

2020

Budget Briefing

Board of Commissioners:

Vincent DiFilippo | Chairman

Jim Hertzler | Vice Chairman

Gary Eichelberger | Secretary

Sandy Moyle | Chief Clerk

Dana Best | Chief Financial Officer

Index



Mission:

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

Vision:

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

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Introduction

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
- The benefits of population growth and economic recovery.

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.

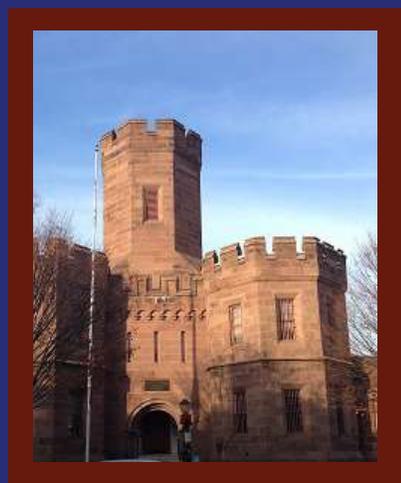
Modernization of County Government

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.

County Highlights



» No County real estate millage increase in 2015 through 2020.

» 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. Some of the key management teams include the Senior Management Team, Human Services Policy Team, Public Safety Review Team, and the Claremont Review Team.

» In 2019, the County finished implementing Kronos in all departments. Kronos is a paperless timekeeping, attendance, scheduling, and absence management system. Kronos has been instrumental in bringing the County's overtime costs under control by improving scheduling. Having data on a real-time basis allows for timely management analysis and decision-making.

» In 2018, the County implemented the Opioid Intervention Court which is an extremely intensive early intervention program designed to address the treatment needs for people with opioid abuse history and to prevent them from using while their case proceeds through the criminal courts.

» All voting systems used in Pennsylvania must be state-certified and meet all requirements of the Election Code. The state has mandated that counties choose a new certified system by December 2019 and must implement the new system for the presidential primary in 2020. The County Election Board has chosen the new equipment and it has a cost of just under four million dollars. We are expecting the state to provide a 60% grant for the cost of the equipment.

» Preparation for the 7th Common Pleas Court began in 2018 with the purchase of the 1615 Ritner Highway property. Renovations will continue in 2020 throughout the County buildings due to relocating offices. The additional court will be completed at the end of 2019 in order to accommodate the 7th Common Pleas Court beginning January 1, 2020.

» Public Safety is in the planning process for the 9-1-1 radios and infrastructure project. Our current radio system and most subscriber radios are not compliant and have reached or are near the end of their useful life. Expenses could range from \$20 - \$40 million to upgrade its towers, transmitters, and radios essential to emergency response. This will be a major project that will span through 2024.

» Four bridges will be in the construction phase in 2020. In order to meet cash flow needs, the County is pursuing a Pennsylvania Infrastructure Bank (PIB) loan to fund the construction of Sample Bridge.

» Claremont Nursing and Rehabilitation Center (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. In addition, over 75% of our population is paid by Medicaid, and Medicaid rates have remained flat over the past decade. If that trend does not change, the General Fund will need to start subsidizing the nursing home.

County Structure:

Cumberland County Government

Estimated Population:

» 251,423

Median Age:

» 40.5

Median Household Income:

» \$65,544

School Enrollment:

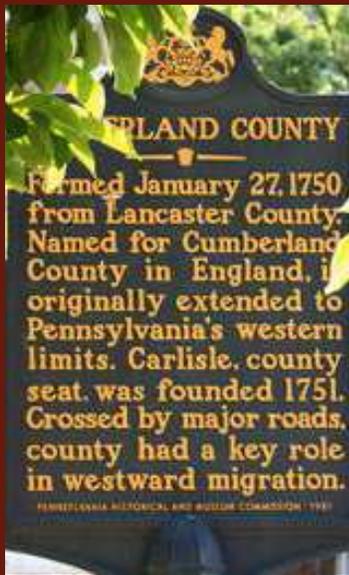
» 33,712

Unemployment Rate:

» 3.3%

Property Tax Rate:

» 2.361



Located in South Central Pennsylvania, Cumberland County encompasses 555 square miles. Over 251,000 residents live in the 33 municipalities that make up Cumberland County. The County is within a two-hour drive of Philadelphia, Baltimore, and Washington and within a ten-hour drive of over 50% of the population of the United States. 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.

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 (MDJs) 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.

Services Provided to the Citizens

Judicial Administration, Corrections, and Justice Related Activities

The Court of Common Pleas and the Magisterial District Courts are administered by the County. The County has six judges who are elected to sit on the bench and hear criminal and civil cases. MDJs do criminal bookings and small claims. The County supports the courts with corrections and criminal justice programs such as the prison, probation, and criminal investigation department.

Community Development and Environmental Planning

The County is closely involved in economic development and planning to improve our communities. The County also plays a role in protecting the environment. The County is responsible for comprehensive land use planning and stormwater management planning.

Public Health and Safety

The County operates an emergency communications center that is responsible for providing comprehensive planning and operational readiness to municipalities, groups, businesses, and individuals in preparing for, supporting, and recovering from the impact of natural or man-made disasters. The center also plans for what to do if hazardous materials are spilled or released into the environment. The County also provides 9-1-1 emergency call-taking and dispatch service, making sure the police, ambulance, or fire companies arrive at the correct location.

Human Services

The County provides protective services for children and youth, mental health and intellectual disability programs, drug and alcohol awareness programs, and services for the aging.

Elections

The County oversees all elections. Elections keeps a registry of voters, makes sure election equipment is in working order, and that polling places are accessible to everyone who wants to vote.

County Nursing Home

The Claremont Nursing and Rehabilitation Center is a community-based nursing and rehabilitation center focused on providing quality skilled nursing services to its residents in a caring and dignified environment.

County Structure: Elected Officials

Commissioners

Chairman	Vincent T. DiFilippo	Ensure compliance with provisions of the County Code. Granted authority to establish the annual County operating budget, approve expenditures of County dollars, authorize all County contracts, and manage all County properties and buildings.
Vice Chairman	Jim Hertzler	
Secretary	Gary Eichelberger	

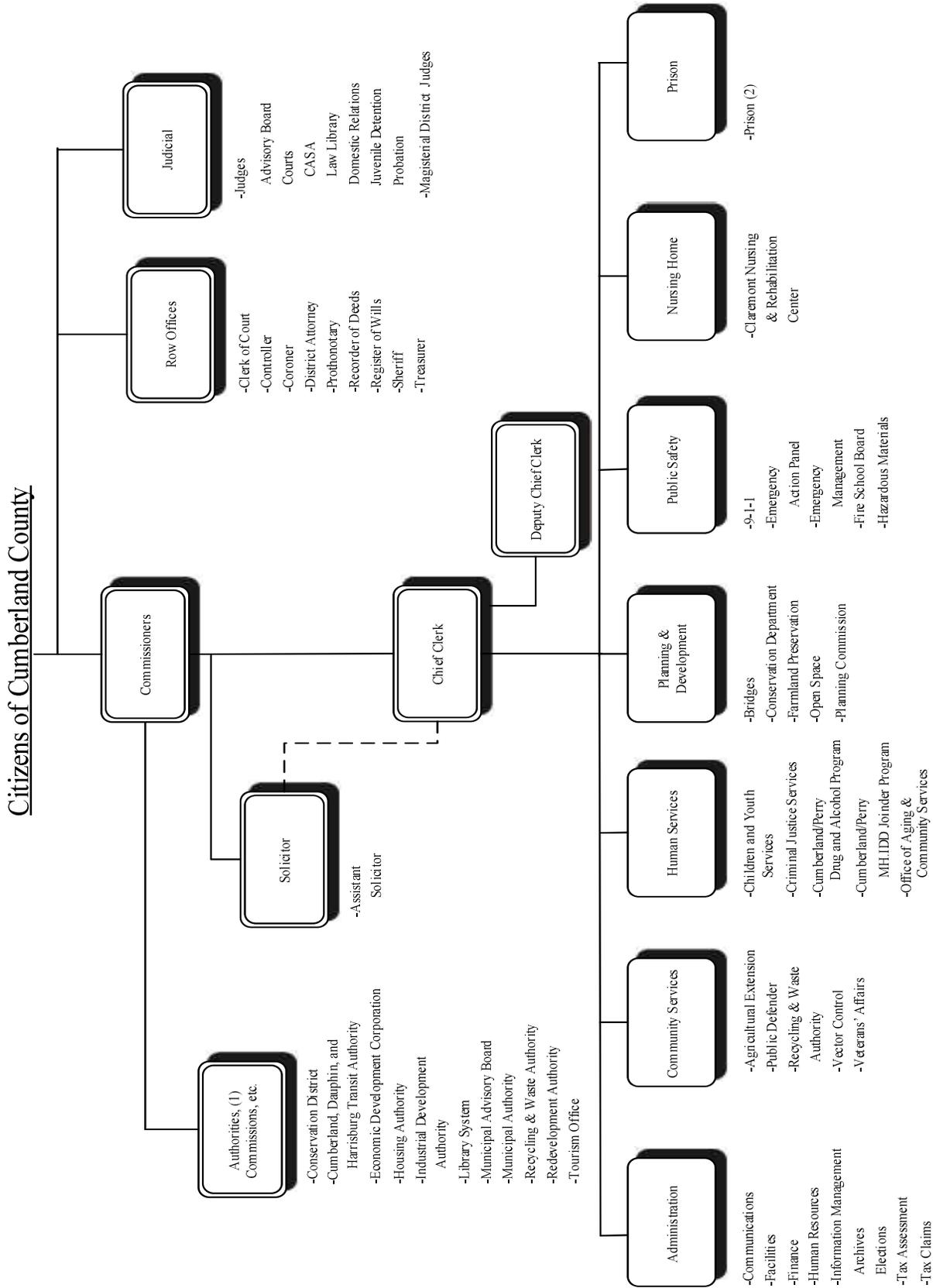
Judges

President Judge	Edward E. Guido	The Court of Common Pleas of Cumberland County is a general jurisdiction trial court. The judges hear a wide spectrum of cases, including adult and juvenile criminal prosecutions, lawsuits involving money or property, divorce, custody disputes, child support issues, adoptions, and estates.
Judge	Albert H. Masland	
Judge	Christylee L. Peck	
Judge	Thomas A. Placey	
Judge	Jessica E. Brewbaker	

Elected Officials

Clerk of Court	Dennis E. Lebo	Official record keeper for all matters relating to the Criminal Division of the Court of Common Pleas.
Controller	Alfred L. Whitcomb	Chief fiscal officer of Cumberland County.
Coroner	Charles E. Hall	Investigates sudden, unexplained, violent, or suspicious deaths occurring within the County.
District Attorney	M.L. Ebert, Jr.	Investigates and prosecutes all crimes. Ensures all victims of crime are represented as required.
Prothonotary	Dale Sabadish	Maintains records of the Court of Common Pleas. All civil litigation is filed with the Prothonotary. Processes passports for the public.
Recorder of Deeds	Tammy Shearer	Maintains a permanent public record of deeds and documents related to real estate in the County.
Register of Wills & Clerk of Orphans' Court	Lisa M. Grayson	Processes all County decedents' estate filings and Inheritance Tax payments.
Sheriff	Ronny R. Anderson	Serves civil process documents and enforces orders of the court. Provides security and prisoner transport for the courts.
Treasurer	John C. Gross, II	Receives, deposits, records, and invests all monies for the operational accounts/funds of the County. Collects and disburses Cumberland County Hotel Tax.

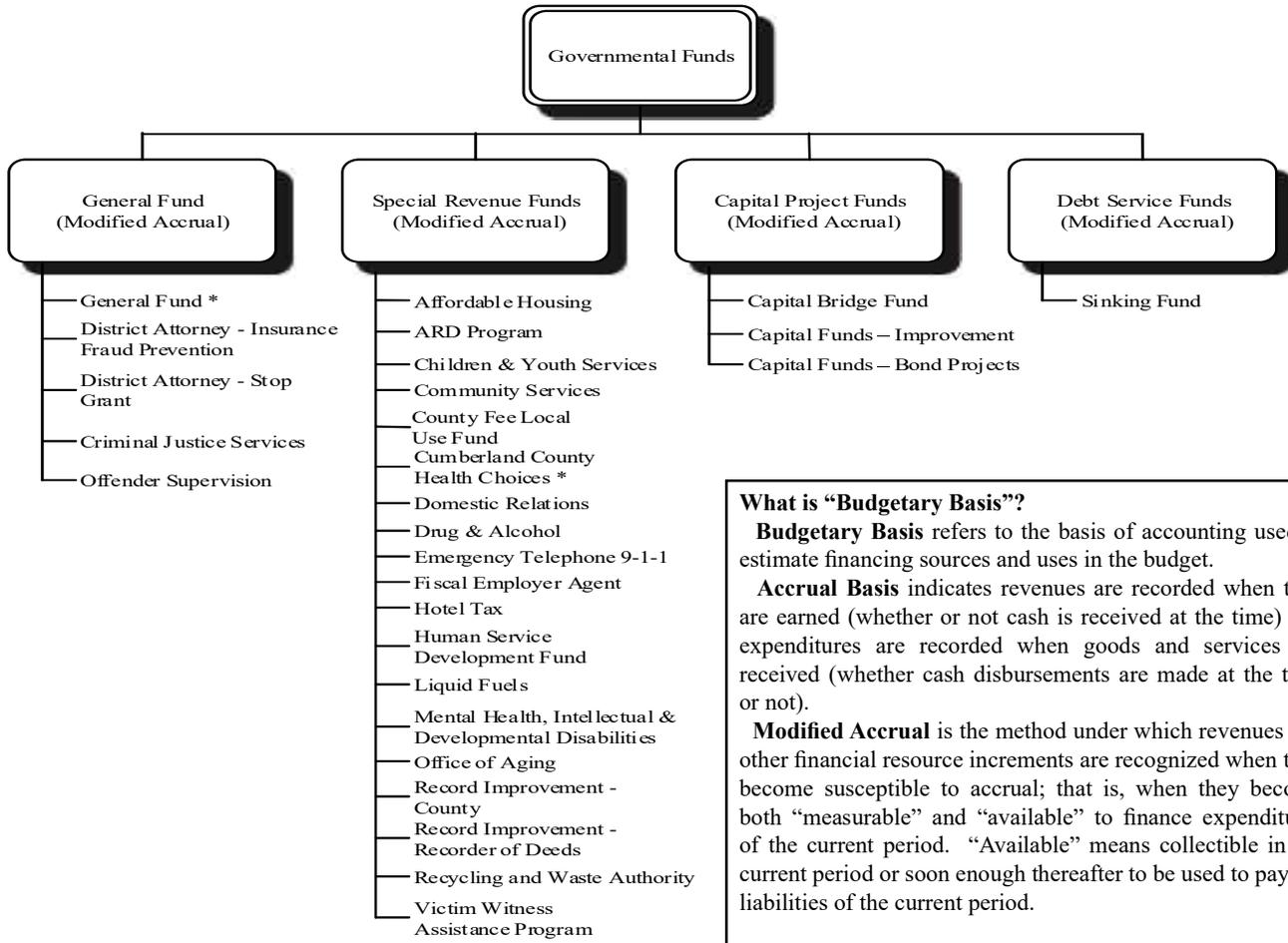
County Structure: Organization Chart



(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

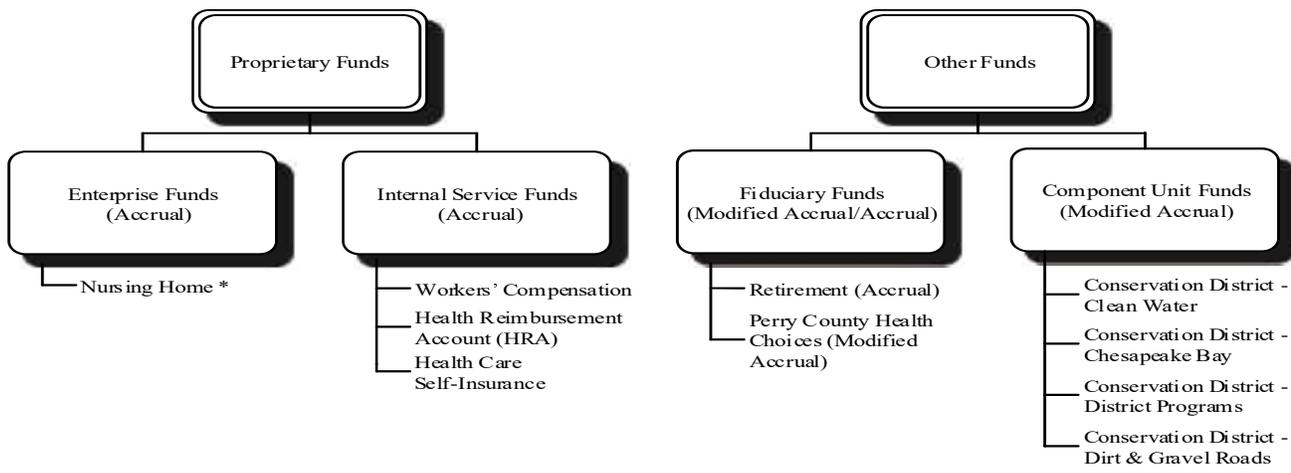
County Structure: Fund Structure

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.

*Indicates Major Funds



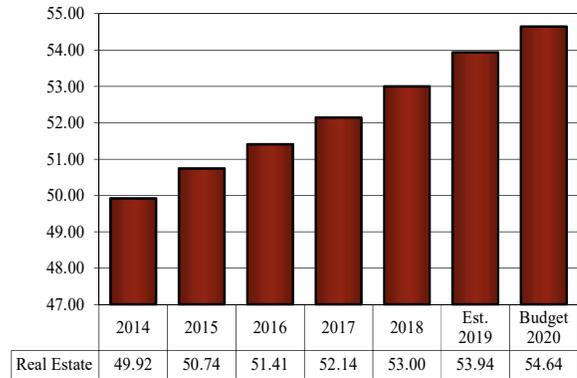
County Tax Comparison Charts

Millage Rate History

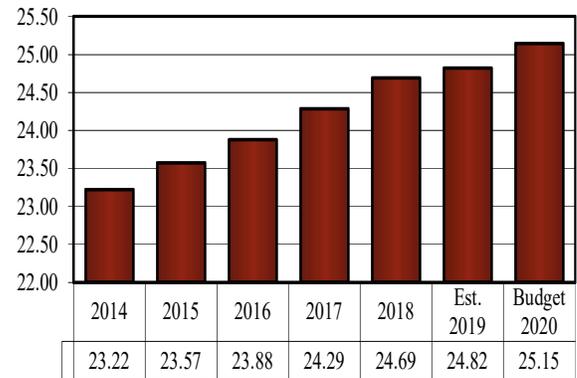
2010	2.399 County millage (0% increase)
2011	1.902 County millage (0% increase)*
2012	1.902 County millage (0% increase)
2013	2.131 County millage 12% increase)
2014	2.195 County millage (3% increase)
2015	2.195 County millage (0% increase)
2016	2.195 County millage (0% increase)
2017	2.195 County millage (0% increase)
2018	2.195 County millage (0% increase)
2019	2.195 County millage (0% increase)
2020	2.195 County millage (0% increase)

*Reassessment Year

Real Estate Tax Revenue
(In Millions)

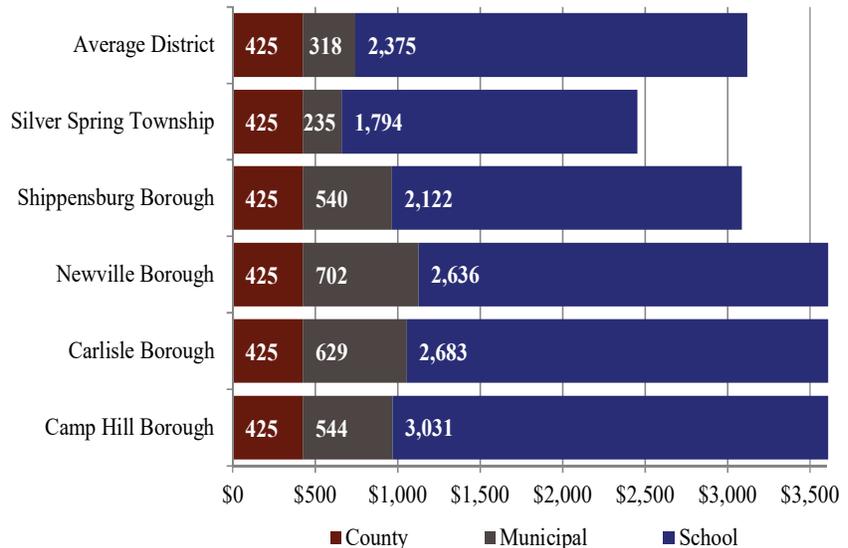


Total Taxable Assessed Value
(In Billions)



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 an \$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 tax bill.



County Tax Comparison Charts

Comparative Tax Rate for 3rd Class Counties

Based on the 2018 U.S. Census estimated population, third class counties were selected as benchmarks with Cumberland County. Of these counties, Cumberland County has the lowest per capita ratio at \$211.

2018

Benchmark Counties	Class	2018 Population	2018 Real Estate Tax	Average Tax per Household	Median Household Income	2018 Average Tax per Household per Median Household Income	2018 Property Tax per Capita
Dauphin	3	277,097	\$ 105,236,657	\$583	\$57,071	1.02%	\$380
Lackawanna	3	210,793	\$ 78,549,689	\$588	\$48,380	1.22%	\$373
Luzerne	3	317,646	\$ 118,124,047	\$566	\$49,290	1.15%	\$372
York	3	448,273	\$ 162,479,534	\$659	\$61,707	1.07%	\$362
Berks	3	420,152	\$ 143,705,841	\$622	\$59,580	1.04%	\$342
Northampton	3	304,807	\$ 98,213,216	\$613	\$65,390	0.94%	\$322
Chester	3	522,046	\$ 165,550,646	\$642	\$92,417	0.69%	\$317
Lehigh	3	368,100	\$ 107,413,232	\$506	\$60,116	0.84%	\$292
Erie	3	272,061	\$ 77,317,205	\$434	\$48,192	0.90%	\$284
Westmoreland	3	350,611	\$ 83,311,144	\$366	\$56,702	0.65%	\$238
Lancaster	3	543,557	\$ 121,488,947	\$409	\$61,492	0.67%	\$224
Cumberland	3	251,423	\$ 52,994,780	\$368	\$65,544	0.56%	\$211

Comparative Tax Rate for Surrounding Counties

Based on the 2018 U.S. Census estimated population, counties surrounding Cumberland County were selected as benchmarks. Of these counties, Cumberland County has the lowest per capita ratio at \$211.

2018

Benchmark Counties	Class	2018 Population	2018 Real Estate Tax	Average Tax per Household	Median Household Income	2018 Average Tax per Household per Median Household Income	2018 Property Tax per Capita
Adams	5	101,589	\$39,442,999	\$943	\$62,661	1.51%	\$388
Dauphin	3	277,097	\$105,236,657	\$583	\$57,071	1.02%	\$380
York	3	448,273	\$162,479,534	\$659	\$61,707	1.07%	\$362
Lebanon	5	137,616	\$32,923,688	\$578	\$57,698	1.00%	\$239
Franklin	4	154,835	\$36,465,124	\$434	\$58,267	0.74%	\$236
Lancaster	3	543,557	\$121,488,947	\$409	\$61,492	0.67%	\$224
Perry *	6	46,139	\$9,894,425	\$478	\$60,847	0.79%	\$214
Cumberland	3	251,423	\$52,994,780	\$368	\$65,544	0.56%	\$211

* Denotes 2017 Data, 2018 CAFR was not available, will update when it becomes available.

Total County Budget: Summary

Major Future Projects with Long-Term Impact:

» The County will plan, engineer, design, and replace seven bridges in need of replacement: Wolf, Sample, Orrs, Roush, Burgner, Stonewall, and Kunkle. York will plan, engineer, design, and replace Slate Hill and Cumberland will reimburse for 50% of the work done. Two historic bridges will complete preservation in 2020: Ramp and Hertzler.

Estimated Project Completion & Total Cost:

Ramp Bridge*	2020	\$205 K
Hertzler Bridge*	2020	\$1.0 M
Slate Hill Road Bridge	2020	\$4.4 M
Wolf Bridge	2020	\$4.8 M
Sample Bridge	2020	\$5.7 M
Orrs Bridge	2020	\$7.6 M
Roush Bridge	2021	\$890 K
Burgner Bridge	2021	\$1.9 M
Stonewall Bridge	2021	\$2.0 M
Kunkle Bridge	2021	\$2.9 M

*Historic Bridge Preservation

2020 Budget Cost: \$16,024,774

» Public Safety is in the planning process for the 9-1-1 radios and infrastructure project. Our current radio system and most subscriber radios are not compliant and have reached or are near the end of their useful life. This will be a major project that will span through 2024.

2020 Budget Cost: \$2,780,000

» CNRC needs to replace the ceiling tile in the Tower Building in order to get the building to a Type II 222 for the floor fire protection rating.

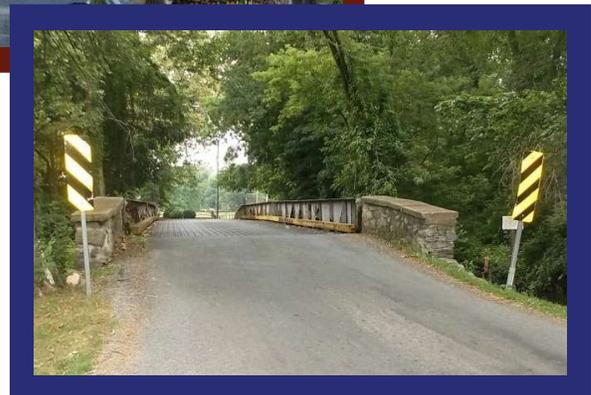
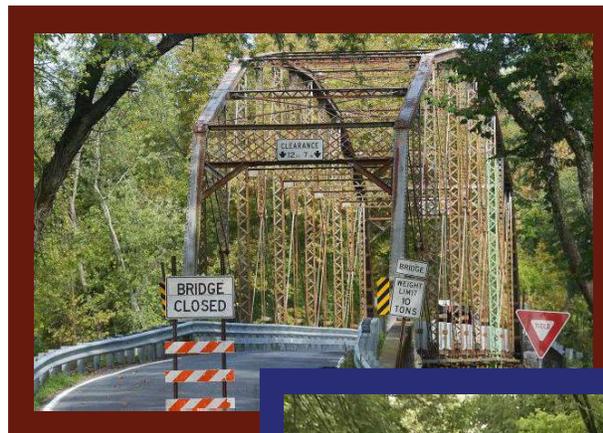
2020 Budget Cost: \$900,000

Total County Revenues:

Tax Revenue	\$61,182,006
Grant Revenue	\$117,506,063
Interfund Revenue	\$24,869,655
Other Revenue	\$98,871,952
Total Revenue	\$302,429,676
Appropriated Fund Balance	\$9,210,639
Total	\$311,640,315

Total County Expenditures:

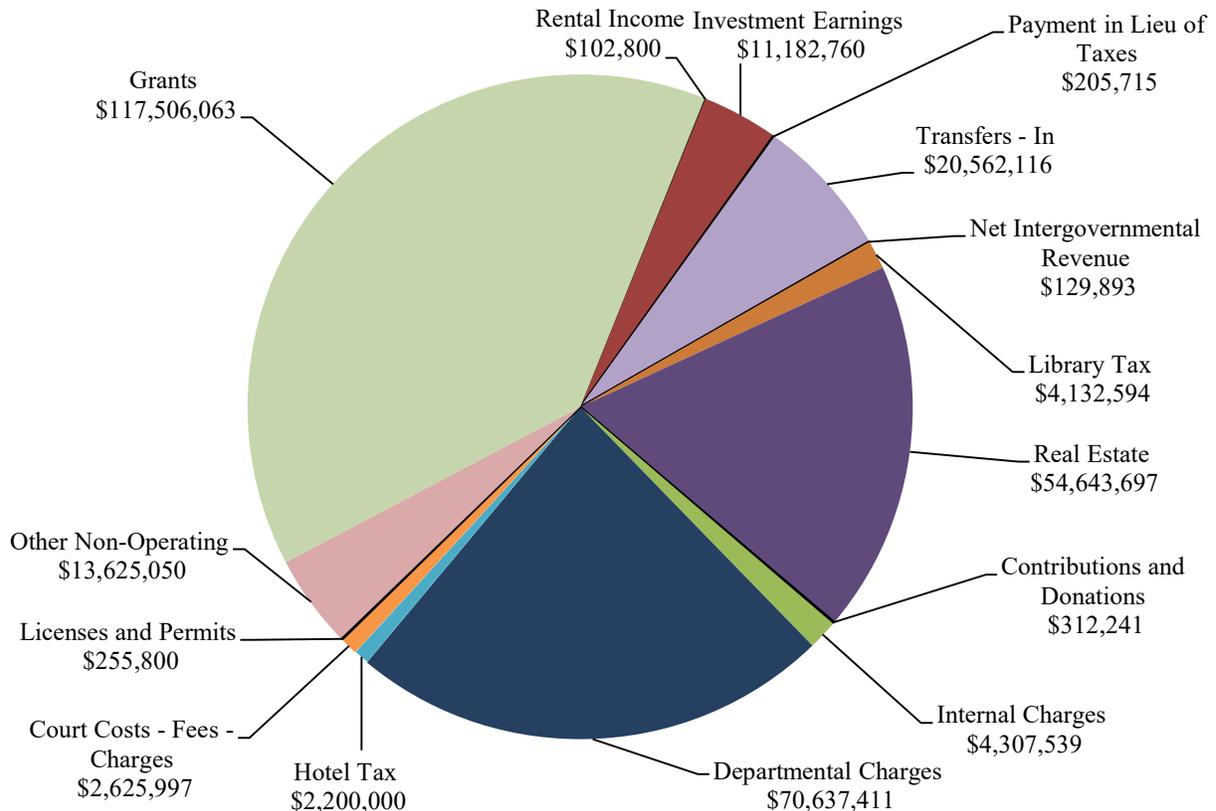
Salaries and Benefits	\$90,790,875
Operating Expense	\$169,330,816
Interfund Expense	\$27,169,212
Capital Expense	\$24,349,412
Total	\$311,640,315



Total County Budget: Total County Revenue Summary

Total County Revenue Summary

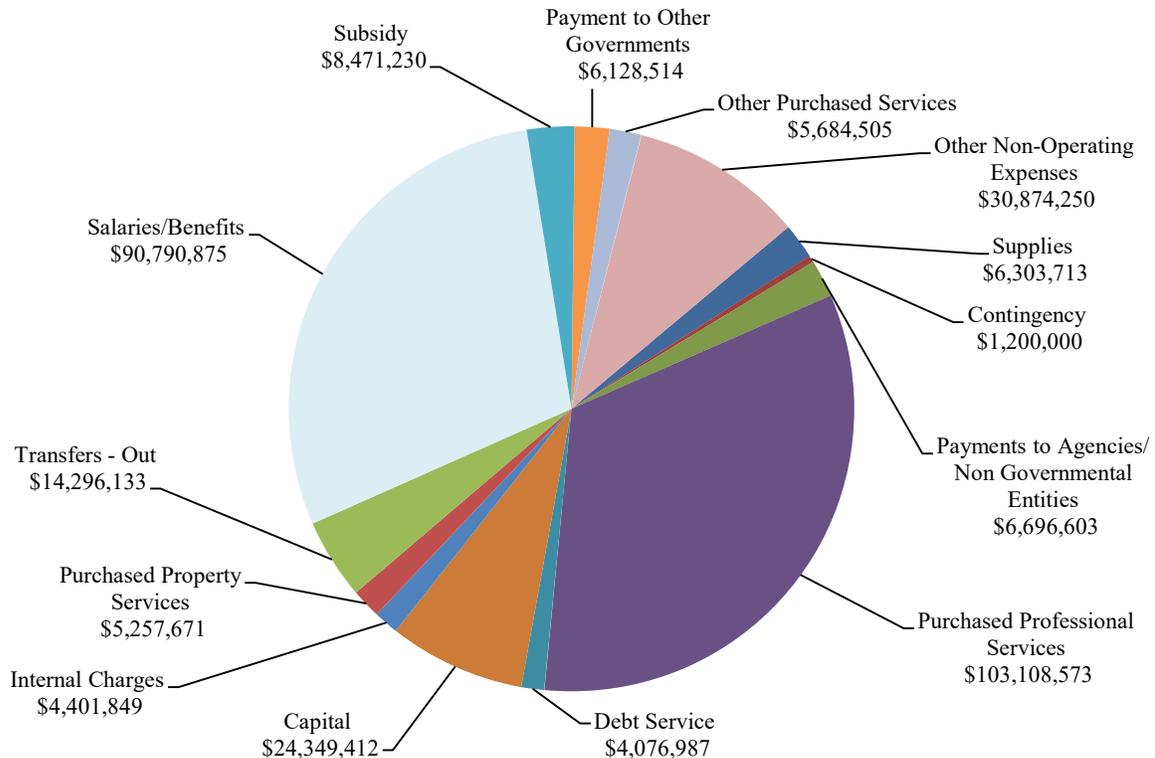
	2019 Budget	2020 Budget	Variance	% Change
Real Estate Tax	\$53,772,720	\$54,643,697	\$870,977	1.6%
Library Tax	\$4,066,790	\$4,132,594	\$65,804	1.6%
Hotel Tax	\$2,100,000	\$2,200,000	\$100,000	4.8%
Payment in Lieu of Taxes	\$239,533	\$205,715	-\$33,818	-14.1%
Grants	\$113,394,928	\$117,506,063	\$4,111,135	3.6%
Transfers - In	\$18,378,281	\$20,562,116	\$2,183,835	11.9%
Internal Charges	\$4,351,899	\$4,307,539	-\$44,360	-1.0%
Licenses and Permits	\$229,900	\$255,800	\$25,900	11.3%
Departmental Charges	\$69,462,510	\$70,637,411	\$1,174,901	1.7%
Court Costs - Fees - Charges	\$2,480,597	\$2,625,997	\$145,400	5.9%
Investment Earnings	\$11,441,328	\$11,182,760	-\$258,568	-2.3%
Rental Income	\$101,755	\$102,800	\$1,045	1.0%
Contributions and Donations	\$269,557	\$312,241	\$42,684	15.8%
Net Intergovernmental Revenue	\$131,038	\$129,893	-\$1,145	-0.9%
Other Non-Operating	\$7,820,500	\$13,625,050	\$5,804,550	74.2%
Total Revenue	\$288,241,336	\$302,429,676	\$14,188,340	4.9%



Total County Budget: Total County Expenditure Summary

Total County Expenditure Summary

	2019 Budget	2020 Budget	Variance	% Change
Salaries/Benefits	\$86,645,245	\$90,790,875	\$4,145,630	4.8%
Purchased Professional Services	\$102,861,912	\$103,108,573	\$246,661	0.2%
Purchased Property Services	\$5,166,724	\$5,257,671	\$90,947	1.8%
Other Purchased Services	\$5,661,419	\$5,684,505	\$23,086	0.4%
Supplies	\$6,240,202	\$6,303,713	\$63,511	1.0%
Payments to Agencies/Non Governmental Entities	\$6,474,951	\$6,696,603	\$221,652	3.4%
Debt Service	\$4,205,952	\$4,076,987	\$-128,965	-3.1%
Payment to Other Governments	\$5,374,875	\$6,128,514	\$753,639	14.0%
Contingency	\$886,421	\$1,200,000	\$313,579	35.4%
Other Non-Operating Expenses	\$29,527,750	\$30,874,250	\$1,346,500	4.6%
Subsidy	\$8,893,464	\$8,471,230	\$-422,234	-4.7%
Transfers - Out	\$11,953,867	\$14,296,133	\$2,342,266	19.6%
Internal Charges	\$4,528,077	\$4,401,849	\$-126,228	-2.8%
Capital	\$18,601,455	\$24,349,412	\$5,747,957	30.9%
Total Expense	\$297,022,314	\$311,640,315	\$14,618,001	4.9%



Total County Budget: Explanation of Changes

Total County Budget Revenue and Expenses Explanation of Changes

Revenue

Real Estate Tax Revenue is increasing \$870,977.

- Real Estate Tax Revenue is estimated to increase 1.6% over the 2019 budget due to the natural growth in the taxable assessed real estate values and their collections.

Grant Revenue is increasing \$4,111,135.

- The General Fund is increasing \$2,300,000 due to expecting the state to provide a 60% grant for the cost of the new election equipment and about \$270,000 in HAVA grant funding
- Liquid Fuels bridges are increasing \$1,117,929 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 Act 148 funding is increasing \$716,742. Funding is based on previous year actuals and as our expenses increase, funding should follow.

Transfers - In revenue is increasing \$2,183,835.

- The Capital Fund is increasing \$2,450,000 due to the transfer - in from the General Fund for the P25 project.

Departmental Charges is increasing \$1,174,901.

- The Health Care Self-Insurance Fund is increasing \$800,000. The County is self-insured for medical insurance and the premiums are increasing \$800,000 for 2020.

Other Non-Operating revenue is increasing \$5,804,550.

- Capital Funds - Improvements are increasing \$5,004,500 due to the PIB loan proceeds that will be used to fund the construction of Sample Bridge.
- The Retirement Fund is increasing revenues by \$764,000 due to the increase in the Actuarially Determined Contribution (ADC).

Expenses

Salaries and Benefits are increasing \$4,145,630.

- Salaries are increasing \$2,535,104 based on the Merit Based Compensation formula and union contracts. Benefits are increasing \$1,610,526 due mainly to increasing the medical premium rates and increasing ADC.

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.

Other Non-Operating Expenses are increasing \$1,346,500.

- Self-Insurance medical claims are budgeted to increase \$1,000,000.

Transfers - Out are increasing \$2,342,266.

- The General Fund is increasing \$2,450,000 due to the transfer - out to Capital Funds for the P25 project.

Capital is increasing \$5,747,957.

- Liquid Fuels is increasing \$6,014,118 due to planned construction of Orrs, Wolf, Kunkle, and Sample bridges.

Total County Budget: Subsidy

Subsidy

Subsidy reflects the transfer of tax dollars from the General Fund to meet program match requirements or to subsidize projected operating deficits. Children and 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

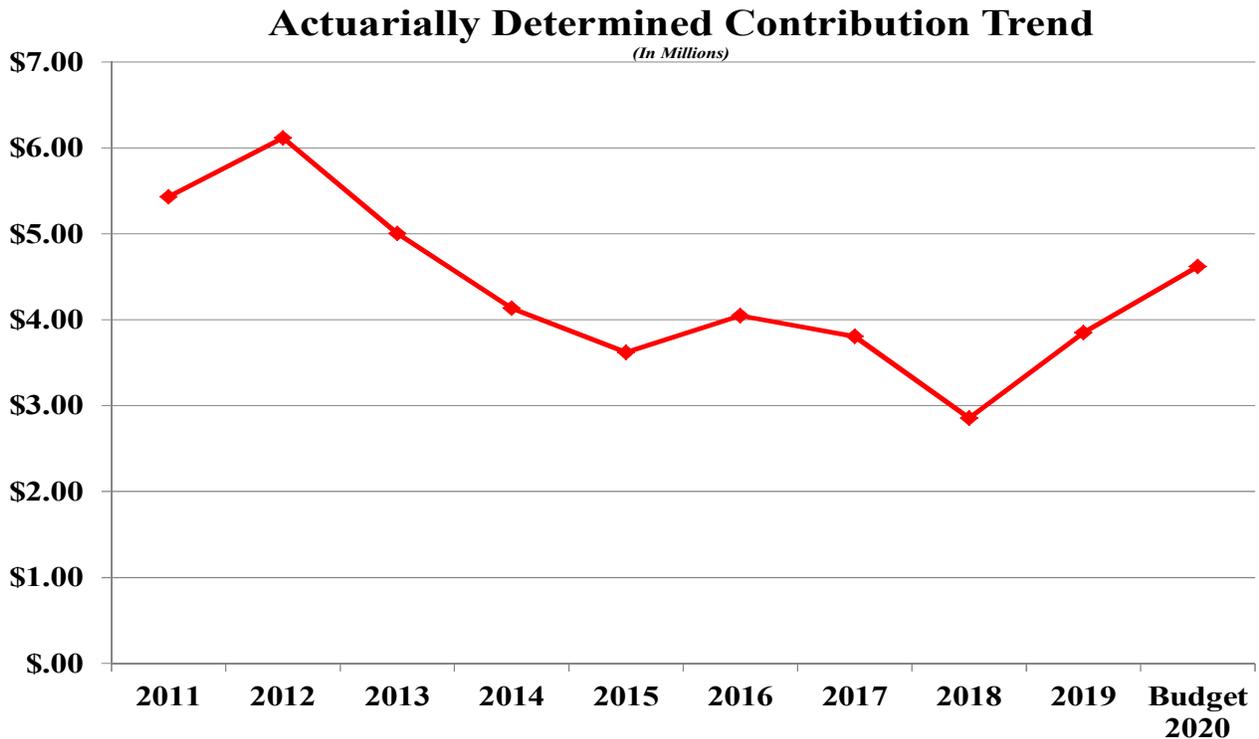
	2014	2015	2016	2017	2018	Est. 2019	Budget 2020
District Attorney - Stop Grant - Calendar	125,564	84,454	137,520	154,757	143,498	86,099	49,316
Criminal Justice Services	169,726	277,319	288,068	337,968	356,459	489,601	879,876
Human Services Administration	27,289	0	0	0	0	0	0
Affordable Housing	838	0	0	0	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

Total County Budget: Annual Retirement Contribution

Annual Retirement Contribution

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 six years have substantially grown plan assets. This has led to an increase in the plan funded ratio and reduced the Actuarially Determined Contribution (ADC) over the past several years. However, over time, funding levels fluctuate with the Return On Investment (ROI) of financial instruments.

The 2020 estimated contribution is estimated to increase \$764,000. However, the ADC will be determined in the second quarter of 2020 and is heavily based on the ROI of financial instruments.

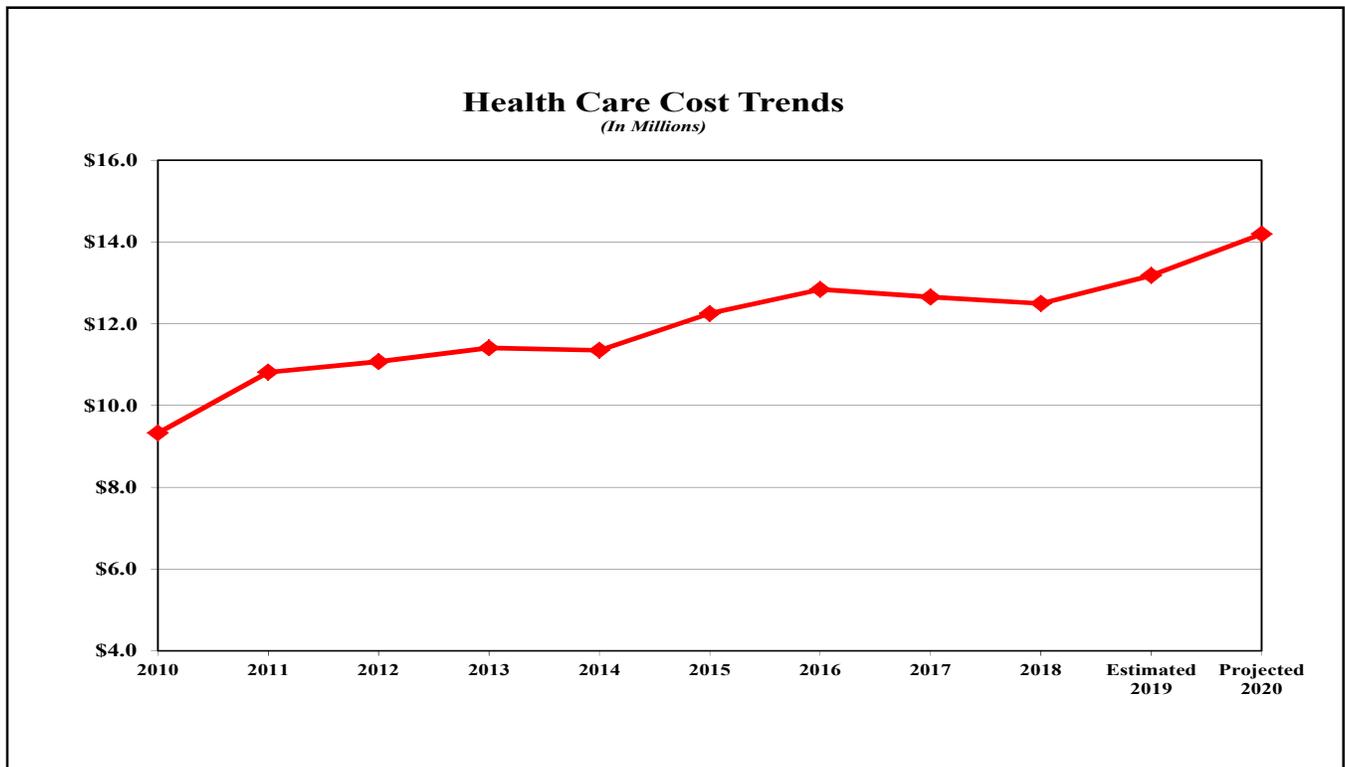


Total County Budget: Health Care Cost

Health Care Cost

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 medical. 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 the 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 7.7%. The total County costs are shown on the graph below.



Total County Budget: capital Expenditures

2020 Capital Expenditures: Routine

<u>Funding Source</u>	<u>Department</u>	<u>Description</u>	<u>Amount</u>
General Fund	Agricultural Land Preservation	Farmland Preservation	\$950,000
General Fund	IMTO	Web Filter, Network Equipment, Licenses	\$535,015
General Fund	Capital Contingency	Capital Contingency	\$402,650
General Fund	Sheriff	New Vehicles	\$156,100
Fees	CNRC	Bus	\$81,300
General Fund	Coroner	New Vehicle	\$48,000
General Fund	Courts	Furniture	\$40,000
Fees	Conservation District	New Vehicle	\$30,000
General Fund	Adult Probation	New Vehicle	\$30,000
Fees	CNRC Maintenance	Carpet	\$15,000
General Fund	Register of Wills	Carpet	\$10,000
Fees	Clerk of Courts	At the Discretion of the Clerk of Courts	\$7,000
Subtotal			\$2,305,065
CNRC	Capital Contra		\$-96,300
Total Routine			\$2,208,765

2020 Capital Expenditures: Non-Routine

<u>Funding Source</u>	<u>Department</u>	<u>Description</u>	<u>Amount</u>
PIB Loan/Fees	Capital Bridge Program	Sample Bridge	\$4,552,500
Grant	Capital Bridge Program	Orr's Bridge	\$4,044,046
Grant	Capital Bridge Program	Wolf Bridge	\$3,159,300
Bond/Fees	Emergency Telephone 9-1-1	9-1-1 Radios and Infrastructure	\$2,780,000
Grant/Fees	Capital Bridge Program	Kunkle Bridge	\$1,968,000
Fees	Emergency Telephone 9-1-1	CAD Replacement	\$1,108,710
Fees/Grant	Capital Bridge Program	Bridge Bundle (Roush, Burgner, & Stonewall)	\$992,400
Fees	CNRC Maintenance	Tower Building Ceiling Replacement	\$900,000
General Fund/Grant	Public Safety	Hazmat Vehicle	\$420,000
Fees	Emergency Telephone 9-1-1	Law and Fire Protocols	\$366,221
General Fund	Finance	Budget Database	\$350,000
General Fund	Maintenance	District Attorney Lab Relocation	\$295,000
Fees	Prison	Housing Unit Showers	\$250,000
Fees	Retirement	Retirement Administration Software	\$250,000
Fees	Capital Bridge Program	Ramp Bridge	\$205,000
Fees	Emergency Telephone 9-1-1	MCU Zetron	\$151,622
Fees	Prison	Body Scanner	\$150,000
General Fund	GIS	Pictometry	\$142,556
General Fund	Courts	Courtroom Technology	\$120,000
Fees	Capital Bridge Program	Hertzler Bridge	\$102,500
Fees	Prison	Elevator Controls and Parts	\$100,000
General Fund	Maintenance	District Judge Courtroom	\$80,000
Fees	Emergency Telephone 9-1-1	Avaya Phone Replacement	\$79,364
General Fund	Maintenance	New Courthouse Breaker	\$75,000
Fees	CNRC Maintenance	Tower Building Renovations	\$60,000
Fees	CNRC Maintenance	Electrical Panel	\$50,000
Fees	Emergency Telephone 9-1-1	VESTA Phone Replacement	\$49,009
General Fund	Maintenance	Barn Painting	\$45,000
General Fund	District Attorney	DNA Collection Vacuum	\$45,000
Fees	CNRC	Dining Services Equipment	\$40,000
General Fund	IMTO	Upgrade A/V Equipment	\$40,000
General Fund	District Attorney	Specialty Furniture	\$40,000
Fees	CNRC	Medical Equipment Washing & Decontamination	\$31,800
General Fund	Prison	Upgrade Stanley Security System	\$30,000
General Fund/Grant	Elections	Voting Machines	\$25,000
Fees	Register of Wills	Atiz BookDrive Pro Scan Station	\$22,000

Total County Budget: capital Expenditures (continued)

2020 Capital Expenditures: Non-Routine (Continued)

<u>Funding Source</u>	<u>Department</u>	<u>Description</u>	<u>Amount</u>
General Fund	Public Safety	Burn Building Site Preparation	\$20,000
Grant	Public Safety	EOC Projectors	\$14,993
Grant	Public Safety	Portal Monitor	\$12,947
Fees	Recycling & Waste	Electronics Recycling Center Improvements	\$10,000
General Fund	District Attorney	Recording System	\$10,000
General Fund	Maintenance	New Courthouse Roof	\$9,000
General Fund	Public Safety	Training Room Display	\$8,500
Fees	Emergency Telephone 9-1-1	Low Band Amplifier	\$6,979
Fees	Prothonotary	Systems Integration	\$5,000
Fees	CNRC Maintenance	HVAC Ductless Unit	\$5,000
General Fund	Maintenance	Window Replacement	\$5,000
Subtotal			\$23,227,447
	CNRC	Capital Contra	\$-1,086,800
Total Non-Routine			\$22,140,647

2020 Capital Expenditures: Summary

<u>Description</u>	<u>Amount</u>
Routine	\$2,305,065
Non-Routine	\$23,227,447
Total Capital Expenditures	\$25,532,512
Routine - Capital contra	\$-96,300
Non-Routine - Capital contra	\$-1,086,800
Total Capital Expenditures less Capital Contra	\$24,349,412

Note: Enterprise funds are budgeted on the accrual basis of accounting. Depreciation is budgeted instead of acquisition of the capital assets. The County uses a "contra" capital account to remove the capital from the budget while allowing us to plan for capital costs. Listed above are the capital assets netted with the contra accounts to tie into the budget.

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' Affairs	2.0	2.0	2.0	3.0
Total Budgeted Positions	512.7	505.5	503.9	486.4

Positions by Performance Management Groups (continued)

Public Safety	2017 Budget	2018 Budget	2019 Budget	2020 Budget
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
Records and Licensing				
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

General Fund Budget: Summary

Managing the Budget:

- » The County comprehensive compensation plan is designed to reward employees based on performance as opposed to longevity. The Merit Based Compensation (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.
- » 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 revenue enhancement, cost containment, and unused contingencies. The end result will be an estimated ending fund balance of \$32.8 million and a projected transfer from reserves of \$1,752,506.
- » 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.

General Fund Revenues:

Real Estate Taxes	\$54,643,697
Library Taxes	\$4,132,594
Other Revenue	\$9,263,765
Investment Earnings	\$1,165,750
Grant Revenue	\$5,618,682
Departmental Charges	\$9,589,438
Court Costs/Fees/Charges	\$1,581,097
Total Revenue	\$85,995,023

General Fund Expenditures:

General Government - Administrative	\$20,386,779
General Government - Judicial	\$20,898,754
Public Safety	\$23,547,456
Conservation	\$1,984,020
Culture and Recreation	\$5,186,006
Economic Development & Assistance	\$6,248,950
Human Services	\$325,493
Subsidy	\$10,921,230
Debt Services	\$2,724,732
Total Expenditures	\$92,223,420

Additional Budget Cuts/Total Fund Balance Appropriations	\$-6,228,397
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General Fund Budget: 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%
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 Budget: Expense 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 Budget: Explanation of Changes

Total General Fund Budgeted Revenue and Expenditure Explanation of Changes

Revenue

General Fund revenue is increasing \$3,940,285.

- ERP is increasing \$62,936 due to an increase in the internal billing of Kronos. Kronos is our automated timekeeping, attendance, scheduling, and absence management system.
- Facilities 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% 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.
- GF-Revenue Accts is increasing \$1,032,849. Real Estate Tax Revenue is estimated to increase 1.6% over the 2019 budget due to the natural growth in the taxable assessed real estate values and their collections. Interest revenue on certificate of deposits is increasing. CNRC Transfer-In is decreasing.

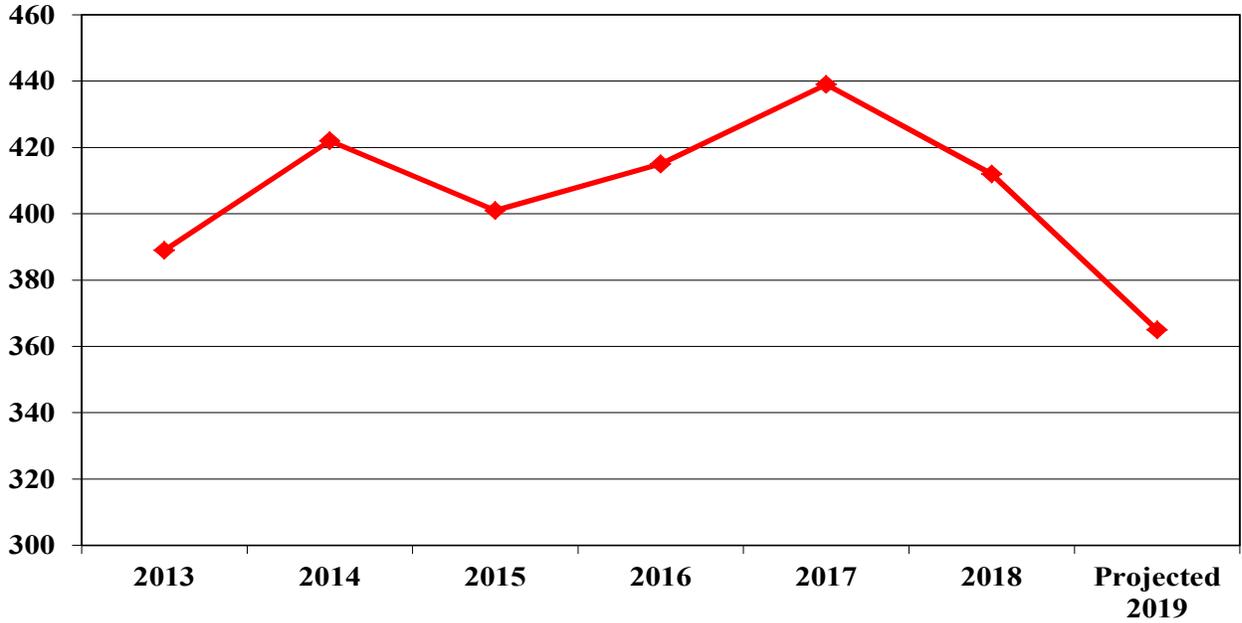
Expenses

General Fund expenses are increasing \$4,512,903.

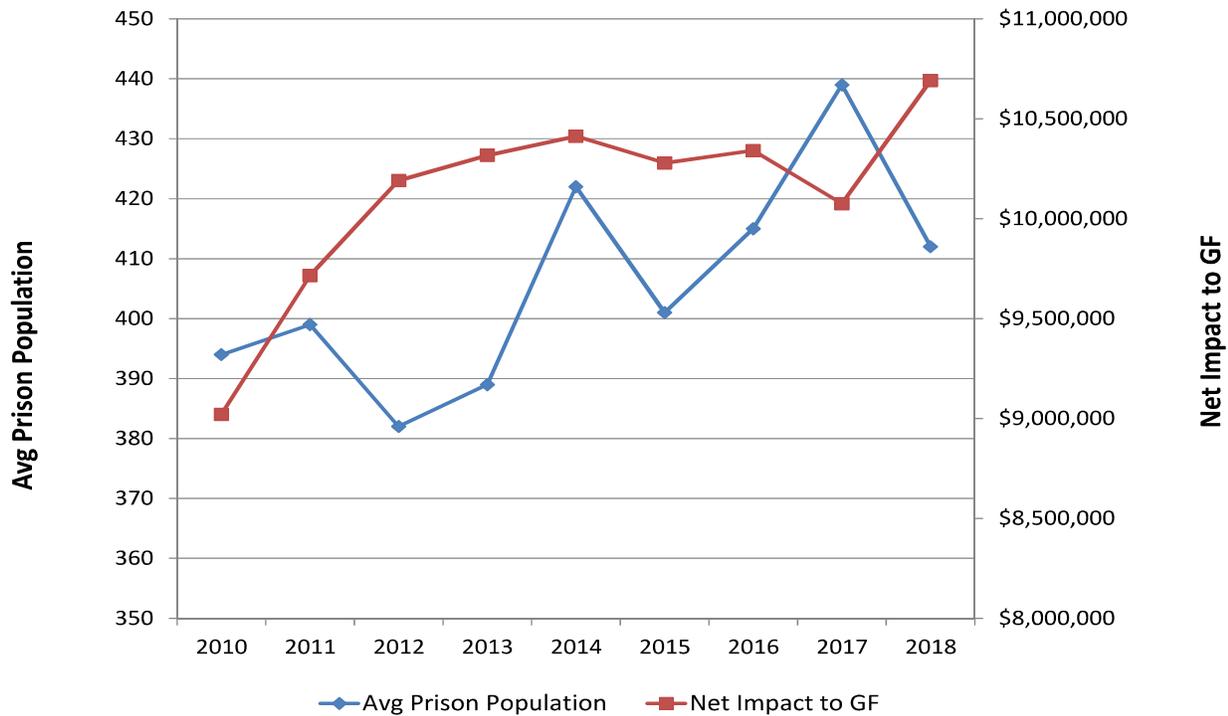
- Grants are decreasing \$381,066 due to a decrease in the IGT payment for the nursing home.
- IMTO is increasing \$475,108 due to the Microsoft Office upgrade.
- GIS is increasing \$184,863 due the pictometry project started in 2019.
- Courts, CASA, and Law Library are increasing \$369,850 due to the courtroom technology upgrades and an increase in salaries and benefits due to new positions added for the new 7th Commons Pleas Court.
- Planning is increasing \$224,767 due to an increase in award payments for projects that were delayed in 2017 and 2019.
- Debt retirement is decreasing \$701,959 due to the 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 because 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 transfer-out to the Capital Funds - Bonds Project for the P25 project.

General Fund Budget: Prison Charts

Prison Population



Prison Net Impact to General Fund



General Fund Projections 2020-2023

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. Below are the projections for 2020-2023. Each year we add 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.

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



Vincent T. DiFilippo — Jim Hertzler — Gary Eichelberger

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