

2020

Strategy & Budget

Board of Commissioners:

Vincent DiFilippo | Chairman

Jim Hertzler | Vice Chairman

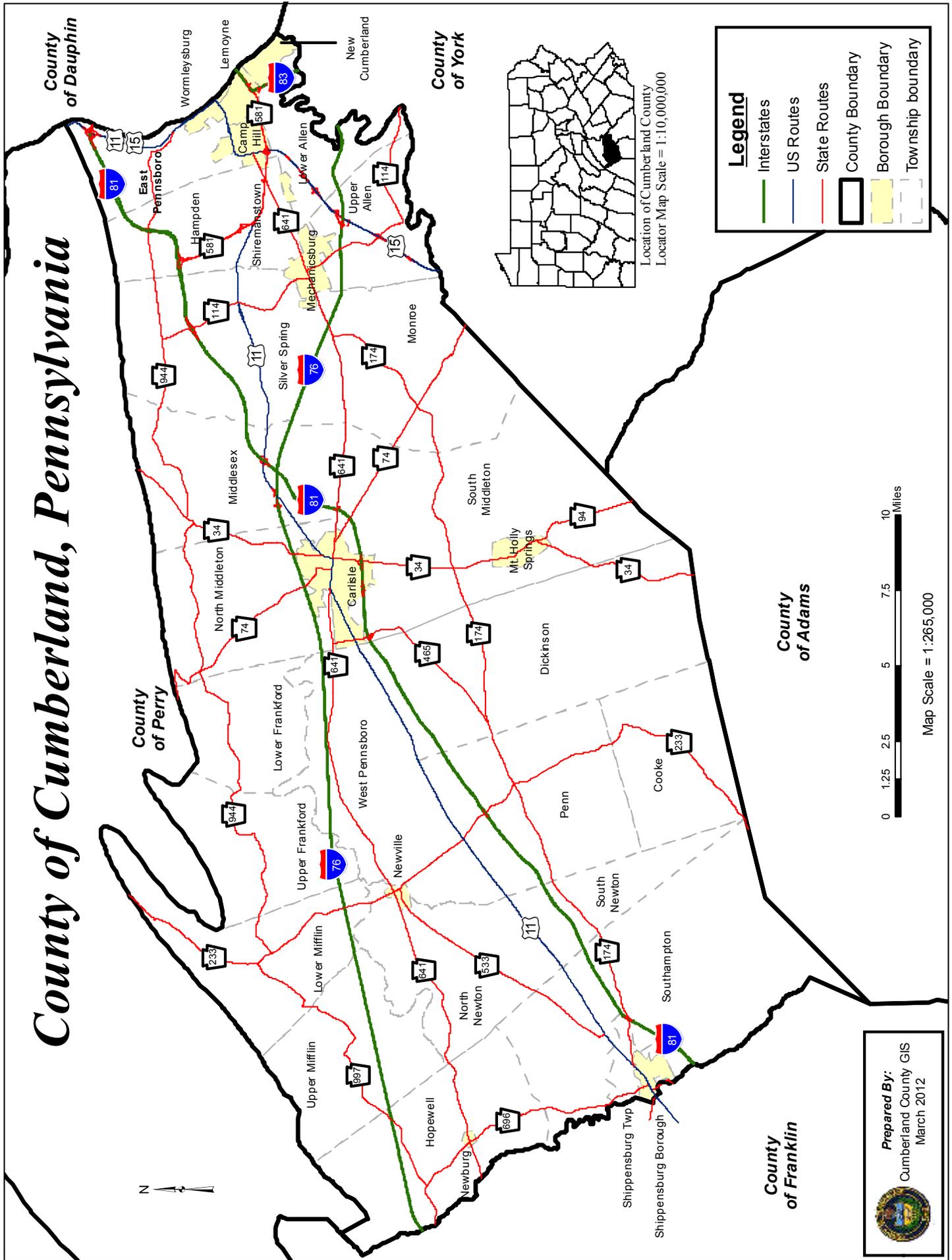
Gary Eichelberger | Secretary

Sandy Moyle | Chief Clerk

Dana Best | Chief Financial Officer



County of Cumberland, Pennsylvania



Legend

- Interstates
- US Routes
- State Routes
- County Boundary
- Borough Boundary
- Township boundary



Map Scale = 1:265,000

Prepared By:
Cumberland County GIS
March 2012

2020

Strategy & Budget



Board of Commissioners:

Vincent DiFilippo | Chairman

Jim Hertzler | Vice Chairman

Gary Eichelberger | Secretary

Finance & Administration:

Sandy Moyle | Chief Clerk

Dana Best | Chief Financial Officer

Tammy Bender

Kristen Bushman

Keri Finkenbinder

Tammy Klusman

Theresa Martin

Debra Ott

Stephanie Phillips

Chris Sechrist

Ron Snow

Brandon Yeager



Inquiries regarding the 2020 Budget or requests for copies should be directed to:

Cumberland County
Finance Department
1 Courthouse Square, Room 203
Carlisle, Pennsylvania 17013

Phone: (717) 240-6515
Fax: (717) 240-6357
E-mail: finance@ccpa.net

or to download a copy visit www.ccpa.net/finance



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Cumberland County

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For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Cumberland County, Pennsylvania (PA) for the Annual Budget beginning January 01, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Quick Reference Guide

The following guide should assist the reader with answering some of the common questions concerning the 2020 Cumberland County Budget.

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COMMISSIONERS OF CUMBERLAND COUNTY



Vincent T. DiFilippo
Chairman

Jim Hertzler
Vice Chairman

Gary Eichelberger
Secretary

December 2, 2019

TO: The Board of Commissioners and Citizens of Cumberland County

Introduction

The County adheres to an array of budget planning and financial management principles that include:

- Maintaining a financial base to support essential services even in a changing environment.
- Directing financial resources toward the achievement of the County's strategic plan.
- Maintaining sufficient liquidity to meet normal operating and contingent obligations.
- Maintaining and preserving infrastructure and capital assets.
- Implementing operating policies that limit the cost of government and financial risks.
- Maximizing the level of public goods and services while limiting the levels of debt and tax.

These principles are integrated into the everyday management practices of the County. The County uses key management teams to develop operational plans and implement process improvements to enhance services, manage the cost of operations, and improve results for County residents. An example of this is the Criminal Justice Policy Team (CJPT) (now in its 30th year). The CJPT is made up of a large cross-section of departments and is charged with maintaining an array of institutional and community correction strategies to hold offenders accountable while managing the population of the prison.

The County also relies on other teams including the Senior Management Team, Human Services Policy Team, Public Safety Review Team, and the Claremont Review Team.

Additional information and examples of the financial management principles can be found throughout the text of this document and on the County's website at www.ccpa.net.

Cumberland County is in a stable, short-term financial situation as we enter the 2020 budget cycle. Stable in the sense that current revenues and expenses are in rough equilibrium. The County continues to face the structural imbalance between natural growth in the real estate market and other revenues versus the increasing expenditures related to continued pressures to provide additional services in a fast-growing County, the tight labor market, the opioid epidemic, and other increasing costs.

While the County can take satisfaction with its financial situation in 2020, the forecast contains multiple obstacles and question marks. The success the County has had over the past six years in balancing the budget without a real estate tax increase can be attributed to:

- Slowing the growth in short- and long-term costs, particularly in the area of salaries and benefits;
- Prudent borrowing and savvy debt management;
- Incentivizing staff to improve cost efficiency; and

Introduction (continued)

- The benefits of population growth and economic recovery.

Over the past few years, we have been discussing the projects that will be impacting us through 2024. Those projects will begin effecting us in 2020 and will be discussed in later sections. In the following sections, we will address cost pressures (including the ones mentioned above) and revenue prospects over the next five years; and how the two can be balanced through a strategic approach.

Modernization of County Government

The County's strategy for balancing costs and revenues remains to modernize County government. It must be run on a businesslike basis. While the County should not be run on a for-profit basis, it should be no less efficient and businesslike than organizations in the private sector. What does that mean?

Our approach is based on the following tenets:

1. Slowing the rate of increase in the overall compensation costs, particularly in the area of benefits.
2. Maintaining zero growth in the overall workforce as much as possible through process improvement, automation, and shifting resources from low priority, inefficient departments to high-demand areas.
3. Continuous improvement of efficiency in operations, data-guided decision-making, basing funding decisions on Return on Investment (ROI), outcomes management, and evidence-based practice criteria.
4. Investment in the County workforce's productivity through Merit Based Compensation (MBC), prudent automation, skills training, management development, and gainsharing (share the benefits of cost savings with those who produce the savings).
5. Prioritization of needs and services within a more precise definition of the County's role.
6. Looking to private citizens to take on a more substantial role in financially supporting specific areas of interest: such as libraries, farmland preservation, Claremont Nursing and Rehabilitation Center (CNRC), and public safety.
7. Reasonable cost-sharing with municipalities on expenses associated with libraries and public safety.
8. Continued disengagement from inefficient, small-scale municipal authorities in favor of efficient, consolidated regional organizations in the areas of transportation and public safety.
9. Long-term, integrated financial planning particularly in the area of big-ticket capital projects.
10. Continued smart use of debt and ongoing debt management.

Results to Date

County management pays very close attention to the graph on the next page. The trend lines indicate the rate at which the County's reserves will decline based on the historical performance of costs and revenues. Given that costs have risen more rapidly than revenues over many years, the trend lines point downward in a southeasterly direction. This means that if nothing is done to slow the rate of increase in costs relative to revenues, our reserves would eventually disappear. In reality, we would not let this happen. The projected deficit would have to be made up by tax increases, other revenue increases, or reductions to costs in order to balance the budget with sufficient reserve days remaining.

Results to Date (continued)

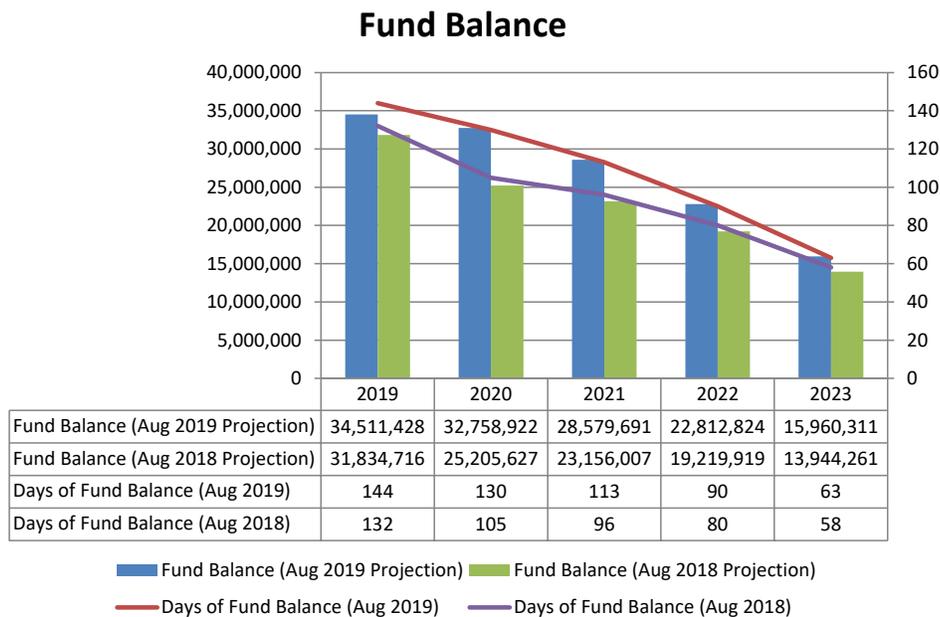
The challenge to the County is how to bridge the projected gaps. Some counties regularly increase taxes and/or cut back on services. After the 3.0% tax increase in 2014, our approach has been to maintain services without real estate tax increases through increasing productivity and efficiency; i.e., modernizing the way we do business.

So far we have been successful.

The purple trend line is based on the green columns and represents projections done in 2018. Based on the theoretical assumption that budget deficits would not be eliminated, this shows our fund balance reduced to levels below our established fund balance policy.

The red trend line is based on the blue columns. This represents the projected fund balance for 2019, with the trend adjusted for the outlying years based on the slightly better than projected performance in 2018. This shows fund balance decreasing less than the 2018 projections.

The flatter the trend line is, the better. It means that the gap between costs and revenues is moderating and less is needed to bridge the gap. Ideally, the trend line would be parallel to the X-axis and our fund balance would stay at the desired level. That can't happen in reality, but it is our goal to push the trend line up as close as we can get it, and do so without increasing taxes or cutting essential services. The graph below shows that we are doing better than projected in 2018. The small improvement creates a slight improvement in the slope of the trend line in the desired (flatter) direction that ripples through the subsequent years. The fact that we are not forced to raise real estate taxes or cut services in 2020 shows that we were able to carry the benefits of modernization forward.



Cost Pressures

We mentioned above the structural imbalance. Our natural growth in revenues has historically not kept pace with inflation and the added costs pressures that are occurring. Here are some examples of how this phenomenon currently impacts Cumberland County:

- Child protective cases – The enactment of the Sandusky legislation in 2015, in conjunction with worsening conditions for many young families, led to an exponential increase in the number of referrals to Children & Youth Services (CYS). In addition, the ongoing opioid epidemic is placing additional pressures on CYS because the crisis is changing the family dynamics of the affected families.
- Costs related to the opioid epidemic – This public health crisis is effecting departments throughout the County. The effects have overtaxed our prison, judiciary, rehab, drug and alcohol, and child protective services; especially in the area of expanded treatment.
- Electronics recycling – As existing legislation has failed, discarded televisions begin to dot our landscape more and more. Without a statewide solution and multi-source funding, local governments are forced to take on the cost of disposing of this equipment.
- Judicial costs – The County will expand to a 7th Common Pleas Court on January 1, 2020. This requires major space reallocations, departmental moves, and expanded staffing.
- Criminal prosecution – We currently have several, death penalty and/or murder trials pending.
- Claremont Nursing and Rehabilitation Center (CNRC) – CNRC is facing many challenges and obstacles in the changing long-term care environment while being faced with relatively flat or reduced funding. With our historic unemployment trends in this region, maintaining sufficient staff at a reasonable cost is one of our biggest challenges. Salaries and benefits account for nearly 60.0% of the nursing home's expenses. In addition, over 75.0% of our population is paid by Medicaid, The Medicaid rates have remained flat over the past decade. On average, the Medicaid rate is \$45 less than the cost of care for the specific resident. If that trend does not change, the General Fund will be forced to start subsidizing the nursing home in the very near future.
- Human Services – There is a significant growing demand in the areas of child protection, mental health, drug and alcohol, and aging services. Such pressures are not new, however, we have had reduced or flat funding from the state/federal government.

Regardless of federal and state funding, we are responsible for the quality of life and financial health of our communities. We have to set our agenda on services and spending limits while refining the fiscal management processes that will deliver the greatest value to Cumberland County taxpayers and residents.

In addition to pressures on operating costs, the County faces some major capital expenses between now and 2024:

- 9-1-1 radios and infrastructure – The County faces \$20 - \$40 million in costs between now and 2024 to upgrade its towers, transmitters, and radios essential to emergency response. Financing options are under consideration to reduce the direct burden on the General Fund via borrowing and/or cost-sharing. County staff has mapped out a multi-year plan for the emergency radio and infrastructure project. The Finance Department has been involved from the onset to see what mix of funding sources can be used for these costs. Outreach to municipalities regarding vendor choice and cost-sharing has begun.
- Election Equipment – All election equipment used in Pennsylvania must be state-certified and meet all requirements of the Election Code. Our original estimate was the replacement of the current machines and system in the next five years with another certified system. However, the state has mandated that counties choose a new certified system by December 2019 and must implement for

Cost Pressures (continued)

the next presidential primary in 2020. The County Election Board was given several demos of the newly certified equipment that included time for the public to try the certified equipment and provide comments. After the demos, opportunity for public comment, and staff input, the County Election Board chose the new equipment and recommended that the Board of Commissioners move forward with the purchase. The order has been placed for the new equipment at a cost of just under four million dollars. We are expecting the state to provide a 60.0% grant for the cost of the equipment and about \$270,000 in Help America Vote Act (HAVA) grant funding. The County has also done a reimbursement resolution and may borrow money to fund the County's portion of the equipment with debt.

- 7th Common Pleas Court – Cumberland County will add a 7th Common Pleas Court in 2020. We are estimating an additional \$600,000 in ongoing operational costs.
- CNRC infrastructure – While CNRC continues to provide quality care to its many residents, a number of its buildings have aged. In order to compete, CNRC will have to modernize a portion of its infrastructure over the next ten years.
- Four County-owned bridges are expected to be in the construction phase in 2020. Slate Hill Road Bridge is owned by York and Cumberland counties and expected to begin construction in 2020. In order to meet the cash flow needs, the County is pursuing a Pennsylvania Infrastructure Bank (PIB) loan to fund the construction of Sample Bridge.

We have been preparing for a majority of these projects for multiple years and they are quickly approaching along with new stressors. We will continue to look at the County with a long-term strategic vision.

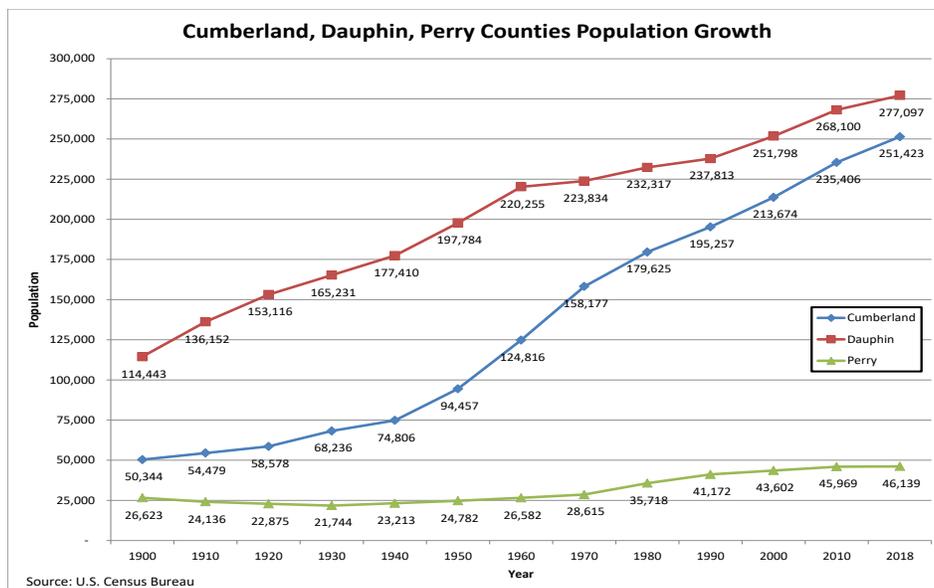
We have re-engineered the senior management team and have a renewed vision for long-term planning that includes implementing a strategic vision with the inclusion of the Courts, elected officials, and department heads of the County. We will continue to evaluate County operations with an eye for implementing cross-departmental efficiencies.

What About Revenues?

The other side of a budgetary structural imbalance is relatively flat growth in revenues. A balanced fiscal strategy seeks to optimize revenues at the same time costs are contained. However, the options are limited and few provide much relief in the short-term.

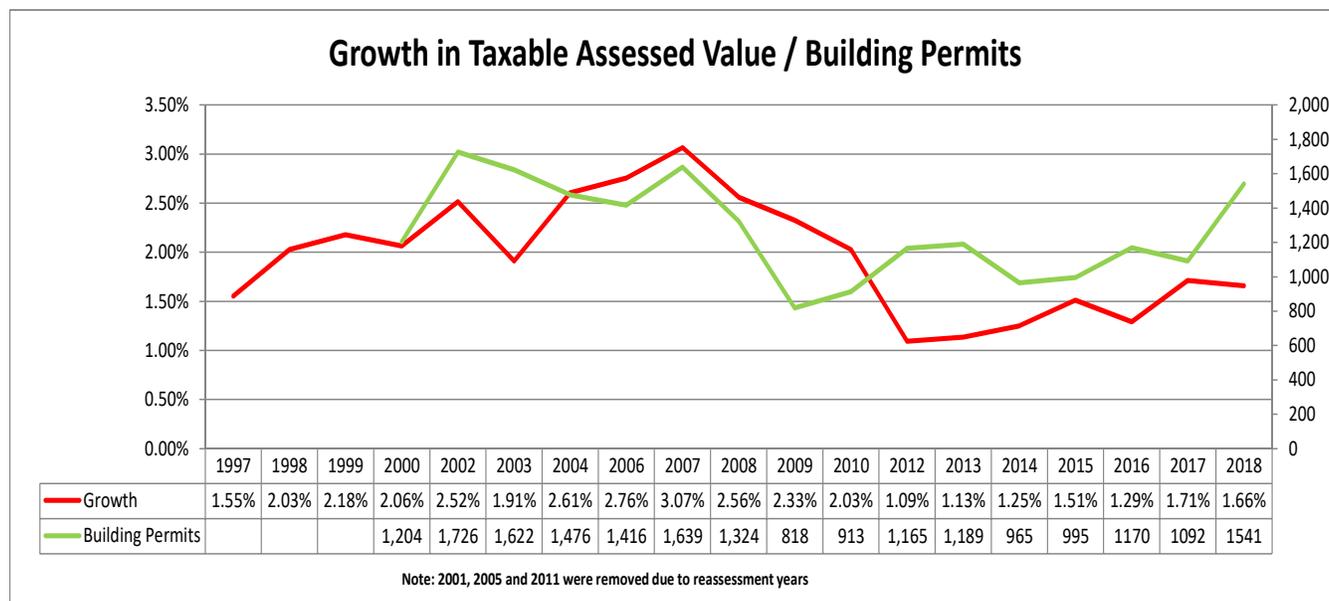
Population Growth and Revenues- Much has been made about the fact that Cumberland County has been the fastest-growing county in PA since 2010, along with other economic indicators. Cumberland County may catch Dauphin County in the next 20 years. The greatest growth has taken place in and around Mechanicsburg. Some mistakenly think that a fast-growing population equates to increased tax revenues. While population growth portends well for economic growth in the mid- to long-term, there are many reasons why it does not translate into a sharp increase in revenues.

What About Revenues? (continued)



The County’s dependence on property taxes means that any growth factor has to translate into more residential and commercial starts to produce increases in revenue. Since 2012, the County’s taxable assessed property values have increased by approximately 1.5% annually. In 2020, we are budgeting a 1.6% increase in both growth and collections. Over the past year, we have been watching the consumer price index hover at just under 2.0%. This is not an uncommon occurrence that the County’s growth in taxable properties increases at a lower rate than the consumer price index. That is just one measure that shows the structural imbalance inherent in the County’s revenue streams.

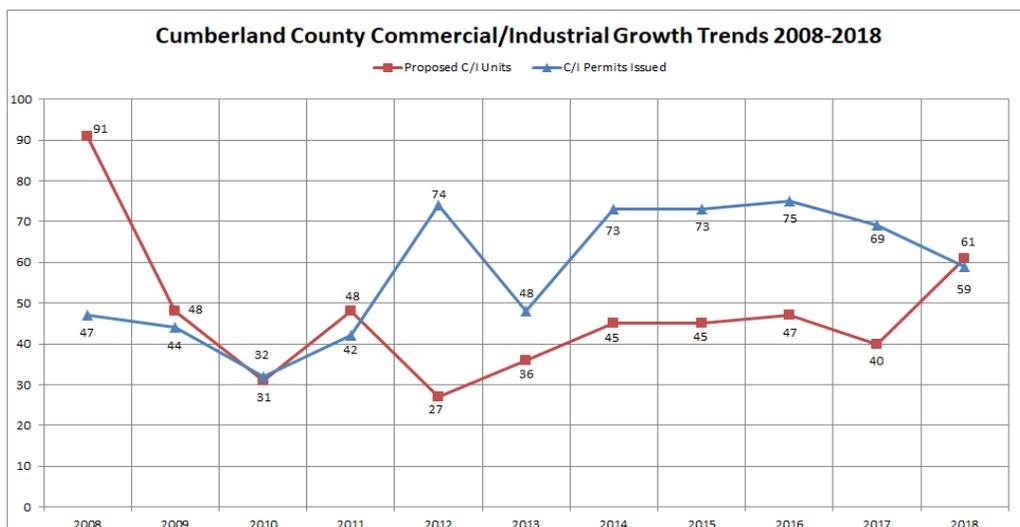
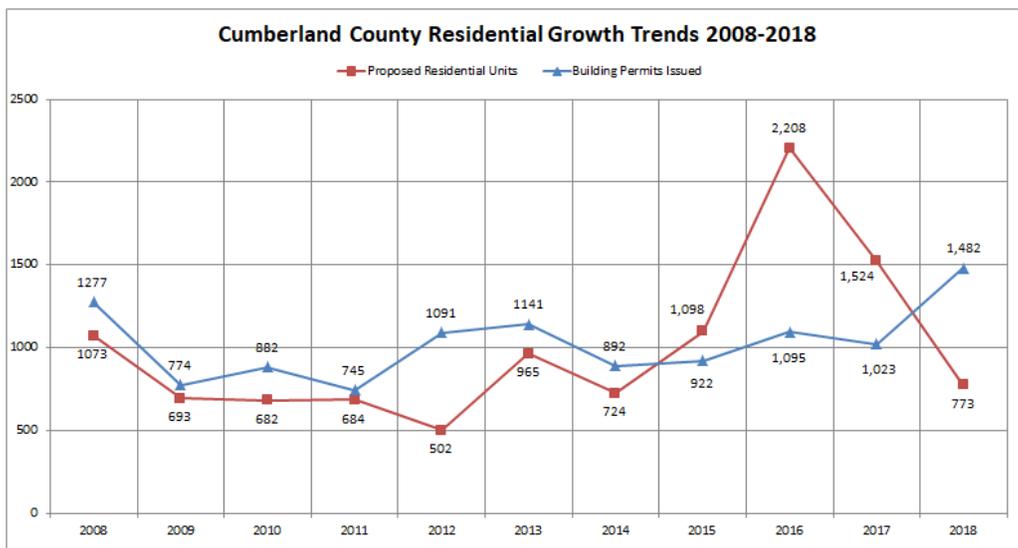
Population growth will likely cause a gradual increase in start-ups which will produce incremental increases in County revenue. Population and job growth are key elements of an effective, long-term economic development strategy but it does not directly impact the County’s major revenue source, the real estate property tax. The chart below shows the growth in the assessed value for the past 20 years. While we are one of the fastest-growing counties, if not the fastest in Pennsylvania, our growth in assessed value does not keep pace with inflation.



What About Revenues? (continued)

Economic Development and Revenues- Cumberland County entered into a Tax Increment Financing (TIF) District with the Borough of Carlisle. A TIF is a public financing method that assists in paying for redevelopment and infrastructure improvements. Taxing bodies commit to investing all or a portion of their “tax increment” to pay debt service on a loan used to fund the necessary improvements that directly benefit the TIF district. The types of public improvements that can be paid for are intersection improvements, street construction, public parks, multi-use trails, stormwater enhancements, utility upgrades, etc.

The current TIF District is the Carlisle Auto Industries, Inc. located at the old Masland/Leer site on Carlisle Spring Road. The County, Carlisle School District, and Carlisle Borough have pledged 100.0% of the tax increment revenue generated on the project for the purpose of paying the debt service on the bonds/notes over 20 years. The TIF will assist in developing this underutilized property into a robust economic site. Examples of the expected improvements to the property are retail space, a hotel, residential units, office space, restaurants, and parking garages. The current property assessment is approximately \$1.2 million. The assessed value is estimated to increase by about \$62 million. In addition to the increase in property values, the property is expected to have an additional positive economic impact with an additional estimated impact of \$140 million to the local economy.



What About Revenues? (continued)

Federal/State Funding- All indications point to flat or declining revenue flows from the federal and state governments in most areas. The federal/state funding is our biggest resource countywide and funds about 89.0% of our Human Services Departments.

Collections- One area that we have seen significant improvement in is the collections of restitution, court costs, and fines. This increase is due in part to the Collections Advisory Group (CAG), which is the cross-departmental management team responsible for oversight of the collections process. Over the next year, we will review options to enhance the reporting that is available to the County. The goal of enhanced reporting is to improve our management and analysis capabilities. We will be able to better target and measure different processes and their success.

Interest Earnings- We are experiencing increased earnings from our investments. We are expecting our investment earnings to continue to grow.

Departmental Fees- County departments review their fees and charges on an ongoing basis to assure that we are appropriately charging fees.

Cost Savings Opportunities

Given upward operational and capital cost pressures and slowly increasing revenues, it is imperative that the County addresses long-term cost drivers in ways that provide sustainable reductions and moderations in the cost of government. Through ongoing strategic planning, the County continues to look for cost savings opportunities to be implemented in 2020 and beyond. These have the potential to cut costs by millions of dollars each year while maintaining services, assuming spending overall is kept in check. These major cost savings efforts, in conjunction with ongoing improvements in efficiency, that dampen the rate of operational cost increase, create budgetary space that can be used to fund investments in staff, technology, expanded services, or paying the cost of unfunded mandates without requiring tax increases.

Savings Through Consolidation of Regional Services- The most exciting opportunity in this area is the consolidation of transportation services across seven to ten counties in South Central PA. According to a PA Department of Transportation (PennDOT) Phase II study, significant savings of administrative staff can be achieved through the consolidation of the multiple transit authorities currently serving these counties. This would eliminate redundant personnel, functions, and facilities; and take advantage of economies of scale in systems, purchasing, maintenance, and benefits. Act 89 funds would be made available to participating counties to pay the costs of transition. If savings targets set by PennDOT are reached, the participating counties would receive a five-year grace period on the local match for transportation services.

Cumberland County, which currently pays Capital Area Transit (CAT) between \$300,000 - \$325,000 per year as its local match for fixed-route service, has come out solidly in favor of the PennDOT plan. In addition to cost savings, regionalization creates the potential to expand and improve service throughout South Central PA. An integrated system would help promote tourism and economic development in the region, bringing in greater revenues to the local economies.

The County has withdrawn financial support for redundant services provided by Tri-County Planning Commission. Cumberland County has its own planning department and does not require many of the services Tri-County charges us for and is seeking to reduce its contribution to the organization for only those unique services, associated with transportation, it needs.

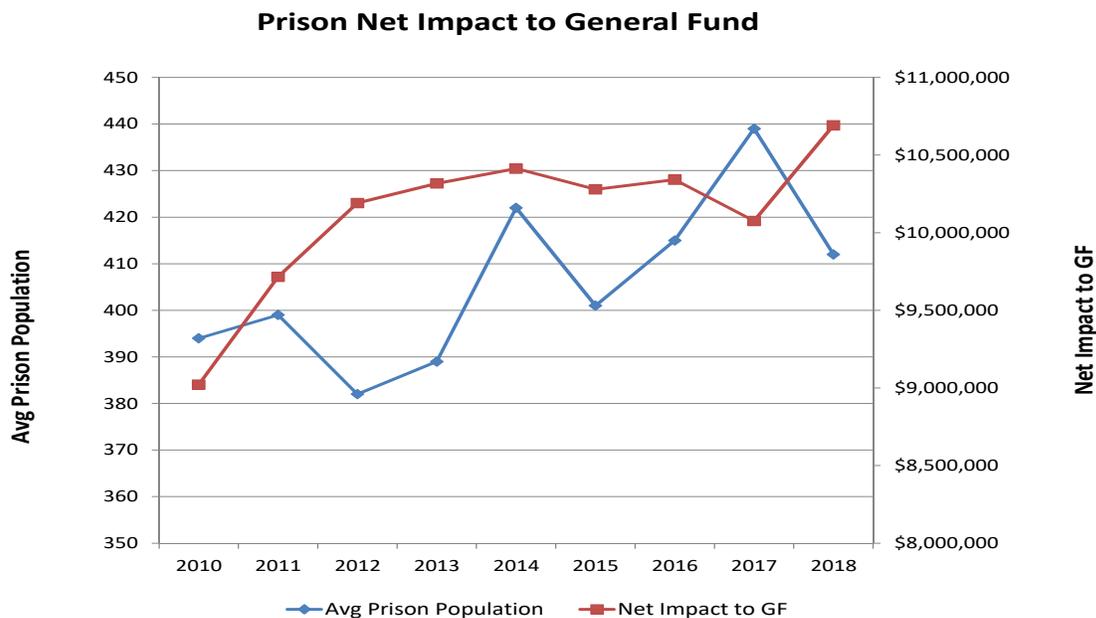
Costs Savings Opportunities (continued)

Consolidation of Shared-Ride Services with Central Pennsylvania Transportation Authority (CPTA)- Cumberland County historically provided its own shared-ride services with a combination of General Fund and Human Services state funding. In 2015, the County transferred this function to CPTA (doing business as “rabbittransit”) and officially joined CPTA in 2016. CPTA now provides shared-ride transportation services over a ten-county area and is able to provide those services at a lower cost due to the economies of scale and technology improvements of their operations.

Self-Insurance for Health Benefits- Over the past several years, the County took measures to improve its loss ratio in order to transition to a self-insured model. The County implemented an incentive-driven wellness program to adopt healthier lifestyles. It also levied a surcharge on employees on the County plan who carry spouses with access to insurance through their own employers. Both of these programs have been successful. We experienced rate reductions from our third-party vendor in 2017. In 2018, the County transitioned the health insurance from a third-party vendor to “self-insurance.” The County purchases stop-loss insurance of \$250,000 per claimant. We are expecting, over time, that moving to the self-insured platform will help to hold down the cost of the County’s health insurance benefits.

Technology- The County has already made a considerable investment in Enterprise Resource Planning (ERP) software to improve efficiency in basic business functions, accounting, payroll, and reporting. More recently, we have expanded the timekeeping and scheduling program Kronos across all County departments. Having data on a real-time basis allows for timely management analysis and decision-making.

Correctional Services- Like nearly all counties along the I-81 Corridor, Cumberland County was facing alarming increases in opioid-related addiction and deaths. While violent crime remains low overall, drug-related crime has helped fuel an increase in our prison population. The County has taken dramatic action to help find solutions to this national epidemic at a county level. The graph below shows the change in the number of inmates in our prison and the related impact on the County’s General Fund. We will continue to closely monitor the programs through the CJPT. Information about what the County is doing is discussed under the Growing Demand for Services section on page 23.

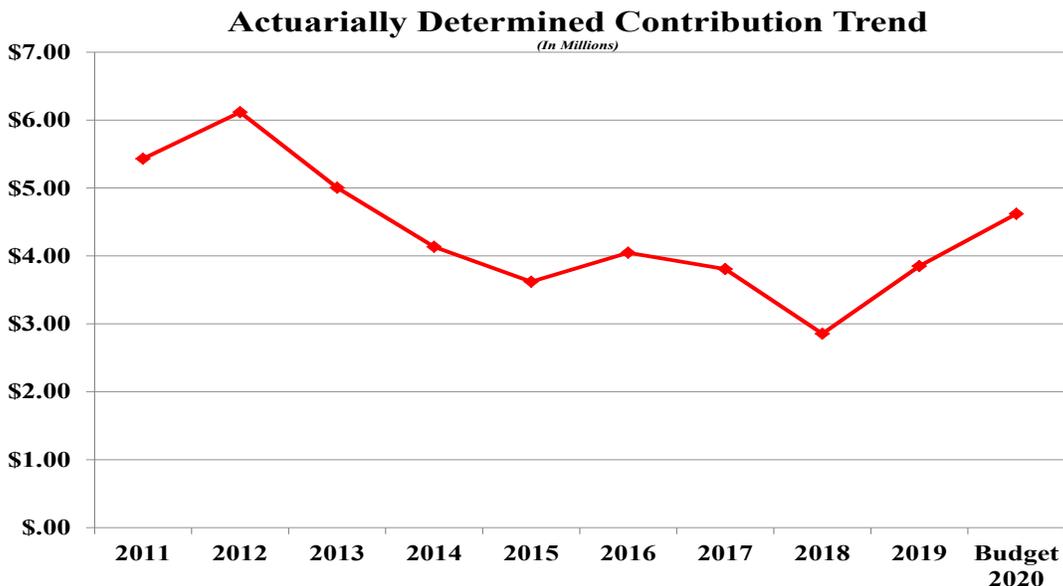


Costs Savings Opportunities (continued)

While we have successfully lowered the prison population, there is an increase in the scope, intensity, and cost of services provided to inmates. The number of inmates with addiction and mental health issues has grown significantly over the last six years. Detoxification, rehabilitation, and therapeutic services are required to stabilize these inmates. While never the intent, the County Prison has become one of the largest detoxification service providers in the area. These necessary services add significantly to the overall cost of housing and feeding inmates with those issues.

Through the Criminal Justice Policy Steering Committee, the County has expanded diversion programs, Intermediate Punishment (IP), and risk assessment to reduce the rate of increase in the prison population. Early in 2018, we started discussing the need to open two units that are not currently operational. Activating them would not increase overhead, but would require additional corrections staff and operating costs associated with the care and feeding of prisoners. We were at a point that the prison population was growing and opening the unit was becoming inevitable if the trend was not changed or addressed. We were able to continue to delay opening the units by implementing two pre-trial courts, mental health (Together Optimizing Mental Health Solutions (TOMS) court) and Opioid Intervention Court (OIC), with the intention to help alleviate the time spent in prison pre-sentencing. Our length of stay pre-sentencing had increased to about 40 days. We will continue to monitor and analyze the impact of these programs on not only the prison population but the individuals' recovery. More information concerning the pre-trial courts can be found under the Growing Demand for Services section on page 23.

Pension- The County is obligated to provide pension benefits to its employees under the conditions of federal and state law. Unlike some other counties facing increasing costs, the County has consistently funded its pension obligations in accordance with financial and actuarial best practices. This is a key factor behind the County's superior financial rating, which gives us access to favorable interest rates and terms. Strong equity returns over the past seven years have substantially grown plan assets. This has led to an increase in the plan funded ratio and reduced the Actuarially Determined Contribution (ADC). However, over time, funding levels fluctuate with the ROI of financial instruments.



A Balanced Budget

The 2020 Budget is a balanced budget that is based on the priorities set forth in the Commissioners' County Strategy. In order to balance the budget, the Commissioners are not increasing real estate taxes in 2020 and are implementing long-term structural adjustments such as MBC, quality improvement by re-engineering workflows and business processes, long-term integrated financial planning particularly with large capital projects, adjustment to user fees, smart economic development, and sharing services with neighboring counties.

Some of the 2020 pressure points are child protective cases, opioid epidemic, judicial costs, criminal prosecution, election equipment, human services, CNRC, 9-1-1 radios and infrastructure, technology, and pension.

The General Fund budget shows a potential transfer of \$6,228,397 from reserves. This amount will be reduced directly by results from the Commissioners' efforts at addressing long-term cost drivers that provide sustainable reductions and moderations in the cost of government. The end result will be an estimated ending fund balance of \$32.8 million and a projected transfer from reserves of \$1,752,506. The chart below shows the actual expectations with the contingencies and continuation of the cost containment and revenue enhancement measures incorporated into the projections in order to meet the fund balance target of \$32.8 million. The estimates are based on a balance of expenditure reductions and revenue adjustments that continue beyond the 2020 budget year.

2020 - 2023 Ending Fund Balance Projection

	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Projected Beginning Fund Balance	34,511,428			
Real Estate Taxes	54,643,697	55,463,352	56,350,766	57,252,378
All Other Revenue	31,576,659	29,663,792	30,196,309	30,808,630
Total General Fund Revenue	86,220,356	85,127,144	86,547,075	88,061,008
Total General Fund Expenses	85,023,983	88,641,274	91,632,214	94,214,749
Salary	32,255,250	33,304,538	34,395,547	35,523,796
Benefit	12,481,597	13,173,492	13,851,347	14,563,205
Operating	25,965,845	26,292,536	26,643,402	26,997,811
Subsidy	8,076,475	9,111,520	9,608,707	10,172,013
Capital	3,413,411	3,064,204	2,965,269	3,040,059
Transfers	2,831,405	3,694,984	4,167,942	3,917,865
Unassigned FB moved to Assigned FB	2,948,879	665,101	681,728	698,772
Projected Ending Fund Balance with no change	32,758,922	28,579,691	22,812,824	15,960,311
Required Changes	1,639,311	2,880,952	1,291,191	724,552
Projected Ending Fund Balance with changes	34,398,233	34,739,265	34,783,852	34,467,345

Strategic Reporting and Performance Management

Financial forecasts can be found at www.ccpa.net/finance which are part of the semi-annual Financial Analysis Committee presentations to the Commissioners at a public meeting. On the previous page are the projections for 2020 - 2023. Each year we added the required changes for a break-even budget. The changes can be changes to our expenses, revenues, or a combination of both. Each year we are projecting that changes will continue to be made to balance the budget.

During 2020, the County will continue reviewing quarterly progress towards the priorities set forth in this document. There are six main sections in the 2020 County Strategy and Budget: Introduction, County Strategy, Budget by Function, Budget by Fund, Performance Management, and Supplementary Information. This document is intended to give the reader insight into the scope and quality of County services. All County departments and elected officials are requested to take part in the performance management initiative and to report their progress quarterly.

Original Budget Guidelines

The Commissioners, through the Finance Office, issued initial instructions to departments to keep 2020 expenses at or below 2019 levels. The guidelines sought level or reduced funding for core operating expenses. The fifth payout from the MBC plan will tie compensation to achievement, rather than merely rewarding seniority for employees not governed by an existing bargaining agreement.

Economic and Financial Condition

There are several economic impacts affecting the 2020 Budget. The Actuarially Determined Contribution is expected to increase by approximately 19.8%. The County is self-insured for medical insurance and the medical premium expenses are increasing by 7.7%. The County has several large projects in 2020 which include Project 25 (P25), Computer-Aided Dispatch (CAD), CNRC infrastructure, and the construction of four County-owned bridges.

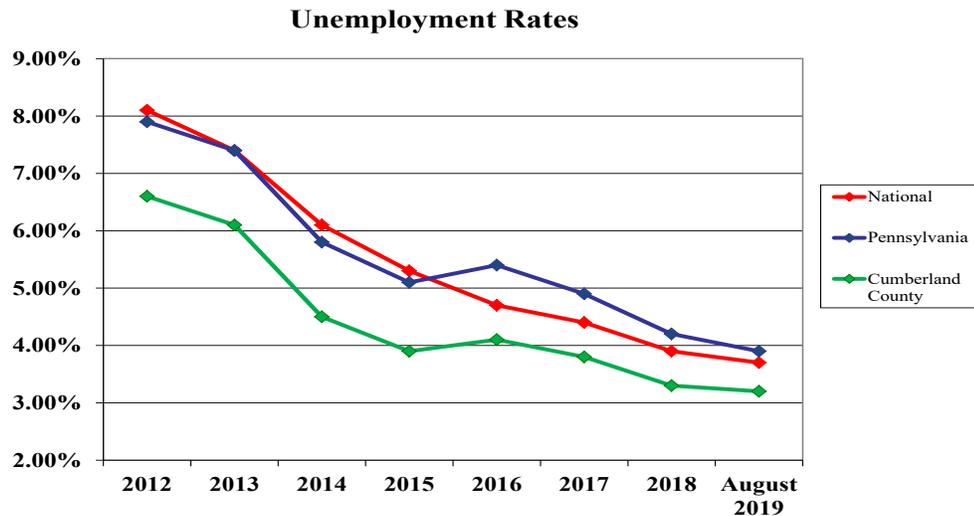
The County is committed to an ongoing search for innovative ways to lower overall costs to the taxpayer and will continue to look for ways to lower the County's expenses and bend the cost curve down. PA county governments are reliant on property tax revenue. There is a structural imbalance because of this mandate. Normal revenue growth does not keep pace with inflation. Cumberland County is committed to finding innovative ways to alleviate some of the structural imbalance while maintaining quality service to the citizens.

Principle Issues Facing Cumberland County

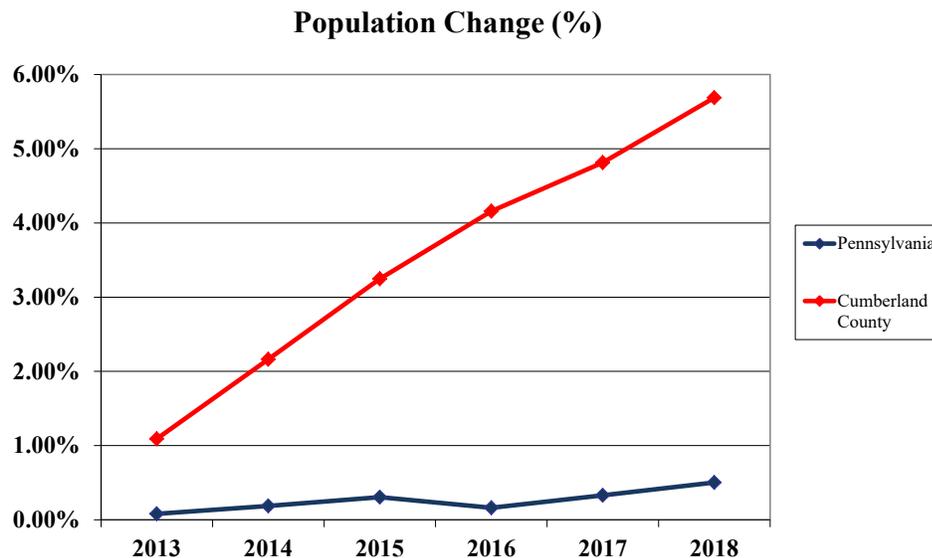
The County continues to have a diversified tax base with little concentration on any one taxpayer. The top ten taxpayers make up approximately 3.29% of the County's taxable assessment base.

The County's unemployment rate remains below the state and national averages. For August 2019, Cumberland County's rate was 3.2% and the state and national averages were 3.9% and 3.7% respectively.

Principle Issues Facing Cumberland County (continued)



Cumberland County’s population growth is above the state’s average growth since 2009 and this trend is expected to continue. After the 2010 U.S. Census, the County was elevated to a third-class county. This growth puts increased demand for County services.



Growing Demands for Services

Population growth has resulted in increased requests for services in many County departments. The County is using innovative measures to control costs while still maintaining service levels.

The growing population has placed a burden on the County criminal justice system. From 2007 - 2017, the number of criminal dockets filed at the Court of Common Pleas levels increased by 26.0%. In 2020, a 7th Judge will be added to the Court of Common Pleas to mitigate the negative impacts of the expanding caseload including backlogs in case processing. The County expanded the use of electronic monitoring for non-violent offenders. In order to reduce recidivism and alleviate prison concerns, the County expanded the

Growing Demands for Services (continued)

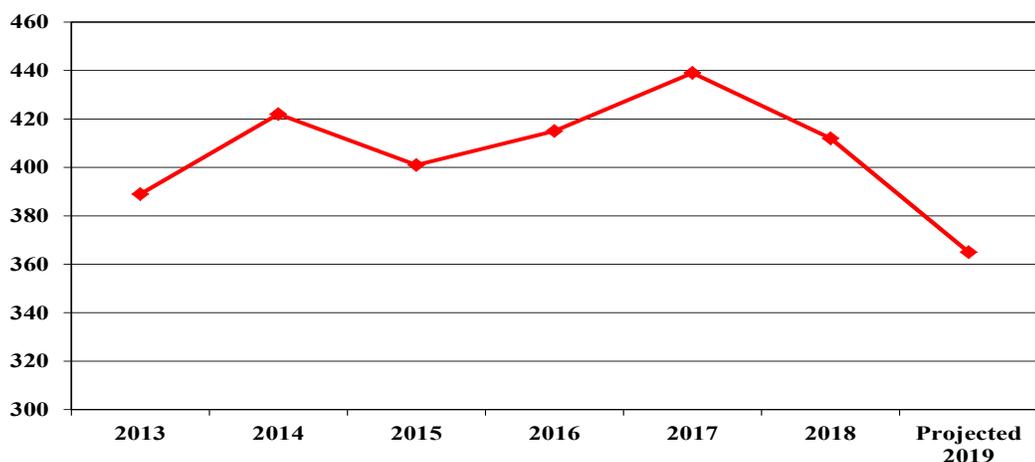
use of intermediate punishments and other community correction strategies to hold offenders accountable while making progress towards becoming productive members of society. These programs continue to help manage the population of the prison and to avoid filling the new prison with inmates that could be better served in the community. The implementation of these programs held the average daily population of the prison at no growth for two years.

In November of 2017, the Cumberland County TOMS Court was implemented. The mission of the TOMS Court is to develop a partnership between the mental health and criminal justice communities. The TOMS Court, in recognizing that recovery from mental illness is a process, promotes participation in a highly structured mental health treatment program to people experiencing a mental health crisis. This partnership will address the specialized needs of participants with serious mental illness, thereby reducing recidivism rates, ensuring public safety and improving the quality of life for participants by establishing mandatory, comprehensive, community-based treatment and services within the guidelines of the Cumberland County TOMS Court. There are currently 22 active participants and two individuals who have graduated from the program.

Cumberland County implemented a first of its kind in Pennsylvania Opioid Intervention Court (OIC) in February of 2018. The County was experiencing unprecedented levels of heroin and other opioid abuse, along with record numbers of unintentional drug overdose deaths. In 2016, the Pennsylvania State Coroners Association reported nearly 4,642 drug-related deaths, with 85.0% of deaths involving the presence of an opioid, obtained either illicitly or prescribed by a physician. Between 2015 and 2016, most counties saw a 37.0% increase in deaths related to drug poisoning. According to reports by our County Coroner, the scale of the epidemic in Cumberland County had escalated at a far more rapid pace, with a 61.0% increase in fatalities (from 41 to 66 deaths) between 2015 and 2016. This information led to the implementation of the OIC.

The primary goal of the OIC is to intervene at the point of arrest to prevent overdose deaths. Since its inception, 112 defendants have entered the program. There have been no overdose deaths for an individual in the OIC, and the County's opioid overdose death rate has declined by 37.0% in 2018. One previous participant overdosed after completing the program. In addition, since the implementation of the program, the prison population has steadily declined. The average daily population in 2018 was 412, and for the first ten months of 2019 was 355.

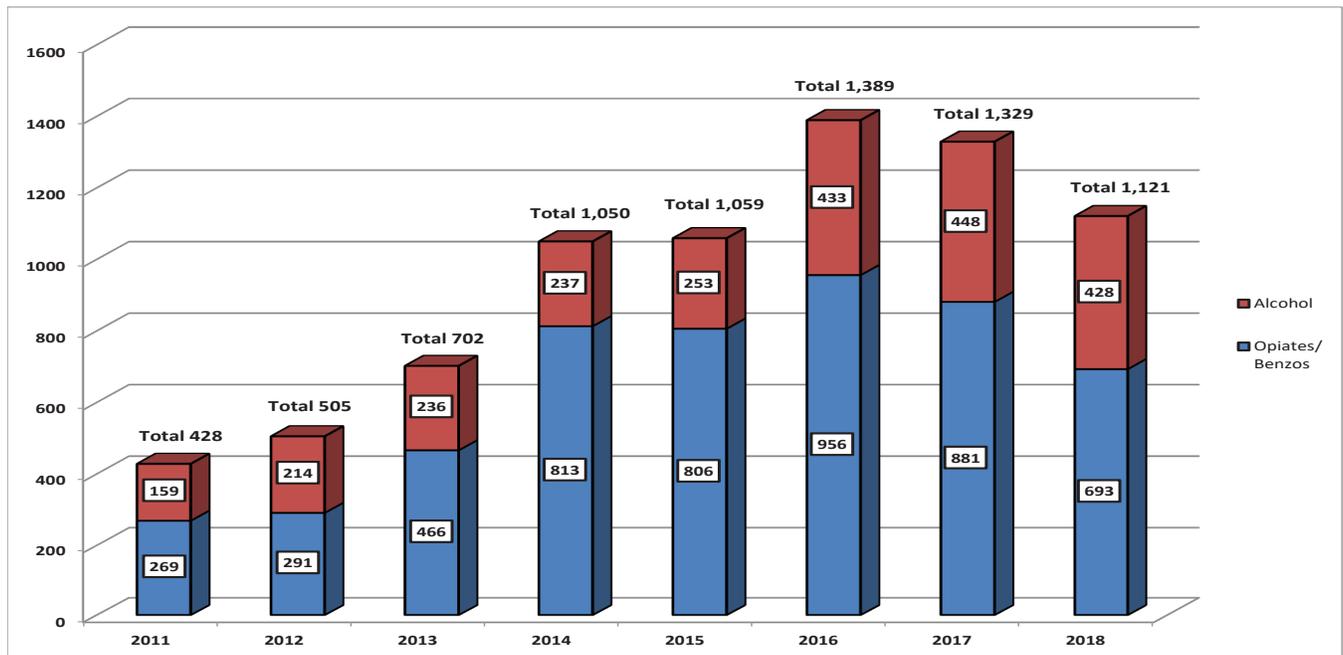
Prison Population



Growing Demand for Services (continued)

Cumberland County Prison

Offenders Receiving Medical Treatment for Substance Abuse Withdrawal (by Year and Substance)



The Court of Common Pleas, in conjunction with other County offices such as the District Attorney (DA) and Public Defender, has continued to modify the court calendar and adjust the number of court days in response to the pressures of a growing court schedule. This approach has helped manage the flow of cases and court-related traffic in and out of the courthouse.

Both the Criminal Justice System and the Human Services agencies are experiencing heightened demand for services due to the opioid epidemic that all of PA is facing. PA has the third-largest heroin supply of any state in the country. The problem is compounded by the large supply of opioid painkillers that are being prescribed by medical practitioners. The chart above shows the rapid increase in inmates needing medical treatment for opioid withdrawal upon admission to the prison from 2011 - 2018. The data for 2018 shows that opioid addiction continues at a very high level among County inmates. The County has formed an opioid overdose prevention taskforce of professionals from criminal justice, human services, and emergency medical services to address this epidemic in our local communities. Taskforce activities have included: community education through presentations and town hall meetings; training for medical practitioners promoting new best practice guidelines for prescribing opioid painkillers; promoting responsible management and disposal of surplus medication using medication drop boxes that have been set up around the County; encouraging access to addiction treatment and recovery support services; and encouraging local police departments to carry the opioid overdose reversal medication, naloxone.

Cumberland County uses a collaborative approach within the Human Services agencies. Families are able to access appropriate services for their members from birth through aging. The Human Services agencies work together through the Human Services Policy Team to assure that clients are referred to the agency that can best meet their needs. Cumberland County Human Services agencies are committed to providing cost-effective, evidence-based, and community-based services in the least-restrictive setting to the consumers in the County.

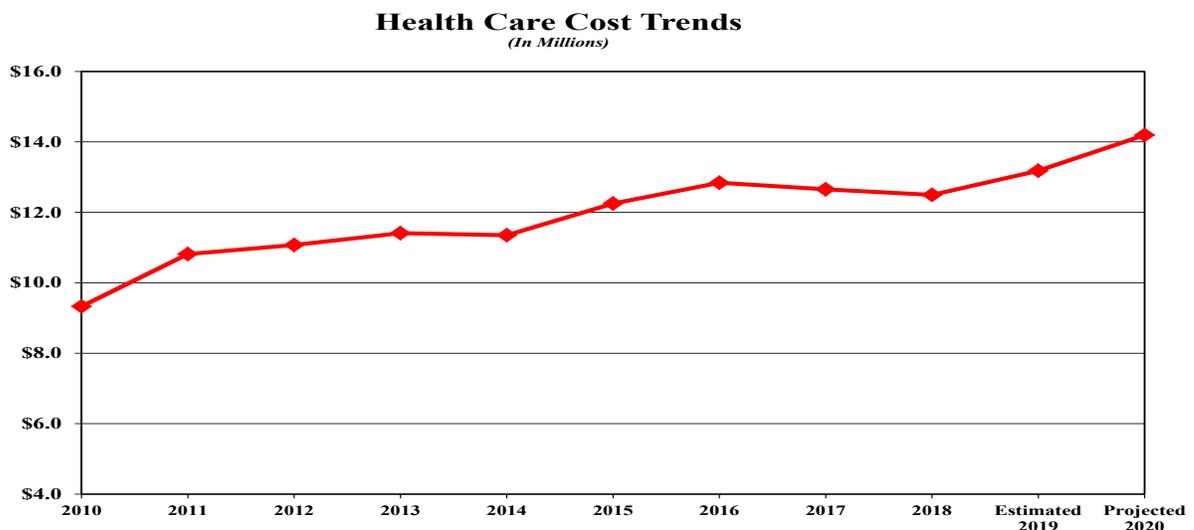
Maintaining a Highly Qualified Workforce

The County works to maintain a well-qualified workforce to serve County residents. The County has a comprehensive compensation plan that is designed to reward employees based on performance as opposed to longevity. The MBC plan is designed to reward and retain the County's high performers and to attract qualified people in skilled positions. The MBC plan was successfully implemented in 2016 and will continue in the future. In order to assure the plan is funded in the future, the Salary Board approved a funding formula that is a combination of overall County performance and the consumer price index. All union employees will receive a pay increase based on their contracts.

New positions are not determined during the budget process. A small contingency is set aside for this purpose. New positions are determined during the year based on business needs. Currently, no new positions are being approved unless there are extenuating circumstances. There is a mandatory reduction in overtime expenditures. CNRC decreased 25 positions due to the use of agency staff. Children & Youth added six positions due to increasing caseload and referrals. Public Safety added two IT (Information Technology) positions. The Sheriff added three positions due to the additional security needed for the 7th Common Pleas Court. Courts added two positions related to the 7th Common Pleas Court.

The County continues to offer a competitive employee benefits package that includes health, dental, vision, life, disability insurance, and retirement. The County has implemented many options that have helped to alleviate the increasing costs of health insurance. In 2018, the County moved to self-insurance for our medical insurance. The County will continue the health and wellness program that promotes a healthy lifestyle and offers a Buy-Up Plan or a Health Savings Account (HSA) health insurance benefit to employees.

An employee's co-pay for the Buy-Up Plan will be 15.0% in 2020. The HSA plan is the County's base plan. These plans are beneficial to both the County and its employees. The health care package includes a wellness incentive that encourages employees to live a healthy lifestyle which in turn will help reduce health insurance costs over the long run. The wellness program and the changes to health insurance have been successful in keeping benefit cost increases below national averages. In 2020, the expenses for the County's Buy-up and HSA plans are increasing by 7.7%. The total County costs are shown in the graph below.



Budget Overview

Based on the chart below, the General Fund revenue is increasing by 4.8%. Real estate tax revenue is increasing by 1.6% due to the natural growth in the taxable assessed real estate values and their collections. Grant revenues are increasing by 74.3% due to expecting the state to provide a 60.0% grant for the cost of the new election equipment. Other revenues are increasing by 8.6% due in part by rising interest rates.

General Fund expenses are increasing by 5.1% for several reasons. Salaries and benefits are increasing by 4.9% due to health insurance increases of 7.7% and retirement increases by 19.8%. Interfund expenses are increasing by 10.0% due to the transfers - out to the Capital Fund for the P25 project. Capital is increasing due to several large projects in 2020 which include a Microsoft Office upgrade, HazMat vehicle, and budget database software.

Unassigned fund balance plus assigned-future budgetary requirements (referred to in this document as unassigned fund balance) for the General Fund, for December 31, 2019, is estimated to be \$34,511,428. That correlates to 144 days of budgeted General Fund operating expense which is in compliance with the County's fund balance policy. The unassigned fund balance will be directly affected by the results of the Commissioners' continued efforts of improving operational efficiency, cost containment, and revenue enhancement over the course of the 2020 budget year.

General Fund	2019 Budget	2020 Budget	Variance	% Change
Tax Revenue	\$58,079,043	\$58,982,006	\$902,963	1.6%
Grant Revenue	\$3,224,098	\$5,618,682	\$2,394,584	74.3%
Interfund Revenue	\$8,911,075	\$8,536,809	\$-374,266	-4.2%
Other Revenue	\$11,840,522	\$12,857,526	\$1,017,004	8.6%
Total Revenue	\$82,054,738	\$85,995,023	\$3,940,285	4.8%
Salaries and Benefits	\$43,056,297	\$45,157,340	\$2,101,043	4.9%
Operating Expense	\$28,036,516	\$28,546,650	\$510,134	1.8%
Interfund Expense	\$12,746,759	\$14,025,670	\$1,278,911	10.0%
Capital Expense	\$3,870,945	\$4,493,760	\$622,815	16.1%
Total Expense	\$87,710,517	\$92,223,420	\$4,512,903	5.1%

Based on the chart on the next page, total County revenues are increasing by 4.9%. Real estate tax revenue is increasing by 1.6% due to the natural growth in the taxable assessed real estate values and their collections. Grant revenue is increasing by 3.6%. The General fund is increasing due to expecting the state to provide a 60.0% grant for the cost of the new election equipment. Liquid Fuels revenues and expenses are increasing due to the complicated nature of the bridge projects which range in time of completion from 18 months to more complex projects which may take three to five years. Construction is slated to start on Wolf and Kunkle bridges. Children & Youth Services Act 148 funding is increasing. Funding is based on the previous year's actuals and as our expenses increase funding should follow. Interfund revenue is increasing by 9.4% due to the transfers - in from the General Fund for the P25 project. Other revenue is increasing by 7.5%. The Capital Fund is increasing due to the PIB loan proceeds that will be used to fund the construction of Sample Bridge. The Retirement Fund is also increasing revenues due to the increase in the Actuarially Determined Contribution (ADC).

Total County expenses are increasing by 4.9%. See the expenditure summary section on pages 50-53 for more details on the changes. In total, the County is budgeting \$9,210,639 of appropriated fund balance. The majority of the usage of fund balance is the General Fund.

Budget Overview (continued)

The fiscal year 2020 budget includes capital projects totaling \$24,349,412. Capital projects will be financed through capital designations in the General Fund and other funds. Each of the capital projects will impact the County’s operating budgets in future years. All departments proposing capital projects are required to analyze the future estimated operating expense on current and future budgets. All costs are considered when determining which capital projects the County will approve.

Total County Budget	2019 Budget	2020 Budget	Variance	% Change
Tax Revenue	\$60,179,043	\$61,182,006	\$1,002,963	1.7%
Grant Revenue	\$113,394,928	\$117,506,063	\$4,111,135	3.6%
Interfund Revenue	\$22,730,180	\$24,869,655	\$2,139,475	9.4%
Other Revenue	\$91,937,185	\$98,871,952	\$6,934,767	7.5%
Total Revenue	\$288,241,336	\$302,429,676	\$14,188,340	4.9%
Salaries and Benefits	\$86,645,245	\$90,790,875	\$4,145,630	4.8%
Operating Expense	\$166,400,206	\$169,330,816	\$2,930,610	1.8%
Interfund Expense	\$25,375,408	\$27,169,212	\$1,793,804	7.1%
Capital Expense	\$18,601,455	\$24,349,412	\$5,747,957	30.9%
Total Expense	\$297,022,314	\$311,640,315	\$14,618,001	4.9%

Major Projects

Bridge Replacements and Repairs	\$ 15,023,746
9-1-1 Radios and Infrastructure	\$ 2,780,000
9-1-1 CAD Replacement	\$ 1,108,710
CNRC Tower Building Ceiling Replacement	\$ 900,000

Capital is requested during the budget process. Capital projects that are smaller in nature are handled similarly to creating additional positions by setting aside a small contingency and approving throughout the year based on business needs. County building projects are normally determined during the budget process. The Information Management Technology Office (IMTO) is allocated \$575,000 to meet their General Fund capital needs in 2020. The remaining General Fund capital is put into a contingency. During the budget year, the capital is approved based on business needs.

The County has found contingency budgeting for positions, capital, and uncertain events (capital cases, prison medical, etc.) very successful. Contingency budgeting removes the decision-making for capital and positions from the actual budgeting process. This allows for a deeper level of evaluation based on a business analysis. The County is not pressured into making a large volume of decisions in a condensed amount of time. We are able to “pool” the risk into one area and give to departments as needed. We have been able to save millions of dollars out of budgets through this process.

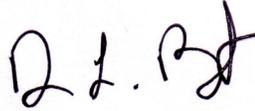
Acknowledgements

We would like to extend our thanks and appreciation to Tammy Bender, Kristen Bushman, Keri Finkenbinder, Brandon Yeager, Chris Sechrist, and all of the staff who contributed to the 2020 budget. It took hard work, dedication, and extra hours to create this document and your extra effort is appreciated.

Respectfully Submitted,



Sandy Moyle
Chief Clerk



Dana L. Best
Chief Financial Officer

Financial Policies

The financial health and welfare of Cumberland County are highly dependent upon establishing and maintaining sound financial-planning objectives and strategies of implementation. These financial management policies assist the decision-making process of the Board of Commissioners (BoC) and County administration while operating independently of changing service and financial circumstances and conditions. These policies also provide guidelines for evaluating both current activities and proposals for future programs and direct the County's financial resources toward meeting the goals and programs of the strategic plan. The implementation of wise fiscal policies enables the County officials to protect the public interest and ensure public trust and confidence.

Financial Philosophies

County officials and management will ensure that sufficient financial resources are maintained to efficiently and effectively support and enhance family-sustaining economic opportunity, ensure public safety, respect and preserve the natural environment, and protect our quality of life for the future.

The philosophy is incorporated into the County's day-to-day decision-making through the adoption of a broad set of financial objectives – enumerated below.

These financial objectives set forth herein are intended to guide the decision-making of both the County Board of Commissioners (BoC) and County management. These objectives shall serve as criteria for evaluating the fiscal appropriateness of both current programs and activities, and proposed future programs and activities. These objectives shall remain constant guides even in a changing environment.

The objectives below support the County's strategic planning process by directing the County's financial resources toward only those programs and activities that meet the County's fiscal objectives.

Cumberland County's financial objectives are:

- Ensure the County maintains a strong financial base sufficient to provide a consistent level of County services even in a changing environment.
- Maintain sound financial practices that meet all applicable standards and continually strive to improve fiscal operations.
- Direct the County's financial resources toward meeting the goals of the County's strategic plan.
- Keep the County in a fiscally sound position in both the short- and long-term.
- Maintain sufficient financial liquidity to meet normal operating and contingent obligations.
- Maintain internal control systems to provide a high level of assurance that financial information is accurately reported on a reliable and cost-effective basis.
- Periodically assess the condition of, and maintain and preserve existing infrastructure and capital assets.
- Guide the BoC and management on policy decisions that have significant financial impact.
- Ensure the County is able to withstand local and regional economic variations and adjust to changes in the service requirements of the community.
- Set forth operating policies that minimize the cost of government and financial risks.
- Promote sound financial management by providing accurate and timely information on the County's financial condition.
- Provide a framework for the wise and prudent use of debt financing, and maintain a high credit rating in the financial community while assuring taxpayers that County government is financially well managed and operated in a sound fiscal condition.

Financial Policies (continued)

Financial Philosophies (continued)

- Ensure the legal use of financial resources through effective systems of internal controls.
- Promote cooperation and coordination with other governmental entities and the private sector in financing and delivery of services.
- Improve productivity and eliminate duplication of County functions through periodic review and evaluation of County programs, processes, and activities.
- Expect service users to pay their fair share of program costs, when appropriate.

As a cornerstone of Cumberland County’s financial management policy, the “fiscal integrity” of the County will be of the highest priority. The County will strive to:

- Maintain the fiscal integrity of its operating, debt service, and capital improvement budgets. It is the County’s intent to maximize the level of public goods and services while minimizing the level of debt and taxes.
- Maintain adequate fund balance.
- Apply “best practices.”
- Restrict the use of one-time monies.

The following is an overview of some of the County’s adopted financial policies.

Budget Policy

The budget is an outcome-oriented budget and will be developed and monitored based on available funding, resources will be allocated based on prioritized results, and monitored based on goals, measures, objectives, and the related results.

Cumberland County’s budget is developed based on Generally Accepted Accounting Principles (GAAP), with a few exceptions. The budget is the same basis of accounting as the major fund statements in the Comprehensive Annual Financial Report (CAFR) with the following differences. The General Fund’s budget does not include certain DA programs. Additionally, the County budgets for indirect costs and library taxes as revenue and expenditures, but they are not reported as such under GAAP. Perry County Health Choices is budgeted on the modified accrual basis but is not reported in Cumberland County’s CAFR.

Cumberland County has two budget years. The fiscal funds run on a July 1st to June 30th fiscal year and the calendar funds run on a calendar year.

The County will maintain a balanced budget. Revenues + Fund Balance + Transfers \geq Expenses.

Any appropriations that are unspent at the end of a budgetary year lapse into the fund balance. The Commissioners approve any necessary amendments for roll-forward amounts by budget resolution for capital projects and grants that expand multiple budget years.

The County Commissioners will be provided quarterly interim budget reports comparing actual versus budgeted revenue and expense activity.

For budgetary purposes in the General Fund, the fund balance is “unassigned fund balance” plus “assigned-future budgetary requirements.”

Financial Policies (continued)

Fund Balance Policy

Cumberland County is dedicated to maintaining a reasonable fund balance sufficient to mitigate current and future risks (i.e. unanticipated emergency expenditures and revenue shortfalls) and to ensure stable tax rates.

By maintaining a sufficient level of fund balance, the County:

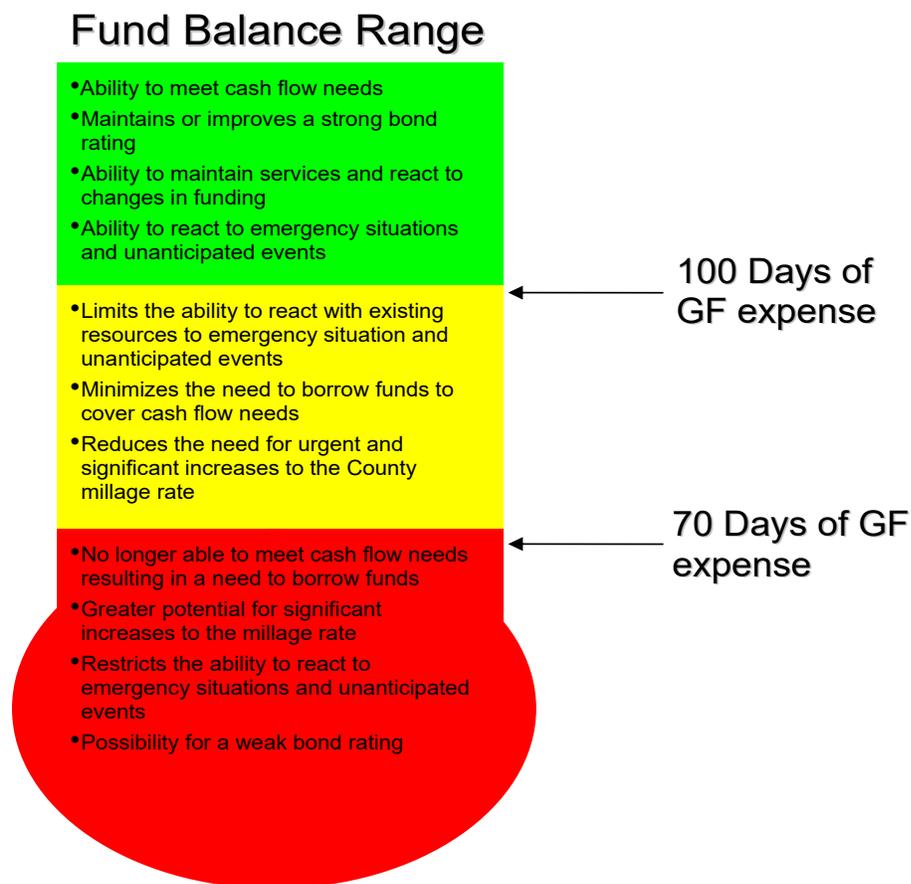
- Reduces the need for urgent and significant increases in the County millage (tax) rate.
- Ensures its ability to effectively react with existing resources to emergency situations and unanticipated events.
- Avoids the need for costly tax anticipation notes.
- Exercises good fiscal management by permitting the development of a more responsible and responsive long-term financial plan.
- Maintains or improves a strong bond rating, thereby reducing future interest expense.
- Maximizes investment earnings by maintaining adequate levels of cash and investments.

Fund balance is the difference between a fund's assets and liabilities.

Cumberland County will maintain an unassigned fund balance in the General Fund of no less than 70 days of budgeted General Fund expenditures. The fund balance will be calculated using the budgeted General Fund expense (salaries, benefits, operating expense, interfund transfers, and capital expense). This balance is the minimum fund balance required to meet our cash flow needs. In order to have the financial resources needed to react to emergency situations and unanticipated events with existing resources, the General Fund will target 100 days of budgeted General Fund expenses. In the event that the General Fund unassigned fund balance falls below the targeted 100 days of budgeted General Fund expense, the Commissioners will develop a plan to increase fund balance over a reasonable amount of time, utilizing a combination of cost containment and revenue enhancements in order to return to the targeted days. The graph on the following page is a depiction of the targeted ranges of fund balance and the considerations that must be evaluated at the differing levels.

Financial Policies (continued)

Fund Balance Policy (continued)



Debt Policy

The County will comply with PA's Act 177 of 1996 the Local Government Unit Debt Act. This Act sets the County's legal debt limits. In addition, the County is committed to maintaining a low total direct indebtedness and it will not exceed \$355 per capita (approximately \$90 million). The County is committed to complying with the Securities and Exchange Commission rules, Government Finance Officers Association (GFOA) guidelines, and Internal Revenue Service requirements.

The County seeks to maintain or improve its current Standard & Poor's bond rating so borrowing costs are minimized and access to credit is improved.

Long-term debt will not be used to finance current operations or to capitalize expenses. The County will avoid the use of long-term debt to finance items traditionally funded in the annual operating budget such as retirement contributions, facility maintenance, repairs, recurring equipment purchases, etc.

Where acquisitions are financed by issuing general obligation bonds/notes, the bonds/notes will be paid off in a period not to exceed the expected life of the acquisitions. The County will structure our financing to retire 50.0% of total principal outstanding within ten years.

The County will avoid the use of tax anticipation notes, swaps, and derivatives.

The County will evaluate and refund general obligation debt if substantial present value savings can be generated.

Financial Policies (continued)

Debt Policy (continued)

The proceeds from long-term debt will be invested according to the County's investment policy and in a manner so as to avoid non-compliance with arbitrage regulations.

The County will issue general obligation bonds and notes either through competitive bid or negotiated sales based on current circumstances.

Selection of consultants for the providing of professional services for any bond issue will be based upon qualification.

Investment Policy

The primary objectives, in priority order, of the investment policy are safety, liquidity, and yield.

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio while minimizing credit and interest rate risk.

The portfolio shall remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated.

The investment portfolio shall be structured in order to realize a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. ROI is of secondary importance compared to safety and liquidity objectives. The core of investments is limited to relatively low-risk securities in anticipation of earning a fair return to the risk being assumed.

Capital Policy

This policy is to ensure the effective management of the County's capital assets, which are the foundation of the County's strategic plan, and meeting the needs of the constituents.

The County will develop capital plans for major capital projects, technology, and other capital purchases and replacements. The plans will be developed using information from the strategic plan, comprehensive plans, facility master plans, and identifying present and future service needs that require capital infrastructure or equipment.

The plans will be developed with attention given to:

- Capital assets that require repair, maintenance, or replacement that if not addressed will result in higher costs in future years.
- Projects with revenue-generating potential or cost avoidance potential.
- Changes in policy and community needs.

Capital expenditures are expenditures made to acquire, add to, or improve property, plant, and equipment. Capital expenditures have a useful life greater than one year. Cumberland County's minimum dollar threshold for capital expenditures is defined by the Controller's Office and is currently:

- \$5,000 threshold
- or \$50,000 threshold for leases used to finance the use or acquisition of equipment.

Debt

Legal Debt Margin Estimated for year ended 2019

Borrowing Base Revenue:	
2018	196,406,821
2019 Estimated	211,323,744
2020 Estimated	<u>215,550,219</u>
Total Revenue	<u><u>623,280,784</u></u>

Debt Limit for General Obligation Debt

Average borrowing base revenues	207,760,261
Debt limit percentage	<u>300%</u>
Debt limit	<u>623,280,783</u>
Total amount of debt applicable to debt limit (12/31/19)	<u>27,420,000</u>
Legal Debt margin	595,860,783

Debt limit for General Obligation Debt and Net Lease Rental Debt

Average borrowing base revenues	207,760,261
Debt limit percentage	<u>400%</u>
Debt limit	<u>831,041,044</u>
Total amount of debt applicable to debt limit (12/31/19)	<u>27,420,000</u>
Legal Debt margin	803,621,044

Current Debt Outstanding

	Interest Rate	Final Maturity	Original Issue	Governmental Activities	Business-Type Activities	Total Outstanding
G.O. note - 2003 issue	5.857%	2022	715,000	715,000	-	715,000
G.O. bonds - 2013 issue	2%-5%	2021	14,670,000	1,337,285	1,512,715	2,850,000
G.O. bonds - 2014 issue	2%-2.25%	2024	4,865,000	-	1,300,000	1,300,000
G.O. bonds - 2016 issue	2%-5%	2028	11,470,000	10,515,000	-	10,515,000
G.O. bonds - 2018 issue	1.4%-3%	2031	12,140,000	12,040,000	-	12,040,000
Long-term debt December 31, 2019				<u>24,607,285</u>	<u>2,812,715</u>	<u>27,420,000</u>

Debt (continued)

Annual Debt Service Requirements:

	<u>General Long-Term Debt</u>		<u>General Long-Term Debt</u>		<u>Enterprise Fund</u>	
	General Fund		Emergency Telephone		Nursing Home	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	1,600,000	881,778	718,021	39,431	1,271,979	63,944
2021	1,845,000	795,653	619,264	12,485	745,736	28,840
2022	2,650,000	701,153			260,000	13,975
2023	2,040,000	559,950			265,000	8,725
2024	2,140,000	455,450			270,000	3,038
2025	2,230,000	364,725				
2026	2,305,000	288,775				
2027	2,380,000	215,350				
2028	2,445,000	144,850				
2029	1,175,000	91,425				
2030	1,210,000	55,650				
2031	1,250,000	18,750				
Total	<u>23,270,000</u>	<u>4,573,508</u>	<u>1,337,285</u>	<u>51,916</u>	<u>2,812,715</u>	<u>118,521</u>

	Year	New Projects	Refinanced Projects	Year of Original Issue
G.O.N.-	2003	Farmland Preservation		
G.O.B.-	2013		Energy Program, CNRC Renovations, Public Safety 800 MHz Project, Purchase Ritner Bldg, and renovations	2000, 2001, 2005, and 2009
G.O.B.-	2014	CNRC Rehabilitation Center Renovations	CNRC Renovations, Public Safety 800 MHz project, Farmland Preservation and Open Space, Enterprise Resource Program, and misc projects	1999, 2002, and 2004
G.O.B.-	2016		Prison Renovations	2008
G.O.B.-	2018		Prison Renovations	2011

The County is well below their internal policy of \$355 per capita (approximately \$90 million) maximum debt. Currently the County has \$27.42 million in debt which is approximately \$108 per capita. The County is planning on financing several new projects over the next several years to include capital bridge replacements and the 9-1-1 radios and infrastructure project.

Budget Process

Formal budgetary accounting is employed as a management control in the County's governmental funds. Annual operating budgets are adopted each year through the passage of an annual budget ordinance.

Cumberland County's budget is developed based on GAAP with a few exceptions. The budget is the same basis of accounting as the major fund statements in the Comprehensive Annual Financial Report (CAFR) with the following differences. The General Fund's budget does not include certain DA Programs. Additionally, the County budgets for indirect costs and library taxes as revenue and expenditures, but they are not reported as such under GAAP. Perry County Health Choices is budgeted on the modified accrual basis but is not reported in Cumberland County's CAFR.

The General Fund presentation in the basic financial statements is made up of several consolidated funds; whereas, in the legally adopted budget, these funds are budgeted separately. Therefore, these funds are added to the General Fund on a budgetary basis in order to reconcile to the General Fund presentation in the basic financial statements.

The legally adopted budget does not include the Cumberland Area Economic Development Corporation (a blended component unit), Cumberland County Industrial Development Authority (a component unit), and certain DA Programs. Additionally, the County budgets for indirect costs and library taxes as revenue and expenditures, but they are not reported as such under GAAP. The County budgets for the Perry County Health Choices Program, but it is excluded from the CAFR.

Funds contained in the legally adopted budget are presented on either a calendar year ended December 31st or on a fiscal year ended June 30th.

Cumberland County follows these procedures in establishing the budget data presented in the budgetary comparison schedules.

During the months of February and March for fiscal budgets, and July and August for calendar funds, each department reviews current and prior year financial information to develop budget projections for the upcoming fiscal year. These projections often are developed in consultation with the County Finance Office. The results are submitted by each department in a standard format to the County Finance Office as a preliminary budget proposal.

The County Finance Office reviews all submissions and consults with departments as needed to substantiate the basis for requests and to refine the budget projections. The County Finance Office makes necessary adjustments to department submissions and compiles the data for presentation to the Board of Commissioners, which occurs during a public hearing process.

- The County Finance Office and the Chief Clerk develop a revenue projection and financing strategy in support of the proposed budget. A preliminary budget including revenue and expenditure projections is submitted to the BoC for consideration.
- The final budget is presented to the BoC and after proper public notice is placed on display for a period of 20 days in accordance with the County Code. The BoC adopt the budget after the necessary inspection period by enacting a formal budget resolution. The resulting budget is published in written form.
- The BoC may at any time, by resolution, at an advertised public meeting, make supplemental appropriations for any lawful purpose from any funds on hand. These funds include amounts estimated to be received within the fiscal year and not otherwise appropriated as well as the proceeds of any borrowing authorized by law.

Budget Process (continued)

- The BoC may authorize the transfer of all or part of any unencumbered balances. The BoC must approve changes to overall appropriations at the fund level. Therefore, the legal level of budgetary responsibility is by fund.

Actual expenditures and operating transfers - out may not legally exceed budget appropriations at the individual fund level.

Encumbered and unencumbered appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

Budget Timeline

February						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February 2019

- February 12: Expense, revenue, and salaries of fiscal funds are downloaded from Lawson to the budget database
- February 22: Budget guidelines and preparation materials are sent to departments
- February 22 - March 29: Budgets are available online for department budget requests

March 2019

- February 22 - March 29: Budgets are available online for department budget requests
- March 29: Proposed budgets are due to Finance

April 2019

- April 1 - April 12: Finance review of proposed budgets
- April 8 & 15: Meeting with Chief Clerk
- April 15 - 16: Work session preparation
- April 17: Work session with fiscal departments
- April 22: Preliminary fiscal budgets are available for Board of Commissioners review

May 2019

- May 2 - May 30: Preliminary fiscal budget placed on view for public inspection for 20 days
- May 29: Presentation of County's financial condition

June 2019

- June 3: Fiscal budget is approved/adopted by Board of Commissioners
- June 4: Fiscal budget upload to Lawson database
- June 28: Salaries of calendar funds are downloaded from Lawson to the budget database

July 2019

- July 11: Expense and revenue of calendar funds are downloaded from Lawson to the budget database
- July 18: Budget guidelines and preparation materials sent to departments
- July 18 - August 20: Budgets are available online for department budget requests

August 2019

- July 18 - August 20: Budgets are available online for department budget requests
- August 20: Mission and core activities reviewed by department and finalized
- August 21 - September 20: Finance review of proposed budgets

September 2019

- August 21 - September 20: Finance review of proposed budgets
- September 3: Performance goals and measures reviewed by department and finalized

October 2019

- October 4, 10, & 23: Meeting with Chief Clerk
- October 9: Presentation of County's financial condition
- October 14: Work sessions are held with pre-selected departments
- October 31: County Strategy completed

November 2019

- November 4 - November 27: Preliminary calendar budget placed on view for public inspection for 20 days

December 2019

- December 2: Calendar budget is approved/adopted by Board of Commissioners
- December 3: Calendar budget upload to Lawson database

Performance Measure Groups Cross-Classification Guide

Administration	Fund(s)	Fund Type
Assessment	General Fund	General Fund
Commissioners	General Fund	General Fund
Communications	General Fund	General Fund
Elections	General Fund	General Fund
Finance	General Fund	General Fund
Human Resources	General Fund	General Fund
IMTO	General Fund	General Fund
Solicitors	General Fund	General Fund

Criminal Justice	Fund(s)	Fund Type
Clerk of Courts	General Fund	General Fund
Criminal Justice Services	Criminal Justice Services	General Fund
District Attorney	General Fund, Victim Witness Assistance Program, Stop Grant, Insurance Fraud	General Fund, Special Revenue
Prison	General Fund	General Fund
Public Defender	General Fund	General Fund
Adult Probation	General Fund, Offender Supervision, ARD Program	General Fund, Special Revenue
Courts	General Fund	General Fund
Domestic Relations	Domestic Relations	Special Revenue
Juvenile Probation	General Fund	General Fund
Magisterial District Judges	General Fund	General Fund

Human Services	Fund(s)	Fund Type
Children & Youth Services	Children & Youth Services	Special Revenue
Drug & Alcohol	Drug & Alcohol	Special Revenue
Health Choices	Cumb Cty Health Choices, Perry Cty Health Choices	Special Revenue, Fiduciary
Library	General Fund	General Fund
Mental Health, Intellectual & Developmental Disabilities	Mental Health, Intellectual & Development Disabilities	Special Revenue
Nursing Home	Nursing Home	Enterprise
Office of Aging & Community Services	Aging, Community Services, Human Services Development Fund, Fiscal Employer Agent	Special Revenue
Veterans' Affairs	General Fund	General Fund

Public Safety	Fund(s)	Fund Type
Coroner	General Fund	General Fund
Public Safety	General Fund, Emergency Telephone 9-1-1, Capital Funds - Bond Projects	General Fund, Special Revenue, Capital Project
Sheriff	General Fund	General Fund

Performance Measure Groups Cross-Classification Guide

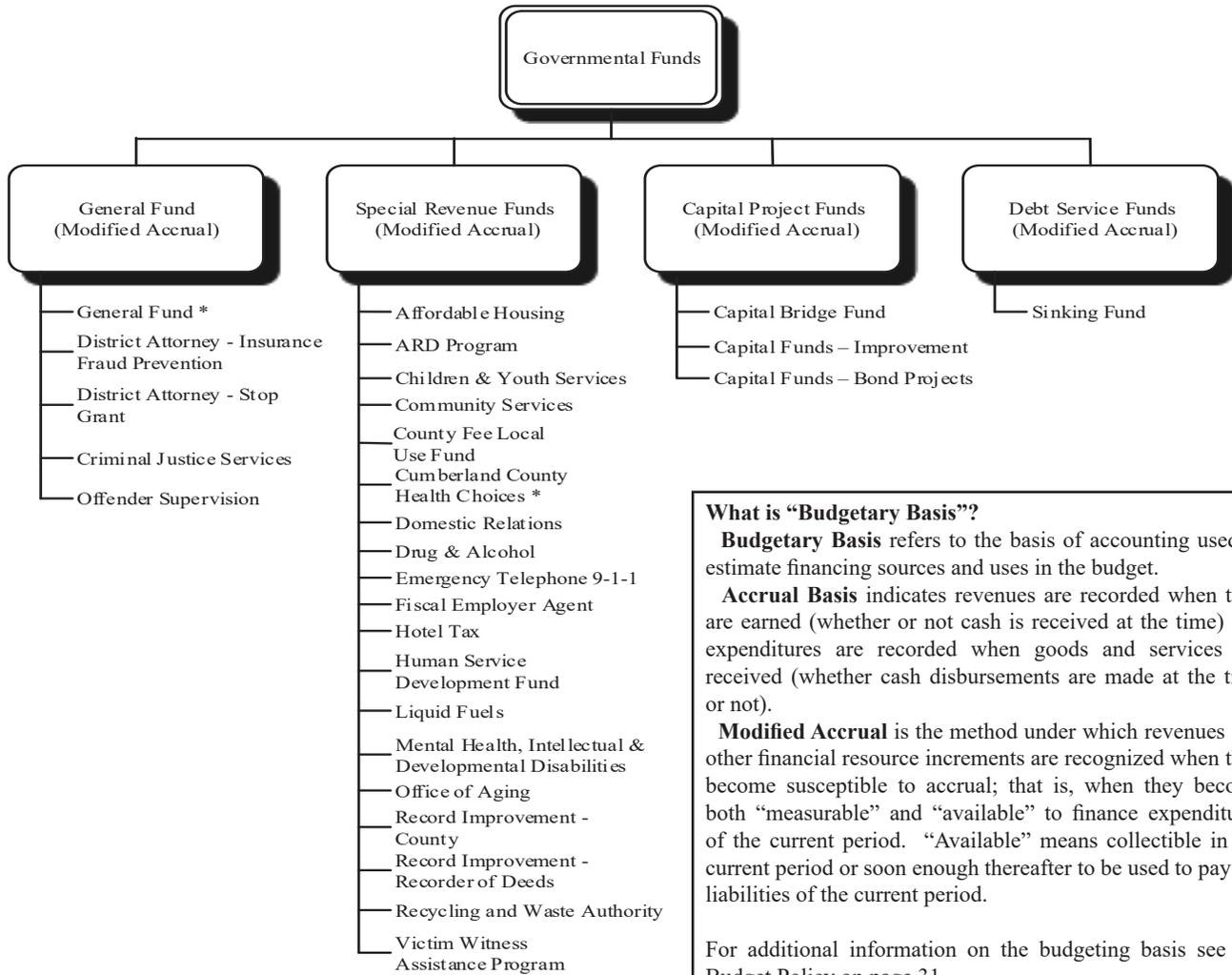
Records and Licensing	Fund(s)	Fund Type
Controller	General Fund	General Fund
Prothonotary	General Fund	General Fund
Recorder of Deeds	General Fund, Records Improvement - Deeds	General Fund, Special Revenue
Register of Wills/Clerk of Orphans' Court	General Fund	General Fund
Treasurer	General Fund	General Fund

Agricultural, Development, and Planning	Fund(s)	Fund Type
Agricultural Extension	General Fund	General Fund
Conservation District	Conservation District - Clean Water, Chesapeake Bay, District Programs, Dirt & Gravel Roads	Component Units
Planning	General Fund	General Fund
Vector Control and Weights & Measures	General Fund	General Fund

Transportation and Infrastructure	Fund(s)	Fund Type
Bridges/Liquid Fuels	Liquid Fuels, Capital Bridge Fund, County Fee Local Use Fund, Capital Funds - Improvement	Special Revenue, Capital Project
Facilities Management	General Fund	General Fund
Recycling & Waste Authority	Recycling & Waste Authority	Special Revenue

Other Government Operations	Fund(s)	Fund Type
General Fund Revenue	General Fund	General Fund
Administrative Services	General Fund	General Fund
Affordable Housing	Affordable Housing Fund	Special Revenue
Debt	General Fund, Sinking Fund	General Fund, Debt Service
Grants	General Fund	General Fund
Hotel Tax	Hotel Tax	Special Revenue
Insurance	General Fund, HRA, Health Care Self-Insurance	General Fund, Internal Service
Records Improvement - County	Records Improvement - County	Special Revenue
Retirement	Retirement	Fiduciary
Subsidies	General Fund	General Fund
Workers' Compensation	Workers' Compensation	Internal Service
Other Government Operations	General Fund	General Fund

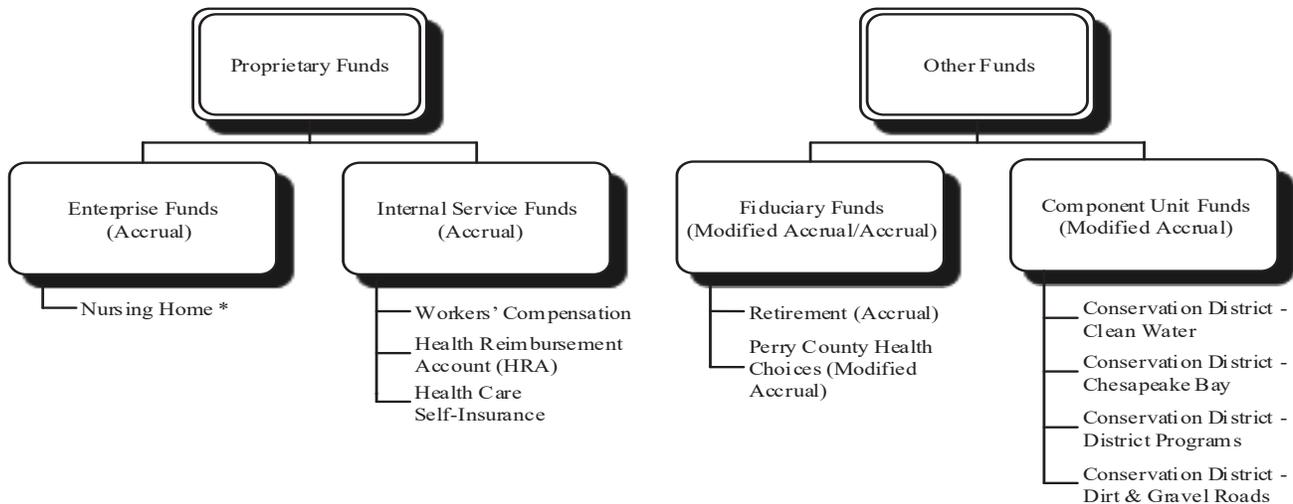
Cumberland County Fund Structure



What is "Budgetary Basis"?
Budgetary Basis refers to the basis of accounting used to estimate financing sources and uses in the budget.
Accrual Basis indicates revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at the time or not).
Modified Accrual is the method under which revenues and other financial resource increments are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available" to finance expenditures of the current period. "Available" means collectible in the current period or soon enough thereafter to be used to pay the liabilities of the current period.

For additional information on the budgeting basis see the Budget Policy on page 31.

* Indicates Major Funds



Fund Types

-----Governmental Funds-----

A group of funds that consist of General, Special Revenue, Capital Projects, and Debt Service Funds.

General Fund - The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds account for the financial resources used for the acquisition and capital construction of major capital facilities in governmental funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

-----Proprietary Funds-----

Classification used to account for a government's ongoing organization and activities that are similar to those found in the private sector (i.e. Enterprise and Internal Service Funds).

Enterprise Funds - Enterprise Funds account for the County's ongoing activities that are similar to private business enterprises - where the intent of the County is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or cost reimbursement plans.

Internal Service Funds - Internal Service Funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Workers' Compensation and Health Care Self-Insurance funds.

-----Other Funds-----

A group of funds that consist of Fiduciary and Component Unit Funds.

Fiduciary Funds - Fiduciary Funds are used to account for resources held for the benefit of parties outside the County. Fiduciary Funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

Component Unit Funds - Component Unit Funds are used to account for legally separate organizations for which the primary government is financially accountable.

-----Major Funds-----

A group of funds that revenues or expenditures, excluding other financing sources and uses, constitute more than 10.0% of the 2020 Cumberland County Budget.

General Fund - The General Fund is the County's chief operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. The majority of administrative, judicial, corrections, public safety, debt service, and subsidies to human service programs are financed through revenues of the General Fund.

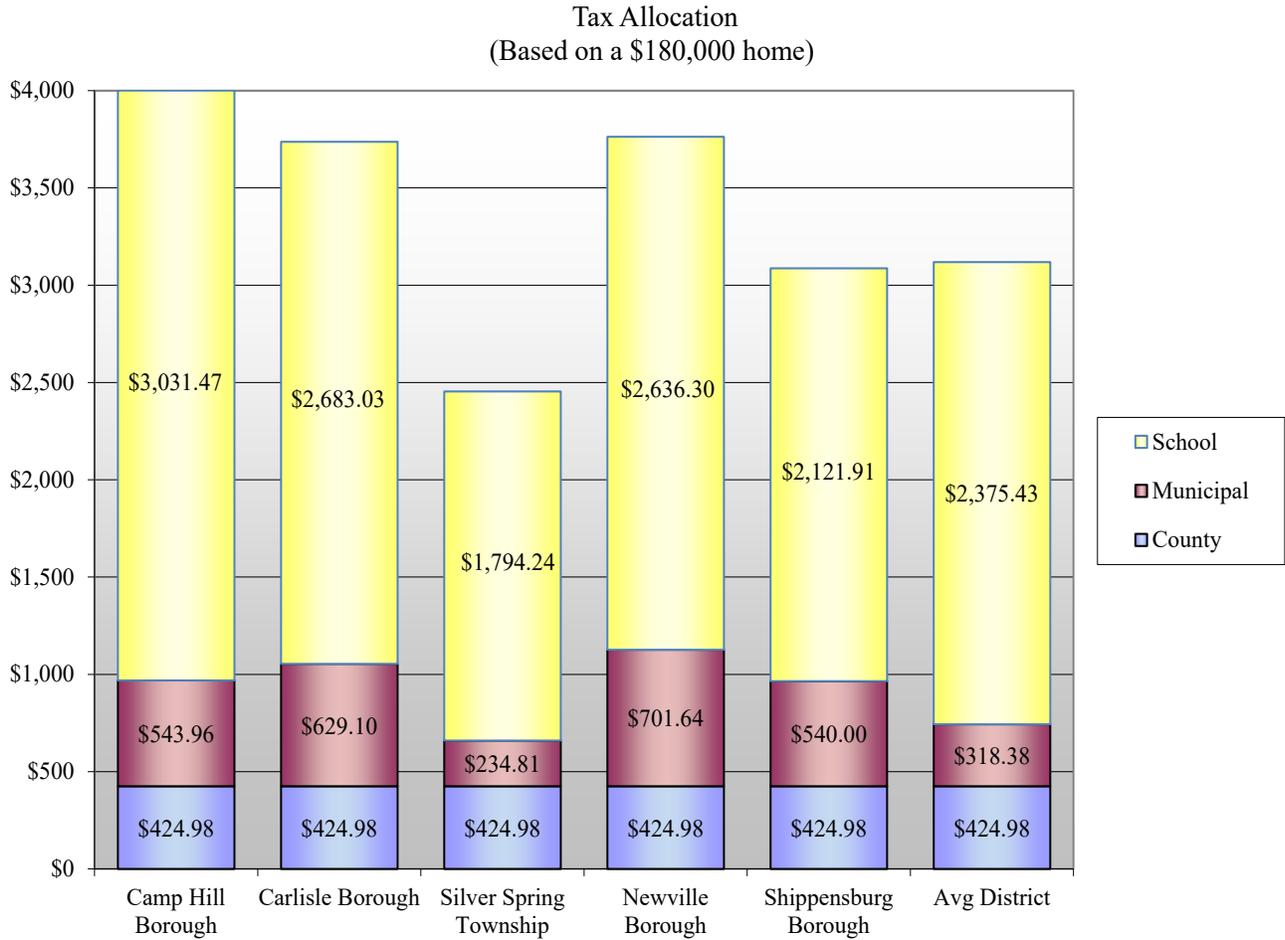
Fund Types (continued)

Cumberland County Health Choices - The Cumberland County Health Choices fund accounts for the County's participation in PA's innovative mandatory managed care program for Medical Assistance (MA) consumers. The program is designed to improve access to and quality of care for MA consumers throughout PA and stabilize the Commonwealth's MA Spending.

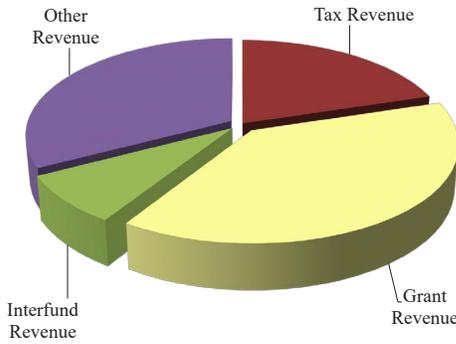
The County Nursing Home - The County Nursing Home Fund accounts for the operations of the County-owned Claremont Nursing & Rehabilitation Center (CNRC). CNRC is a 282-bed facility that provides state-of-the-art therapeutic nursing care for a variety of needs. CNRC is a community-based nursing and rehabilitation center with an open admission policy, focused on providing quality skilled nursing services to residents in a caring and dignified environment.

Tax Allocation

Real estate tax revenues are charged by three separate governmental entities: the Township/Borough, Cumberland County, and the local school district. Your tax dollar amount is based on the millage rate per the assessed value of real estate property. Based on a \$180,000 home, on average the Township/Borough tax is 10.21% (\$318.38), Cumberland County tax is 13.63% (\$424.98), and school district tax is 76.16% (\$2,375.43) of your total tax bill.



Major Sources of Revenue

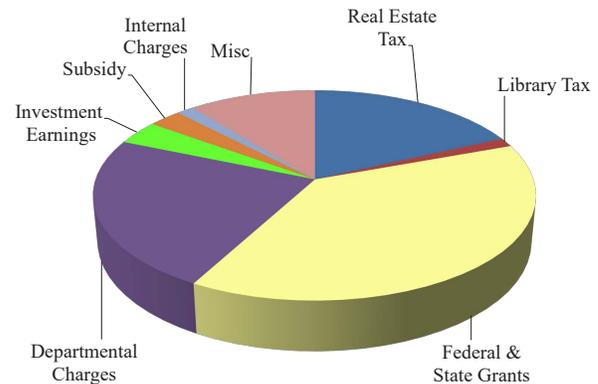


Revenue

Tax Revenue	\$61,182,006	20.2%
Grant Revenue	\$117,506,063	38.9%
Interfund Revenue	\$24,869,655	8.2%
Other Revenue	\$98,871,952	32.7%
Total	\$302,429,676	100.0%

Categories of Revenue

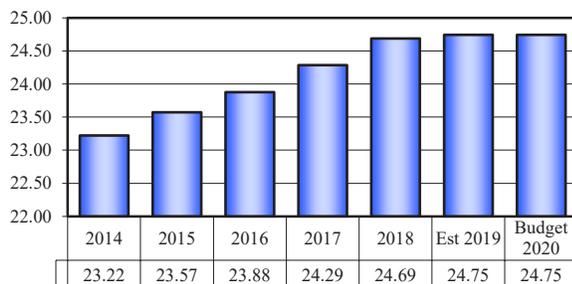
Real Estate Tax	\$54,643,697	18.1%
Library Tax	\$4,132,594	1.4%
Federal & State Grants	\$116,470,940	38.5%
Departmental Charges	\$70,637,411	23.4%
Investment Earnings	\$11,182,760	3.7%
Subsidy	\$8,471,230	2.8%
Internal Charges	\$4,307,539	1.4%
Misc	\$32,583,505	10.8%
Total	\$302,429,676	100.0%



Tax Revenue - 20.2% - \$61,182,006 - Comprises three main types of revenue: real estate, library, and hotel tax.

Real Estate Tax - 18.1% - \$54,643,697 - The County is permitted by the County Code of the Commonwealth of PA 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 2020, 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.

Total Taxable Assessed Value (In Billions)



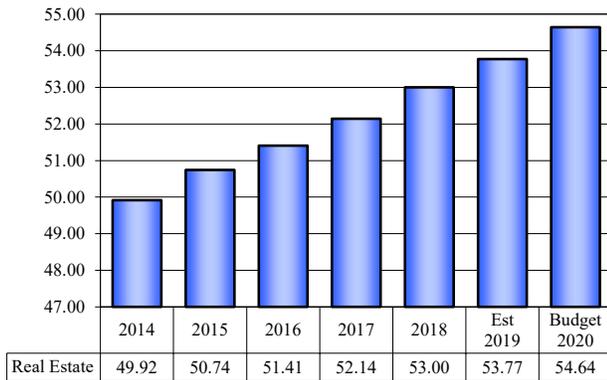
Cumberland County Tax Rate

	County	Library	Total
2011	1.902	0.143	2.045 *
2012	1.902	0.143	2.045
2013	2.131	0.143	2.274
2014	2.195	0.143	2.338
2015	2.195	0.143	2.338
2016	2.195	0.143	2.338
2017	2.195	0.166	2.361
2018	2.195	0.166	2.361
2019	2.195	0.166	2.361
2020	2.195	0.166	2.361

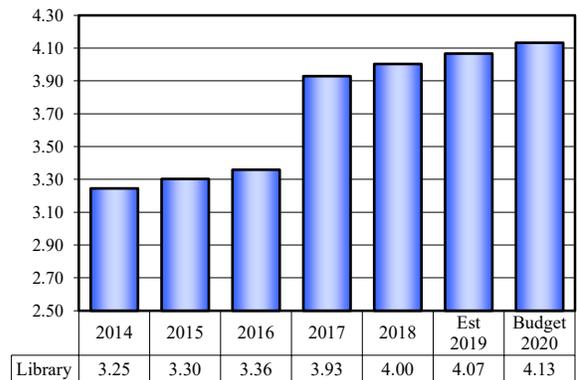
* Millage adjustment due to reassessment

Major Sources of Revenue (continued)

Real Estate Tax Revenue
(In Millions)



Library Tax Revenue
(In Millions)



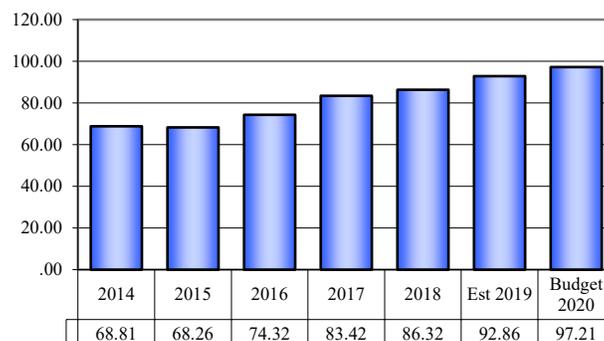
Library Tax - 1.4% - \$4,132,594 - An additional levy was approved by the electorate for the County library system at 0.166 mills. Library tax revenue is based on the estimated assessed values for real estate taxes.

Hotel Tax - 0.7% - \$2,200,000 - The hotel tax is the tax levied on the privilege of occupancy of hotel and motel rooms and similar space. The tax is paid monthly to the County, of which 98.0% is remitted to the Cumberland Area Economic Development Corporation (CAEDC) to promote tourism, and the remaining 2.0% is retained by the County for administrative expenses. The current rate is 3.0%. This projection is based on historical growth data.

Grant Revenue - 38.9% - \$117,506,063 - Comprises one main type of revenue: federal and state grant revenue.

Federal and State Grant Revenue - 38.5% - \$116,470,940 - 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. Human Services grant monies are estimated with level funding for 2019/2020 with the exception of Health Choices. Health Choices was budgeted to increase based on population growth, the ratings group of the individuals being served, and the rates approved by the state. However, after the budget was approved, the state entered into a single Health Choices Behavioral Agreement with the Capital Area Behavioral Health Collaborative on behalf of the County as of July 1, 2019. As of July 1st, the Health Choices funding will no longer pass through the County.

Human Services Federal/State Grant Money
(In Millions)



Major Sources of Revenue (continued)

Interfund Revenue - 8.2% - \$24,869,655 - Comprises three main types of revenue: subsidy, transfers, and internal charges.

Subsidy - 2.8% - \$8,471,230 - Reflects the transfer of tax dollars from the General Fund to meet program match requirements or to subsidize projected operating deficits. Children & Youth Services' subsidy is increasing due to the overmatch received in 2018 and 2019. There is no expected overmatch in 2020. Criminal Justice Services' subsidy is increasing due to the increased expenses for the Opioid Intervention Court.

Subsidy by Fund	2014	2015	2016	2017	2018	Est. 2019	Budget 2020
District Attorney - Stop Grant - Calendar	125,564	84,454	137,520	154,757	143,498	86,099	49,316
Criminal Justice Services	169,726	277,319	288,068	337,968	356,459	489,601	879,876
Human Services Administration	27,289	0	0	0	0	0	0
Affordable Housing	838	0	0	0	0	0	0
Children & Youth Services	2,582,745	2,610,493	3,245,608	4,071,553	3,169,240	2,740,186	4,223,213
Domestic Relations	977,016	970,067	1,085,976	991,339	1,072,067	1,093,508	1,322,013
Drug & Alcohol	205,939	205,939	205,939	205,939	235,860	241,957	250,769
HSDf	0	0	0	9,167	11,062	11,405	18,763
MH.IDD	480,253	463,652	536,538	465,933	515,347	551,374	589,018
Office of Aging	29,664	50,410	65,186	192,320	208,145	209,994	405,362
Community Services	0	0	0	0	0	0	30,800
Victim Witness Assistance Program	201,737	216,672	197,842	143,639	127,077	172,824	267,521
Fiscal Employer Agent	(854)	(1,205)	(1,309)	(841)	0	0	0
Emergency Telephone 9-1-1	1,974,343	2,082,348	303,527	306,142	320,681	336,715	295,279
Conservation District - Clean Water	49,300	49,300	49,300	49,300	49,300	49,300	49,300
Conservation District - District Programs	92,981	78,021	99,341	77,703	48,076	62,499	90,000
Total	6,916,541	7,087,470	6,213,536	7,004,920	6,256,812	6,045,462	8,471,230

Transfers - 4.0% - \$12,090,886 - Amounts transferred between funds to finance County services to the citizens. The majority of this category is the transfer to the sinking fund from the General Fund, Nursing Home, and Emergency Telephone 9-1-1 to cover the bond payments. In 2020, the Capital Funds - Bond Projects is increasing \$2,450,000 due to the transfers - in from the General Fund for the P25 project.

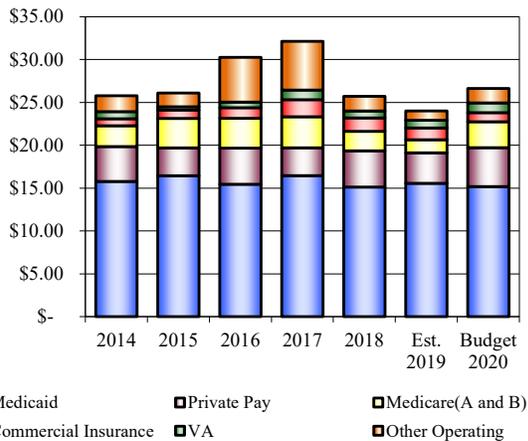
Internal Charges - 1.4% - \$4,307,539 - An annual cost allocation plan is developed in conformance with federal regulations as set by the Office of Management and Budget's uniform guidance. The County receives revenue from the reimbursements from the Human Services Agencies and Emergency Telephone 9-1-1 as well as maintenance for the Human Services Building and the Domestic Relations Office. The County also receives reimbursements from the library system.

Other Revenue - 32.7% - \$98,871,952 - Comprises three main types: departmental charges, investment earnings, and operating fees.

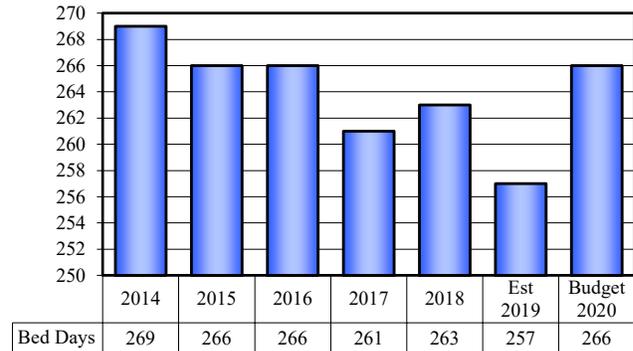
Departmental Charges - 23.4% - \$70,637,411 - The majority of this category are fees charged by the County nursing home. The revenues are estimated based on projected bed days filled, case mix, and current rates. Medicare rates as of October 1, 2019 switch to a new system of payment called Patient-Driven Payment Model (PDPM). Centers for Medicare and Medicaid Services (CMS) has moved away from Resource Utilization Groups (RUG) rates. Medicaid rates for January 1, 2020, will remain basically flat noting that this is the effective date for Managed Medicaid. The County is self-insured for medical insurance. The medical premium revenue for 2020 will increase by 7.7%.

Major Sources of Revenue (continued)

CNRC Operating Revenue by Payer
(In Millions)



CNRC Bed Days

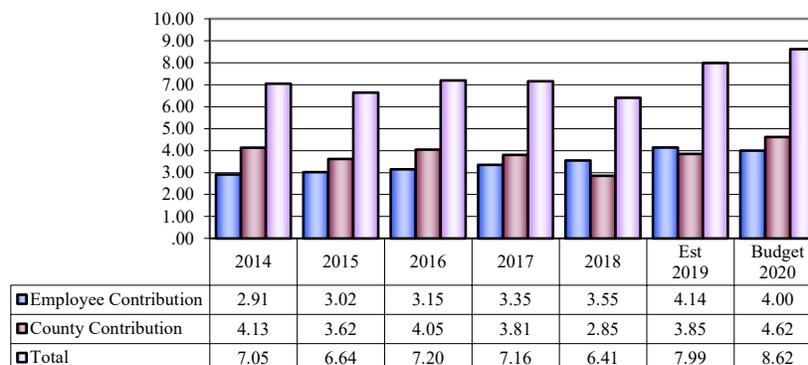


Investment Earnings - 3.7% - \$11,182,760 - Interest is estimated by looking at the current trend of interest rates and estimated cash on hand. Interest rates for 2020 are estimated to average 2.4%. Interest for the Retirement and Workers' Compensation funds is estimated based on the current market value trends of our investments. Realized gains in the Retirement Fund are budgeted to decrease in 2020.

Investment Earnings	2014	2015	2016	2017	2018	Est. 2019	Budget 2020
Interest	1,741,902	1,542,144	1,729,910	2,039,547	2,828,890	2,439,328	3,160,760
Dividends	3,375,548	3,418,141	4,174,726	3,924,592	6,328,879	3,000,000	3,000,000
Realized Gains	8,989,622	4,173,135	20,415,048	2,697,410	6,052,829	6,000,000	5,000,000
Unrealized Gains	-1,868,771	-8,165,889	-11,075,847	21,909,585	-23,855,750	2,000	22,000

Other Non-Operating - 4.5% - \$13,625,050 - The majority of this category is the County and employee contributions to the County retirement plan and the PIB loan proceeds. The County contributions are budgeted based on an estimate from our actuary in October. The 2019 Actuarially Determined Contribution is expected to increase \$764,000. The employee contributions are based on 5.0% of estimated salaries. The PIB loan proceeds will be used to fund the construction of Sample Bridge.

Retirement
(In Millions)

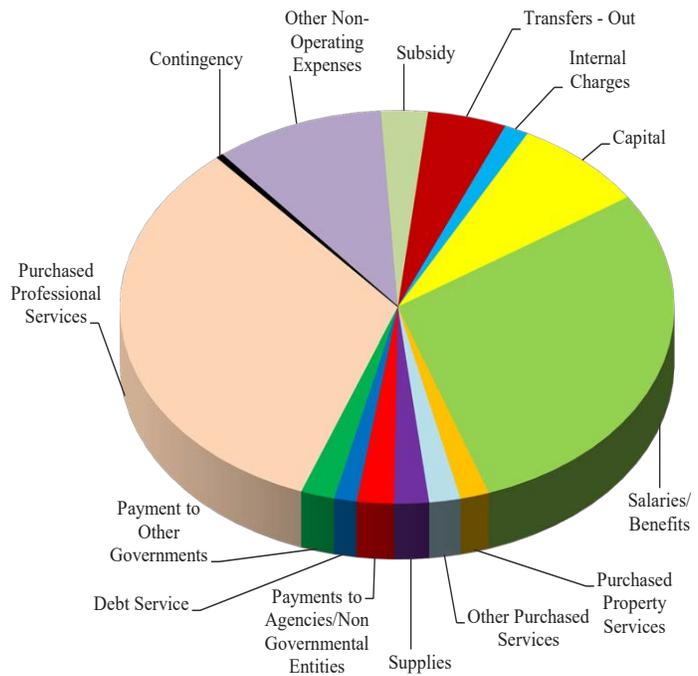


Expenditure Summary

	2019 Budget	2020 Budget	Variance
Salaries/Benefits	\$86,645,245	\$90,790,875	\$4,145,630
Purchased Professional Services	\$102,861,912	\$103,108,573	\$246,661
Purchased Property Services	\$5,166,724	\$5,257,671	\$90,947
Other Purchased Services	\$5,661,419	\$5,684,505	\$23,086
Supplies	\$6,240,202	\$6,303,713	\$63,511
Payments to Agencies/Non Governmental Entities	\$6,474,951	\$6,696,603	\$221,652
Debt Service	\$4,205,952	\$4,076,987	\$-128,965
Payment to Other Governments	\$5,374,875	\$6,128,514	\$753,639
Contingency	\$886,421	\$1,200,000	\$313,579
Other Non-Operating Expenses	\$29,527,750	\$30,874,250	\$1,346,500
Subsidy	\$8,893,464	\$8,471,230	\$-422,234
Transfers - Out	\$11,953,867	\$14,296,133	\$2,342,266
Internal Charges	\$4,528,077	\$4,401,849	\$-126,228
Capital	\$18,601,455	\$24,349,412	\$5,747,957
Total Expense	\$297,022,314	\$311,640,315	\$14,618,001

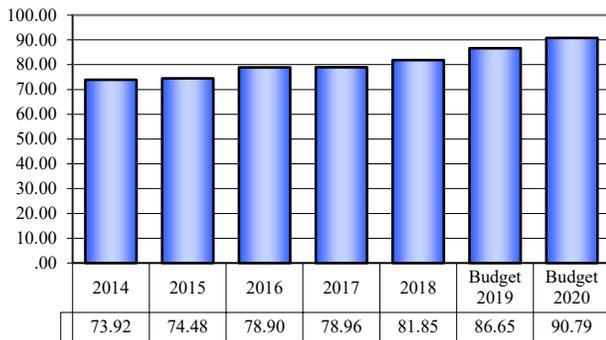
2020 Expenditure Summary

Salaries/Benefits	\$90,790,875	29.1%
Purchased Professional Services	\$103,108,573	33.1%
Purchased Property Services	\$5,257,671	1.7%
Other Purchased Services	\$5,684,505	1.8%
Supplies	\$6,303,713	2.0%
Payments to Agencies/Non Governmental Entities	\$6,696,603	2.1%
Debt Service	\$4,076,987	1.3%
Payment to Other Governments	\$6,128,514	2.0%
Contingency	\$1,200,000	0.4%
Other Non-Operating Expenses	\$30,874,250	9.9%
Subsidy	\$8,471,230	2.7%
Transfers - Out	\$14,296,133	4.6%
Internal Charges	\$4,401,849	1.4%
Capital	\$24,349,412	7.8%
Total Expense	\$311,640,315	100.0%



Expenditure Summary (continued)

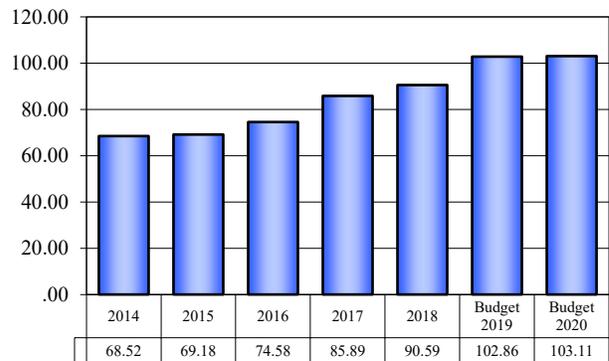
Salaries and Benefits (In Millions)



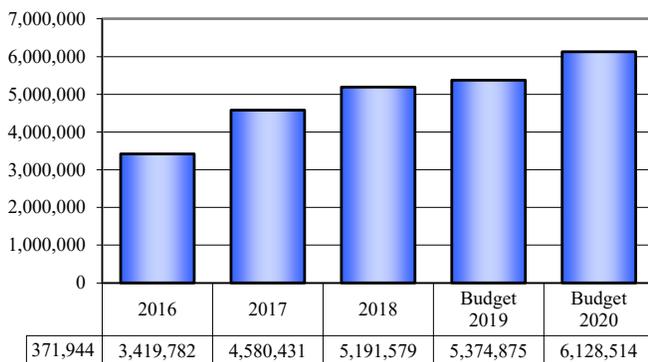
Salaries and Benefits - 29.1% - \$90,790,875 - Salaries are increasing \$2,535,104 based on the Merit Based Compensation formula and union contracts. Benefits are increasing \$1,610,526 due to medical insurance premium expenses increasing by 7.7%. The Actuarially Determined Contribution for retirement is also increasing by 19.8%.

Purchased Professional Services - 33.1% - \$103,108,573 - Purchased professional services are increasing \$246,661 which is less than a one percent change from the previous year. Children & Youth Services are increasing \$1,120,600 due to increases in their kinship foster care program and in-home services. CNRC is increasing \$551,000 due to an increase in agency staff. Liquid Fuels bridge engineering has increased \$431,000 while bridge repairs and construction has decreased \$988,000 due to the completion of an access road in 2019. Administrative services have decreased \$353,000 due to the Health Care Self-Insurance Fund and Mental Health, Intellectual and Developmental Disabilities (MH.IDD).

Purchased Professional Services (In Millions)



Payments to Other Governments

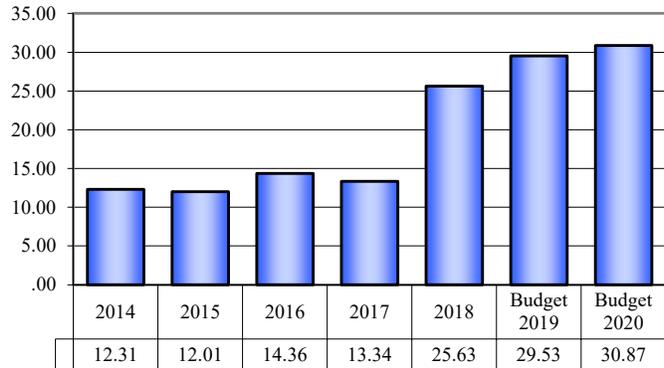


Payment to Other Governments - 2.0% - \$4,076,987 - Payment to other governments is increasing \$753,639. Liquid Fuels payments to York County are increasing \$1,001,028 due to engineering and construction for Slate Hill Road Bridge (owned by York and Cumberland counties) beginning in 2020.

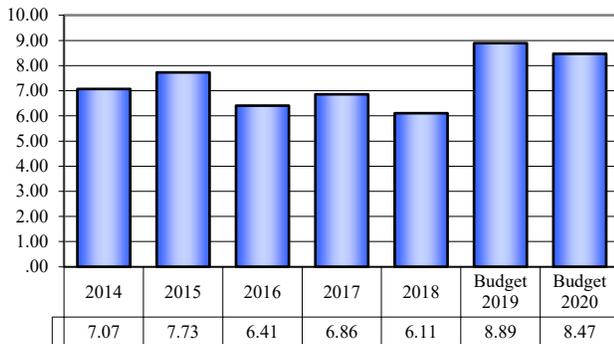
Expenditure Summary (continued)

Other Non-Operating Expenses - 9.9% - \$30,874,250 - Other non-operating expenses are increasing \$1,346,500. Self-insurance medical claims are budgeted to increase \$1,000,000.

Other Non-Operating Expenses (In Millions)



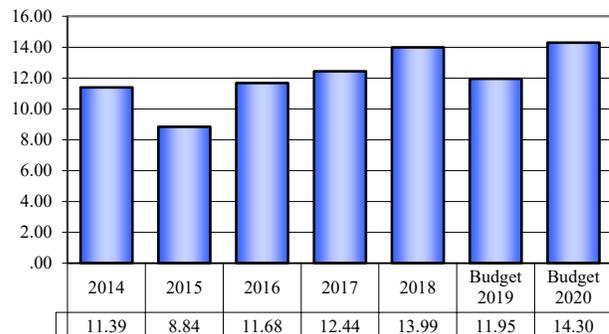
Subsidy (In Millions)



Subsidy - 2.7% - \$8,471,230 - Subsidy is decreasing \$422,234. In 2019, 9-1-1 Emergency Telephone budgeted for the construction of two towers which will not be started until 2020 as part of the P25 project which will be funded by bond proceeds.

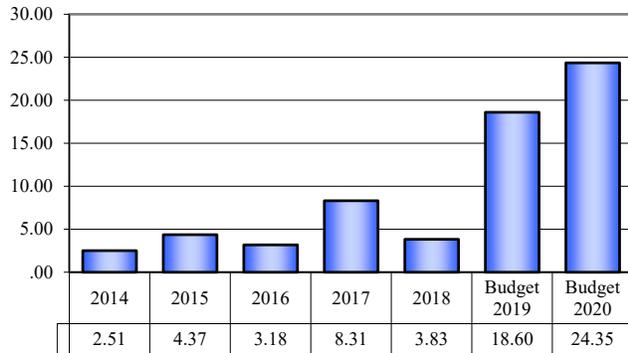
Transfers - Out - 4.6% - \$14,296,133 - Transfers - Out are increasing \$2,342,266. The General Fund is increasing \$2,450,000 due to the transfers - out to the Capital Funds - Bond Projects for the P25 project.

Transfers (In Millions)



Expenditure Summary (continued)

Capital (In Millions)



Capital - 7.8% - \$24,349,412 - Capital is increasing \$7,747,957. Liquid Fuels is increasing \$6,014,118 due to the planned construction of Orrs, Wolf, Kunkle, and Sample bridges.

General Fund Revenue Summary

Dept	Name	2019 Budget	2020 Budget	Variance	% Change
10	District Attorney	\$607,059	\$632,782	\$25,723	4.24%
11	Grant	\$1,690,000	\$1,690,000	\$0	0.00%
12	IMTO	\$212,774	\$198,431	\$-14,343	-6.74%
13	GIS	\$25,000	\$25,000	\$0	0.00%
14	ERP	\$300,946	\$363,882	\$62,936	20.91%
15	Courts, CASA, Law Library	\$598,501	\$653,500	\$54,999	9.19%
16	Magisterial District Judges	\$1,078,000	\$1,080,300	\$2,300	0.21%
17	Prison	\$2,534,394	\$2,566,175	\$31,781	1.25%
18	Dept of Public Safety	\$266,702	\$267,992	\$1,290	0.48%
19	Coroner	\$70,500	\$95,500	\$25,000	35.46%
20	Clerk of Courts	\$863,500	\$871,000	\$7,500	0.87%
21	Prothonotary	\$605,000	\$660,000	\$55,000	9.09%
22	Finance	\$200,000	\$215,000	\$15,000	7.50%
23	Sheriff	\$950,197	\$914,296	\$-35,901	-3.78%
25	Planning Commission	\$320,520	\$341,800	\$21,280	6.64%
27	Debt Retirement	\$0	\$0	\$0	0.00%
29	Ag Extension	\$0	\$0	\$0	0.00%
31	Pooled Reserves	\$0	\$0	\$0	0.00%
32	Commissioners	\$100	\$100	\$0	0.00%
33	Solicitors	\$17,300	\$17,300	\$0	0.00%
34	Facilities Management	\$169,930	\$129,650	\$-40,280	-23.70%
35	Bureau of Elections	\$3,300	\$2,300,700	\$2,297,400	69,618.18%
36	Tax Assessment	\$572,000	\$577,000	\$5,000	0.87%
37	Treasurer	\$52,600	\$55,000	\$2,400	4.56%
38	Tax Collectors Administration	\$24,400	\$27,400	\$3,000	12.30%
39	Tax Claims	\$734,000	\$733,000	\$-1,000	-0.14%
40	Controller	\$0	\$0	\$0	0.00%
41	Recorder of Deeds	\$1,135,600	\$1,081,000	\$-54,600	-4.81%
42	Administrative Services	\$0	\$0	\$0	0.00%
43	Human Resources	\$200	\$0	\$-200	-100.00%
44	Register of Wills	\$578,000	\$613,000	\$35,000	6.06%
45	Public Defender	\$6,000	\$6,000	\$0	0.00%
46	Adult Probation	\$373,800	\$399,000	\$25,200	6.74%
47	Juvenile Probation	\$260,222	\$260,222	\$0	0.00%
48	Vector Control and Weights & Measures	\$336,001	\$355,000	\$18,999	5.65%
50	Veterans' Affairs	\$0	\$20,150	\$20,150	100.00%
51	Agricultural Land Preservation	\$98,000	\$259,000	\$161,000	164.29%
52	Libraries	\$951,631	\$1,106,006	\$154,375	16.22%
53	Program Subsidies	\$0	\$0	\$0	0.00%
56	Insurance	\$0	\$0	\$0	0.00%
58	Communications	\$0	\$0	\$0	0.00%
59	Tax Increment Financing	\$0	\$28,427	\$28,427	100.00%
99	GF- Revenue Accts	\$66,418,561	\$67,451,410	\$1,032,849	1.56%
Total General Fund Revenue		\$82,054,738	\$85,995,023	\$3,940,285	4.80%

General Fund Expenditure Summary

Dept	Name	2019 Budget	2020 Budget	Variance	% Change
10	District Attorney	\$4,492,036	\$4,293,421	\$-198,615	-4.42%
11	Grant	\$6,630,016	\$6,248,950	\$-381,066	-5.75%
12	IMTO	\$1,999,201	\$2,474,309	\$475,108	23.76%
13	GIS	\$254,899	\$439,762	\$184,863	72.52%
14	ERP	\$578,852	\$609,123	\$30,271	5.23%
15	Courts, CASA, Law Library	\$5,391,965	\$5,761,815	\$369,850	6.86%
16	Magisterial District Judges	\$3,420,950	\$3,500,455	\$79,505	2.32%
17	Prison	\$14,748,012	\$15,022,136	\$274,124	1.86%
18	Dept of Public Safety	\$847,905	\$875,655	\$27,750	3.27%
19	Coroner	\$1,176,581	\$1,203,161	\$26,580	2.26%
20	Clerk of Courts	\$755,389	\$782,094	\$26,705	3.54%
21	Prothonotary	\$611,325	\$605,637	\$-5,688	-0.93%
22	Finance	\$1,109,446	\$1,296,924	\$187,478	16.90%
23	Sheriff	\$4,111,399	\$4,251,488	\$140,089	3.41%
25	Planning Commission	\$1,333,367	\$1,558,134	\$224,767	16.86%
27	Debt Retirement	\$3,426,691	\$2,724,732	\$-701,959	-20.49%
29	Ag Extension	\$397,888	\$395,020	\$-2,868	-0.72%
31	Pooled Reserves	\$1,506,113	\$2,800,000	\$1,293,887	85.91%
32	Commissioners	\$1,142,412	\$1,177,444	\$35,032	3.07%
33	Solicitors	\$346,181	\$313,861	\$-32,320	-9.34%
34	Facilities Management	\$4,166,412	\$3,549,596	\$-616,816	-14.80%
35	Bureau of Elections	\$1,001,337	\$1,109,829	\$108,492	10.83%
36	Tax Assessment	\$1,378,704	\$1,382,384	\$3,680	0.27%
37	Treasurer	\$337,454	\$351,941	\$14,487	4.29%
38	Tax Collectors Administration	\$306,228	\$335,027	\$28,799	9.40%
39	Tax Claims	\$238,315	\$238,047	\$-268	-0.11%
40	Controller	\$1,121,395	\$1,118,359	\$-3,036	-0.27%
41	Recorder of Deeds	\$415,638	\$444,117	\$28,479	6.85%
42	Administrative Services	\$175,045	\$170,360	\$-4,685	-2.68%
43	Human Resources	\$692,900	\$782,686	\$89,786	12.96%
44	Register of Wills	\$605,636	\$618,175	\$12,539	2.07%
45	Public Defender	\$1,595,935	\$1,597,091	\$1,156	0.07%
46	Adult Probation	\$2,653,437	\$2,778,571	\$125,134	4.72%
47	Juvenile Probation	\$2,675,212	\$2,864,667	\$189,455	7.08%
48	Vector Control and Weights & Measures	\$294,683	\$291,844	\$-2,839	-0.96%
50	Veterans' Affairs	\$247,691	\$325,493	\$77,802	31.41%
51	Agricultural Land Preservation	\$830,661	\$1,053,300	\$222,639	26.80%
52	Libraries	\$5,102,671	\$5,186,006	\$83,335	1.63%
53	Program Subsidies	\$8,893,464	\$10,921,230	\$2,027,766	22.80%
56	Insurance	\$410,016	\$465,050	\$55,034	13.42%
58	Communications	\$262,055	\$276,999	\$14,944	5.70%
59	Tax Increment Financing	\$25,000	\$28,527	\$3,527	14.11%
Total General Fund Expenditures		\$87,710,517	\$92,223,420	\$4,512,903	5.15%

General Fund Revenue and Expenditure Summaries

Revenue

Facilities Management is decreasing \$40,280 due to adjusting the budget for the vehicle maintenance work for rabbittransit based on trends.

Bureau of Elections is increasing \$2,297,400 due to expecting the state to provide a 60.0% grant for the cost of the new election equipment and about \$270,000 in HAVA grant funding.

Recorder of Deeds is decreasing \$54,600 due to a decrease in the number of deeds filed.

Veterans' Affairs is increasing \$20,150 due to a new Veterans' Affairs grant.

Agricultural Land Preservation is increasing \$161,000 due to an increase in contributions and donations expected next year.

General Fund-Revenue Accounts are increasing \$1,032,849. Real Estate Tax revenue is estimated to increase by 1.6% over the 2019 budget due to the natural growth in the taxable assessed real estate values and their collections. Interest revenue for certificate of deposits is increasing. The CNRC transfer-in is decreasing.

Expense

Grants are decreasing \$381,066 due to a decrease in the Intergovernmental Transfers (IGT) payment for CNRC.

IMTO is increasing \$475,108 due to the Microsoft Office upgrade.

GIS is increasing \$184,900 due to the Pictometry project started in 2019.

Debt Retirement is decreasing \$701,959 due to 2010, 2013, and 2014 bonds paid in full which we offset by a scheduled increase in the 2016 and 2018 bonds.

Pooled Reserves are increasing \$1,293,887 due to the fact that the 2019 budget is the adjusted budget, and we have moved some of the contingency monies for capital and other items this year.

Facilities Management is decreasing \$616,816 due to the preparation for the 7th Common Pleas Court being completed by the end of 2019.

Agricultural Land Preservation is increasing \$222,639 due to an increase in the number of easements that are expected to be purchased in 2020.

Program Subsidies are increasing \$2,027,766 due to the transfers - out to the Capital Funds - Bond Projects for the P25 project.

Total County Revenues

Fund	Name	2019 Budget	2020 Budget	Variance	% Change
100	General Fund	\$82,054,738	\$85,995,023	\$3,940,285	4.8%
111	District Attorney - Insurance Fraud Prevention	\$245,063	\$247,813	\$2,750	1.1%
113	District Attorney - Stop Grant	\$176,377	\$174,316	\$-2,061	-1.2%
130	Criminal Justice Services	\$1,281,854	\$1,460,946	\$179,092	14.0%
140	Offender Supervision	\$816,600	\$864,600	\$48,000	5.9%
200	Affordable Housing	\$190,350	\$180,000	\$-10,350	-5.4%
205	ARD Program	\$312,000	\$280,000	\$-32,000	-10.3%
215	Children & Youth Services	\$21,684,575	\$23,429,515	\$1,744,940	8.0%
220	Cumberland County Health Choices	\$45,596,038	\$45,596,038	\$0	0.0%
225	Domestic Relations	\$3,550,593	\$3,781,182	\$230,589	6.5%
230	Drug & Alcohol	\$4,067,537	\$4,045,618	\$-21,919	-0.5%
235	Hotel Tax	\$2,102,650	\$2,204,300	\$101,650	4.8%
240	Human Service Development Fund	\$208,828	\$215,950	\$7,122	3.4%
245	Liquid Fuels	\$8,281,074	\$9,582,720	\$1,301,646	15.7%
246	County Fee Local Use Fund	\$1,201,000	\$1,110,000	\$-91,000	-7.6%
250	Mental Health, Intellectual & Developmental Disabilities	\$18,130,540	\$18,217,272	\$86,732	0.5%
255	Office of Aging	\$4,499,580	\$4,540,062	\$40,482	0.9%
260	Records Improvement - County	\$60,050	\$60,050	\$0	0.0%
261	Records Improvement - Recorder of Deeds	\$92,000	\$90,000	\$-2,000	-2.2%
265	Recycling & Waste Authority	\$796,480	\$503,400	\$-293,080	-36.8%
270	Community Services	\$923,158	\$951,139	\$27,981	3.0%
275	Victim Witness Assistance Program	\$760,273	\$858,055	\$97,782	12.9%
290	Emergency Telephone 9-1-1	\$7,504,984	\$6,136,162	\$-1,368,822	-18.2%
300	Capital Funds - Improvement	\$0	\$5,004,500	\$5,004,500	100.0%
301	Capital Funds - Bond Projects	\$0	\$2,900,000	\$2,900,000	100.0%
304	Capital Bridge Fund	\$490,000	\$465,000	\$-25,000	-5.1%
400	Sinking Fund	\$4,182,407	\$4,019,987	\$-162,420	-3.9%
640	Nursing Home	\$34,443,341	\$34,463,705	\$20,364	0.1%
700	Workers' Compensation	\$226,000	\$157,000	\$-69,000	-30.5%
720	Health Care Self-Insurance	\$14,333,800	\$15,145,001	\$811,201	5.7%
810	Retirement	\$18,605,000	\$18,470,000	\$-135,000	-0.7%
850	Perry County Health Choices	\$9,755,838	\$9,755,840	\$2	0.0%
900	Conservation District - Clean Water	\$347,100	\$419,600	\$72,500	20.9%
901	Conservation District - Chesapeake Bay	\$306,810	\$247,010	\$-59,800	-19.5%
902	Conservation District - District Programs	\$633,600	\$505,500	\$-128,100	-20.2%
903	Conservation District - Dirt & Gravel Rd	\$381,098	\$352,372	\$-28,726	-7.5%
Total County Revenues		\$288,241,336	\$302,429,676	\$14,188,340	4.9%

Total County Expenditures

Fund	Name	2019 Budget	2020 Budget	Variance	% Change
100	General Fund	\$87,710,517	\$92,223,420	\$4,512,903	5.1%
111	District Attorney - Insurance Fraud Prevention	\$245,063	\$247,813	\$2,750	1.1%
113	District Attorney - Stop Grant	\$176,377	\$174,316	\$-2,061	-1.2%
130	Criminal Justice Services	\$1,281,854	\$1,460,946	\$179,092	14.0%
140	Offender Supervision	\$762,017	\$856,489	\$94,472	12.4%
200	Affordable Housing	\$190,123	\$180,600	\$-9,523	-5.0%
205	ARD Program	\$312,000	\$280,000	\$-32,000	-10.3%
215	Children & Youth Services	\$21,684,575	\$23,429,515	\$1,744,940	8.0%
220	Cumberland County Health Choices	\$45,596,037	\$45,596,038	\$1	0.0%
225	Domestic Relations	\$3,550,593	\$3,781,182	\$230,589	6.5%
230	Drug & Alcohol	\$4,156,119	\$4,067,551	\$-88,568	-2.1%
235	Hotel Tax	\$2,102,650	\$2,204,300	\$101,650	4.8%
240	Human Service Development Fund	\$208,827	\$215,950	\$7,123	3.4%
245	Liquid Fuels	\$8,969,483	\$10,075,918	\$1,106,435	12.3%
246	County Fee Local Use Fund	\$1,189,391	\$1,607,946	\$418,555	35.2%
250	Mental Health, Intellectual & Developmental Disabilities	\$18,130,540	\$18,217,272	\$86,732	0.5%
255	Office of Aging	\$4,572,419	\$4,540,062	\$-32,357	-0.7%
260	Records Improvement - County	\$169,266	\$153,210	\$-16,056	-9.5%
261	Records Improvement - Recorder of Deeds	\$89,811	\$90,000	\$189	0.2%
265	Recycling & Waste Authority	\$1,212,059	\$600,888	\$-611,171	-50.4%
270	Community Services	\$923,155	\$951,139	\$27,984	3.0%
275	Victim Witness Assistance Program	\$746,529	\$860,330	\$113,801	15.2%
290	Emergency Telephone 9-1-1	\$11,240,924	\$8,745,506	\$-2,495,418	-22.2%
300	Capital Funds - Improvement	\$0	\$4,552,500	\$4,552,500	100.0%
301	Capital Funds - Bond Projects	\$0	\$2,900,000	\$2,900,000	100.0%
304	Capital Bridge Fund	\$662,940	\$1,412,900	\$749,960	113.1%
400	Sinking Fund	\$4,182,407	\$4,019,987	\$-162,420	-3.9%
640	Nursing Home	\$33,958,581	\$34,048,046	\$89,465	0.3%
700	Workers' Compensation	\$532,000	\$676,166	\$144,166	27.1%
720	Health Care Self-Insurance	\$14,334,924	\$14,990,412	\$655,488	4.6%
810	Retirement	\$16,697,317	\$17,171,165	\$473,848	2.8%
850	Perry County Health Choices	\$9,755,837	\$9,755,840	\$3	0.0%
900	Conservation District - Clean Water	\$356,855	\$440,000	\$83,145	23.3%
901	Conservation District - Chesapeake Bay	\$296,603	\$237,041	\$-59,562	-20.1%
902	Conservation District - District Programs	\$643,545	\$523,317	\$-120,228	-18.7%
903	Conservation District - Dirt & Gravel Rd	\$380,976	\$352,550	\$-28,426	-7.5%
Total County Expenditures		\$297,022,314	\$311,640,315	\$14,618,001	4.9%

Total County Revenue and Expenditures Summaries

100 General Fund is increasing. See explanations on page 56.

130 Criminal Justice Services is increasing due to the additional positions for the Opioid Intervention Court. The percentage of grant dollars funding the positions has decreased.

215 Children & Youth Services is increasing. CYS placements have increased by 2.5% over the past fiscal year, which is significantly lower than the 18.0% increase in the previous fiscal year. The County continues to see an increase in complex cases, both in CYS and Juvenile Probation. Juvenile Probation has seen a 76.0% increase in serious felonies from fiscal year 2017/2018 to fiscal year 2018/2019 which leads to needing higher levels of care. Juvenile Probation residential placement costs have increased 278.9% from fiscal year 2017/2018 to fiscal year 2018/2019 and CYS congregate care costs have increased by 89.8%.

245 Liquid Fuels is increasing due to the complicated nature of the bridge projects which range in time of completion from 18 months to more complex projects which may take three to five years. Orrs, Kunkle, Wolf, and Slate Hill Road bridges will be in the construction phase in 2020.

246 County Fee Local Use Fund is increasing due to several projects. Two historic bridges, Hertzler and Ramp, will have preservation work completed in 2020. Slate Hill Road Bridge is a shared bridge with York County and engineering and construction costs will begin in 2020.

265 Recycling & Waste Authority is decreasing expenses due to the purchase of a wood grinder in 2019. Act 101 requires mandated municipalities to have a recycling program for yard waste, with the primary goal of keeping the material out of landfills.

290 Emergency Telephone is decreasing due to a delay in the P25 project. The costs for the P25 project are now being captured in the Capital Funds - Bond Projects fund in 2020.

300 Capital Funds - Improvement is increasing revenues and expenses due to Sample Bridge. PIB loan proceeds will be used to fund the construction of the bridge.

301 Capital Funds - Bond Projects is increasing revenues and expenses due to the P25 project. Construction of two towers is planned for 2020 and completion of the site plan.

304 Capital Bridge Fund is increasing expenses due to the engineering of three bridges in 2020 which include Roush, Burgner, and Stonewall.

720 Health Care Self-Insurance is increasing expenses 7.7% in 2020 due to an increase in medical claim expenses.

Fund Balance

(1) General Fund - Fund balance is budgeted to decrease \$6,228,397. With the County's healthy unassigned fund balance, this amount will be used to balance the budget. However, it is planned that by the end of 2020 this amount will not actually be drawn down, due to the County's continuing goals of implementing long-term structural adjustments such as Merit Based Compensation (MBC), quality improvement by re-engineering workflows and business processes, long-term integrated financial planning particularly with large capital projects, adjustments to user fees, smart economic development, and sharing services with neighboring counties.

(2) Other Non-Major Funds (Governmental) - Fund balance is decreasing \$4,303,733. The bridge construction funds are budgeting for the construction of five bridges in 2020: Orrs, Wolf, Sample, Kunkle, and Slate Hill Road bridges. Emergency Telephone 9-1-1 is also decreasing due to the Computer-Aided Dispatch (CAD) project.

(3) Other Non-Major Funds (Proprietary) - Fund balance is increasing \$154,589 due to the Health Care Self-Insurance Fund. The County is self-insured for medical insurance and it is important to build fund balance in order to prepare for any catastrophic events that may increase medical claims.

(4) Workers' Compensation - Workers' Compensation is projected to draw down \$519,166 from fund balance in 2020. The County is self-insured and has a healthy cash balance of \$1.4 million with a required balance from our actuarial for 2019 of \$709,200.

See the 2020 Budget Summary on page number 106.

Positions by Performance Management Groups

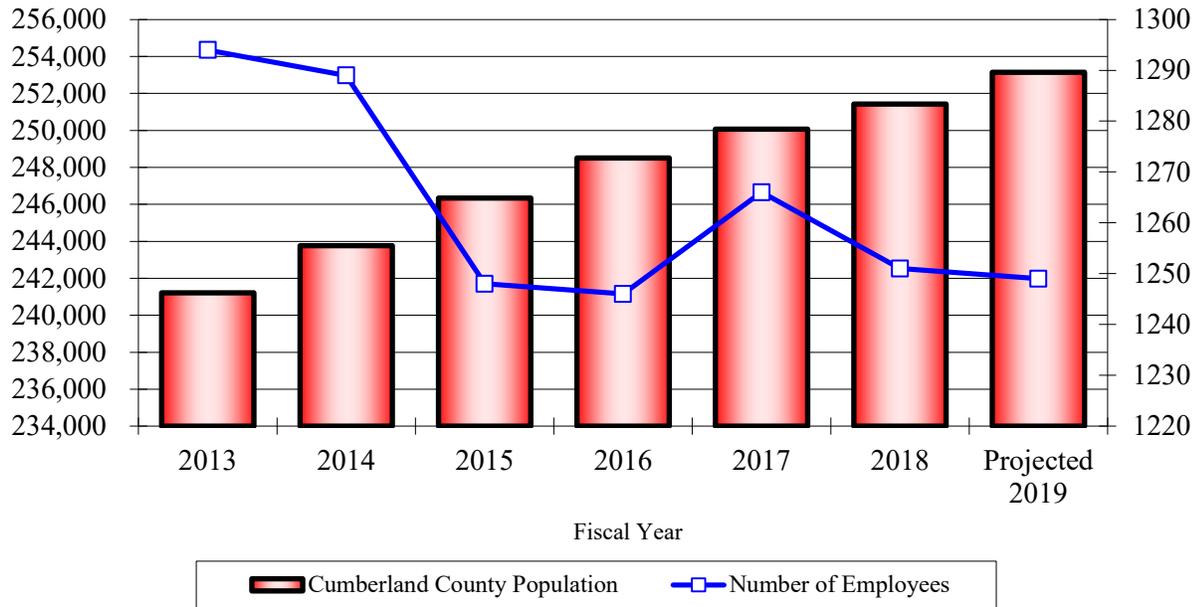
Administration	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Assessment	18.0	18.0	17.5	18.0
Commissioners	7.8	7.8	8.0	8.0
Communications	2.6	3.0	3.0	3.0
Elections	6.0	6.0	6.0	6.0
Finance	11.9	11.9	11.9	13.0
Human Resources	6.2	6.5	6.3	7.2
IMTO	19.3	19.4	19.4	21.2
Solicitors	4.0	4.0	4.0	3.8
Total Budgeted Positions	75.8	76.6	76.1	80.2
Criminal Justice				
Clerk of Courts	10.8	12.6	12.6	12.6
Criminal Justice Services	7.7	8.3	12.3	13.3
District Attorney	47.9	49.4	51.6	52.6
Prison	122.5	125.6	122.4	122.4
Public Defender	17.0	16.1	17.6	16.6
Adult Probation	36.7	37.5	35.5	35.3
Courts	40.0	40.1	45.1	47.0
Domestic Relations	39.3	38.7	38.7	38.7
Juvenile Probation	26.2	26.7	26.7	27.7
Magisterial District Judges	43.3	43.3	43.3	43.2
Total Budgeted Positions	391.4	398.3	405.8	409.4
Human Services				
Children & Youth Services	77.0	80.0	81.0	87.0
Drug & Alcohol	20.4	20.5	20.7	21.7
Health Choices	.5	.5	.5	.0
Library	15.2	15.2	16.4	16.4
Mental Health, Intellectual & Developmental Disabilities	46.6	46.6	47.6	47.6
Nursing Home	314.6	304.8	300.3	275.3
Office of Aging & Community Services	36.4	35.9	35.4	35.4
Veterans' Affair	2.0	2.0	2.0	3.0
Total Budgeted Positions	512.7	505.5	503.9	486.4
Public Safety				
Coroner	9.1	7.4	8.5	8.5
Public Safety	55.3	54.3	54.9	58.8
Sheriff	43.8	44.9	45.9	49.4
Total Budgeted Positions	108.2	106.6	109.3	116.7

Positions by Performance Management Groups (continued)

Records and Licensing	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Controller	12.3	12.3	12.6	11.6
Prothonotary	8.8	8.8	8.8	8.8
Recorder of Deeds	5.8	5.8	5.8	5.8
Register of Wills/Clerk of Orphans' Court	7.0	7.0	7.0	7.0
Treasurer	4.5	4.5	4.5	4.5
Total Budgeted Positions	38.4	38.4	38.7	37.7
Agriculture, Development, and Planning				
Agricultural Extension	5.8	5.6	5.6	5.6
Conservation District	9.1	9.1	9.1	9.2
Planning	5.0	5.0	5.5	5.5
Vector Control and Weights & Measures	3.4	3.3	3.4	3.5
Total Budgeted Positions	23.3	23.0	23.6	23.8
Transportation and Infrastructure				
Facilities Management	22.1	23.4	24.4	23.8
Recycling & Waste Authority	1.0	1.6	1.6	1.6
Total Budgeted Positions	23.1	25.0	26.0	25.4
Other Government Operations				
Administrative Services	1.0	1.0	1.0	1.0
Insurance	.0	1.0	1.5	1.5
Records Improvement - County	1.3	1.3	1.3	1.8
Retirement	1.4	1.4	1.1	1.1
Workers' Compensation	.0	.0	.0	.3
Total Budgeted Positions	3.7	4.7	4.9	5.7
Grand Total	1176.6	1178.1	1188.3	1185.3

County Population and Employees

County Population And Employees



County Demographics

Overview

Cumberland County, founded in 1750, was the sixth county created in the Commonwealth of Pennsylvania and once stretched along the Maryland border to the Ohio River. The County is located in South Central Pennsylvania approximately 100 miles west of Philadelphia, 175 miles east of Pittsburgh, and is adjacent to the State Capital City of Harrisburg. The County occupies 550 square miles stretching 42 miles within the Cumberland Valley from the Susquehanna River in the east to the Borough of Shippensburg in the west. The population of the County has been increasing and is estimated to be 254,705 in 2019, 8.2% more than in 2010. The Borough of Carlisle is the County seat. The County has 33 political subdivisions consisting of 11 boroughs and 22 townships.



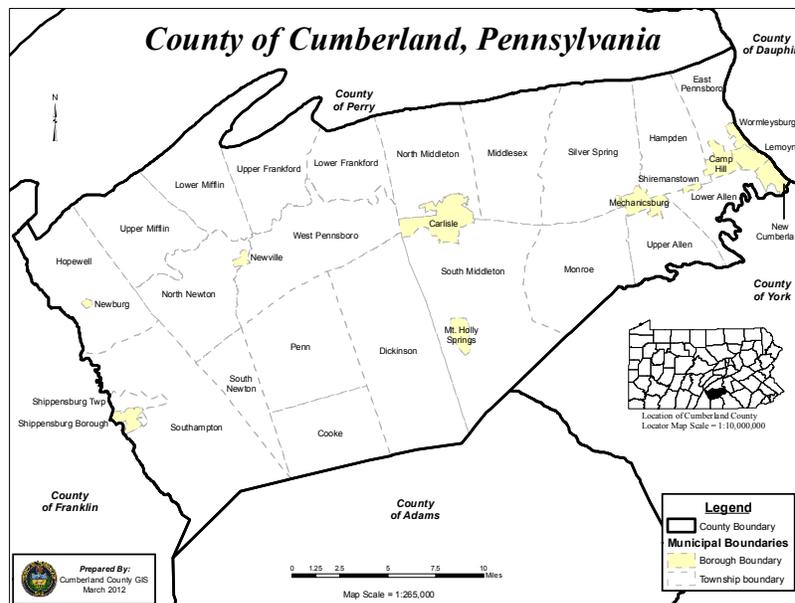
Form of Government

Cumberland County is a third-class county governed by a board of three Commissioners elected for four-year terms. Other officials elected at large for four-year terms include the Clerk of Courts, Controller, Coroner, District Attorney, Prothonotary, Recorder of Deeds, Register of Wills, Sheriff, and Treasurer. In addition, there are five Judges of the Court of Common Pleas elected for ten-year terms and a Senior President Judge. There are ten elected Magisterial District Judges and they are elected for six-year terms. The Board of Commissioners appoints the Chief Clerk to help oversee the operations and fiscal management of County government.

History

Cumberland County, created on January 27, 1750, was named for Cumberland, England. In 1753 Benjamin Franklin successfully negotiated an Indian treaty with several tribes in Carlisle. The Carlisle Barracks, established in 1757, is the second oldest military post in the U.S. and is currently home to the U.S. Army War College. Local Revolutionary War Generals included William Thompson, William Irving, John Armstrong, and the legendary Revolutionary War heroine Mary Hays, known as Molly Pitcher, lived and are buried in Carlisle. President George Washington spent a week in Carlisle in 1794 while mustering troops for the march to western Pennsylvania to quell the Whiskey Rebellion. Prior to the Civil War, future Confederate Generals J.E.B. Stuart and Fitzhugh Lee were stationed at the Barracks when it was a Cavalry Post and later ordered their troops to burn the Barracks in June 1863 on their way to Gettysburg. In 1879, the Carlisle Barracks became the site of the Carlisle Indian Industrial School where approximately 11,000 Native Americans, from almost every tribe in the country, attended until it closed in 1918. Among its notable students was famed athlete Jim Thorpe who won gold medals at the 1912 Summer Olympic Games in Stockholm, Sweden.

County Demographics (continued)



Education

Public education is provided by nine school districts providing elementary and secondary education. There are numerous private and parochial schools in the County. The County is home to six colleges and universities including the U.S. Army War College, Shippensburg University, Dickinson College, Penn State Dickinson School of Law, Central Pennsylvania College, and Messiah College.

Educational Achievement

Less than high school diploma	8.1%
High school diploma or equivalency	33.1%
Some college, no degree	15.8%
Associate's degree	8.2%
Bachelor's degree	21.3%
Graduate or professional degree	13.5%

Source: US Census Bureau

Farmland Preservation

The Agricultural Conservation Easement Purchase Program was developed to strengthen Pennsylvania's agricultural economy and to protect prime farmland. The program incorporates the use of federal, state, County, local, and private funds to purchase agricultural conservation easements on prime agricultural land from willing landowners. The Agricultural Conservation Easement Purchase Program works by paying the farmer to place certain restrictions upon the land to maintain and permanently preserve high-quality, functional farmland. The land continues to be the farmer's private property, and the farmer retains all privileges of land ownership, except the ability to sell the land for non-agricultural development or to develop the land for non-agricultural purposes. Participation in the program is completely voluntary and very competitive. In order to be eligible for the program, the farm must contain at least 52 acres, be enrolled in an agricultural security area, and have a current conservation plan. A smaller farm would be considered if it abuts an existing preserved farm. Then, farms are ranked against other eligible farms according to each farm's productivity, quality of soils, its proximity to other preserved farms, and development potential. Each property is given a numerical score, and the farms with the highest scores receive funding for easement purchase.

County Demographics (continued)

Farmland Preservation (continued)

The County's total contribution in any given year consists of funds from the state, federal, and County governments. The state's portion is split between a grant allocation, match of local contributions, and redistribution of unused state funding. The County's General Fund allocation is made up of several funding sources such as tax revenue (General Fund grant), Act 13, Clean and Green Rollback interest, Hornbaker IPA, private donations, bond proceeds, and miscellaneous monies.

Cumberland County Farmland Preservation Program 2004-2019 Allocation of Funds

Year	County		State			Federal	Local	Grand Total
	Allocation	State Grant	State	Redistributed	Total State			
2004	208,374	789,389	214,044	15,999	1,019,432			1,227,806
2005	560,014	684,062	467,187	48,470	1,199,719	150,000	75,000	1,984,733
2006	3,637,092	2,047,834	4,020,882	206,589	6,275,305			9,912,397
2007	251,470	768,298	168,472	40,759	977,529			1,228,999
2008	335,009	820,352	164,813	31,653	1,016,818	633,177		1,985,004
2009	451,357	507,142	234,407	23,662	765,211			1,216,568
2010	301,034	420,660	217,061	20,251	657,972	556,133		1,515,139
2011	1,053,898	480,490	855,721	35,644	1,371,855	224,993		2,650,746
2012	309,124	534,610	309,548	26,887	871,045	399,701		1,579,870
2013	128,386	755,938	178,514	32,217	966,669	1,046,276		2,141,331
2014	247,285	782,110	288,895	33,837	1,104,842			1,352,127
2015	230,020	730,800	301,976	32,025	1,064,801			1,294,821
2016	477,735	1,148,067	668,743	40,855	1,857,665			2,335,400
2017	824,627	817,416	1,057,966	46,222	1,921,604			2,746,231
2018	607,145	890,521	821,719	43,031	1,755,271	426,857		2,789,273
2019	727,226	938,156	916,535	47,981	1,902,672			2,629,898
Totals	\$10,349,796	\$13,115,845	\$10,886,483	\$726,082	\$24,728,410	\$3,437,137	\$75,000	\$38,590,343

COUNTY ALLOCATION DETAIL

Year	General Fund	Bond	Act 13	Clean &	Hornbaker	Private	Misc	Total
	Grant	Proceeds		Green	IPA	Donation		
2004	158,173			8,374	41,827			208,374
2005		500,000		18,187	41,827			560,014
2006		3,584,000		11,265	41,827			3,637,092
2007	15,000	170,000		24,642	41,828			251,470
2008	250,000			43,182	41,827			335,009
2009	250,000			9,530	41,827		150,000	451,357
2010	250,000			9,207	41,827			301,034
2011	1,000,000			12,071	41,827			1,053,898
2012	250,000			17,297	41,827			309,124
2013			50,000	36,559	41,827			128,386
2014	40,000		100,000	52,758	41,827	11,100	1,600	247,285
2015	40,000		100,000	34,743	41,827	13,450		230,020
2016	250,000		100,000	48,458	41,827	37,450		477,735
2017	500,000			81,680	41,827	3,450	197,670	824,627
2018	500,000			62,368	41,827	2,950		607,145
2019	500,000			96,905	41,827	3,100	85,394	727,226
Totals	\$4,003,173	\$4,254,000	\$350,000	\$567,226	\$669,233	\$71,500	\$434,664	\$10,349,796

County Demographics (continued)

Farmland Preservation (continued)

Since 2004, \$38,590,343 has been provided to the farmland preservation program from federal, state, County, local, and private funding.

- \$10,349,796 was allocated from the General Fund
 - \$4,003,173 was a General Fund grant
 - \$4,254,000 was funded through a bond issue that was repaid by the General Fund
 - \$669,233 in interest has been paid on the Hornbaker note, which has been repaid by the General Fund
 - \$350,000 Act 13 (Marcellus Shale)
 - \$567,226 Clean and Green
 - \$506,164 private donations, township contributions, and miscellaneous
 - Used to leverage over \$28 million of state and federal monies
- 20,027 acres have been preserved
- 1,255 acres are pending
- An additional \$1,403,344 in interest costs were paid on the bond issue that is not included in the \$38,590,343

Commencing with the 2020 farmland preservation program year, the Board of Commissioners adopted as budgetary policy a resolution (Resolution 2019-30) directing the County's Planning Department, Farmland Preservation Program staff, and the Finance Department to "annually budget for" the preservation "of approximately 900 acres annually" to achieve the objective of "preserving at least 30,000 acres by 2030." The new "30 by 30" preservation commitment, to include "what's needed in the form of a County General Fund contribution", was designed to boost by 50.0%, over a ten year period, the number of farm acres preserved in Cumberland County over the previous 30 years.

Combined with other resources (Hornbaker IPA, Clean and Green Rollback interest, private donations, and miscellaneous monies), the County's 2020 contribution will draw down a state grant and state match of approximately \$2.28 for each County dollar committed, and enable the preservation in perpetuity of an estimated 850 to 900 additional acres of prime farmland. In addition to helping to guard against over-development and working to preserve the County's fertile farm acreage, open space, and groundwater supplies, this additional investment in farmland preservation is projected to generate an added economic value of over \$12 million annually. The 2020 certification with the state for farmland preservation will occur in January 2020.

The map on page 69 shows the farmland properties that are in the agricultural security area (ASA) and the farms that have previously been preserved.

County Demographics (continued)

Land Partnerships Grant Program

The Land Partnerships Grant Program provides financial assistance to municipalities and not-for-profit organizations for the purpose of agriculture preservation, natural resource protection, and creation of parks, trails, and greenways.

Since 2006, 110 projects have been completed through the program. \$2,542,525 was allocated to the grant program from the General Fund. County funds leveraged over seven million dollars in federal, state, non-profit, and private match for a total community investment of over ten million dollars. Completed projects include:

- Ten land acquisition/easement projects
- 73 park and trail development projects
- 23 planning projects
- Two water resource management projects
- Two outdoor recreation promotion initiatives

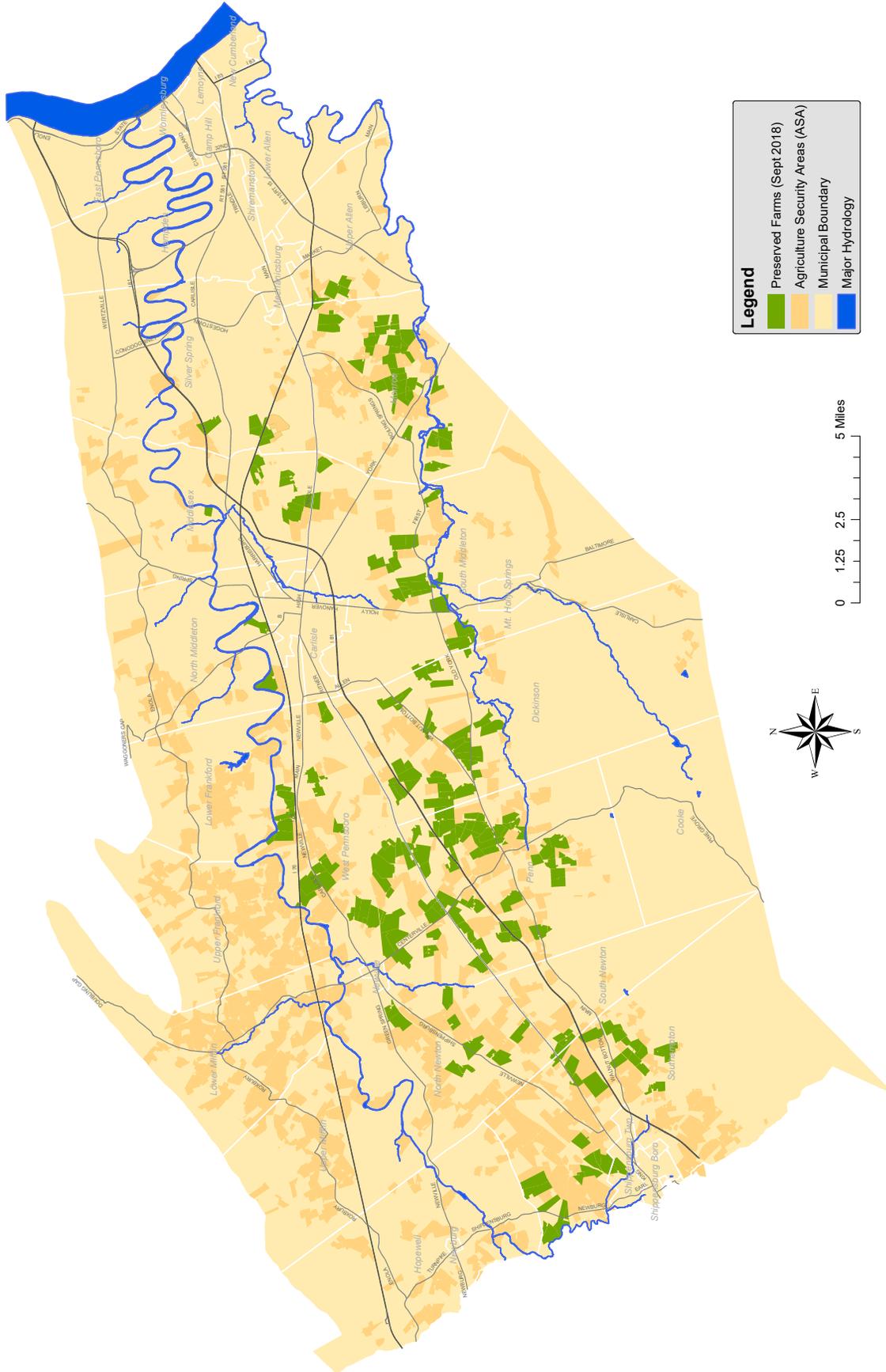
**Cumberland County
Land Partnership Program
2006-2019 Allocation of Funds**

Year	General Fund	Bond	Act 13	DCNR Block Grant	Private Donation	Total
2006		1,000,000		61,500		1,061,500
2007						0
2008						0
2009						0
2010						0
2011						0
2012						0
2013			348,929			348,929
2014			128,665			128,665
2015			131,235		10,000	141,235
2016			92,075			92,075
2017			176,852			176,852
2018	50,000		221,320			271,320
2019	50,000		271,949			321,949
Totals	\$100,000	\$1,000,000	\$1,371,025	\$61,500	\$10,000	\$2,542,525

For the 2020 budget year, the Commissioners have dedicated an estimated \$270,000 for the Land Partnership's Grant Program.

County Demographics (continued)

Cumberland County Farmland Preservation Program



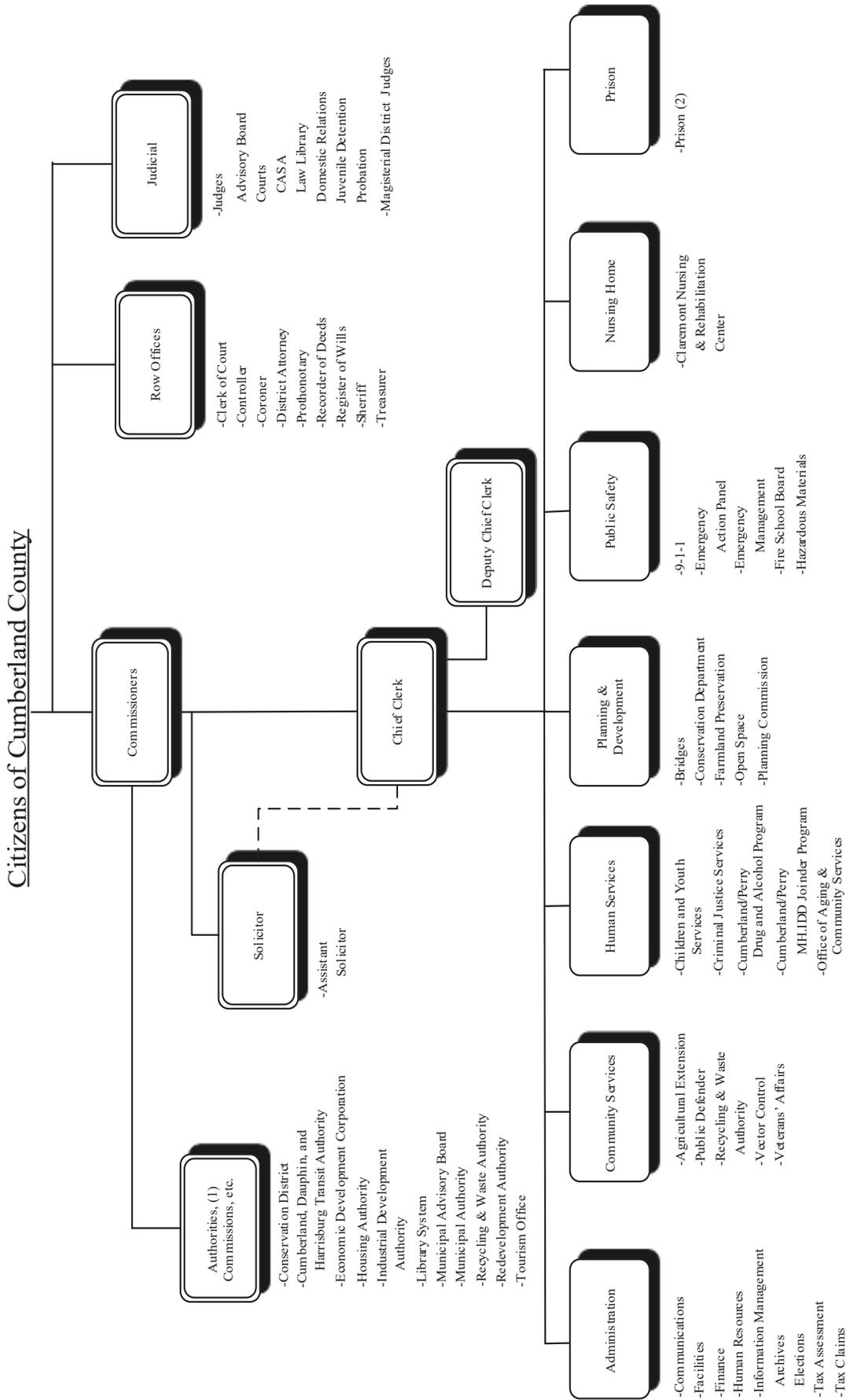
County Demographics (continued)

Elected Officials

Commissioner, Chairman.....	Vincent T. DiFilippo
Commissioner, Vice Chairman	Jim Hertzler
Commissioner, Secretary	Gary Eichelberger
President Judge	Edward E. Guido
Judge	Albert H. Masland
Judge	Christylee L. Peck
Judge	Thomas A. Placey
Judge	Jessica E. Brewbaker
Clerk of Criminal Court.....	Dennis E. Lebo
Clerk of Orphans' Court.....	Lisa M. Grayson
Controller	Alfred L. Whitcomb
Coroner	Charles E. Hall
District Attorney.....	M.L. Ebert, Jr.
Prothonotary.....	Dale Sabadish
Recorder of Deeds.....	Tammy Shearer
Register of Wills	Lisa M. Grayson
Sheriff.....	Ronny R. Anderson
Treasurer	John C. Gross, II

This schedule shows the elected officials in office at the time of the budget adoption.

Cumberland County, Pennsylvania Organizational Chart



(1) The Board of Directors for the authorities, commissions, etc., are appointed by the Cumberland County Board of Commissioners
 (2) Governed and managed by the Prison Board

County Demographics (continued)

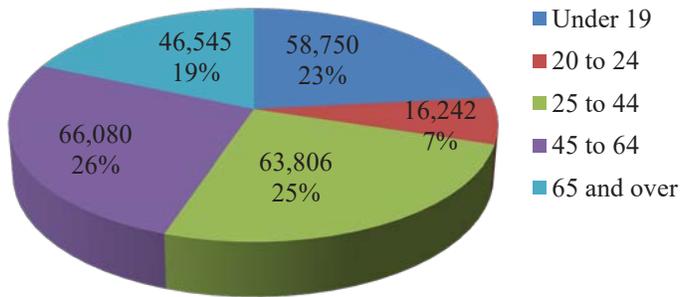
Cumberland County - Past, Present, Future

1700	1800	1900	2000
<p>1720 James Letort establishes trading post</p> <p>1737 Shippensburg founded</p> <p>1750 Cumberland County formed; first court held in Shippensburg</p> <p>1751 Carlisle founded as County seat</p> <p>1753 Log structure serves as first Courthouse</p> <p>1754 Cumberland County erects first prison</p> <p>1757 Britain establishes Carlisle Barracks</p> <p>1765 Brick Courthouse constructed</p> <p>1776 Three County attorneys, James Wilson, James Smith, & George Ross sign the Declaration of Independence</p> <p>1778 Molly Pitcher fights in battle of Monmouth</p> <p>1783 Dickinson College founded</p> <p>1789 Union Volunteer Fire Company organized; oldest continuous volunteer fire company in the U.S.</p> <p>1794 Washington musters troops in Carlisle during the Whiskey Rebellion</p>	<p>1820 Cumberland County is largest iron producer in PA</p> <p>1834 Dickinson Law School founded</p> <p>1836 Carlisle High School; 1st public high school in PA</p> <p>1845 Fire destroys Courthouse & Town Hall in Carlisle</p> <p>1846 "Old" Courthouse construction completed</p> <p>1853 Gas & Electric comes to Carlisle</p> <p>1855 1st County street illumination in Carlisle</p> <p>1863 Confederates invade Cumberland County</p> <p>1874 Cumberland County Historical Society chartered</p> <p>1879 Carlisle Indian School opens</p> <p>1882 1st telephone service in Cumberland County</p> <p>1888 Union Firehouse constructed</p> <p>1894 First trolley companies organized on West Shore & Carlisle</p>	<p>1900 Bosler Library opens</p> <p>1905 Last public hanging</p> <p>1909 Messiah College founded</p> <p>1912 Carlisle Indian students win Olympic medals</p> <p>1918 Flu epidemic ravages Cumberland County Carlisle Indian Industrial School closes</p> <p>1920 1st State Police Training School in Newville</p> <p>1940 PA Turnpike opens; Carlisle to Pittsburgh</p> <p>1951 U.S. Army War College opens in Carlisle Eastern half of PA Turnpike opens</p> <p>1960 I-81 construction begins</p> <p>1962 New Courthouse dedicated</p> <p>1972 Hurricane Agnes flood ravages County</p> <p>1979 Three Mile Island evacuation</p> <p>1985 New Cumberland County Prison built</p>	<p>2001 Security heightened after 9/11</p> <p>2008 Prison expansion & renovation project begins</p> <p>2009 Booking Center completed at Cumberland County Prison</p> <p>2010 Phase 1 Prison renovation completion U.S. Census update County Facilities receives Energy Star Award Ritner Campus interior renovations begin</p> <p>2011 New Public Safety Building complete</p> <p>2012 Sixth judge takes office Ritner Highway Campus completed County moves to 3rd class status County Facilities receives Energy Star Award</p> <p>2013 Phase 2 Prison Renovation completed Ritner Campus completed County mission & operational review</p> <p>2015 CNRC Transitions opens</p> <p>2017 Cumberland County's Electronics Recycling Center opens</p> <p>2018 Renovation begins for appointment of 7th Common Pleas Court in 2020</p>

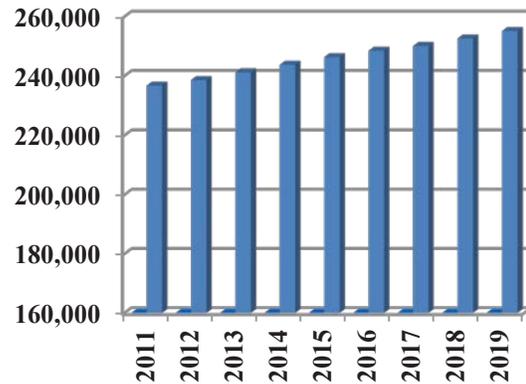
County Demographics (continued)

Population Demographics

Population by Age



Population Trend



Benchmark Counties Comparison

Cumberland County became a third-class county with the census of 2010. Benchmarking is done once a year to compare Cumberland County to the 11 other third-class counties. Below is a listing of third class counties in Pennsylvania. Third class counties have a population between 210,000 to 499,999. See www.ccpa.net/finance for more benchmarking data.

Berks County
 Dauphin County
 Lancaster County
 Northampton County

Chester County
 Erie County
 Lehigh County
 Westmoreland County

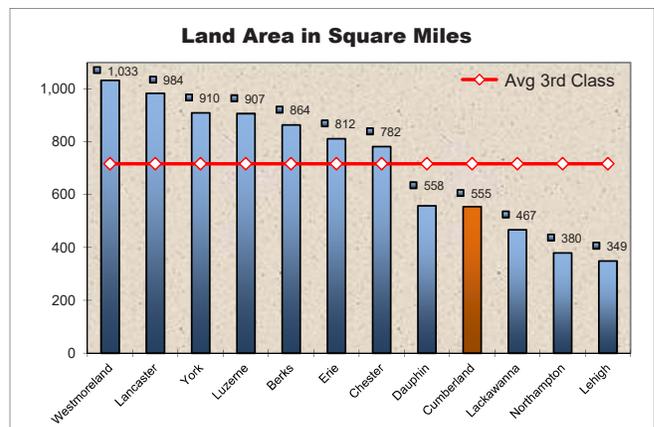
Cumberland County
 Lackawanna County
 Luzerne County
 York County

Cumberland County & 3rd Class Counties

County	Class	Population (2018)	General Fund Expense (2018)	GF Exp Per Capita	General Fund Revenue (2018)	Land Area in Square Miles
Westmoreland	3	350,611	\$142,772,629	\$407	\$125,945,247	1,033
Lancaster	3	543,557	\$167,436,989	\$308	\$173,652,980	984
York	3	448,273	\$216,133,530	\$482	\$245,703,004	910
Luzerne	3	317,646	\$131,014,450	\$412	\$134,049,696	907
Berks	3	420,152	\$220,873,340	\$526	\$231,254,711	864
Erie	3	272,061	\$98,914,124	\$364	\$98,854,970	812
Chester	3	522,046	\$149,459,664	\$286	\$150,404,497	782
Dauphin	3	277,097	\$171,085,590	\$617	\$165,822,387	558
Cumberland	3	251,423	\$67,482,063	\$268	\$71,310,139	555
Lackawanna	3	210,793	\$117,111,508	\$556	\$116,004,699	467
Northampton	3	304,807	\$112,036,345	\$368	\$117,423,037	380
Lehigh	3	368,100	\$166,267,297	\$452	\$162,492,856	349

Notes:
 * n/a is data that was not available
 * Source: U.S. Bureau of the Census

Land Area in Square Miles



County Demographics (continued)

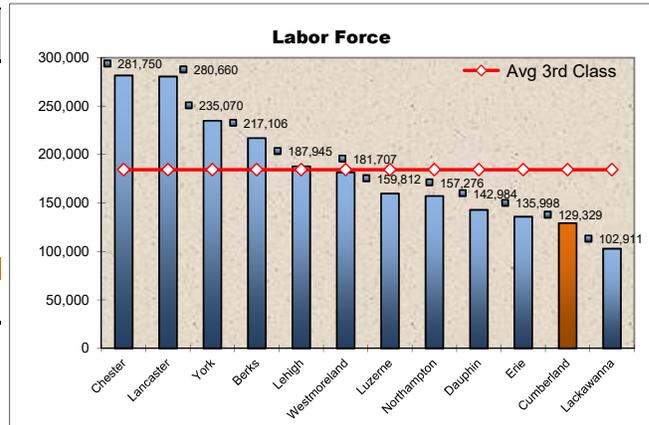
Cumberland County & 3rd Class Counties

County	Class	Population (2018)	General Fund Expense (2018)	GF Exp Per Capita	General Fund Revenue (2018)	Labor Force (2018)
Chester	3	522,046	\$149,459,664	\$286	\$150,404,497	281,750
Lancaster	3	543,557	\$167,436,989	\$308	\$173,652,980	280,660
York	3	448,273	\$216,133,530	\$482	\$245,703,004	235,070
Berks	3	420,152	\$220,873,340	\$526	\$231,254,711	217,106
Lehigh	3	368,100	\$166,267,297	\$452	\$162,492,856	187,945
Westmoreland	3	350,611	\$142,772,629	\$407	\$125,945,247	181,707
Luzerne	3	317,646	\$131,014,450	\$412	\$134,049,696	159,812
Northampton	3	304,807	\$112,036,345	\$368	\$117,423,037	157,276
Dauphin	3	277,097	\$171,085,590	\$617	\$165,822,387	142,984
Erie	3	272,061	\$98,914,124	\$364	\$98,854,970	135,998
Cumberland	3	251,423	\$67,482,063	\$268	\$71,310,139	129,329
Lackawanna	3	210,793	\$117,111,508	\$556	\$116,004,699	102,911

Notes:

* n/a is data that was not available

* Source: U.S. Bureau of the Census



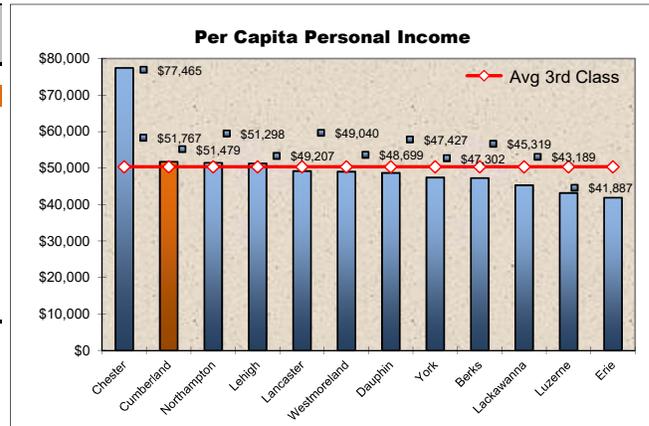
Cumberland County & 3rd Class Counties

County	Class	Population (2018)	General Fund Expense (2018)	GF Exp Per Capita	General Fund Revenue (2018)	Per Capita Personal Income (2018)
Chester	3	522,046	\$149,459,664	\$286	\$150,404,497	\$77,465
Cumberland	3	251,423	\$67,482,063	\$268	\$71,310,139	\$51,767
Northampton	3	304,807	\$112,036,345	\$368	\$117,423,037	\$51,479
Lehigh	3	368,100	\$166,267,297	\$452	\$162,492,856	\$51,298
Lancaster	3	543,557	\$167,436,989	\$308	\$173,652,980	\$49,207
Westmoreland	3	350,611	\$142,772,629	\$407	\$125,945,247	\$49,040
Dauphin	3	277,097	\$171,085,590	\$617	\$165,822,387	\$48,699
York	3	448,273	\$216,133,530	\$482	\$245,703,004	\$47,427
Berks	3	420,152	\$220,873,340	\$526	\$231,254,711	\$47,302
Lackawanna	3	210,793	\$117,111,508	\$556	\$116,004,699	\$45,319
Luzerne	3	317,646	\$131,014,450	\$412	\$134,049,696	\$43,189
Erie	3	272,061	\$98,914,124	\$364	\$98,854,970	\$41,887

Notes:

* n/a is data that was not available

* Source: Bureau of Economic Analysis - 2018



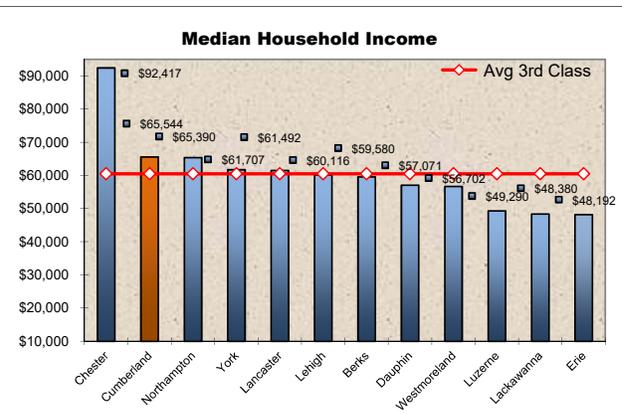
Cumberland County & 3rd Class Counties

County	Class	Population (2018)	General Fund Expense (2018)	GF Exp Per Capita	General Fund Revenue (2018)	Median Household Income (2018)
Chester	3	522,046	\$149,459,664	\$286	\$150,404,497	\$92,417
Cumberland	3	251,423	\$67,482,063	\$268	\$71,310,139	\$65,544
Northampton	3	304,807	\$112,036,345	\$368	\$117,423,037	\$65,390
York	3	448,273	\$216,133,530	\$482	\$245,703,004	\$61,707
Lancaster	3	543,557	\$167,436,989	\$308	\$173,652,980	\$61,492
Lehigh	3	368,100	\$166,267,297	\$452	\$162,492,856	\$61,116
Berks	3	420,152	\$220,873,340	\$526	\$231,254,711	\$59,580
Dauphin	3	277,097	\$171,085,590	\$617	\$165,822,387	\$57,071
Westmoreland	3	350,611	\$142,772,629	\$407	\$125,945,247	\$56,702
Luzerne	3	317,646	\$131,014,450	\$412	\$134,049,696	\$49,290
Lackawanna	3	210,793	\$117,111,508	\$556	\$116,004,699	\$48,380
Erie	3	272,061	\$98,914,124	\$364	\$98,854,970	\$48,192

Notes:

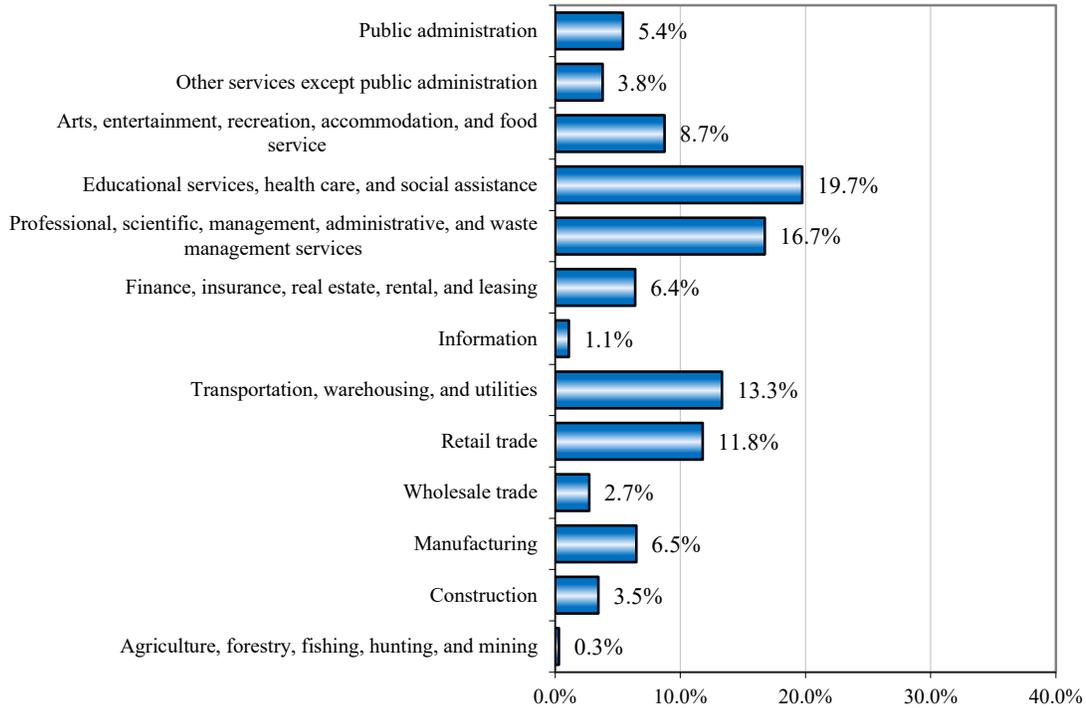
* n/a is data that was not available

* Source: U.S. Census Bureau - 2017 American Community Survey



County Demographics (continued)

2018 Employment by Industry in Cumberland County, PA



Source: U.S. Census Bureau

2018 Labor Force

Median Age	40.5
Median Household Income	\$65,544
Mean Household Income	\$83,469
Median Family Income	\$82,327
Mean Family Income	\$99,961
Unemployment Rate (U.S.)	3.9%
Unemployment Rate (PA)	4.2%
Unemployment Rate (County)	3.3%
Total Labor Force	129,418

Source: U.S. Census Bureau, PA Department of Labor & Industry

County Demographics (continued)

Principal Taxpayers as of December 31, 2018

Taxpayer	Taxable	% of Total
	Assessed Value	Assessed Valuation (1)
1. Prologis NA3 PA LP	\$162,760,900	0.66%
2. Allen Distribution	\$116,731,100	0.47%
3. PR CC Limited Partnership	\$85,700,000	0.35%
4. Goodman Carlisle LLC	\$73,175,000	0.30%
5. Pennsylvania Blue Shield	\$72,584,100	0.29%
6. Messiah Home	\$66,500,000	0.27%
7. LIT Industrial LP	\$64,167,000	0.26%
8. KTR PA Cent LLC	\$60,300,000	0.24%
9. Cedar - Camp Hill LLC	\$56,718,200	0.23%
10. CPUS Park 81 LP	\$53,800,000	0.22%
	<u>\$812,436,300</u>	<u>3.29%</u>

Notes:

(1) Percentage based on total County taxable assessed valuation for 2018: \$24,690,067,000

Source: Cumberland County CAFR for Year ended December 31, 2018

2018 Top Ten County Employers

Rank	Employer	Employees	Percentage of Total County Employment (3)
1	U.S. Department. of Defense - Naval Support Activity & Carlisle Barracks	5,955 (1)	5%
2	Ahold Delhaize	3,455	4%
3	Geisinger Holy Spirit Hospital	2,633	2%
4	Highmark Blue Shield	2,445	2%
5	Commonwealth of Pennsylvania	1,796 (2)	2%
6	Cumberland Valley School District	1,549	1%
7	JFC Temps Inc.	1,412	1%
8	Cumberland County Government	1,275	1%
9	Fry Communications	1,035 *	1%
10	Excel Logistics	1,000 *	1%
	Total	<u>22,555</u>	<u>17%</u>

Notes:

(1) Includes SPCC, DDRE and other Agencies at that location.

(2) Excluding Pennsylvania State University, Department of Higher Education

(3) Percentages based on Cumberland County labor force total furnished by the Pennsylvania Department of Labor and Industry

* Prior year reported information

Source: Cumberland County CAFR for Year ended December 31, 2018

County Demographics (continued)

Demographic and Economic Information

Year	Population		Total Personal Income (thousands of dollars)		Per Capita Personal Income		Median Household Income		School Enrollment (2)	Annual Unemployment Rate (1)
2009	232,483	(A)	\$9,672,843	(B)	\$41,353	(B)	\$60,285	(A)	35,352	6.6%
2010	235,406	(A)	\$9,968,010	(B)	\$42,256	(B)	\$60,400	(A)	32,771	6.8%
2011	237,101	(A)	\$10,522,711	(B)	\$44,394	(B)	\$60,219	(A)	32,610	6.4%
2012	239,252	(C)	\$11,102,561	(B)	\$46,402	(B)	\$60,832	(A)	32,443	6.2%
2013	241,071	(A)	\$11,284,192	(B)	\$46,784	(B)	\$60,883	(A)	32,726	5.7%
2014	243,301	(A)	\$11,862,562	(B)	\$48,698	(B)	\$60,826	(A)	33,029	4.5%
2015	245,766	(A)	\$12,430,335	(B)	\$50,480	(B)	\$61,820	(A)	33,153	4.0%
2016	247,435	(A)	\$12,518,198	(B)	\$50,497	(B)	\$62,640	(A)	33,167	4.1%
2017	249,238	(A)	\$12,945,214	(B)	\$51,767	(B)	\$65,544	(A)	33,462	3.8%
2018	251,423	(A)	*	(B)	*	(B)	*	(A)	33,712	3.3%

Notes: * information not yet available

Sources:

Unless otherwise indicated, Pennsylvania Department of Labor & Industry, Labor Market Information, Center for Workforce Information & Analysis
 (1) Annual, not seasonally adjusted from Pennsylvania Department of Labor & Industry, Labor Market Information, Center for Workforce Information & Analysis
 (2) Pennsylvania Department of Education
 (A) U.S. Census Bureau, American Factfinder
 (B) Bureau of Economic Analysis, U.S. Department of Commerce
 (C) U.S. Census 2010 Data
 Cumberland County CAFR for Year ended December 31, 2018

Civilian Labor Force and Unemployment Rates for the past 5 years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Cumberland County					
Civilian Labor Force	126,100	128,400	130,200	130,000	130,300
Unemployment Rate	4.5%	4.0%	4.1%	3.8%	3.3%
Pennsylvania					
Civilian Labor Force	6,392,000	6,416,000	6,450,000	6,425,000	6,424,000
Unemployment Rate	5.9%	5.3%	5.4%	4.9%	4.3%
United States					
Civilian Labor Force	155,922,000	157,130,000	159,187,000	160,320,000	162,075,000
Unemployment Rate	6.2%	5.3%	4.9%	4.4%	3.9%

*Source: Pennsylvania Department of Labor and Industry, Statistics, Center for Workforce Information & Analysis

County Demographics (continued)

Assessed Value and Estimated Actual Value of Taxable Property

Fiscal Year	Residential		Commercial		Agricultural	Recreation	Total Taxable		Utility & Tax		Total		Assessed Value as a Percentage of Actual Value (5)
	Property	Property	Property	Property			Assessed Value	Exempt Value	Exempt Property	Direct Tax Rate (3)	Estimated Taxable Value (4)	Estimated Actual Value (4)	
2009	(1) 11,704,349,810	4,788,918,720	725,187,210	28,470,540	17,246,926,280	2,961,390,860	2,579	21,803,852,313	79.1				
2010	(1) 11,907,901,590	4,919,759,440	740,578,380	28,279,280	17,596,518,690	2,972,923,890	2,579	21,968,188,127	80.1				
2011	(2) 15,418,759,500	5,975,550,800	994,539,200	44,311,900	22,433,161,400	3,751,613,300	2,045	22,433,161,400	100.0				
2012	(2) 15,594,896,200	6,048,035,100	991,535,600	43,960,200	22,678,427,100	3,767,043,200	2,045	22,543,168,091	100.6				
2013	(2) 15,797,344,200	6,102,261,000	992,370,200	43,698,300	22,935,673,700	3,861,400,800	2,274	22,246,046,266	103.1				
2014	(2) 16,023,724,400	6,149,471,000	1,006,126,900	43,170,500	23,222,492,800	3,925,858,400	2,338	22,969,824,728	101.1				
2015	(2) 16,199,194,200	6,318,739,300	1,012,668,000	42,903,500	23,573,505,000	3,967,767,700	2,338	23,479,586,653	100.4				
2016	(2) 16,407,526,300	6,410,767,500	1,016,945,600	42,920,620	23,878,160,000	4,003,853,900	2,338	23,926,012,024	99.8				
2017	(2) 16,640,909,800	6,580,169,600	1,023,164,900	42,761,400	24,287,005,700	4,114,485,600	2,361	24,757,346,228	98.1				
2018	(2) 16,879,021,800	6,744,992,000	1,023,461,400	42,591,800	24,690,067,000	4,148,914,300	2,361	25,745,638,165	95.9				

Notes:

(1) Properties valued at 2004 reassessment base year

(2) Properties valued at 2010 reassessment base year

(3) Direct Tax Rate:

	County	Library	Total
2009	2.399	0.18	2.579
2010	2.399	0.18	2.579
2011	1.902	0.143	2.045
2012	1.902	0.143	2.045
2013	2.131	0.143	2.274
2014	2.195	0.143	2.338
2015	2.195	0.143	2.338
2016	2.195	0.143	2.338
2017	2.195	0.166	2.361
2018	2.195	0.166	2.361

* Millage adjustment due to 5% cap for reassessment

(4) Estimated actual value is calculated by dividing taxable assessed value by the Tax Equalization Division (TED)* common level ratios

(5) Rates are based on the Tax Equalization Division (TED)* common level ratio

*Effective April 18, 2013 State Tax Equalization Board's (STEB) is now Tax Equalization Division (TED) and is under DCED

Although the Countywide library tax is a direct tax of the County as the County ordains and enacts it, the library tax is restricted by the electorate to funding the Cumberland County Library System, a governmental unit that is separate from the County, and is therefore not recognized as a tax revenue of Cumberland County government.

Source: Cumberland County CAFR Year ended December 31, 2018

County Demographics (continued)

County Real Estate Tax Levies and Collections

Year Ended December 31	Total Tax Levy for Adjustments to Tax		Collected within the Year of the Levy		Collections in Subsequent Years (3)		Total Collections to Date	
	Year (1) (4)	Levy for Year	Amount (2)	Percentage of Levy	Years (3)	Amount	Percentage of Levy	
2009	\$41,143,956	\$194,141	\$39,890,816	96.95%	\$1,445,841	\$41,336,657	100.00%	
2010	\$41,704,856	\$163,768	\$40,291,169	96.61%	\$1,575,747	\$41,866,643	100.00%	
2011	\$41,994,227	\$177,179	\$40,629,283	96.75%	\$1,540,553	\$42,168,836	100.00%	
2012	\$42,213,193	\$156,679	\$40,680,881	96.37%	\$1,686,458	\$42,367,660	100.00%	
2013	\$47,826,059	\$158,801	\$46,395,766	97.01%	\$1,587,002	\$47,981,440	100.00%	
2014	\$49,855,721	\$182,279	\$48,393,357	97.06%	\$1,641,360	\$50,031,167	99.99%	
2015	\$50,454,280	\$210,949	\$49,036,480	97.19%	\$1,624,487	\$50,660,967	99.99%	
2016	\$51,198,311	\$241,231	\$50,000,265	97.66%	\$1,426,844	\$51,016,372	99.98%	
2017	\$51,956,631	\$202,398	\$50,774,924	97.73%	\$982,694	N/A	99.23%	
2018	\$52,838,606	N/A	\$51,643,300	97.74%	N/A	N/A	N/A	

Notes:

- (1) Includes additions to duplicates, penalties, refunds, credits, discounts, and credits disallowed
- (2) Includes cash collections only
- (3) Includes penalties
- (4) The library tax approved by the electorate is not included in this schedule

Source: Cumberland County CAFR for Year ended December 31, 2018

County Demographics (continued)

Library Tax Levies and Collections

Year Ended December 31	Total Tax Levy for Year (1)	Collected within the Year of the Levy			Total Collections to Date	
		Subsequent Adjustments to Tax		Collections in Subsequent Years (3)	Amount	Percentage of Levy
		Levy for Year	Amount (2)			
2009	\$3,087,088	\$14,790	\$2,993,205	\$108,563	\$3,101,768	100.00%
2010	\$3,129,169	\$12,297	\$3,022,092	\$118,398	\$3,141,390	100.00%
2011	\$3,157,081	\$20,813	\$3,054,797	\$122,967	\$3,177,764	100.00%
2012	\$3,173,665	\$14,289	\$3,058,563	\$129,278	\$3,187,790	100.00%
2013	\$3,208,510	\$11,697	\$3,113,381	\$106,689	\$3,219,981	100.00%
2014	\$3,248,014	\$12,170	\$3,152,742	\$107,208	\$3,259,737	99.99%
2015	\$3,287,007	\$13,930	\$3,194,639	\$106,020	\$3,300,251	99.99%
2016	\$3,335,478	\$15,968	\$3,257,427	\$93,194	\$3,323,308	99.98%
2017	\$3,929,292	\$14,873	\$3,839,923	\$73,202	N/A	99.21%
2018	\$3,995,992	N/A	\$3,905,595	N/A	N/A	N/A

Notes:

- (1) Includes additions to duplicate and penalties
- (2) Includes discounts, penalties, rebates, and adjustments
- (3) Includes penalties and adjustments

Although the Countywide library tax is a direct tax of the County as the County ordains and enacts it, the library tax is restricted by the electorate to funding the Cumberland County Library System, a governmental unit that is separate from the County, and is therefore not recognized as a tax revenue of Cumberland County government.

Source: Cumberland County CAFR for Year ended December 31, 2018