparability and best practice research
- Financial Trend Analysis – Reviewed historical financial performance GF - 2008-2012 and reviewed multi-year financial projections
- Analyzed trends that contribute to structural imbalance between revenues and expenditures
- Input from public and others – Mail and online Cobalt Communications Group survey
- Useful ideas from Controller and staff where County can reduce costs and increase non-tax revenues
- Used prior analysis and guidance from Solicitor's Office to identify non-mandatory services
- Met with Senior Management Team through this process

Mandatory Services:

- Required by Federal, State law to provide these services – Cumberland County as a third-class County is required by the State of Pennsylvania to provide some services

Non-Mandatory Services:

- Using daily operations for practical reasons, i.e., email support function

County Departments with non-mandatory functions:

- Children & Youth – Pennsylvania Permanency Initiatives
- Coroner’s Office – Highway Safety
- Court System – CASA Program
- Finance – Multi-year projections; benchmarking; trend analysis and performance measurement
- IMTO – Some GIS functions; separate archive facility
- Prison – Central Booking
- Sheriff’s Office – Some law enforcement support services; community service programs

Departments that are non-mandatory:

- Aging & Community Services
- Agriculture Extension
- CNRC
- Conservation District
- CJ Planning and IP Programs
- Drug & Alcohol
- Farmland Preservation Activities, like conservation easements
- Planning
- Recycling and Waste
- Transportation
- Vector Control
- Weights and Measures

PFM recommendations: Programs to Keep:

- Finance
- Central Booking
- Pennsylvania Permanency Initiative
- CJ Planning and IP Programs

Functions to be reviewed:

- Coroner’s Highway Safety Program
- Vector Control
- Weights and Measures

Lowest Survey scores regarding Cumberland County Government Services:

- Agriculture Extension
- Conservation District
- Farmland Preservation Activities
- Sheriff’s Office

CNRC has had operating deficits in 2011 and 2012 with a projected 2013 deficit. PFM suggested having a **working group** meet on a quarterly basis to discuss the Nursing Home’s cash position, its projected annual financial results over multi-year period, with and without the additional rehab capacity; recent changes and trends for key variables; and the Center’s position relative to the trigger point. The **working group** should include one Commissioner, the Chief Clerk, the Finance Director, CNRC’s Director and Finance Director.

Public Safety:

- Growing E911 Subsidy – Total Public Safety Expense for 2013 - \$4,151,390 – 244.6% Growth
- The County's two largest General Fund subsidies are for E911 and Children & Youth Services
- Brief discussion regarding E911 Administrative Calls and Emergency Calls – In 2012 - received 266,000 total calls or 1.05 calls per resident
- Scored very high on survey for needed services

Criminal Justice/Prison/Courts:

- The County's 2013 Budget allocates \$31.7 million to criminal justice functions
- The County projects it will spend 43% of the General Fund's total for this year
- Reducing the Prison population by using enhanced counseling and monitoring services to release offenders back into the community while awaiting trial
- Use best practices for fine and fee collection efforts
- Court Revenue Collection and Staff Flexibility
- Consolidation of MDJ Staff to one budget line item

Rethinking Employee Compensation:

- Do away with Salary Step Structure
- Pay for Performance
- Gain Sharing Pilot Program
- Modest COLA each year
- Adjust Employee Contribution for Health Benefits
- Explore Self-Funding

Managed Competition:

- Functions within the County could be handled by outside contractors:
- Delinquent Property Tax Collection
- Information Technologies
- Payroll
- Transportation
- Security
- Maintenance

Home Rule was briefly discussed. Third-class counties have limited options with how they run their government.

- A home-rule route – the County makes its own rules, and it would give the County more flexibility.

The Finance Meeting scheduled for Wednesday, November 20, 2013 will focus on priorities and performance measures.

Laurie J. Mazarella
Administrative Coordinator